FRASERS LOGISTICS & COMMERCIAL TRUST

AGILITY & TENACITY

ANNUAL REPORT 2020

A member of Frasers Property Group

FRASERS PROPERTY

▲ 3 Burilda Close, Wetherill Park, New South Wales, Australia

AGILITY & TENACITY

At Frasers Logistics & Commercial Trust, we believe that strong customer relationships, market scale and local expertise are critical success factors for our business. These factors provide us with a sustained competitive advantage, while placing us in a stronger position to generate long-term unitholder value. As we navigate through an uncertain operating environment, we must be agile and tenacious in order to deliver sustainable returns and long-term value.

We continue to strengthen our organisational culture and structure, ensuring quality and consistent systems and processes across our business. We demonstrate agility and tenacity by growing a well-diversified portfolio across asset classes and geographies, with earnings underpinned by a stable base of assets generating recurring income.

We will continue to evolve, reinvent and thrive as a multi-national business in the post COVID-19 world, as we remain committed to providing quality products, services and places that create value for our stakeholders.

CONTENTS

2 Important Notes & Glossary
4 About Frasers Logistics & Commercial Trust
6 Financial Highlights
8 Our Strategy
10 Letter to Unitholders
14 In Conversation with the CEO
19 Organisation Structure
19 Corporate Structure
20 Board of Directors
26 Management Team
30 Financial Review
33 Capital Management
36 Operational Review
44 Property Overview
56 Property Profiles
70 Investor Relations
73 Unit Price Performance
76 Independent Market Research Australia
85 Independent Market Research Germany
94 Independent Market Research The Netherlands
98 Independent Market Research Singapore
104 Independent Market Research The UK
110 Enterprise-Wide Risk Management
112 Sustainability Report
145 Corporate Governance Report
185 Financial Statements
293 Unitholders' Statistics
296 Interested Person Transactions
298 Notice of Annual General Meeting
Proxy Form

IMPORTANT NOTES:

1. Frasers Logistics & Commercial Trust ("FLCT") has adopted the Singapore Dollar as its functional currency with effect from 15 April 2020 following its merger with Frasers Commercial Trust ("FCOT"). Prior year results were based on the Australian Dollar translated at the 15 April 2020 exchange rate of A$1: $0.9016 used for conversion of the accounts to the Singapore Dollar

2. Unless otherwise stated, all portfolio information presented on Pages 4 – 144 of this annual report are as at 30 September 2020 and excludes a 50% interest in the property at 99 Sandstone Place, Parkinson, Queensland, Australia the ("Cold Storage Facility") which has been classified as "Investment Property Held for Sale" and the recognition of right-of-use assets upon the adoption of FRS116 *Leases* with effect from 1 October 2019

GLOSSARY

For ease of reading, this glossary provides definitions of acronyms that are frequently used throughout pages 2 – 75, 110 – 144 of this report.

3PL	Third-party logistics
ABS	Australian Bureau of Statistics
ACRA	Accounting and Corporate Regulatory Authority
AGM	Annual General Meeting
AM	Asset Management
ARCC	Audit, Risk and Compliance Committee
AUM	Assets under Management
Australian Dollar, A$ or AUD	The official currency of Australia
BCM	Business Continuity Management
Board	Board of Directors of the REIT Manager
Brexit	Withdrawal of the United Kingdom from the European Union
British Pound, £ or GBP	The official currency of the United Kingdom
CBD	Central Business District
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG Code	Code of Corporate Governance 2018
CIS Code	The Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
Cold Storage Facility	The property at 99 Sandstone Place, Parkinson, Queensland, Australia
COVID-19	Coronavirus Disease 2019
CPF	Central Provident Fund
CPI	Consumer Price Index
DPU	Distribution per Unit
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EGM	Extraordinary General Meeting
ESG	Environmental, Social and Governance
ERM	Enterprise-wide Risk Management
Euro, € or EUR	The official currency of the European Union
Frasers Property/ FPL/Sponsor	Frasers Property Limited, the Sponsor of Frasers Logistics & Commercial Trust
FCOT	Frasers Commercial Trust
FLCT	Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & industrial Trust ("FLT"))
Freehold	A property with a freehold title can be held by its owner indefinitely
FRS	Singapore Financial Reporting Standards
FTSE EPRA/NAREIT Index	A free-float adjusted, market capitalisation-weighted index designed to track the performance of listed real estate companies worldwide
FTSE ST Index	FTSE Straits Times Index, a capitalisation-weighted stock market index that is regarded as the benchmark index for the Singapore stock market. It tracks the performance of the top 30 companies listed on the Singapore Exchange
FTSE ST REIT Index	A free-float, market capitalisation-weighted index that measures the performance of stocks operating within the REIT Sector
Functional Currency	The main currency used by FLCT for reporting purposes
FY	Financial Year. FY2020 refers to the period from 1 October 2019 to 30 September 2020
GBCA	Green Building Council of Australia
GDP	Gross Domestic Product
GHG	Green House Gas
GIY	Gross Initial Yield
GST	Good and Services Tax

Green Star	A sustainability rating system and certification trademark by the GBCA
Green Loans	Loans used specifically to finance green or sustainable projects
GRESB	Global Real Estate Sustainability Benchmark, the global ESG benchmark for real estate
GRI	Gross Rental Income
GRI Standards	Global Reporting Initiative Standards
ID	Independent Director
IPO	Initial Public Offering
IVE Facility	The property at 75-79 Canterbury Road, Braeside, Victoria, Australia
IR	Investor Relations
KRI	Key Risk Indicator
Leasehold	A property with a leasehold title reverts to the state upon expiry of the lease period. The period of ownership is fixed and determined
Lettable Area	Leasable Area which is the amount of floor space available to be rented in a property
Leverage	Calculated by dividing total debt by total deposited property
Leverage Limit	The leverage limit stipulated by the CIS Code governed by the MAS. In April 2020, the aggregate leverage limit was raised to 50% from the previous limit of 45%
Listing	Refers to the listing of FLT on the SGX-ST in June 2016
Listing Rules	The Listing Manual of SGX-ST
MAS	Monetary Authority of Singapore
Maxis Business Park	Maxis Business Park, Bracknell, the UK
MTI	Ministry of Transport and Industry, Singapore
Merger	The merger of FLT and FCOT which was effective from 15 April 2020
MOA	Manual of Authority
NAB	National Australia Bank
NPI	Net Property Income
NRC	Nominating and Remuneration Committee
Property Funds Appendix	Appendix 6 of the CIS Code
Q-o-Q	Quarter-on-quarter
RAP 7	Recommended Accounting Practice 7 Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants
RBA	Reserve Bank of Australia
REIT	Real Estate Investment Trust
REIT Manager	Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.) as the Manager of FLCT
REITAS	REIT Association of Singapore
ROFR	Right-of-First-Refusal
RUP	FLCT's Restricted Unit Plan
SIAS	Securities Investors Association of Singapore
SFA	Securities and Futures Act, Chapter 289 of Singapore
SFLCB Regulations	Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations
SGX-ST	Singapore Exchange Securities Trading Ltd
SID	Singapore Institute of Directors
Singapore Dollar, $ or SGD	The official currency of Singapore and the functional currency of Frasers Logistics & Commercial Trust
Sqm	Square metre
Sqft	Square feet
S-REIT	Singapore-listed REIT
SSC	Sustainability Steering Committee
TCFD	Task Force on Climate-Related Financial Disclosures
Trust Deed	The Trust Deed constituting FLCT between the REIT Manager and the Trustee dated 30 November 2015 (as amended)
Trustee	Perpetual (Asia) Limited, as trustee of FLCT
UK	The United Kingdom
Unit(s)	An undivided interest in FLCT as provided for in the Trust Deed
UNSDG	United Nations Sustainability Development Goals
Unitholder(s)	The Depositor whose securities account with CDP is credited with Unit(s)
WALB	Weighted Average Lease to Break. The weighted average lease to break by headline rent based on the earlier of the next permissible break date(s) at the tenants election or the expiry of the lease
WALE	Weighted Average Lease to Expiry. The weighted average lease to expiry by headline rent based on the final termination date of the agreement
Y-o-Y	Year-on-year
YTD	Year-to-date

ABOUT **FRASERS LOGISTICS & COMMERCIAL TRUST**

FLCT is a Singapore-listed real estate investment trust with a portfolio comprising 100 industrial and commercial properties, worth approximately $6.2 billion, diversified across five developed countries – Australia, Germany, Singapore, the United Kingdom ("UK") and the Netherlands as at 30 September 2020. FLCT was listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 June 2016 as Frasers Logistics & Industrial Trust ("FLT") and was subsequently renamed FLCT on 29 April 2020 following the completion of a merger with FCOT.

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 central business district ("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 UK).

FLCT is managed by Frasers Logistics & Commercial Asset Management Pte. Ltd. (the "REIT Manager" or the "Manager"), a wholly-owned subsidiary of FLCT's sponsor – Frasers Property Limited ("Frasers Property", "FPL" or the "Sponsor", and together with its subsidiaries, the "Group").

Frasers Property is a multi-national developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the Group has total assets of approximately $38.7 billion as at 30 September 2020.

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 and 20 countries 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 and FLCT 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 industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial 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 to deliver value in its multiple asset classes.

▲ 11 Gibbon Road, Winston Hills, New South Wales, Australia


▲ 17 Hudson Court, Keysborough, Victoria, Australia

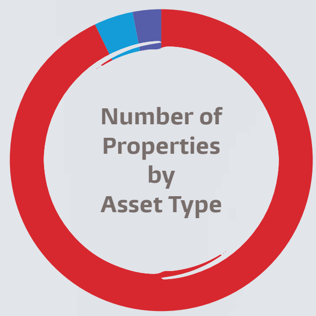
▲ Elbestraße 1-3, Marl, Germany

▲ Alexandra Technopark, Singapore

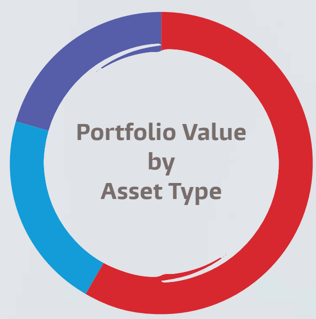

▲ Maxis Business Park, Bracknell, Thames Valley, the UK

A Flagship Logistics and Commercial Portfolio in Five Developed Countries

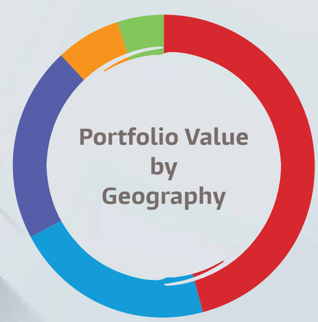
100 Properties Across 5 Countries	**$6.2 b** Portfolio Value
97.5% High Occupancy Rate[1]	**4.9 years** Long WALE[1]



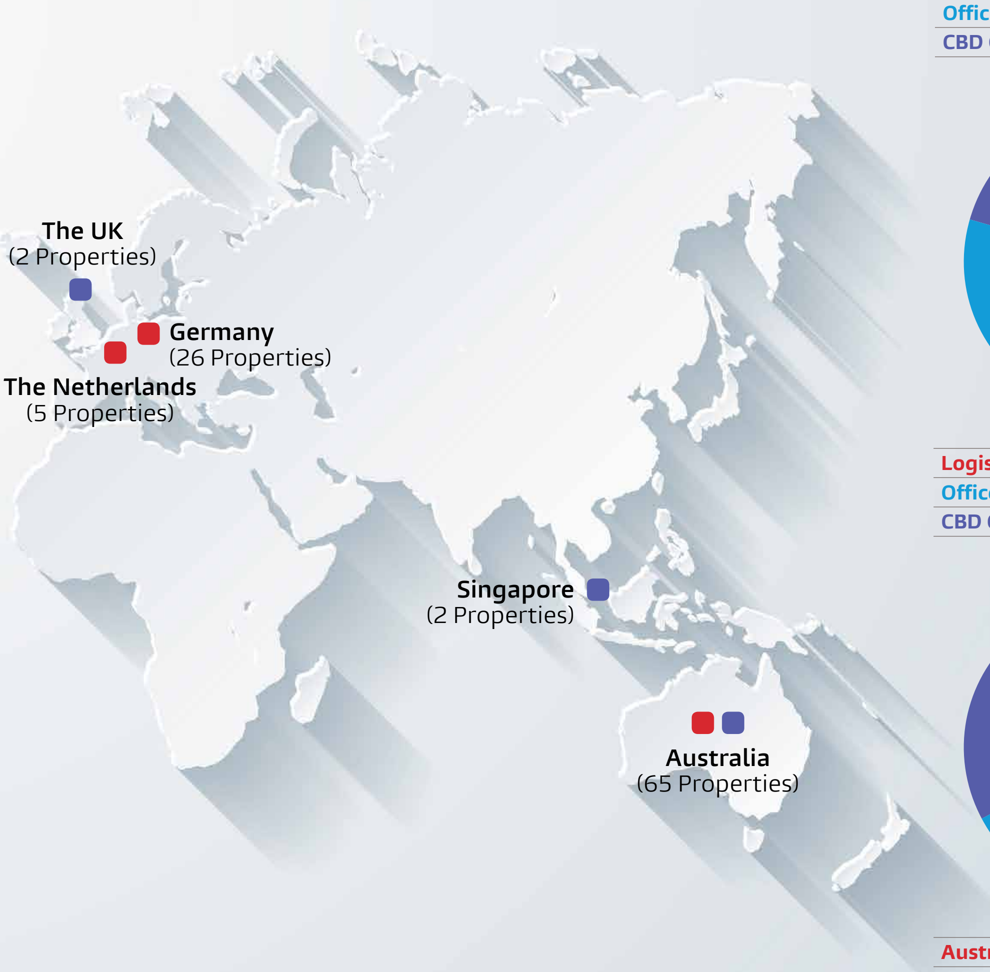
	Properties
Logistics and Industrial	93
Office and Business Parks	4
CBD Commercial	3



Logistics and Industrial	58.6%
Office and Business Parks	21.0%
CBD Commercial	20.4%



Australia	46.5%
Germany	21.3%
Singapore	20.5%
The UK	7.0%
The Netherlands	4.7%



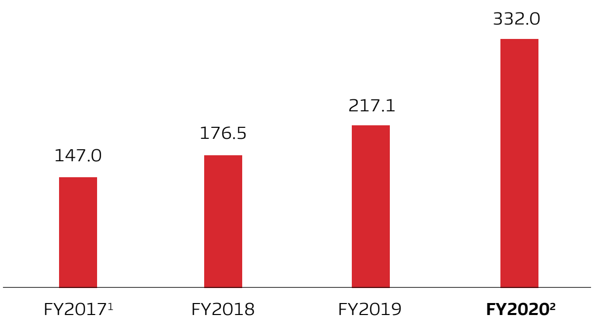
Logistics and Industrial

Office and Business Parks/CBD Commercial

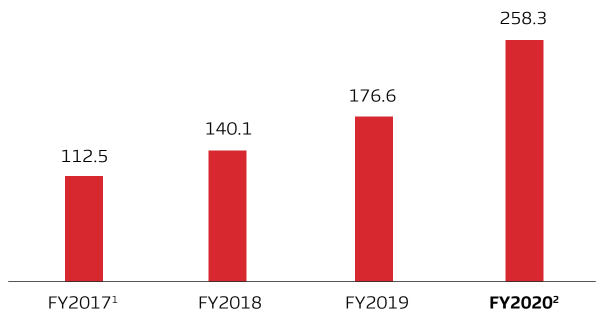
1 Based on gross rental income ("GRI"), being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases

FINANCIAL HIGHLIGHTS

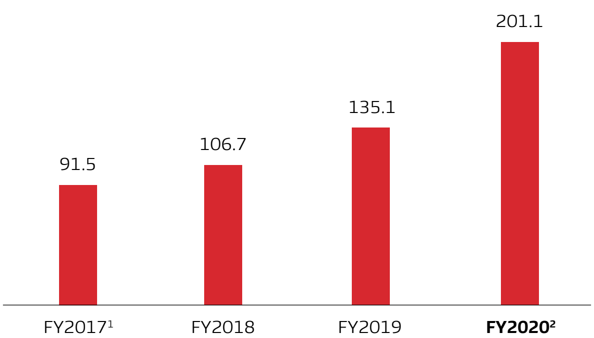
Revenue ($ million)



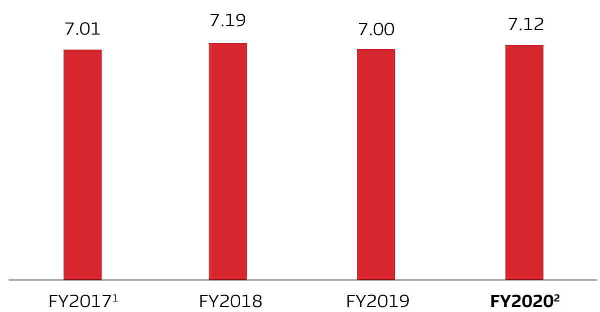
Adjusted net property income[3] ($ million)



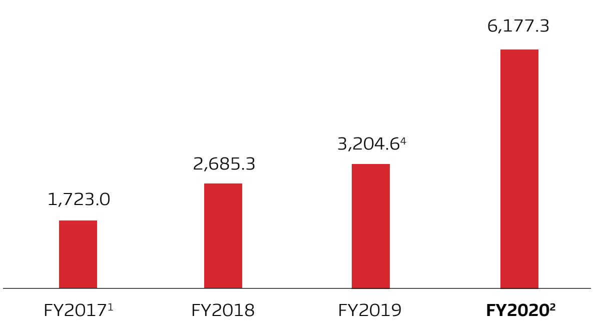
Distributable income ($ million)



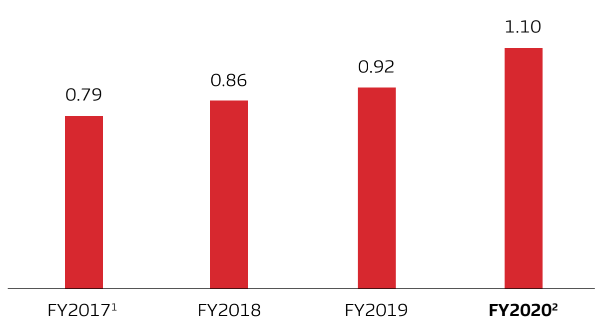
Distribution per unit (cents)



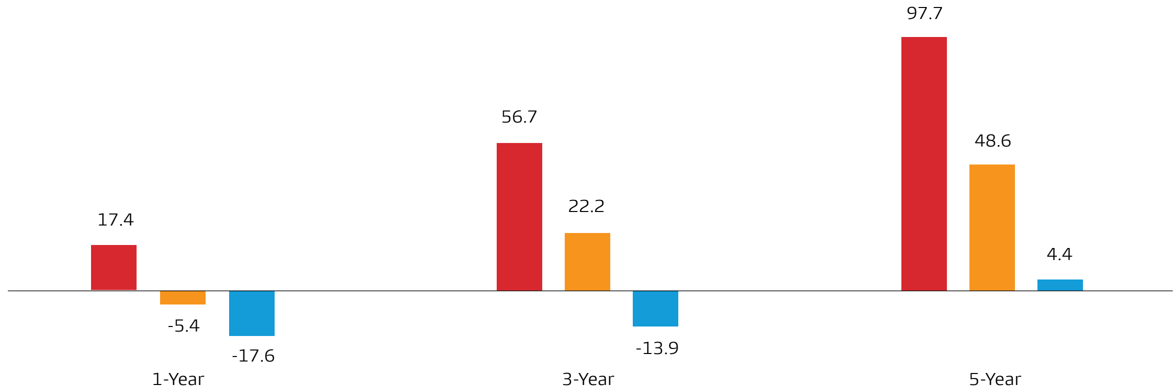
Portfolio value ($ million)



Net asset value per unit ($)



Total Return[5] (%)



	FY2017[1]	FY2018	FY2019	**FY2020[2]**
Selected balance sheet data				
Total assets ($ million)	1,781.9	2,790.6	3,353.1	6,734.6
Total gross borrowings ($ million)	523.0	965.1	1,121.5	2,454.3
Unitholders' funds ($ million)	1,206.0	1,735.1	2,086.2	3,770.5
Market capitalisation[6] ($ million)	1,617.3[7]	2,154.9[8]	2,788.6[9]	4,744.4
Key financial indicators				
Aggregate leverage[10] (%)	29.3	34.6	33.4	37.4
Average weighted debt maturity (years)	2.9	2.9	3.2	3.0[11]
Average cost of borrowings[12] (% per annum)	2.8	2.5	2.2	1.9

1 For the purpose of comparison, the comparative FY2017 figures are an aggregate of the 1QFY2017, 2QFY2017, 3QFY2017 and 4QFY2017 extracted from Paragraph 1 of FLCT's Financial Statements Announcement dated 3 February 2017, 5 May 2017, 28 July 2017 and 2 November 2017, respectively
2 Includes FCOT with effect from 15 April 2020 following the merger of FLT and FCOT which was effective from 15 April 2020 ("Merger")
3 FY2020 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. FY2017, FY2018 and FY2019 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
4 Excludes 610 Heatherton Road, Clayton South, Victoria, Australia which is classified as "Investment Property Held for Sale"
5 Source: Bloomberg LLP. Assumes dividends are reinvested. The 1-year and 3-year returns are up to 30 September 2020. The 5-year returns are for period from the date of FLCT's listing up to 30 September 2020
6 Based on the closing price and number of issued units in FLCT ("Units") as at the last trading of day of the respective financial year. Source: Bloomberg
7 On 6 July 2017, 78.0 million new Units were issued via private placement which raised gross proceeds of approximately $78.8 million. The net proceeds were fully deployed to partially fund the portfolio acquisition of seven industrial properties located in Australia, comprising four completed properties and three development properties
8 On 21 May 2018, 333.2 million new Units were issued via private placement which raised gross proceeds of approximately $328.9 million. On 11 June 2018, 152.2 milion new Units were issued via preferential offering which raised gross proceeds of approximately $147.1 million. Total gross proceeds from both the private placement and the preferential offering were used to partially fund the portfolio acquisition of 17 industrial properties located in Germany and four properties located in the Netherlands
9 On 8 August 2019, 220.0 million new Units were issued via private placement which raised gross proceeds of approximately $258.1 million. Total gross proceeds were used to fully fund the acquisition of nine industrial properties located in Germany and three properties located in Australia
10 The impact of FRS 116 *Leases* (adopted with effect from 1 October 2019) has been excluded for the purpose of computing the aggregate leverage ratio
11 In October 2020, $64.0 million borrowings have been refinanced from FY2021 to FY2026, extending the average weighted debt maturity from 3.0 years to 3.2 years
12 Based on trailing 12 months borrowing cost (including FCOT from date of completion of Merger). Excluding upfront debt related expenses

OUR STRATEGY

Harnessing our competitive advantages and a four-pronged approach to create long-term value and deliver sustainable returns

OUR COMPETITIVE ADVANTAGES

QUALITY PORTFOLIO AND STRONG PROPERTY FUNDAMENTALS

- Portfolio of prime logistics and industrial properties, as well as well-located and quality commercial properties
- Structural trends supporting long-term growth prospects in the logistics and industrial sector
- Demand for high-quality suburban business space and opportunities from emerging trends

HEALTHY FINANCIALS

- Strong balance sheet with diversified sources of funding providing financial flexibility to pursue growth opportunities

EXPERIENCED MANAGER

- Experienced management team with a wealth of experience in real estate, investments, asset management and finance

STRONG SPONSOR WITH ALIGNMENT OF INTEREST

- Leveraging on Frasers Property's extensive network, including a Right-of-First-Refusal ("ROFR") pipeline of more than $5 billion. The Sponsor's stake of approximately 22% in FLCT demonstrates commitment to the REIT and alignment of interest with unitholders

PROVEN TRACK RECORD

- ~$4.4 billion[1] in accretive acquisitions to-date since IPO in June 2016
- $414.2 million in strategic divestments, all at premiums to book value

OUR APPROACH FOR VALUE CREATION

ACTIVE ASSET MANAGEMENT AND ASSET ENHANCEMENT INITIATIVES

- Manage leases proactively to maintain healthy occupancy, high tenant retention rates and reduce lease expiry concentration risks
- Reposition/enhance properties through asset enhancement initiatives to unlock value
- Review the portfolio continuously to maximise returns, including asset recycling
- Incorporate green features, designs and initiatives where possible to improve environmental performance and enhance properties' appeal to tenants

SELECTIVE DEVELOPMENT

- Selectively develop properties complementary to the existing portfolio, either jointly or on our own, including greenfield and built-to-suit developments and subsequent acquisitions deemed complementary to the existing portfolio
- Re-develop existing assets and leverage on the Sponsor's development pipeline and expertise
- Incorporate sustainability initiatives within designs in the development

1 Includes the FCOT portfolio of approximately $2.4 billion as at 30 June 2020 and based on 100% interest in Farnborough Business Park
2 Based on the DPU of 7.12 Singapore cents for FY2020 and the closing price of FLCT as at 30 September 2020 of $1.39. Source: Bloomberg LLP
3 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020 Excluding straight lining rental adjustments and include committed leases
4 On 3 August 2020, FLCT announced the divestment of the remaining 50% stake in the Cold Storage Facility for A$152.5 million (approximately $150.5 million), representing a 12.2% premium to book value of the property of A$135.9 million ($134.2 million) as at 30 June 2020, and translated based on an assumed exchange rate of A$1: $0.9872
5 Source: Bloomberg LLP. Based on the market capitalisation as at 30 September 2020 and 30 September 2019

ACCRETIVE ACQUISITIONS

- Strategic acquisitions of quality properties with attractive cash flows and yields in line with FLCT's investment mandate
- Leverage on the Sponsor's ROFR pipeline and identify third-party opportunities for growth

PRUDENT CAPITAL AND RISK MANAGEMENT

- Maintain a healthy balance sheet and well-spread debt expiry profile with diverse funding sources
- Optimise capital structure and maintain sufficient financial flexibility to pursue growth opportunities
- Manage foreign exchange risks through natural hedges and hedge distributions on a rolling six-month basis
- At least 50% borrowings are at or hedged to fixed interest rates

FY2020 KEY HIGHLIGHTS

FINANCIAL AND TRADING PERFORMANCE

Distributable income
$201.1 million
Up 48.8% Y-o-Y

DPU
7.12 cents
Up 1.7% Y-o-Y

Dividend yield[2]
5.1%

ASSET MANAGEMENT

Portfolio value
$6.2 billion
High-quality properties in developed countries

Occupancy rate
97.5%
High portfolio occupancy[3]

WALE
4.9 years
Long WALE[3]

New leases and renewals
267,996 sqm
10.5% of portfolio lettable area

Top-10 tenants as a % of GRI
23.6%
Well-diversified[3]

Divestment at
12.2%
Premium to property book value[4]

ACCRETIVE ACQUISITIONS

Rank
#7 in S-REIT Universe
following landmark Merger with FCOT, from #15 a year ago[5]

Strategic acquisitions
$143.2 million
Two freehold properties acquired on 12 August 2020[6]

CAPITAL MANAGEMENT

Aggregate leverage
37.4%

Interest coverage ratio[7]
6.4 times

Average cost of borrowings
1.9%

SUSTAINABILITY

GRESB
Global Sector Leader
Listed Industrial for the third consecutive year[8]

greenstar
Highest Green Star
performance-rated industrial portfolio in Australia

$660 million
Sustainability-linked credit facilities[9]

6 Based on the agreed property values of the property at 75-79 Canterbury Road, Braeside, Victoria, Australia ("IVE Facility") and Maxis Business Park, Bracknell, the UK ("Maxis Business Park") acquired on 12 August 2020 of A$22.5 million and £67.3 million, respectively, and translated based on assumed exchange rates of A$1: $0.9872 and £1: $1.7969, respectively
7 As defined in the Code on Collective Investment Schemes ("CIS Code") revised by the Monetary Authority of Singapore ("MAS") on 16 April 2020 and clarified on 29 May 2020 and computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation and interest income), over trailing 12 months borrowing costs. Borrowing costs include effects of FRS 116 *Leases*
8 The results of the 2020 Real Estate Assessment by GRESB was announced on 16 November 2020
9 The credit facilities are structured such that FLCT enjoys an interest margin reduction if pre-determined sustainability targets are achieved

MR HO HON CHEONG

Chairman and Independent
Non-Executive Director

LETTER TO UNITHOLDERS

DEAR UNITHOLDERS,

On behalf of the Board of Directors, I am pleased to present FLCT's annual report for FY2020.

FY2020: A PIVOTAL YEAR

In FY2020, we entered into a new chapter of our growth journey through the transformational Merger of FLT with FCOT to form FLCT in late April 2020. This landmark Merger has resulted in FLCT becoming the seventh[1] largest S-REIT with a market capitalisation of approximately $4.7 billion and a $6.2 billion portfolio of 100 prime properties in five developed countries as at 30 September 2020. The Merger also broadened our investment mandate and provided opportunities for both growth and value creation opportunities across the logistics, industrial and commercial sectors[2].

Following the Merger, we moved swiftly to expand in the UK and Australia, first in late April 2020 by acquiring the remaining 50% stake not already held by FCOT in Farnborough Business Park, and subsequently with the acquisition of two modern and high-quality properties – a logistics facility in Melbourne, Australia, and Maxis Business Park in the UK – from our Sponsor, in August 2020. In line with our active asset management approach, we also announced in August 2020 the divestment of our remaining 50% interest in the Cold Storage Facility at an attractive 12.2% premium to the book value of the property[3].

DELIVERING STRONG GROWTH IN THE FACE OF COVID-19

In the face of a challenging year, we were able to leverage the strength of our enlarged portfolio of high-quality properties and our management capabilities to achieve a 1.7% growth in DPU to 7.12 Singapore cents for FY2020, representing a DPU yield of 5.1% based on the closing price of $1.39 per unit on 30 September 2020, notwithstanding the volatile market conditions and disruption to global economies and businesses arising from the COVID-19 pandemic.

The higher DPU was achieved on the back of a record $332.0 million in gross revenue, which rose 53.0% from $217.1 million in FY2019. FLCT's performance demonstrates the strength and resilience of our portfolio in a challenging global macroeconomic landscape brought about by the onset of the COVID-19 pandemic, Brexit concerns and US-China trade tensions.

With the dynamic situation and ongoing uncertainties, we continued to work closely with our tenants to support them through this challenging operating environment. Mandatory rental waivers provided to qualifying tenants and provisions made amounted to $5.7 million, with our support rendered beyond that mandated by the authorities. In addition, we also provided support in the form of rental deferment and lease restructuring to tenants. Notwithstanding the disruptions and impacts brought about by the pandemic, we were able to deliver a sound financial performance, with distributable income of $201.1 million in FY2020, a 48.8% increase from $135.1 million in FY2019.

The higher value of the investment properties of $6.2 million as at 30 September 2020 contributed to a higher net asset value of $1.10 per unit, up 19.6% from $0.92 per unit as at 30 September 2019. While valuations for CBD commercial properties were lower as a result of softer leasing markets, valuations for industrial assets remained robust as capitalisation rates continued to tighten, reflecting the resilience of the industrial sector.

A WELL-MANAGED, HIGH-QUALITY PORTFOLIO UNDERPINS OUR RESILIENT PERFORMANCE

Our portfolio of 100 high-quality assets across Australia, Germany, Singapore, the UK and the Netherlands, provides FLCT stability through both asset class and geographical diversification. Demonstrating our asset management expertise in proactive lease renewals and tenant portfolio optimisation, we ended FY2020 with a portfolio occupancy rate of 97.5%[4] and WALE of 4.9 years[4]. We completed 64 lease transactions for 267,996 sqm or 10.5% of total portfolio lettable area during the financial year[5].

1 Source: Bloomberg LLP. Based on market capitalisation as at 30 September 2020
2 Investment mandate now includes logistics and industrial, CBD commercial, and office and business parks sectors
3 Based on the book value of the property of A$135.9 million ($134.2 million) as at 30 June 2020, and translated based on an assumed exchange rate of A$1: $0.9872
4 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases
5 Includes all commercial leasing activity for the period from 1 October 2019 to 30 September 2020

Our 93 prime logistics and industrial assets in Australia and Europe are supported by strong fundamentals with a long WALE of 5.5 years and are fully occupied. Our seven high-quality commercial assets in Singapore, Australia and the UK achieved a healthy WALE of 4.2 years and occupancy rate of 94.3%.

As a testament to the strength of our customer relationships which we have built with our tenants over the years, FY2020 lease renewals reflected a healthy 88.7% tenant retention rate on a lettable area basis.

PRESENCE IN MAJOR MARKETS WITH LONG-TERM GROWTH FUNDAMENTALS

Businesses and economies were significantly affected by the COVID-19 pandemic and lockdown measures imposed by various local authorities. While the markets where FLCT's properties are located were impacted at the onset of the pandemic, their economies have begun to show some initial signs of recovery. The operating environment is expected to remain challenging in the months ahead as the situation remains dynamic with continued uncertainties.

In Australia, the Reserve Bank of Australia expects GDP to contract by around 4% in 2020, and forecasts GDP to grow by 5% over 2021 and 4% in 2022[6]. In Singapore, the Ministry of Trade and Industry expects GDP to contract between 6.5% and 6.0% in 2020[7]. Over in Europe, the German[8], British[9] and Dutch[10] economies are expected to contract in 2020, with growth forecast in the next year.

According to Jones Lang LaSalle[11], the Australian logistics and industrial sector remains one of the most sought-after sectors by investors and has very strong property fundamentals, including low vacancies, limited speculative development activity, relatively strong occupier demand and growing investor appetite. All these will continue to drive the resilience of this sector going forward.

According to Colliers International[8], the top eight industrial and logistics markets in Germany remain robust notwithstanding the challenging market situation with a take-up of around 2.0 million sqm in the first nine months of 2020 ("9M2020"), up 8% compared to the same period in the previous year. In the Netherlands, Colliers International[10] reported that the take-up in 9M2020 of 3.5 million sqm were mainly driven by e-commerce, pharmacy/medical and food sectors. In the Australian, German and Dutch industrial and logistics markets, the proliferation of e-commerce continues to drive demand for fulfilment centres and growth of third-party logistics. This has translated to increased demand for logistics and industrial assets, especially in Germany which continues to be limited by short supply of well-located quality properties[8].

Physical occupancy in the commercial portfolio have been impacted by the lockdown measures imposed by various local authorities, although some of these containment restrictions have gradually eased, allowing more people to return to workplaces. While the impact of the COVID-19 pandemic may redefine future office demand and working spaces in the longer term considering social distancing measures and business continuity plans, any longer-trends are yet to be determined as the situation is still evolving. CBRE[12] reported that physical offices continue to be pertinent for employees to connect and collaborate while the 'hub-and-spoke' model of having front facing working spaces in the CBD and back-end operations in decentralised locations may contribute to the demand for CBD office and decentralised locations. According to Knight Frank Research[9], decentralised office locations could form an important part of businesses' contingency plan in the future. We will continue to monitor these emerging trends in the meantime.

SUSTAINABILITY EFFORTS DELIVERING RESULTS

We remain committed to conducting our business in "A Different Way", a progressive sustainability strategy that focuses on people and restoring resources in a sustainable and environmentally friendly manner. Our vision is to own and manage properties that are resource friendly and provide healthier workplaces for our customers and team.

6 "Statement of Monetary Policy Decision", Reserve Bank of Australia, 5 November 2020
7 "MTI Forecasts GDP Growth of "-6.5 to -6.0 Per cent" in 2020 and "+4.0 to +6.0 Per Cent" in 2021, Ministry of Trade and Industry, Singapore, 23 November 2020
8 "Industrial & Logistics Leasing & Investment Market: Germany", Colliers International, 3Q2020
9 "Independent Market Report: South East Office Market", Knight Frank, October 2020
10 "Industrial & Logistics Leasing & Investment Market: The Netherlands", Colliers International, 3Q2020
11 "Australian Independent Industrial Market Report", Jones Lang LaSalle, 3Q2020
12 "Singapore Office, Hi-Tech (B1) and Busines Park Market Overview", CBRE, 3Q2020

We were named 'Industrial - Global Listed Sector Leader' by GRESB for the third consecutive year[13], a testament to our commitment towards environmental sustainability. In addition, we achieved an overall 4 Star Green Star rating from the Green Building Council Australia. Our properties were also the first to achieve the 6 Star Green Star ratings for industrial facilities in New South Wales, Victoria and Queensland, retaining our lead as the highest Green Star performance-rated industrial portfolio in Australia.

During the financial year, we structured our new borrowings in the form of sustainability-linked loans, in line with our focus and commitment towards sustainable development. We put in place a total of $660 million of sustainability-linked credit facilities which were deployed to finance the Merger and the acquisition of the remaining 50% interest in Farnborough Business Park in April 2020 and to refinance maturing debts. These sustainability-linked credit facilities are in addition to green loans issued in the prior year.

WELL POSITIONED FOR FUTURE GROWTH

Our prudent approach to capital management and maintenance of a robust balance sheet have positioned us well, providing financial flexibility to meet the needs of our future growth.

Based on our aggregate leverage of 37.4% as at 30 September 2020, we have a debt headroom of $1.7 billion[14]. Together with our strong interest coverage of 6.4 times, we remain well-positioned with access to more than $5.0 billion of quality assets held by our Sponsor through a ROFR agreement, as well as potential growth through third-party acquisitions. Selectively developing properties complementary to FLCT's existing portfolio, either jointly or on our own, or re-developing existing properties and leveraging on the Sponsor's development pipeline are also avenues of growth for the REIT.

Furthermore, FLCT is expected to benefit from organic growth from leasing up the commercial portfolio and fixed annual increments and CPI-linked indexation embedded in the industrial and logistics portfolio. The merger with FCOT had expanded FLCT's investment mandate and enhanced the portfolio diversification, while providing opportunities to grow across both sectors.

ACKNOWLEDGEMENTS

We are an experienced and diverse Board and we understand that Board independence, strong governance, ethics and trust are paramount to delivering our fiduciary responsibilities.

With a larger portfolio, following the merger, we enhanced the Board with the appointment of Mr Chin Yoke Choong and Ms Soh Onn Cheng Margaret Jane as Independent Non-Executive Directors, and Mr Reinfried Helmut Otter (Reini Otter) as Non-Executive Non-Independent Director of the REIT Manager. The directors' extensive industry experience and knowledge adds to the strength and diversity of the Board which are invaluable in the formulation of strategies and direction of FLCT. With these appointments, the Board now has a higher proportion of independent directors, comprising five independent and non-executive directors, out of a total of nine directors.

On behalf of the Board, I would like to thank all employees for their passion, commitment and valuable contributions over the past year. To my fellow board members, our tenants, suppliers and partners, thank you for your continued support and friendship; together we will continue to find a way through this challenging period. I would like to especially thank the Sponsor for their continued support.

I must also thank our unitholders for supporting the Merger. Your support and confidence in the Board and REIT management team have allowed us to deliver a milestone transaction and resilient performance in FY2020. We are now better positioned in terms of scale, capital structure and portfolio quality to take FLCT to greater heights.

Mr Ho Hon Cheong
Chairman and Independent
Non-Executive Director

13 The results of the 2020 Real Estate Assessment by GRESB was announced on 24 November 2020
14 Prior to reaching the 50.0% regulatory aggregate leverage limit

ROBERT WALLACE
Chief Executive Officer

IN CONVERSATION WITH THE **CEO**

Robert Wallace, Chief Executive Officer of the REIT Manager, shares his views on the events that defined FLCT's performance in FY2020 and the REIT Manager's long-term strategy for sustainable growth.

Q WHAT WERE SOME DEFINING MOMENTS FOR FLCT IN FY2020?

A FY2020 was a pivotal year for FLCT where a number of significant milestones were recorded. In December 2019, we announced the transformational Merger of FLT with its sister REIT, FCOT, to create FLCT. We were encouraged by the overwhelming support of our unitholders, with 99.9% of votes cast in favour of the Merger, providing us with a strong mandate to establish the seventh[1] largest S-REIT in Singapore with a market capitalisation of $4.7 billion as at 30 September 2020. Following the completion of this landmark Merger in April 2020, FLCT now owns a $6.2 billion portfolio of 100 prime properties with greater diversification across three property sub-sectors (logistics and industrial, CBD commercial, and office and business parks) and across five countries that include Australia, Germany, Singapore, the UK and the Netherlands.

Leveraging our broadened investment mandate, we sought to strengthen FLCT's foothold in the attractive UK business park market. We started with the acquisition of the remaining 50% stake in Farnborough Business Park, not already held by FCOT, on 30 April 2020. Subsequent to that acquisition, in August 2020, we acquired two high-quality properties at an agreed property value of $143.2 million[2] from our Sponsor, comprising a prime-grade logistics facility in Melbourne's south-east and Maxis Business Park in the UK's Thames Valley. These two new acquisitions are a strategic fit with our existing portfolio and our expanded mandate, being prime grade properties with excellent connectivity and strong tenants.

As part of our focus on active portfolio management, we announced the divestment of the remaining 50% interest in the Cold Storage Facility for A$152.5 million (approximately $150.5 million) in August 2020. The sale price represents a 12.2% premium to the book value of the property[3] and is 13.6% higher than the divestment value of the initial 50% interest in July 2019. The proceeds from this divestment which was completed in end November 2020 provides FLCT with greater financial flexibility.

Operationally, it was a busy year for our leasing teams. We completed 267,996 sqm of leasing, with a strong leasing performance delivered amid the COVID-19 pandemic across our logistics and commercial portfolio, enabling a high portfolio occupancy of 97.5%[4] as at 30 September 2020. With 37 out of the 64 leasing deals being a renewal of tenancy, the tenant retention rate in FY2020 on a lettable area basis was high at approximately 88.7%.

Our enlarged capital base following the Merger also increased FLCT's weightage in the FTSE EPRA/NAREIT Global Developed Index. With greater prominence and stronger fundamentals, we saw an increase in FLCT's trading liquidity[5], and an expansion in the number of research houses covering FLCT, growing from five a year ago to eight[6] as of 30 September 2020. Subsequent to the financial year-end, Daiwa Capital Markets also initiated coverage on FLCT in October 2020, bringing the total number of research houses to nine.

Notwithstanding the uncertainties and market challenges brought about by the COVID-19 pandemic, our high-quality portfolio, together with our active portfolio management approach have enabled FLCT to deliver a commendable performance in FY2020, ending the period with a distributable income of $201.1 million and a DPU of 7.12 cents.

1 Source: Bloomberg LLP. Based on the market capitalisation as at 30 September 2020
2 Based on agreed property values of A$22.5 million and £67.3 million of the IVE Facility and Maxis Business Park, respectively, and translated based on assumed exchange rates of A$1: $0.9872 and £1: $1.7969, respectively
3 Based on the book value of the property of A$135.9 million ($134.2 million) as at 30 June 2020, and translated based on an assumed exchange rate of A$1: 0.9872
4 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases
5 Source: Bloomberg LLP. Daily average trading daily volume of 11.3 million Units following the Merger up to 30 September 2020 as compared with 9.1 million Units from 1 October 2019 prior to the Merger
6 In FY2020, HSBC Global Research, Macquarie Securities and Morningstar Equity Research initiated research coverage on FLCT

Q COULD YOU ELABORATE ON THE ATTRIBUTES OF THE MARKETS IN WHICH YOU OPERATE? ARE YOU LOOKING TO ENTER ANY NEW MARKETS?

A We have a strong presence in five countries across three continents. Each of these five markets has presented strong investment fundamentals over the years, underpinned by both robust economies and consumer spending and favourable real estate demand-supply dynamics in the logistics and industrial as well as commercial sectors.

In Australia, we continue to focus on the eastern seaboard, in particular the three major capital cities of Sydney, Melbourne and Brisbane, as a result of the strength and depth of those logistics markets. The eastern seaboard continues to see strong demand for logistics space, driven by the unprecedented growth of e-commerce and third-party logistics players. As outlined above, testament to our confidence in the market, we acquired the IVE Facility, a 14,263 sqm prime grade logistics asset in Melbourne in August 2020. According to Jones Lang LaSalle[7], the sector recorded a take-up of 777,533 sqm over the first nine months of 2020, 38% higher than the 2019 total, reflecting the robust demand and resilience of the sector.

According to Colliers International[8], in Germany, the proliferation of e-commerce and sustained growth of the automotive industry and logistics sector continue to drive demand for storage space as well as demand for last-mile locations and couriers, express and parcel services. The top eight industrial and logistics real estate market in Germany generated a solid take-up of around 2.0 million sqm in the first nine months of 2020, an 8% increase over the same period in the previous year. Asset prices continue to appreciate due to supply constraints for quality logistic space and a lack of suitable development sites.

Colliers International[9] reported that the logistics market in the Netherlands remains stable and continues to perform well despite the impact of the COVID-19 pandemic. Take-up volume of industrial and logistics space, albeit lower year-on-year, was almost 3.5 million sqm in the first nine months. The country remains a safe investment haven for investors given its stable political outlook, good infrastructure and strategic location within Europe. Similar to Germany and Australia, the Netherlands continues to see rapid growth in e-commerce which has increased the demand for logistics space.

On the commercial front, our portfolio of three high-grade office properties in Australia comprising Caroline Chisholm Centre in Canberra, 357 Collins Street in Melbourne as well as a 50% ownership of Central Park in Perth, has remained broadly resilient, underpinned by stable occupancy and strong tenant covenants such as the Commonwealth of Australia, Rio Tinto and the Commonwealth Bank of Australia. In Singapore, the office component of Cross Street Exchange and Alexandra Technopark have also remained broadly resilient.

In the UK, we remain focused on business park assets given their overall stable performance. We have confidence in the future of this major market and increased our foothold in the UK's Thames Valley initially through acquiring a full 100% control in Farnborough Business Park in April 2020, and subsequently through the acquisition of Maxis Business Park in August 2020. These assets are located in the high-growth South East region which is home to more than 940,000 businesses with a majority in the aerospace, technology, pharmaceutical and healthcare sectors. The strength of tenant demand for business park space in the region is evident in market headline rents which remained largely unchanged over the past year despite of the onset of the COVID-19 pandemic, according to Knight Frank[10].

Singapore's transformation into a Global-Asia node of technology, innovation and enterprise[11] continues to gain traction, attracting large technology firms, insurance agencies and financial services companies to its shores. This has added to the take-up of quality CBD commercial and office and business park space in the country. While the impact of the COVID-19 pandemic may redefine future demand for office and working spaces in the longer term considering social distancing measures and business continuity plans, any longer-trends are yet to be determined as the situation is still evolving. Physical offices and the 'hub-and-spoke' model of having front facing working spaces in the CBD and back-end operations in decentralised locations may continue to be relevant[12] and we will continue to monitor the situation in the meantime.

I believe that real estate is a local business with success, in part attributable to local knowledge, expertise and relationships. Backed by an established Sponsor, we have a strong presence on the ground in our core markets, positioning us

7 "Australian Independent Industrial Market Report", Jones Lang LaSalle Incorporated, 3Q2020
8 "Industrial & Logistics Leasing & Investment Market: Germany", Colliers International, 3Q2020
9 "Industrial & Logistics Leasing & Investment Market: The Netherlands", Colliers International, 3Q2020
10 "Independent Market Report: South East Office Market", Knight Frank, October 2020
11 "Our Roadmap for the Future", Singapore Government Budget 2020, 5 October 2020
12 "Singapore Office, Hi-Tech (B1) And Business Park Market Overview", CBRE, November 2020

well with market intelligence and a direct lead into the local business network and developing trends. We remain focused on growing our presence in our five major markets, supported by a right-of-first-refusal pipeline with an aggregate value in excess of $5 billion, and/or through opportunistic third-party acquisitions. In addition, we will selectively develop properties complementary to FLCT's existing portfolio, either jointly or on our own, or re-develop existing properties and/or leverage on the Sponsor's development pipeline as another avenue of growth.

Q AS THE CEO, WHAT KEEPS YOU UP AT NIGHT?

A The global economic landscape continues to be volatile and uncertain, affected by political challenges, the US-China trade war, the deterioration of relationships between both the Australian and Chinese governments and any implications that may arise as a result of any trade restrictions implemented by China, Brexit and the COVID-19 pandemic. We are conscious of potential changes in market dynamics in the event of a prolonged pandemic, as this may affect our tenants and ultimately our business.

To-date, those uncertainties have not had a material impact on our business performance. Our logistics and industrial portfolio remains resilient, underpinned by strong fundamentals and supported by the unprecedented growth of e-commerce activities. For our commercial portfolio, the office segment remains stable and we continue to work closely with our tenants during this period. Meanwhile, the retail segment, which represents a small proportion of FLCT's overall portfolio, at just 2.5% of GRI, is anticipated to recover from the disruptions brought about by the earlier months of lockdowns.

Foreign exchange risk exposure remains a concern as FLCT derives a significant portion of its income from Australia, Germany and the UK. We have put in place currency risk management strategies that include using the same currency borrowings or if in a different currency, it is swapped as a partial hedge to fund investments. We target to hedge distributions on a six-month rolling basis to reduce foreign exchange volatilities in our distributable income.

We have been prudent in our capital and risk management by maintaining a strong balance sheet and financial flexibility. All these will put us on a strong footing to navigate future challenges.

Q WHAT WAS AT THE HEART OF FLCT'S RESILIENCE IN THE FACE OF COVID-19?

A While the COVID-19 pandemic has inevitably disrupted the global economy and businesses, FLCT's strong performance in FY2020 is testament to the strength of our high-quality portfolio as well as the management expertise of the REIT Manager.

Overall, our portfolio has been resilient and not materially impacted by the COVID-19 pandemic. The strength of our property portfolio lies in the quality of the assets, their locations, tenant base and favourable lease attributes. Our logistics portfolio is modern and well-located, both attributes are key in attracting and/or retaining our customers. Moreover, our long leases with rental escalations provide steady organic growth for FLCT.

Our tenants in the consumer and logistics sector continue to benefit from major structural changes driven by the acceleration of e-commerce activities during the pandemic. In fact, 31.4% of tenants in our logistics portfolio are involved in e-commerce and/or e-fulfilment activities. This has culminated in an uptick in demand for space at our logistics and warehouse properties.

Our commercial portfolio is well-located with a healthy WALE and quality tenant base. Our business parks continue to see sustained interest from tenants seeking high-quality suburban business space. Emerging trends such as the 'hub-and-spoke' model which is based on flexible workspaces and working styles are expected to support demand for business parks. Companies which have reduced their presence in central business districts will redeploy their offices in business parks located outside the city limits. With this, most employees will enjoy reduced commute time translating to better work-life balance. This trend has gained significant traction as companies are able to realise lower rental costs and expenses.

Our skills and experience in portfolio and capital management have allowed us to optimise our property portfolio and create value for our stakeholders over the years. This can be seen in our track record of executing value-accretive transactions and delivering a sound performance from both an operational and financial perspective.

As a result, our properties continue to maintain high occupancy levels and generate healthy cashflows, underpinning our ability to deliver growth and create value for our Unitholders.

Contents

We are closely monitoring the work-from-home drivers brought about by the pandemic but remain confident that there will be demand for physical office space over the longer-term. Findings from a survey by JLL Asia Pacific[13] showed that employees increasingly missed the benefits of an office environment including the social and cultural aspects. According to industry experts, this allows for a clear distinction between personal and professional lives and facilitates face-to-face collaborations. Dedensification trends arising from the pandemic also potentially translate to a greater office area requirement per employee, in part off-setting any long-term trends for continued work from home.

The COVID-19 pandemic is unprecedented and still evolving, with uncertainties over its duration and the magnitude of the impact on the global economy. From our viewpoint, we will continue to focus on strengthening the portfolio, whilst maintaining a prudent approach to capital management, prioritising tenant retention and working closely with our tenants to navigate through this challenging period. It is important to note that while we have delivered a strong performance in FY2020, there remain uncertainties which may impact FLCT's performance in a sustained COVID-19 pandemic.

Q HOW HAS FLCT'S EMPHASIS ON ESG ENHANCED ITS PERFORMANCE?

A We see environment, social and governance ("ESG") as a long-term journey and important in building a sustainable future for us, the portfolio and our stakeholders. We have made ESG a key part of our overall strategy as we believe that a portfolio with a higher ESG performance and lower environmental footprint will deliver direct and tangible benefits to our stakeholders. This has enabled us to attract and/or retain customers who are increasingly placing emphasis on sustainability and the benefits it brings to operations and occupier well-being.

Our efforts on this front and commitment to achieving high ESG standards have earned us accolades from globally recognised sustainability accreditation agencies such as GRESB for industrial leadership and strong commercial performance, and Green Building Council of Australia (GBCA) for having the highest rated Green Star performance-related industrial portfolio in Australia.

Tapping into the sustainability-linked loan markets was a natural extension of our sustainability commitment as we raised a total of $660 million of sustainability-linked loans in FY2020.

Q FOLLOWING THE MERGER AND WITH AN ENLARGED PORTFOLIO, HOW HAS YOUR STRATEGY CHANGED?

A We aspire to be the logistics and commercial S-REIT of choice amongst investors, delivering regular and stable distributions to Unitholders while achieving long-term growth in DPU.

The Merger was a significant milestone, providing FLCT with scale and financial flexibility for future growth. It has not however, changed our objectives and strategies. We now have an expanded investment mandate covering the logistics and industrial, CBD commercial, and office and business park sectors. We are well-positioned to take advantage of the opportunities within these sub-sectors through strategic acquisitions while leveraging on our Sponsor's network, expertise and ground knowledge.

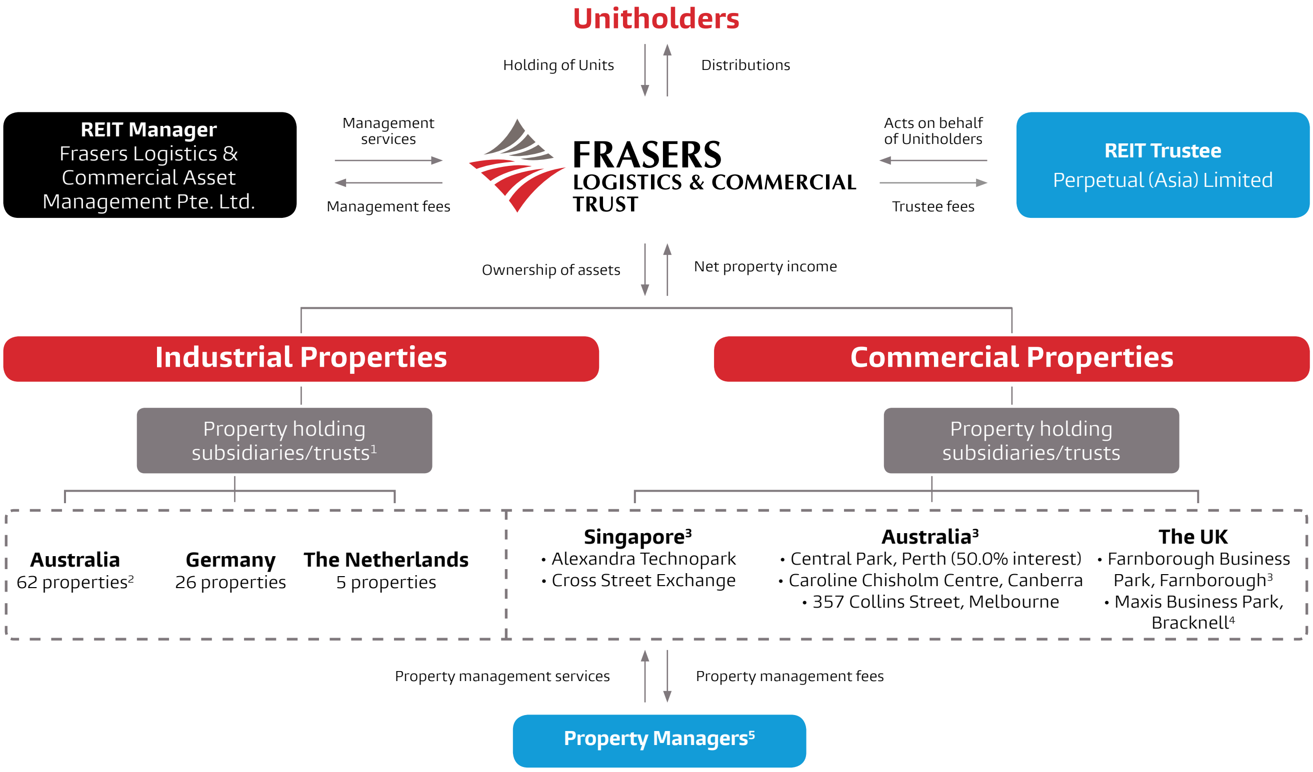
We have a proven track record of executing value accretive transactions, having more than tripled the value of FLCT's portfolio from $1.6 billion at IPO to $6.2 billion as at 30 September 2020. FLCT's units have also performed strongly amid a volatile year, registering a total return of 17.4%[14] for FY2020, outperforming the benchmark FTSE ST REIT Index which had contracted 5.4% on a total return basis in FY2020. We see additional scope for growth in our core markets, and endeavour to further our track record of value creation for our unitholders.

Taking this opportunity, I would also wish to express my appreciation to our unitholders, customers, business partners and suppliers, for their continued loyalty and support during a challenging year. I would also like to thank the Board for their wise counsel and the Sponsor for their continued support. Last but not least, I must also thank our team for their commitment, courage and tenacity in creating value for our stakeholders during this unprecedented and difficult period. I look forward to working with you as we take FLCT forward in its next phase of growth.

Mr Robert Wallace
Chief Executive Officer

13 "Majority of Asia Pacific employees eyeing office return", Jones Lang LaSalle Asia Pacific, 22 July 2020
14 Source: Bloomberg LLP. For the period from 1 October 2019 to 30 September 2020 (being the last trading day of the month). Calculation of total return assumed distributions paid during the period were reinvested

ORGANISATION STRUCTURE



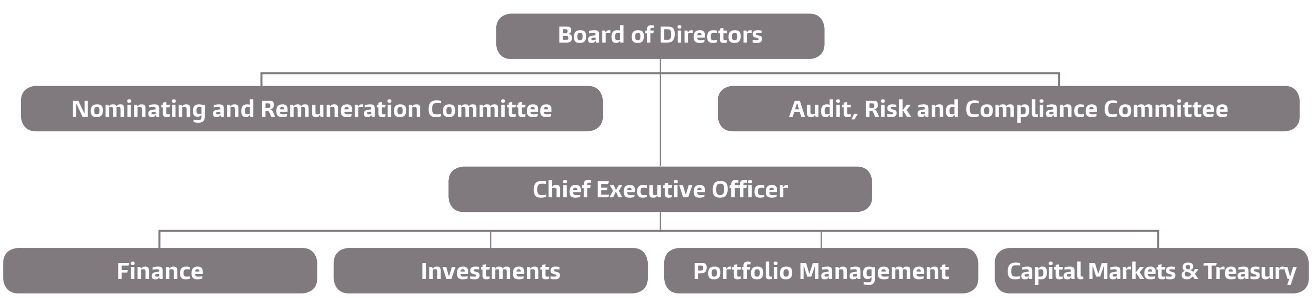
The above presents a simplified trust structure for FLCT. The industrial and commercial properties owned by FLCT are held through various intermediate entities comprising subsidiaries/trusts/sub-trusts

1 Industrial properties located in Australia are held through a wholly-owned subsidiary and trust/sub-trusts of FLCT. Industrial properties located in Germany and the Netherlands are held through wholly-owned subsidiaries of FLCT
2 Excludes the Cold Storage Facility which has been classified as "Investment Property Held for Sale". Please refer to the announcement dated 3 August 2020 for details
3 Commercial properties located in Singapore and Australia and Farnborough Business Park in the UK are held through FCOT, a wholly-owned sub-trust of FLCT. The trustee of FCOT is British and Malayan Trustees Limited
4 Maxis Business Park is held through a wholly-owned subsidiary of FLCT
5 The property managers for the properties are as follows:
   - The property manager for the Australian industrial properties and 357 Collins Street is Frasers Property Management Services Pty Limited, a wholly-owned indirect subsidiary of FPL
   - The property manager for the German and Dutch industrial properties is FPE Advisory B.V., a wholly-owned indirect subsidiary of FPL
   - The property manager for the Singapore commercial properties is Frasers Property Commercial Management Pte. Ltd., a wholly-owned indirect subsidiary of FPL
   - The property managers of Central Park, Caroline Chisholm Centre, Farnborough Business Park and Maxis Business Park are not related parties of the REIT Manager

CORPORATE STRUCTURE

The REIT Manager

Frasers Logistics & Commercial Asset Management Pte. Ltd.



BOARD OF **DIRECTORS**

MR HO HON CHEONG, 66

Chairman and Independent Non-Executive Director

Date of Appointment
26 May 2016

Length of service as Director (as at 30 September 2020)
4 years 4 months

Board Committee(s) served on
- Audit, Risk & Compliance Committee
- Nominating & Remuneration Committee (Chairman)

Academic & Professional Qualification(s)
- Master of Business Administration (Accounting and Finance), McGill University, Canada
- Bachelor of Engineering (Honours) University of Malaya, Malaysia

Present Directorships in other companies (as at 30 September 2020)

Listed companies
- Non-Executive Independent Commissioner of PT Chandra Asri Petrochemical Tbk in Indonesia
- Non-Executive Non-Independent Director of Alliance Bank Malaysia Bhd in Malaysia

Listed REITS/Trusts
Nil

Others
- Non-Executive Independent Director of AIA Singapore Pte. Ltd.

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
Nil

Past Major Appointments
- Chief Executive Officer/President Director of PT Bank Danamon Indonesia Tbk
- Chief Executive Officer of PT Bank Internasional Indonesia Tbk
- Managing Director, Special Investments at Temasek Holdings Pte. Ltd.
- Non-Executive Chairman of Rothschild (Singapore) Pte Ltd

Others
Nil

MR CHIN YOKE CHOONG, 68

Independent Non-Executive Director

Date of Appointment
29 April 2020

Length of service as Director (as at 30 September 2020)
5 months

Board Committee(s) served on
- Audit, Risk & Compliance Committee (Chairman)
- Nominating & Remuneration Committee

Academic & Professional Qualification(s)
- Bachelor of Accountancy, University of Singapore
- Associate Member, Institute of Chartered Accountants in England and Wales

Present Directorships in other companies (as at 30 September 2020)

Listed companies
- AVJennings Limited
- Ho Bee Land Limited
- Yeo Hiap Seng Limited

Listed REITS/Trusts
Nil

Others
- Housing and Development Board (Chairman)
- NTUC Fairprice Co-operative Ltd (Chairman)
- NTUC Fairprice Foundation Ltd (Chairman)
- NTUC Enterprise Co-operative Limited (Deputy Chairman)
- Singapore Labour Foundation
- Temasek Holdings (Private) Limited

Major Appointments (other than Directorships)
- Corporate Governance Advisory Committee (Chairman)

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
- Frasers Commercial Asset Management Ltd., Manager of Frasers Commercial Trust
- Singapore Telecommunications Limited

Past Major Appointments
- Director of Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust
- Member of Council of Presidential Advisers
- Managing Partner of KPMG Singapore
- Chairman of Urban Redevelopment Authority
- Chairman of Singapore Totalisator Board
- Chairman of MediShield Life Review Committee

Others
Nil

MR GOH YONG CHIAN, 76
Independent Non-Executive Director

Date of Appointment
26 May 2016

Length of service as Director (as at 30 September 2020)
4 years 4 months

Board Committee(s) served on
- Audit, Risk & Compliance Committee
- Nominating & Remuneration Committee

Academic & Professional Qualification(s)
- Fellow Chartered Certified Accountant, UK
- Associate Chartered Management Accountant, UK

Present Directorships in other companies (as at 30 September 2020)

Listed companies
Nil

Listed REITs/Trusts
Nil

Others
Nil

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
Nil

Past Major Appointments
- Head of Corporate Finance of Fraser and Neave, Limited

Others
Nil

MR PAUL GILBERT SAY, 60
Independent Non-Executive Director

Date of Appointment
26 May 2016

Length of service as Director (as at 30 September 2020)
4 years 4 months

Board Committee(s) served on
- Audit, Risk & Compliance Committee

Academic & Professional Qualification(s)
- Graduate Diploma in Financial Planning and a Graduate Diploma in Finance & Investment, Financial Services Institute of Australia (FINSIA), Australia
- Associate Diploma of Real Estate Valuation
- Fellow of the Royal Institution of Chartered Surveyors and the Australian Property Institute, Australia

Present Directorships in other companies (as at 30 September 2020)

Listed companies
Nil

Listed REITs/Trusts
- Non-Executive Director of ALE Property Group

Others
- Director/Sole Trader of Stratum Pty Ltd
- Non-Executive Director of Women's Community Shelters

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
Nil

Past Major Appointments
- Chief Investment Officer and Chairman of the Investment Committee at DEXUS Property Group

Others
Nil

BOARD OF DIRECTORS

MS SOH ONN CHENG MARGARET JANE, 64

Independent Non-Executive Director

Date of Appointment
29 April 2020

Length of service as Director (as at 30 September 2020)
5 months

Board Committee(s) served on
Nil

Academic & Professional Qualification(s)
- Bachelor of Laws (Honours), National University of Singapore
- Advocate and Solicitor, Supreme Court of Singapore

Present Directorships in other companies (as at 30 September 2020)

Listed companies
Nil

Listed REITS/Trusts
Nil

Others
Nil

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
- Frasers Commercial Asset Management Ltd., Manager of Frasers Commercial Trust

Past Major Appointments
- Partner, Corporate Real Estate department of Allen & Gledhill LLP

Others
Nil

PANOTE SIRIVADHANABHAKDI, 42

Non-Executive and Non-Independent Director

Date of Appointment
26 May 2016

Length of service as Director (as at 30 September 2020)
4 years 4 months

Board Committee(s) served on
Nominating & Remuneration Committee

Academic & Professional Qualification(s)
- Master of Science in Analysis, Design and Management of Information Systems, London School of Economics and Political Science, UK
- Bachelor of Science in Manufacturing Engineering, Boston University, USA
- Certificate in Industrial Engineering and Economics, Massachusetts University, USA

Present Directorships in other companies (as at 30 September 2020)

Listed companies
- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited (formerly known as TICON Industrial Connection Public Company Limited)
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

Listed REITs/Trusts
- Frasers Hospitality Asset Management Pte Ltd, Manager of Frasers Hospitality Real Estate Investment Trust
- Frasers Hospitality Trust Management Pte Ltd, Manager of Frasers Hospitality Business Trust

Others
- Golden Land Property Development Public Company Limited (Vice Chairman)
- Frasers Property Australia Pty Limited
- Beer Thip Brewery (1991) Co., Ltd.
- Blairmhor Distillers Limited
- Blairmhor Limited
- InterBev (Singapore) Limited
- International Beverage Holdings (China) Limited
- International Beverage Holdings Limited
- International Beverage Holdings (UK) Limited
- Sura Bangyikhan Group of Companies

Major Appointments (other than Directorships)
- Group Chief Executive Officer of Frasers Property Limited
- Director/Board of Trustee of Singapore Management University
- Management Committee of Real Estate Developers' Association of Singapore (REDAS)

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
- Berli Jucker Public Company Limited

Past Major Appointments
- Chief Executive Officer of Univentures Public Company Limited

Others
Nil

MR RODNEY VAUGHAN FEHRING, 61
Non-Executive and
Non-Independent Director

Date of Appointment
11 February 2019

Length of service as Director (as at 30 September 2020)
1 year 7 months

Board Committee(s) served on
Nil

Academic & Professional Qualification(s)
- Bachelor of Applied Science, La Trobe University, Australia
- Graduate Diploma in Sports Administration, La Trobe University, Australia
- Graduate Diploma in Urban & Regional Planning, RMIT University, Australia
- Diploma, Advanced Management Program, The Wharton School, University of Pennsylvania, USA

Present Directorships in other companies (as at 30 September 2020)

Listed companies
Nil

Listed REITS/Trusts
Nil

Others
- Director, Green Building Council

Major Appointments (other than Directorships)
- Chief Executive Officer, Frasers Property Australia Pty Limited[1]

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
Nil

Past Major Appointments
- Managing Director and Chief Executive Officer of Lend Lease Primelife Ltd
- Chief Executive Officer of Delfin Lend Lease Ltd
- Chief Operating Officer of Urban Land Corporation, Victoria

Others
- Trustee of Melbourne Cricket Ground Trust
- Non-Executive Director of Mission Australia Housing
- Chairman of Australian Housing & Urban Research Institute Ltd

---

MR CHIA KHONG SHOONG, 49
Non-Executive and
Non-Independent Director

Date of Appointment
11 February 2019

Length of service as Director (as at 30 September 2020)
1 year 7 months

Board Committee(s) served on
Nil

Academic & Professional Qualification(s)
- Master of Philosophy (Management Studies), Cambridge University, UK
- Bachelor of Commerce (Accounting and Finance) (First Class Honours), University of Western Australia, Australia

Present Directorships in other companies (as at 30 September 2020)

Listed companies
Nil

Listed REITS/Trusts
Nil

Others
- Director of Frasers Commercial Asset Management Ltd.

Major Appointments (other than Directorships)
- Group Chief Corporate Officer, Frasers Property Limited

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
- Frasers Commercial Asset Management Ltd., Manager of Frasers Commercial Trust

Past Major Appointments
- Director of Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust
- Group Chief Financial Officer of Frasers Property Limited
- Chief Executive Officer, Australia, New Zealand and United Kingdom of Frasers Property Limited
- Director, Investment Banking of The Hongkong & Shanghai Banking Corporation Ltd

Others
Nil

1 Ceases to be a Chief Executive Officer of Frasers Property Australia Pty Limited on 1 October 2020

MR REINFRIED HELMUT OTTER (REINI OTTER), 50

Non-Executive and
Non-Independent Director

Date of Appointment
30 July 2020

Length of service as Director (as at 30 September 2020)
2 months

Board Committee(s) served on
Nil

Academic & Professional Qualification(s)
- Graduate from the Advanced Management Program at INSEAD Business School, Europe
- Bachelor of Science (Architecture) and Bachelor of Architecture from the University of Sydney

Present Directorships in other companies (as at 30 September 2020)

Listed companies
Nil

Listed REITS/Trusts
Nil

Others
Nil

Major Appointments (other than Directorships)
- Chief Executive Officer, Frasers Property Industrial, Frasers Property Limited

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)
Nil

Past Major Appointments
- Executive General Manager, Commercial & Industrial and Investment Property, Frasers Property Australia Pty Limited
- Executive General Manager, Commercial & Industrial, Frasers Property Australia Pty Limited
- Regional General Manager, Frasers Property Australia Pty Limited

Others
Nil

▲ 2 Burilda Close, Wetherill Park, New South Wales, Australia

Contents

MANAGEMENT TEAM

ROBERT STUART CLAUDE WALLACE
Chief Executive Officer

Mr Wallace works closely with the board of directors and management team to drive the overall business and investment strategies of FLCT. He provides strategic leadership for the day to day management of the business, ensuring that FLCT's business plans are executed accurately and efficiently.

Prior to joining the REIT Manager, Mr Wallace was the Executive General Manager of Investment Property at Frasers Property Australia, formerly Australand Property Group which he joined in August 2007. During this time, he was responsible for leading the Investment Property Division which owned and managed a portfolio of investment properties with an aggregate value of approximately A$2.5 billion. He has been involved in many facets of the Frasers Property Australia business, including group strategy, funds management, acquisitions and dispositions, portfolio management, divisional reporting and capital sourcing. Mr Wallace was also the JV Manager for the Australand Logistics Joint Venture and the Fund Manager for Australand Wholesale Property Fund No. 6.

From October 2002 to August 2007, he was a Fund Manager at MAB Funds Management Limited. He joined the group at its infancy and oversaw the growth of the funds under management from A$15 million to a value in excess of A$275 million. Mr Wallace ensured that the managed funds were able to meet investor targets and ensured compliance with the relevant statutory guidelines. Mr Wallace has also held previous roles with Jones Lang LaSalle and Charter Keck Cramer.

Mr Wallace holds a Bachelor of Business (Property) from RMIT University and a Postgraduate Diploma in Applied Finance and Investment from FINSIA (formerly known as Securities Institute of Australia). He is also a Certified Practising Valuer with the Australian Property Institute.

SUSANNA CHER MUI SIM
Chief Financial Officer

Ms Cher leads FLCT's finance team . She also assists the CEO in executing the strategic plans.

Prior to joining the REIT Manager, Ms Cher was the GM Special Projects at FCL Management Services Pte. Ltd. from September 2015. She was with CitySpring Infrastructure Management Pte Ltd, the Trustee-Manager of CitySpring Infrastructure Trust, from November 2006 to May 2015 and was the Chief Financial Officer from July 2013, where she was responsible for all aspects of financial and statutory reporting and compliance with SGX-ST and MAS. She was also responsible for financing and treasury activities, and risk management as well as human resources, corporate secretarial and administration functions.

From November 1993 to November 2006, Ms Cher was the Chief Financial Officer at Thomson Medical Centre Ltd, where she was responsible for all aspects of financial and statutory reporting and financing and tax matters for the Group. She was also responsible for procurement, information technology and patient service centres.

Ms Cher was also a Group Management Accountant at Wearnes Brothers Management Pte Ltd from July 1990 to August 1993 where she was responsible for statutory and SGX reporting. She was also responsible for reviewing the performance of the business segments in the Group.

From April 1986 to June 1990, Ms Cher was a Financial Controller at Esco Scientific Technologies Pte Ltd. She was also an Audit/Senior Management Consultant at Ernst and Whinney from April 1982 to March 1986.
Ms Cher holds a Bachelor of Accountancy from the National University of Singapore and is a Chartered Accountant with the Institute of Chartered Accountants (Singapore) and a Certified Public Accountant (CPA) of Australia.

JONATHAN JAMES SPONG
Head of Portfolio Management

Mr Spong spearheads FLCT's portfolio management function, working closely with the asset and property managers to drive property strategy, marketing and leasing as well as the implementation of organic growth strategies and portfolio initiatives, including asset enhancement and sustainability.

Prior to joining the REIT Manager, Mr Spong was Asset Manager, Investment Property at Frasers Property Australia, formerly Australand Property Group (APG) from January 2015. During his time at APG, he was responsible for enhancing the value of a portfolio of 37 high quality logistics and industrial properties located in New South Wales and Queensland through proactive asset management.

Mr Spong was also a member of the Real Estate Team at Valad Property Group from January 2007 to December 2014, where he was responsible for the asset management of a portfolio of commercial and industrial properties located in Australia and New Zealand. His responsibilities included the implementation of asset plans to maximise rental returns as well as acquiring and disposing of assets to optimise portfolio metrics.

From July 2005 to December 2006, Mr Spong was Investment Analyst, Commercial Property at DEXUS Property Group, where he had analytical responsibilities for a portfolio of 40 high quality commercial assets. From September 1999 to July 2005, Mr Spong was Senior Valuer at DTZ (now known as Cushman & Wakefield), where he was responsible for providing a broad range of valuation services for secured lending purposes, portfolio valuations and development appraisal for national and international clients covering all property sectors.

Mr Spong holds a Bachelor of Science (Honours) from St Andrews University in Scotland and a Master of Land Economy from the University of Aberdeen in Scotland. Mr Spong is also a Qualified Associate of the Australian Property Institute and the Royal Institution of Chartered Surveyors.

ANNIE KHUNG SHYANG LEE
Financial Controller

Reporting to the CFO, Ms Khung is responsible for timely and accurate statutory reporting, compliance reporting and supports the CFO.

Prior to joining the REIT Manager, Ms Khung was the Financial Controller at FEO Hospitality Asset Management Pte Ltd, the manager of Far East Hospitality Trust from January 2016 to August 2016, where she was responsible for overseeing all aspects of finance and taxation matters, and provides support for compliance matters.

From May 2015 to January 2016, Ms Khung was the Senior Finance Manager at Keppel Infrastructure Fund Management Pte Ltd, the Trustee-Manager of Keppel Infrastructure Trust, where she was involved in the Group's financial and reporting functions, treasury matters and other finance-related matters.

Ms Khung was with CitySpring Infrastructure Management Pte Ltd, the Trustee-Manager of CitySpring Infrastructure Trust from September 2007 to May 2015, and was the Vice President, Finance from July 2010. She was involved in all aspects of finance matters, including the statutory and financial reporting of the group results, budgeting, taxation and certain compliance-related matters. She also reviewed the financial performance of the operating companies and assisted in the development of group financial policies and procedures.

Prior to that, Ms Khung was with Ernst & Young LLP, where she left as an Audit Manager.

Ms Khung holds Bachelor of Commerce and Bachelor of Finance degrees from the University of Adelaide, Australia. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and a member of CPA Australia.

Contents

MANAGEMENT TEAM

CHEW YI WEN
Head of Investments

Ms Chew leads the investment team and is responsible for sourcing, evaluating and executing acquisition and divestment transactions for FLCT.

Prior to her current appointment, Ms Chew was Assistant General Manager at Frasers Property's Group investment team from February 2014 to November 2017. She worked closely with the Group's Chief Investment Officer in implementing strategies on acquisitions, dispositions and capital sourcing, and played a key role in the execution of Frasers Property's merger and acquisition transactions. Ms Chew was involved in several transformational transactions involving more than $5 billion undertaken by Frasers Property in recent years, including the acquisition of Australand Property Group (currently known as Frasers Property Australia) in 2014 – which became an expanded platform to the group in Australia; the acquisition of Malmaison and Hotel du Vin Group in 2015 – a new boutique hotel brand added to Frasers Hospitality; as well as the acquisition of Geneba Properties N.V. (currently part of Frasers Property Industrial), and four business parks in United Kingdom in 2017 – to strengthen the Group's presence in Europe. In 2016, she was also actively involved with the overall planning and execution of the IPO of FLT.

Prior to joining Frasers Property, Ms Chew was at CapitaLand Mall Asia Limited from April 2010 to January 2014, where she gained extensive experience in investment, asset management and property development in both Singapore and China. She started her real estate career with a consultancy firm specialising in valuation and feasibility studies for the hospitality industry. Her experience spans different regions and various real estate asset classes, including industrial, office, retail and hospitality.

Ms Chew holds a Bachelor of Science (Real Estate) Honors degree from the National University of Singapore.

TRICIA YEO WHAY TENG
Head of Capital Markets & Treasury

Ms Yeo leads the capital markets and treasury functions and is responsible for the strategic capital management, financial risk management and funding activities for FLCT. Her team works closely with the investment and finance teams to ensure alignment with FLCT's strategies and initiatives. She also oversees the investor relations activities.

She has more than 18 years of experience in the finance industry including audit, advisory and banking. She started her career as an auditor with a Big Four accounting firm, and subsequently moved into real estate investment banking with various international banks.

Prior to joining the Manager, she oversaw the finance, taxation, capital management and treasury function for Frasers Commercial Trust, as CFO of the FCOT manager. Before joining FCOT in May 2017, she headed the real estate sector coverage at the investment banking arm of an Asian regional bank.

Ms Yeo graduated from the Nanyang Technological University of Singapore with a Bachelor of Accountancy (Honours) degree and holds an MBA from INSEAD. She is a Singapore Chartered Accountant with the Institute of Singapore Chartered Accountants and a Chartered Financial Analyst.

NG CHUNG KEAT
Assistant Vice President,
Investor Relations

Mr Ng is responsible for FLCT's investor relations function and is in charge of maintaining transparent communication with the investment and research communities. Mr Ng also supports FLCT's sustainability reporting, and provides market intelligence as well as research support to management.

Prior to joining the REIT Manager in December 2016, Mr Ng was an Associate Director with public and investor relations consultancy, Citigate Dewe Rogerson from August 2011, where he provided strategic media and investor relations counsel to public companies. Mr Ng has also been involved in multiple transactions and special situations, including mergers and acquisitions, spin-offs, issue management, initial and secondary public offerings.

From November 2006 to August 2011, Mr Ng was an Associate Consultant at WeR1 Consultants, where he supported the implementation of investor relations programmes to listed companies.

Mr Ng holds a Bachelor of Science, Finance, from the University College Dublin, Ireland.

WANG MEI LING
Vice President, Investor Relations

Ms Wang is responsible for managing investor relations activities and initiatives for FLCT, including communications with Unitholders, analysts and the media.

Prior to joining the Manager, she managed the investor relations activities and initiatives for FCOT. She also has more than 13 years of experience in the finance industry.

Her previous roles include fund management in alternative assets, investment banking and auditing with a Big Four accounting firm. Ms Wang graduated from the University of Manchester, United Kingdom with a Bachelor of Arts in Economic and Social Studies (Accounting & Finance). She is a Fellow of the Institute of Chartered Accountants in England and Wales.

FINANCIAL REVIEW

Statement of Total Return	FY2020 $'000	FY2019 $'000	Variance %
Revenue	332,029	217,076	53.0
Property operating expenses	(62,214)	(37,335)	66.6
Net property income ("NPI")	**269,815**	**179,741**	**50.1**
Managers' management fee	(28,551)	(17,430)	63.8
Trustees' fees	(636)	(412)	54.4
Trust expenses	(4,183)	(2,606)	60.5
Finance income	277	1,046	(73.5)
Finance costs	(41,169)	(25,139)	63.8
Exchange gain/(losses) (net)	2,055	(2,937)	N.M.
Net income	**197,608**	**132,263**	**49.4**
Net change in fair value of derivatives	(2,859)	1,895	N.M.
Net change in fair value of investment properties	334,306	109,990	203.9
Gain on divestment of investment property held for sale	1,422	1,487	(4.4)
Total return before tax	**530,477**	**245,635**	**N.M.**
Tax expenses	(71,719)	(40,151)	78.6
Total return for the year	**458,758**	**205,484**	**N.M.**
Less: Total return attributable to non-controlling interests	(4,036)	(2,059)	96.0
Total return attributable to Unitholders	**454,722**	**203,425**	**123.5**
Tax related and other adjustments	(253,642)	(72,164)	251.5
Income available for distribution to Unitholders	**201,080**	**131,261**	**53.2**
Distribution from divestment gain	-	3,837	N.M.
Distributable income	**201,080**	**135,098**	**48.8**
Distribution per Unit (Singapore cents)	7.12	7.00	1.7
For information:			
Adjusted NPI[a]	**258,335**	**176,641**	**46.2**

a FY2020 adjusted NPI is calculated based on the actual NPI excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets. FY2019 Adjusted NPI is calculcated based on the actual NPI excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases

FY2020 revenue increased 53.0% or $115.0 million to $332.0 million from $217.1 million in FY2019 as the REIT Manager delivered on FLCT's investment and asset management strategies to realise growth and value for Unitholders.

Adjusted NPI was $258.3 million in FY2020, an increase of 46.2% or $81.7 million from $176.6 million in FY2019, due mainly to increased contribution from the following:

- Merger of FLT and FCOT which resulted in the contribution of the FCOT portfolio from 15 April 2020, comprising interests in six CBD commercial, office and business park assets in Singapore, Australia and the UK, and acquisition of the remaining 50% interest not already held by FCOT in Farnborough Business Park located in Farnborough, Thames Valley, the UK on 30 April 2020;
- Acquisition of three prime Australian logistics properties which was completed in August 2019;
- Acquisition of nine prime German logistics properties which was completed in August, September, November and December 2019;
- Acquisition of the IVE Facility, a prime freehold logistics property located at 75-79 Canterbury Road, Braeside, Victoria, Australia on 12 August 2020; and
- Acquisition of Maxis Business Park located in Bracknell, Thames Valley, the UK on 12 August 2020.

The higher adjusted NPI was partially offset by the following:

- Divestment of 63-79 South Park Drive, Dandenong South, Victoria, Australia on 9 May 2019;
- Divestment of the initial 50% interest in 99 Sandstone Place, Parkinson, Queensland, Australia on 24 July 2019;
- Divestment of 610 Heatherton Road, Clayton South, Victoria, Australia ("Heatherton Road Divestment"); and
- Impact of the COVID-19 pandemic of approximately $5.7 million, comprising mainly rental waivers for tenants under the Singapore and Australian government concession deeds and provision for doubtful debt.

Excluding the impact of the interest expense in lease liabilities recognised due to the adoption of FRS 116, finance costs in FY2020 was $11.0 million higher than a year-ago. The increase was largely due to finance costs attributable to FCOT's borrowings, which are consolidated with the Merger of FLT with FCOT, and additional borrowings obtained to finance the various acquisitions above.

As at 30 September 2020, total borrowings was $2.5 billion, compared with $1.1 billion as at 30 September 2019. FLCT remained well-positioned to service its borrowings with an interest coverage ratio of 6.4 times[1] as at 30 September 2020.

The total return attributable to Unitholders in FY2020 was $454.7 million, an increase of 123.5% or $251.3 million from $203.4 million in FY2019. FY2020 total return attributable to Unitholders included:

- Net fair value gain on investment properties of $334.3 million;
- Gain on the Heatherton Road Divestment of $1.4 million;
- Net exchange gains of $2.1 million which relate to translation of the foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts;
- Stronger Australian Dollar and Euro compared to the Singapore Dollar; and
- Partially offset by fair value loss and on foreign currency forward contracts of $2.9 million to hedge the currency risk on distributions to Unitholders.

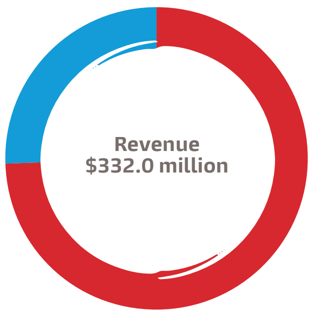
Tax expenses for FY2020 was $71.7 million, $31.6 million or 78.6% higher than FY2019, due mainly to higher deferred tax on the net fair value gain on investment properties.

Distributable income to Unitholders in FY2020 was $201.1 million, an increase of 48.8% or $66.0 million from $135.1 million in FY2019. As a result, FY2020 DPU was 7.12 Singapore cents, 1.7% higher than 7.00 Singapore cents in FY2019. FLCT's distribution yield as at 30 September 2020 was 5.1% per annum based on the closing price of $1.39 per unit[2]. FLCT has been consistently delivering a yield higher than that of the Singapore Government 10-year SGD bond and the Central Provident Fund's ordinary account savings interest rate.

The Manager continued to demonstrate a strong alignment of interest with Unitholders by electing to receive 95.4% of its FY2020 management fee in the form of units. This compares with 92.2% in FY2019.

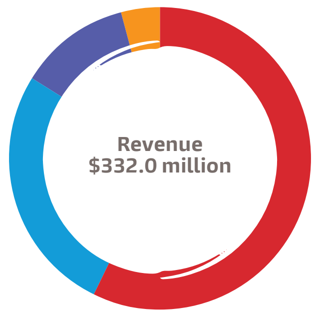
1 As defined in the CIS Code revised by the MAS on 16 April 2020 and clarified on 29 May 2020 and computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation and interest income), over trailing 12 months borrowing costs. Borrowing costs include effects of FRS 116 *Leases*
2 Source: Bloomberg LLP

Breakdown by Sector[a]

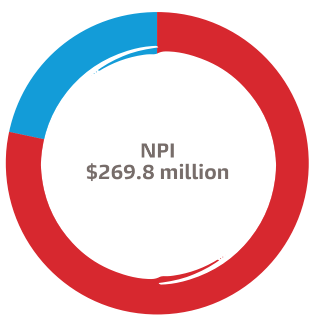


Industrial	**74.7%**
– Australia	48.1%
– Europe	26.6%
Commercial	**25.3%**
– Singapore	12.0%
– Australia	9.2%
– The UK	4.1%

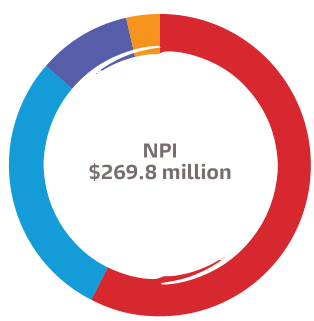
Breakdown by Region[a]



Australia	57.3%
Europe	26.6%
Singapore	12.0%
The UK	4.1%



Industrial	**78.4%**
– Australia	49.3%
– Europe	29.1%
Commercial	**21.6%**
– Singapore	9.8%
– Australia	8.2%
– The UK	3.6%



Australia	57.5%
Europe	29.1%
Singapore	9.8%
The UK	3.6%

a For FY2020. Includes the contribution from FCOT following the Merger

CAPITAL MANAGEMENT

FLCT continues to adopt a disciplined and prudent approach to its capital management, optimising its capital structure and further strengthening its balance sheet in FY2020.

KEY FINANCIAL INDICATORS	As at 30 Sep 2020	As at 30 Sep 2019
Total gross borrowings ($ million)	2,454.3	1,121.5
Total assets ($ million)	6,734.6	3,353.1
Aggregate leverage[a]	37.4	33.4
Average cost of borrowings (% per annum)[b]	1.9	2.2
Average weighted debt maturity (years)	3.0[c]	3.2
Interest coverage ratio (times)[d]	6.4	6.5[e]
Debt headroom ($ million)	1,651.0[f]	704.3[g]

a Total gross borrowings as a percentage of total assets, the impact of FRS 116 *Leases* (adopted with effect from 1 October 2019) has been excluded for the purpose of computing the aggregate leverage ratio
b Based on the trailing 12 months borrowing costs (including FCOT from date of completion of Merger). Excluding upfront debt related expenses
c $64.0 million borrowings have been refinanced to FY2026 in October 2020, extending the weighted average debt maturity from 3.0 to 3.2 years
d As defined in the Code on Collective Investment Schemes revised by the MAS on 16 April 2020 and clarified on 29 May 2020 and computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation and interest income), over trailing 12 months borrowing costs. Borrowing costs include effects of FRS 116 *Leases*
e Restated based on the Code on Collective Investment Schemes revised by the MAS
f Prior to reaching the 50.0% regulatory aggregate leverage limit
g Prior to reaching the 45.0% regulatory aggregate leverage limit

OPTIMISED CAPITAL STRUCTURE

As at 30 September 2020, FLCT's capital risk profile remains healthy with an aggregate leverage of 37.4%, compared to 33.4% a year ago, remaining well below the regulatory limit of 50.0%[1]. The higher leverage of 37.4% compared to a year ago is not expected to have a material impact on the risk profile of FLCT. With an aggregate leverage ratio of 37.4%, FLCT has a debt headroom of $1,651.0 million, providing the REIT with financial flexibility to pursue growth opportunities.

As at 30 September 2020, the average cost of borrowings was 1.9% and the interest coverage ratio was healthy at 6.4 times.

PROACTIVE CAPITAL MANAGEMENT

As at 30 September 2020, total gross borrowings amounted to $2,454.3 million. In FY2020, $991.8 million of new borrowings were obtained, of which $425.9 million were used to refinance borrowings maturing in FY2020 to FY2022 and $565.9 million were used to finance the Merger and new acquisitions completed in FY2020.

The refinanced debt included FCOT notes that were maturing between FY2021 to FY2022. With the exercise of options available to FCOT noteholders for redemption arising from FCOT's delisting, senior unsecured notes of FCOT amounting to $159.5 million[2] were redeemed during the financial year.

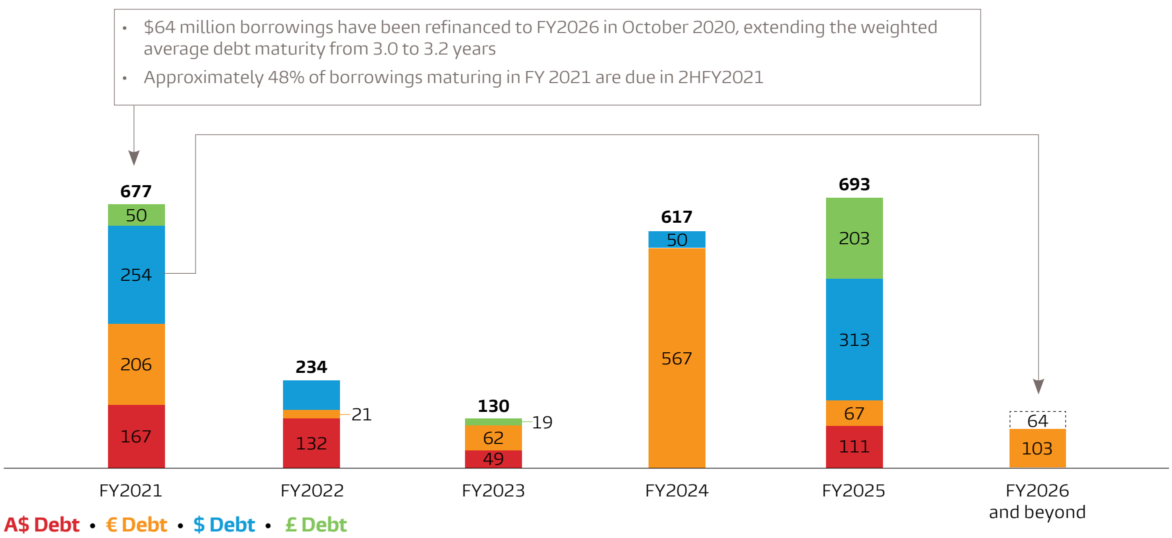
1 The MAS had on 16 April 2020 raised the leverage limit for real estate investment trusts listed on the Singapore Exchange from 45% to 50% (up to 31 December 2021) and deferred to 1 January 2022 on the implementation of the requirement to have a minimum adjusted interest coverage ratio of 2.5 times before the leverage limit can be increased from the then prevailing 45% limit up to a maximum of 50%
2 Refers to the FCOT senior unsecured notes which were redeemed on 9 July 2020 with the exercise of the delisting put options by the noteholders

SUSTAINABILITY-LINKED CREDIT FACILITIES

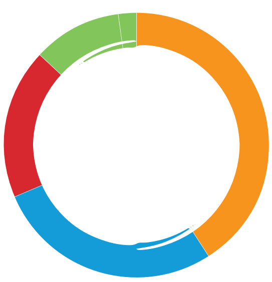
During the financial year, FLCT established a sustainability-linked loan framework and successfully secured a total of $660 million of sustainability-linked credit facilities which were deployed to finance the Merger, the acquisition of the remaining 50% interest in Farnborough Business Park in April 2020 and to refinance maturing debt facilities. The $660 million of sustainability-linked credit facilities are in addition to green loans issued in the prior year. The credit facilities are structured such that the REIT enjoys an interest margin reduction if pre-determined sustainability targets are achieved. In November 2020, FLCT was recognised for the third year running as 'Industrial - Global Listed Sector Leader' by GRESB.

WELL-SPREAD DEBT MATURITY PROFILE

Debt Maturity Profile
(As at 30 September 2020)



Debt Profile by Currency
(As at 30 September 2020)[a]



	$ million	As % of Total
Euro	1,025.5	41.8
Singapore Dollar	697.7	28.4
Australian Dollar	458.7	18.7
British Pound	272.4	11.1
Total Debt	2,454.3	100.0

a Refers to debt in the currency or hedged currency of the country of the investment properties

FLCT has a well-staggered debt maturity profile with no more than 29% of borrowings maturing in any year. This minimises refinancing risks in any one year. The weighted average debt maturity remains healthy at approximately 3.0 years as at 30 September 2020. In October 2020, $64.0 million borrowings have been refinanced to FY2026, extending the weighted average debt maturity from 3.0 to 3.2 years. Management intends to continue maintaining a well-staggered debt maturity profile for FLCT and believes that FLCT will be able to refinance its borrowings and meet its debt obligations as and when they fall due.

As part of its prudent capital management strategy, the REIT Manager continues to actively explore refinancing borrowings ahead of their maturities and extend the loan tenor.

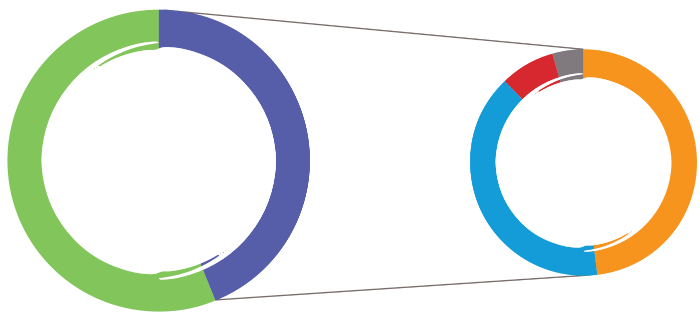
PRUDENT HEDGING STRATEGIES

As the portfolio is diversified across five countries, FLCT is subject to foreign exchange rate and interest rate fluctuations. Following the Merger in April 2020, FLCT changed its reporting currency from the Australian Dollar to the Singapore Dollar.

We endeavour to use borrowings in the same currency or if in a different currency, swapped, as a partial hedge to fund our investments, serving as a natural currency hedge. In addition, we manage foreign exchange volatility on our distributable income with currency forward contracts and hedge distributions on a six-month rolling basis.

We manage the REIT's exposure to interest rate volatilities by targeting to hedge at least 50% of FLCT's borrowings to fixed rate borrowings. As at 30 September 2020, 54.6% of borrowings are at fixed rates.

Interest Rate Profile
(As at 30 September 2020)



Fixed Rate	54.6%
Variable Rate	45.4%

Euro	21.9%
Singapore Dollar	18.0%
Australian Dollar	3.5%
British Pound	2.0%

SENSITIVITY ANALYSIS – EXCHANGE AND INTEREST RATES

FLCT's foreign currency risk relates mainly to cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings, that are denominated Australian Dollar, Euro and British Pound. It is estimated that a one percentage point strengthening in the aforementioned foreign currencies against the Singapore Dollar as at 30 September 2020 would decrease FLCT's total return in FY2020 by approximately $1,051,000. A one percentage point weakening in the aforementioned foreign currencies against the Singapore Dollar would have an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

FLCT is subject to interest rate fluctuations on interest-bearing financial instruments which are not on fixed rates. An increase of 1% in interest rates would decrease FLCT's total return in FY2020 by approximately $9,445,000. A decrease of 1% in interest rates would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Contents

OPERATIONAL REVIEW

▲ 2 Burilda Close, Wetherill Park, New South Wales, Australia

PROPERTY HIGHLIGHTS
(AS AT 30 SEPTEMBER 2020)

Number of Properties
100
+9 properties

Lettable Area
2,558,681 sqm
Y-o-Y change: +15.1%

Portfolio Value
$6,177.3 million
Y-o-Y change: +92.8%

Occupancy Rate
97.5%
Testament to the quality of FLCT's assets

WALE / WALB
4.9 / 4.7 years
Certainty of revenue

Top-10 Tenants Concentration
23.6%
Stability through diversification

DELIVERING GROWTH AND CREATING VALUE

The REIT Manager's proactive and disciplined approach to investment and asset management has delivered growth to the portfolio and created significant value for Unitholders and the REIT since FLCT's listing on the SGX-ST in June 2016.

In just a short span of four years, FLCT's property portfolio has grown from 51 properties in one country at listing to 100 properties in five countries across three continents as at 30 September 2020. Over this period, the value of FLCT's portfolio value has more than tripled to $6.2 billion, from $1.6 billion at the time of its listing, which represents a cumulative average growth rate of 40.3% per annum.

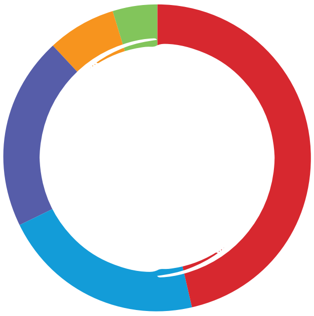
The REIT Manager has exercised discipline in growing the REIT steadily over the years, ensuring that acquisitions were a strategic fit with the overall FLCT portfolio, while selective divestments were undertaken to recycle capital from non-core assets that would potentially generate sub-optimal returns in comparison to the broader portfolio.

FLCT's portfolio continues to retain its resilient real estate attributes and is guided by the REIT Manager and the Sponsor's global expertise, local knowledge and networks.

▲ 8 Distribution Place, Seven Hills, New South Wales, Australia

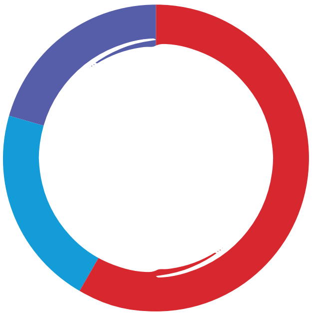
DIVERSIFIED ACROSS ATTRACTIVE GEOGRAPHIES AND SECTORS

Portfolio Value by Geography



Australia	46.5%
Germany	21.3%
Singapore	20.5%
The UK	7.0%
The Netherlands	4.7%

Portfolio Value by Asset Type



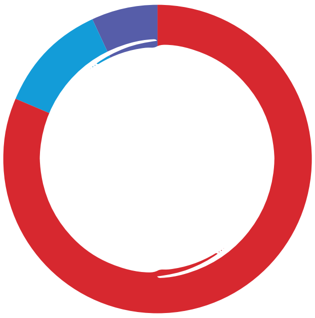
Logistics and Industrial	58.6%
Office and Business Parks	21.0%
CBD Commercial	20.4%

▲ 103-131 Wayne Goss Drive, Berrinba, Queensland, Australia

HEALTHY CONCENTRATION OF FREEHOLD LAND TENURE

Freehold and long leasehold properties account for 93.4% of FLCT's logistics and industrial portfolio by value. Freehold properties represent 81.3% of the total portfolio by value, while properties with leasehold tenure of more than 75 years account for 12.1%.

Logistics and Industrial Portfolio Land Tenure by Value



Freehold	81.3%
>75-year leasehold	12.1%
Other leasehold	6.6%

PORTFOLIO OF WELL-LOCATED HIGH-QUALITY ASSETS

FLCT has a portfolio of high-quality assets located in prime locations with resilient economic growth and strong investment fundamentals. The REIT's assets are characterised by high levels of connectivity to major transport routes, public transportation and logistics hubs, attracting occupiers seeking well located properties with convenient access to modern infrastructure and a skilled workforce.

With an average age of 8.2 years, FLCT's logistics and industrial properties generally benefit from lower maintenance or capital expenditure requirements. The modern portfolio is also better equipped to meet the needs and support the supply-chain efficiencies of major players in the logistics and industrial space.

FLCT's high-quality business parks and CBD commercial properties are located in major business districts and enjoy a diverse tenant base from across a wide spectrum of business sectors.

HIGH-QUALITY AND DIVERSE TENANT BASE

With an enlarged portfolio covering logistics and industrial properties, CBD commercial assets and office and business parks, FLCT has government related entities, well-established multinationals, conglomerates and publicly listed companies among its 332 tenants as at 30 September 2020. The high-quality and diverse tenant base provides resilience to the FLCT portfolio across challenging events, as evidenced during the ongoing COVID-19 pandemic. The top-10 tenants accounted for only 23.6% of FLCT's portfolio GRI[1] with no single tenant accounting for more than 4.7% during the period, providing income diversity to the portfolio.

Top-10 Tenants of FLCT
(As at 30 September 2020)

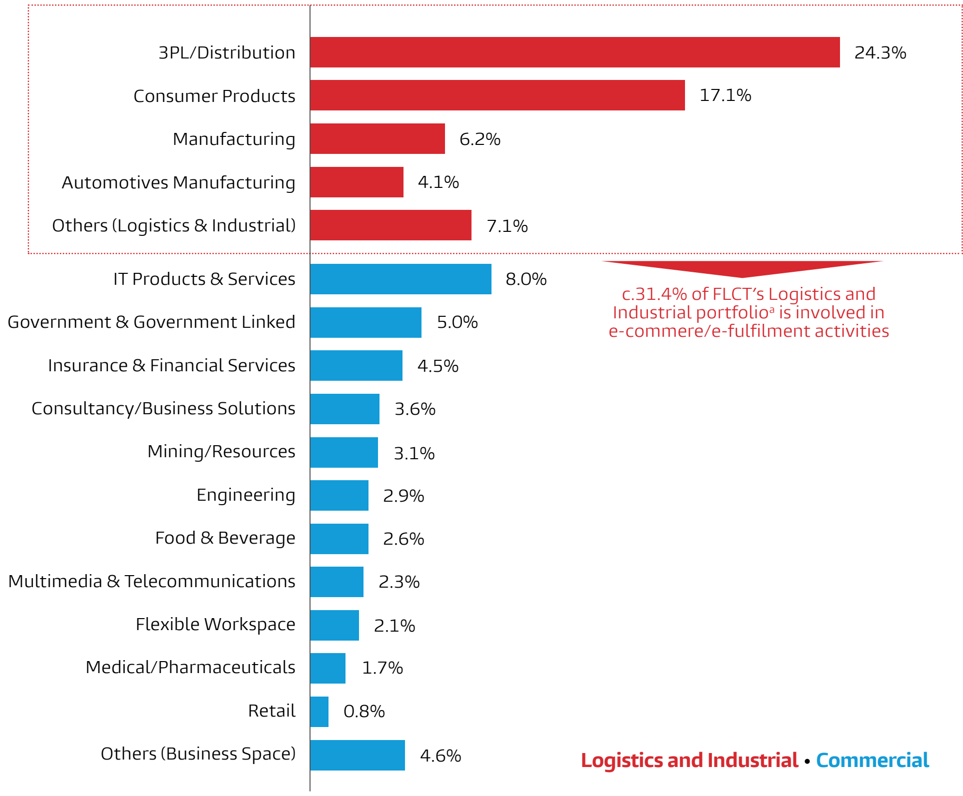
Tenant	Country	% of FLCT GRI	WALE (years)
Commonwealth of Australia	Australia	4.7	4.8
Google Asia Pacific	Singapore	4.0	4.3
Rio Tinto	Australia	2.6	9.7
Commonwealth Bank of Australia	Australia	2.0	2.3
BMW	Germany	1.9	5.2
Ceva Logistics	Australia	1.9	4.7
Schenker	Australia	1.7	4.1
Techtronics Industries	Australia	1.7	3.1
Fluor Limited	The UK	1.6	4.1
Mainfreight	Germany	1.5	5.4
		Total: 23.6%	**Average:** 4.4 years

1 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases

Contents

FLCT's consumer and logistics tenants continue to benefit from major structural changes driven by the acceleration of e-commerce activities during the pandemic. As at 30 September 2020, 31.4% of tenants in our logistics and industrial portfolio were involved in e-commerce and/or e-fulfilment activities, further demonstrating the quality and resilience of our tenant base during this challenging period .

Portfolio Tenant Sector Breakdown[a]
(As at 30 September 2020)



a Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and vacancies and include committed leases

STABLE LEASE STRUCTURE AND PROFILE

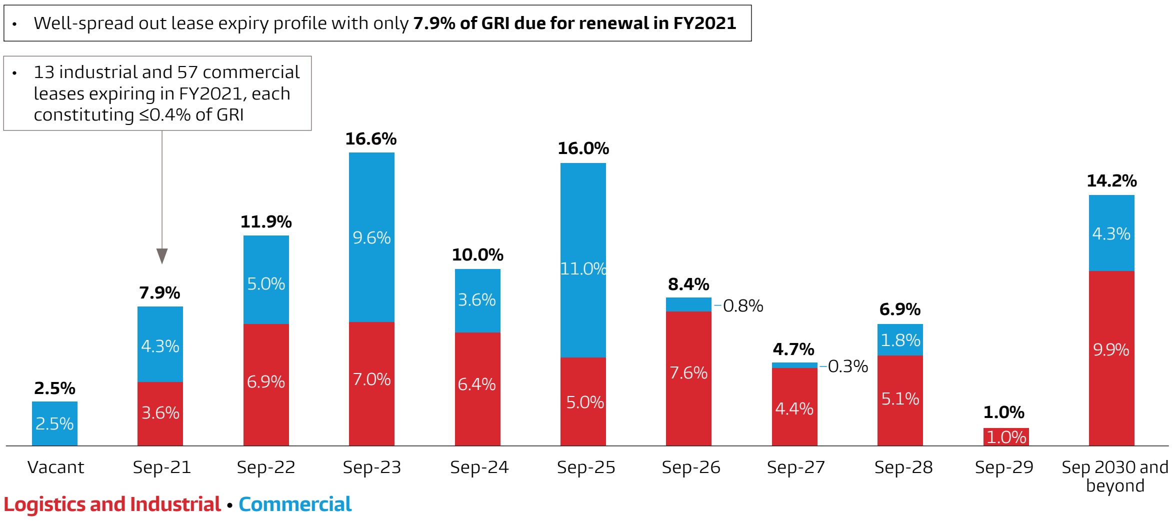
The REIT Manager's proactive asset management approach has resulted in a well-spread out portfolio lease expiry profile. The portfolio has a long WALE of 4.9 years as at 30 September 2020. On a sectoral basis, the WALE for the logistics and industrial portfolio was 5.5 years while the commercial portfolio had a WALE of 4.2 years as at 30 September 2020.

No more than 16.6% of total leases will be expiring in any given year over the next 5 years. The REIT Manager actively engages tenants on forward renewals, with a view towards enhancing income certainty.

During the lease term, rents may be subject to periodic fixed increments, inflation linked adjustments or market reviews which provide organic rental growth potential. For the logistics and industrial portfolio, leases in Australia generally have fixed annual increments averaging 3.1% while the majority of European leases benefit from CPI-linked indexation.

Portfolio Lease Expiry Profile[a]

(As at 30 September 2020)



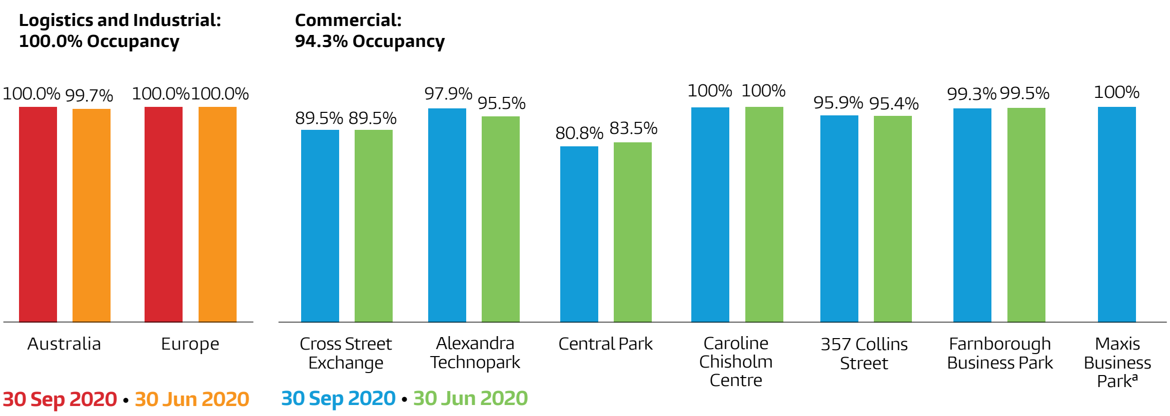
a Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases

HIGH OCCUPANCY AND STRONG LEASING ACTIVITY

FLCT continued to maintain high occupancy rates across its portfolio during the year. As at 30 September 2020, portfolio occupancy was 97.5%. Occupancy rates for the logistics and industrial, and commercial portfolios were 100% and 94.3%, respectively.

Portfolio Occupancy

(As at 30 September 2020)



a No comparable data available for 30 June 2020 as the acquisition of Maxis Business Park was completed on 12 August 2020

In FY2020, FLCT successfully secured 37 lease renewals and 27 new leases, accounting for 267,996 sqm or 10.5% of its total portfolio lettable area. This translates to a commendable tenant retention rate of approximately 88.7% in FY2020 on a lettable area basis. These new and renewed leases have a WALE of 2.6 years as at 30 September 2020 and an aggregate rental of $42.5 million per annum.

For the logistics and industrial portfolio, the new leases and renewals include fixed annual increments ranging from 3.0% to 3.5% in Australia while European leases tend to generally benefit from CPI-linked indexation.

Overall, the average rental reversion for the portfolio was -0.1%[2] in FY2020. The logistics and industrial portfolio recorded a rental reversion of -3.5% for 9.6% of total portfolio lettable area, as the fixed annual increments over the lease term have surpassed market rents. The commercial portfolio registered a rental reversion of 7.8% for 0.9% of total portfolio lettable area.

2 Calculated based on the signing gross rent (excluding any contracted fixed annual rental step-ups) of the new/renewed lease divided by the preceding terminating gross rent of each new/renewed lease (weighted by gross rent) of existing space

ACTIVE PORTFOLIO MANAGEMENT

The transformational Merger between FLT and FCOT in April 2020 created FLCT with an enlarged $6.2 billion portfolio of 100 prime properties comprising three property sub-sectors: logistics and industrial, CBD commercial, and office and business parks. In terms of active investment management, we optimised our portfolio with several strategic acquisitions and a major divestment during the year.

ACQUISITIONS

In April 2020, following the Merger with FCOT, FLCT acquired the remaining 50% stake not already held by FCOT in Farnborough Business Park, Farnborough, Thames Valley in the UK from its Sponsor at an agreed property value of approximately $158.4 million[3]. The property has an attractive WALE of 5.8 years as at 30 September 2020 and is home to well-established companies such as Fluor Limited, Syneos Health, Red Hat and Bolling Investments. The acquisition was fully funded by borrowings.

In August 2020, FLCT acquired two freehold properties from its Sponsor at a total agreed property value of approximately $143.2 million[4]. The two modern and high-quality properties have excellent connectivity, strong tenants and are a complementary fit to FLCT's portfolio. The acquisitions comprise:

(i) A 14,263 sqm prime-grade freehold logistics property in Melbourne's popular south eastern industrial precinct. This property is fully occupied by IVE Group and has a WALE of 4.6 years as at 30 September 2020. The logistics and industrial sector in south eastern Melbourne continues to be popular with investors due to its robust market fundamentals, low vacancy levels, limited supply and favourable demographics.

(ii) Maxis Business Park, a 17,859 sqm freehold property located in Bracknell, Thames Valley in the UK. This fully occupied property has a WALE of 6.4 years as at 30 September 2020, and serves as the regional headquarters of several tenants, including Panasonic UK, Allegis Group, Blue Yonder Technology Solutions and Cadence Design Systems. More than 60% of the tenants at Maxis Business Park are in the technology and telecommunication sectors, further adding to the resilience of the property.

DIVESTMENT

During the financial year, the REIT Manager rebalanced its portfolio, announcing the divestment of the remaining 50% interest in the 54,245 sqm Cold Storage Facility for approximately A$152.5 million (approximately $150.5 million) to ACREF 99SP Pty Ltd in August 2020, representing an attractive 12.2% premium to the book value of the property and 13.6%[5] higher than the divestment of the initial 50% interest in July 2019. The transaction was completed on 23 November 2020. The REIT Manager also completed the Heatherton Road Divestment, comprising the divestment of the office and deck car park components at 610 Heatherton Road, Clayton South, Victoria, Australia to Mack Bros Enterprises Pty Ltd on 29 October 2019 and the remaining warehouse and hardstand components to Enjoy Church Inc. on 6 January 2020, which has a total lettable area of 8,387 sqm, for a total consideration of A$20.4 million (approximately $19.9 million) representing a premium of 13.3% to the book value[6] of the property.

3 Translated based on an assumed exchange rate of £1: $1.75
4 Based on agreed property values of A$22.5 million and £67.3 million for the IVE Facility and Maxis Business Park, respectively, and translated based on assumed exchange rate of A$1: $0.9872 and £1: $1.7969, respectively
5 Based on the book value of the property of A$135.9 million ($134.2 million) as at 30 June 2020, and translated based on an assumed exchange rate of A$1: 0.9872
6 Based on the valuation by Savills Valuation Pty Ltd as at 15 April 2019 using the income capitalisation and discounted cash flow approaches. The book value of the property as at 15 April 2019 was A$18.0 million (approximately $17.6 million)

	Value-creating transactions			
	Acquisitions			Divestment
				
Property	50% interest in Farnborough Business Park, Farnborough, the UK	IVE Facility, Melbourne, Victoria, Australia	Maxis Business Park, Bracknell, the UK	Cold Storage Facility, Parkinson, Queensland, Australia
Appraised value	£91.3 million ($159.8 million)[a]	A$22.6 million ($22.3 million)[b]	£68.3 million ($122.6 million)[c]	A$152.0 million ($150.0 million)[d]
Agreed property value	£90.5 million ($158.4 million)[e]	A$22.5 million ($22.2 million)	£67.3 million ($121.0 million)	A$152.5 million ($150.5 million)
Completion date	30 April 2020	12 August 2020	12 August 2020	23 November 2020

Translated based on the following assumed exchange rates:
- (i) £1: $1.75 for Farnborough Business Park
- (ii) A$1: $0.9872 for the IVE Facility and the Cold Storage Facility
- (iii) £1: $1.7969 for Maxis Business Park

a Based on 50.0% interest in the property and the higher of the two independent valuations conducted by Knight Frank LLP (commissioned by the Trustee) and BNP Paribas Real Estate Advisory & Property Management UK Limited (commissioned by the REIT Manager). Both independent valuers adopted the income capitalisation and direct comparison approach for the completed buildings and residual approach for the development land in the valuations

b Being the higher of the two independent valuations conducted by Savills Valuation & Advisory Pty Ltd (commissioned by the Trustee) and CIVAS (VIC) Pty Ltd (commissioned by the REIT Manager). Both independent valuers adopted the income capitalisation and discounted cash flow approach in the valuations

c Being the higher of the two independent valuations conducted by Jones Lang LaSalle Limited (commissioned by the Trustee) and Knight Frank LLP (commissioned by the REIT Manager). Jones Lang LaSalle Limited adopted primarily the income capitalisation approach in the valuation. Knight Frank LLP adopted the income capitalisation and comparison approaches in the valuation

d Based on the independent valuation conducted by Urbis Valuations Pty Ltd using the income capitalisation and discounted cash flow approach

e Based on 50.0% interest in the property

CONTINUED FOCUS ON SUSTAINABILITY

The REIT Manager continues to focus on sustainability which is core to the creation of long-term value for FLCT's unitholders and other stakeholders.

For the fourth consecutive year, FLCT has been awarded the Highest Green Star performance-rated portfolio in Australia by the Green Building Council of Australia (GBCA). FLCT achieved an overall 4 Star Green Star rating and was the first to achieve 6 Star Green Star ratings for industrial facilities in each of New South Wales, Victoria and Queensland.

FLCT was also named 'Industrial - Global Listed Sector Leader' for the third consecutive year in the 2020 Global Real Estate Sustainability Benchmark (GRESB) assessment[7]. Its properties achieved an overall score of 87 out of 100, which incorporates the performance of FLCT's logistics and industrial portfolio spanning Australia, Germany and the Netherlands.

FLCT's progress and achievements in the areas of sustainability have allowed the REIT to tap into additional sources of funding: green loans and sustainability-linked loans, which offer eligible borrowers a potential lower cost of funding.

In FY2020, the REIT established a sustainability-linked loan framework and successfully secured $660 million of sustainability-linked credit facilities in aggregate. Funds raised were deployed to finance the Merger and the acquisition of the remaining 50% interest in Farnborough Business Park in April 2020, and to refinance maturing debts. The credit facilities have an interest margin reduction feature if pre-determined sustainability targets are achieved.

The REIT Manager seeks to continue delivering on its strategy of growth and value creation through focused sustainability practices. Sustainable initiatives, as appropriate, will be employed in the enhancement and design of FLCT assets across its thriving markets of Australia, Singapore, Germany, the UK and the Netherlands.

7 The results of the 2020 Real Estate Assessment by GRESB was announced on 16 November 2020

PROPERTY OVERVIEW

FLCT continued to deliver on its promise of growth and value creation in FY2020, increasing its portfolio to 100 quality properties worth approximately $6.2 billion as at 30 September 2020, from 91 properties worth approximately $3.2 billion a year ago.

Following the Merger, FLCT's portfolio comprises modern high-quality properties located in five major markets across three continents. By value, 88.3% of these assets are located in Australia, Singapore and Germany with the remaining 11.7% spread across the UK and the Netherlands. Of the 100 assets in the portfolio, 93 are logistics and industrial properties and the remaining seven are CBD commercial and office and business park assets.

AUSTRALIA

Australia recorded 28 consecutive years of robust economic growth prior to the COVID-19 outbreak in 2020. The implementation of COVID-19 containment measures across the country resulted in GDP declines of 0.3% and 7% in the three months ended March 2020 and June 2020, respectively, and confirmed Australia's first recession since 1991[1].

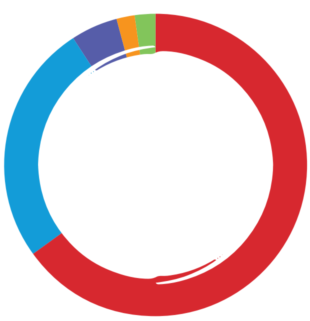
Given Australia's strong long-term economic and demographic fundamentals, the country is expected to rebound following the containment of the pandemic. The Reserve Bank of Australia said in November 2020 that it expects GDP to contract by around 4% in 2020, and forecasts GDP to grow by 5% over 2021 and 4% in 2022[2].

The industrial and logistics sector has entered the pandemic with solid property fundamentals, underpinned by low vacancies, limited speculative development activity, relatively strong occupier demand and growing capital investor appetite. The global structural e-commerce tailwind is relatively immature in Australia and is expected to further fuel the trajectory of demand for fulfilment centres and growth of third partly logistics. These fundamentals will continue to drive the resilient performance of industrial and logistics in Australia.

A majority of FLCT's Australian properties are in major business and trade hubs along the eastern seaboard states. 59 properties or 79.7% of FLCT's Australian portfolio properties by value are in Melbourne, Sydney and Brisbane, with the remaining six properties comprising 20.3%, located in Adelaide, Perth and Canberra.

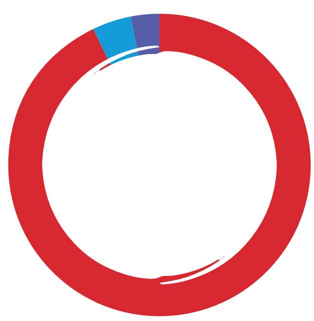
With the Australian economy in a recession, vacancy rates in the CBD commercial and office and business parks sector increased to 12.2% for the three months ended September 2020 from a cyclical low of 8.1% for the three months ended September 2019. The sector's relatively weak supply-demand dynamics, which is largely dependent on white-collar employment growth and tenant demand, is expected to weigh-on the sector in the near-term[3].

Portfolio by Geography



	No. of Properties
Australia	65
Germany	26
The Netherlands	5
Singapore	2
The UK	2

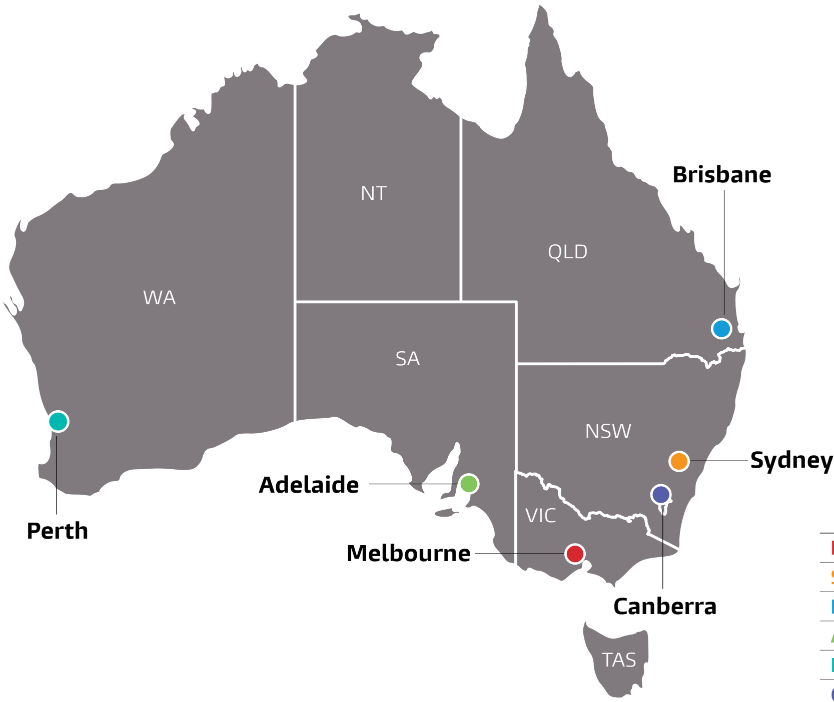
Portfolio by Asset Type



	No. of Properties
Logistics and Industrial	93
Office and Business Parks	4
CBD Commercial	3

1 "Australian National Accounts", Australian Bureau of Statistics, 2 September 2020
2 "Covid, Our Changing Economy and Monetary Policy - Speech by Governor Lowe", Reserve Bank of Australia, 16 November 2020
3 "Australian Independent Market Report", Jones Lang LaSalle Incorporated, 3Q2020

FLCT's Australian portfolio has an aggregate leasable area of 1,475,931 sqm across three resilient asset classes: logistics and industrial, CBD commercial, and office and business parks. With a weighted average lease expiry of 4.7 years, the Australian portfolio was valued at $2.9 billion as at 30 September 2020.



	No. of Properties
Melbourne	31
Sydney	16
Brisbane	12
Adelaide	3
Perth	2
Canberra	1

City (State)	Logistics and Industrial Properties	Logistics and Industrial Lettable Area (sqm)	CBD Commercial Properties	CBD Commercial Lettable Area (sqm)	Office and Business Parks Properties	Office and Business Parks Lettable Area (sqm)	Total Properties	Total Lettable Area (sqm)
Melbourne (Victoria)	30	664,142	1	31,962	-	-	31	696,104
Sydney (New South Wales)	16	397,107	-	-	-	-	16	397,107
Brisbane (Queensland)	12	229,808	-	-	-	-	12	229,808
Adelaide (South Australia)	3	26,412	-	-	-	-	3	26,412
Perth (Western Australia)	1	20,143	1	66,113	-	-	2	86,256
Canberra (Australian Capital Territory)	-	-	-	-	1	40,244	1	40,244
Total	**62**	**1,337,612**	**2**	**98,075**	**1**	**40,244**	**65**	**1,475,931**

City (State)	Logistics and Industrial Valuation ($ million)	Logistics and Industrial % FLCT Portfolio Valuation	CBD Commercial Valuation ($ million)	CBD Commercial % FLCT Portfolio Valuation	Office and Business Parks Valuation ($ million)	Office and Business Parks % FLCT Portfolio Valuation	Total Valuation ($ million)	Total % FLCT Portfolio Valuation
Melbourne (Victoria)	883.1	14.3	312.9	5.1	-	-	1,196.0	19.4
Sydney (New South Wales)	693.5	11.2	-	-	-	-	693.5	11.2
Brisbane (Queensland)	400.8	6.5	-	-	-	-	400.8	6.5
Adelaide (South Australia)	24.3	0.4	-	-	-	-	24.3	0.4
Perth (Western Australia)	11.6	0.2	307.1[a]	5.0	-	-	318.7	5.2
Canberra (Australian Capital Territory)	-	-	-	-	239.6	3.9	239.6	3.9
Total	**2,013.3**	**32.6**	**620.0**	**10.1**	**239.6**	**3.9**	**2,872.9**	**46.5**

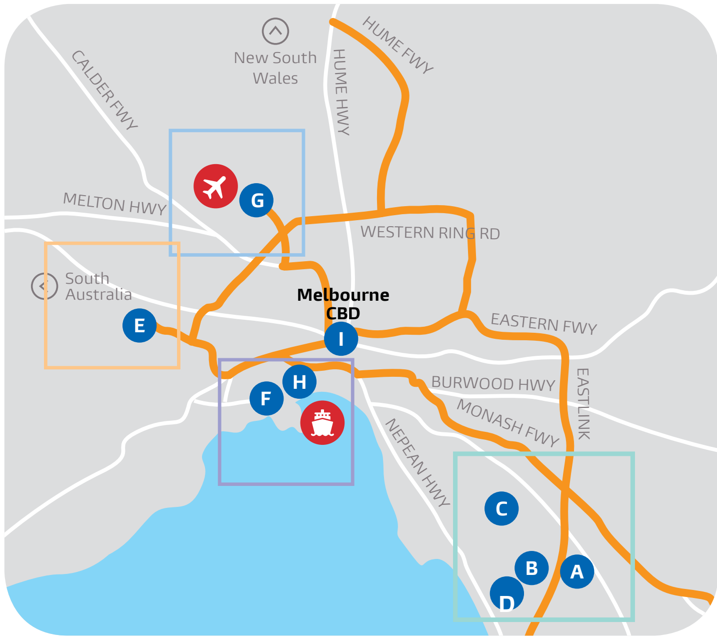
a Based on 50.0% interest in the property

MELBOURNE, VICTORIA
31 properties

Melbourne is the second most populous city in Australia and accounted for 40% of the country's total economic growth in 2018-19. During this period, Melbourne's GDP grew by 4% to A$369 billion, securing its position as the second largest contributor to Australia's economy[4].

Melbourne's logistics and industrial sector continues to experience strong tenant demand driven by the accelerated growth of e-commerce in defensive industries such as groceries and pharmaceuticals during the pandemic.

Over the past five years Melbourne has seen strong demand for office space as a result of strong population growth, the creation of white-collar jobs, and expansion of sectors such as professional services, the public sector, education as well as co-working groups. While the negative economic impact of the COVID-19 pandemic has resulted in significant disruption to smaller businesses, the sector is expected to rebound strongly when the country recovers from the pandemic[5].



FLCT's logistics and industrial properties in Melbourne are primarily located in the west and south east industrial precincts and service Melbourne's port and large south eastern residential population base. The REIT has one office asset located in the heart of Melbourne's CBD.

Precinct	Location	Map	Properties	Precinct Characteristics
Southeast	South Park Industrial Estate	A	5	• Great access to the large residential population base through M1 (Monash Freeway) and M3 (Eastlink) • Rising scarcity of developable land in the South East sub-markets
	The Key Industrial Park	B	9	
	Clayton South & Mulgrave	C	1	
	Braeside Industrial Estate	D	1	
West	West Park Industrial Estate	E	6	• Access to key freeways, including the Tullamarine Freeway, Citylink Tollway and Western Ring Road, together with the Tullamarine Airport • Accessible to Sydney via the Hume Highway
	Altona Industrial Park	F	1	
North	Melbourne Airport Business Park	G	6	• Close to the shipping port and access to the M1, Geelong Road, and M80 Western Ring Road
City Fringe	Port Melbourne	H	1	• Access to the M1 (Westgate Freeway) linking it to the west precinct
CBD	CBD	I	1	• Australia's largest CBD with 5 million sqm of office space

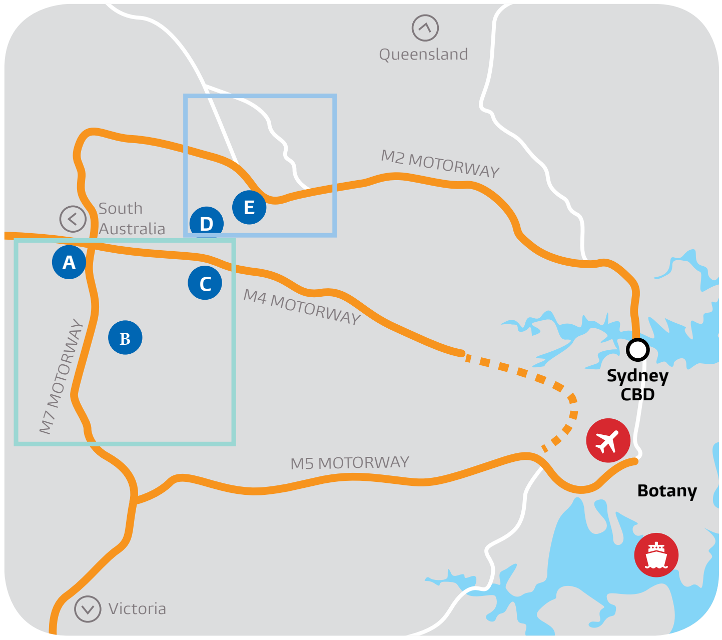
4 "Melbourne closes on Sydney as nation's economic powerhouse", The Sydney Morning Herald, 19 December 2019
5 "Australian Independent Market Report", Jones Lang LaSalle Incorporated, 3Q2020

SYDNEY, NEW SOUTH WALES
16 properties

Sydney is the largest contributor to Australia's GDP. In 2018-2019, the city grew 2.6% to A$461 billion and accounted for almost a quarter of the country's GDP[6].

The logistics and industrial sector continued to experience strong demand, driven by the expansion of third party logistics ("3PLs") and retail groups enhancing their online sale distribution channel. From January to September 2020, the retail trade sector accounted for 56% of leasing activity, followed by the transport, postal & warehousing sector (16%) and manufacturing (15%) sectors[7].

FLCT's logistics and industrial properties in Sydney are well-located and have strong access to major freeways and Sydney's port, and are well-positioned to serve the growing population in the north west.



Precinct	Location	Map	Properties	Precinct Characteristics
Outer Central West	Eastern Creek	A	5	• Excellent access to key motorways, including M7, M4 and other main arterial roads • Third-party logistics, retail and wholesale distribution centres for key brand name operators are concentrated in this precinct
	Wetherill Park	B	3	
	Pemulwuy	C	2	
Outer North West	Seven Hills	D	4	• Close to M2 and M7 and access to the large and growing north west population corridor • Supply is moderately constrained with sites suiting smaller development
	Winston Hills	E	1	
Wollongong	Port Kembla		1	• One of the three major trade ports within New South Wales and is situated within the southern industrial city of Wollongong

6 "Economic performance of Australia's cities and regions", SGS Economics & Planning, December 2019
7 "Australian Independent Market Report", Jones Lang LaSalle Incorporated, 3Q2020

BRISBANE, QUEENSLAND
12 properties

Brisbane's GDP grew 2.6% to A$177 billion, contributing to 9.3% of Australia's total GDP in 2018-2019. Brisbane's growth has been underpinned by population migration, with people attracted by its employment opportunities, cheaper housing and lifestyle. Unlike Sydney and Melbourne, Brisbane has a more diversified industrial economy given the smaller pool of financial and professional services companies operating in the city[8].

FLCT's logistics and industrial properties in Brisbane are primarily concentrated in the southern sub-market, which is well connected to northern, western and southern Brisbane via a network of accessible roads and motorways.

Precinct	Location	Map	Properties	Precinct Characteristics
Southern	Shettlestone Street	A	1	• Largest geographical industrial precinct that has good road linkages to the north, west and south, as well as to the residential population bases in the Gold Coast
	Flint Street	B	1	
	Boundary Road	C	1	
	Stradbroke Street	D	1	
	Siltstone Place	E	1	
	Wayne Goss Drive	F	2	
	Platinum Street	G	1	
	Pearson Road	H	2	
Trade Coast	Queensport Road	I	1	• Close to key infrastructure, including Port of Brisbane and Brisbane Airport • Access to the north and south via the M1 • Supply is constrained
Northern	Earnshaw Road	J	1	• Services the population to the North of Brisbane via Gympie Road, Bruce Highway and Houghton Highway • Limited availability of development land

8 "Economic performance of Australia's cities and regions 2018-2019", SGS Economics & Planning, December 2019

ADELAIDE, SOUTH AUSTRALIA
3 properties

Adelaide's GDP grew 3.2% to A$85 billion in 2018-2019, outperforming the national GDP growth average of 1.9% during the period.[8] Adelaide's industrial market has been supported by significant Government investment in infrastructure, increased defence spending, and improved conditions for mining and energy investment along with the growth in e-commerce and transport logistics[9].

Location	Properties	Precinct Characteristics
Adelaide Airport	3	• Proximity to Adelaide's CBD and Port Adelaide • Located within Adelaide Airport Business Park

PERTH, WESTERN AUSTRALIA
2 properties

Perth's GDP grew 0.1% to A$147 billion in 2018-2019, contributing to 7.8% of Australia's GDP during the period[8]. Investor demand for industrial assets remains strong as the rise of the stay-at-home economy has significantly accelerated growth in e-commerce[14]. Perth's CBD has been in recovery mode since 2016, recording three consecutive years of positive net absorption from 2017 and 2019, driven by professional services groups, the public sector as well as co-working groups[10].

Location	Properties	Precinct Characteristics
Perth Airport	1	• Close to key infrastructure, including Perth Airport and Freemantle Port • In the heart of Perth's CBD
Perth CBD	1	

CANBERRA, AUSTRALIAN CAPITAL TERRITORY
1 property

Canberra's GDP grew 3.0% to A$40 billion in 2018-2019, contributing to 2.1% of the country's GDP[8]. Canberra's CBD is the only CBD market in Australia to have reported positive net absorption in 2020, as the market is dominated by public sector tenants, who have been relatively stable in terms of occupancy during this downturn[11].

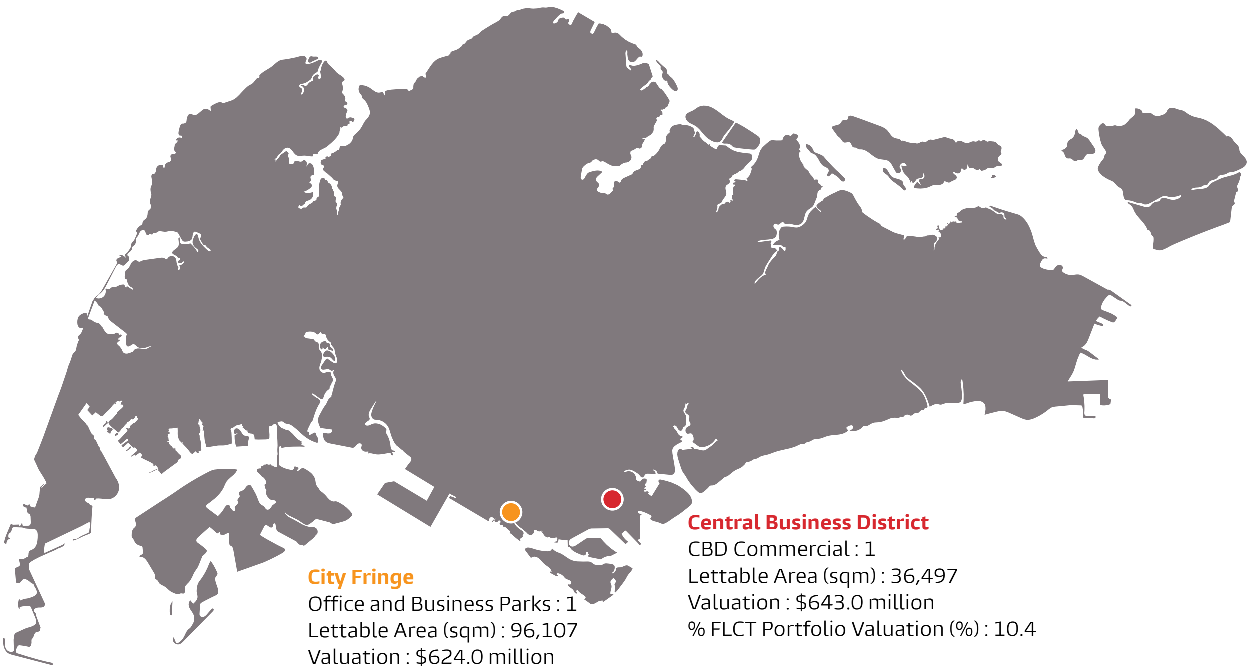
Location	Properties	Precinct Characteristics
Tuggeranong	1	• Located within the core of the Tuggeranong Town Centre in Canberra, Australia's capital city and the location of the Federal Parliament House

9 Quote by Colliers International in "Primewest purchases Adelaide logistics property for A$22m", MHD Supply Chain, 4 August 2020
10 "Shedding Light on the Perth Industrial Market June 2020", CBRE Market Research Snapshot, July 2020
11 "Australian Independent Market Report", Jones Lang LaSalle Incorporated, 3Q2020

SINGAPORE

Singapore's economy expanded by 9.2% Q-o-Q in the three months ended 30 September 2020 as the country emerged from the Circuit Breaker measures implemented by the government from 7 April to 1 June 2020, as well as the rebound in activity in major economies during the quarter as they emerged from their lockdowns. Given the deep contractions in Singapore's GDP in the first six months of 2020, the government forecasts GDP in 2020 to decline between 6.5% and 6.0%[12].

FLCT's Singapore portfolio comprises a prime CBD commercial asset valued at $643.0 million and Alexandra Technopark, a quality office and business park located in the city fringe of Singapore valued at $624.0 million. In aggregate, the two assets have a WALE of 2.9 years and a leasable area of 132,604 sqm.



Total islandwide office net absorption was -445,491 sqft in 3Q 2020 with renewals and business relocations being the main drivers for leasing demand. Occupier activity was supported by several Chinese technology firms and family offices establishing a base in the country, reinforcing Singapore's strong and stable market fundamentals.

Sectors like technology, information and communications, financial services and insurance firms are expected to drive leasing activity going forward.

Net absorption for Hi-Tech space was around 71,400 sqft with vacancy levels at 12.2% in 3Q 2020. Demand for Business Park space remained relatively subdued with net absorption of 15,960 sqft and vacancy at 13.0% in the three months ended September 2020. Both Business Parks and Hi-Tech spaces are expected to benefit from the government's push for higher technology and higher valued added industries, and as some companies look to reassess their real estate footprint over the longer-term[13].

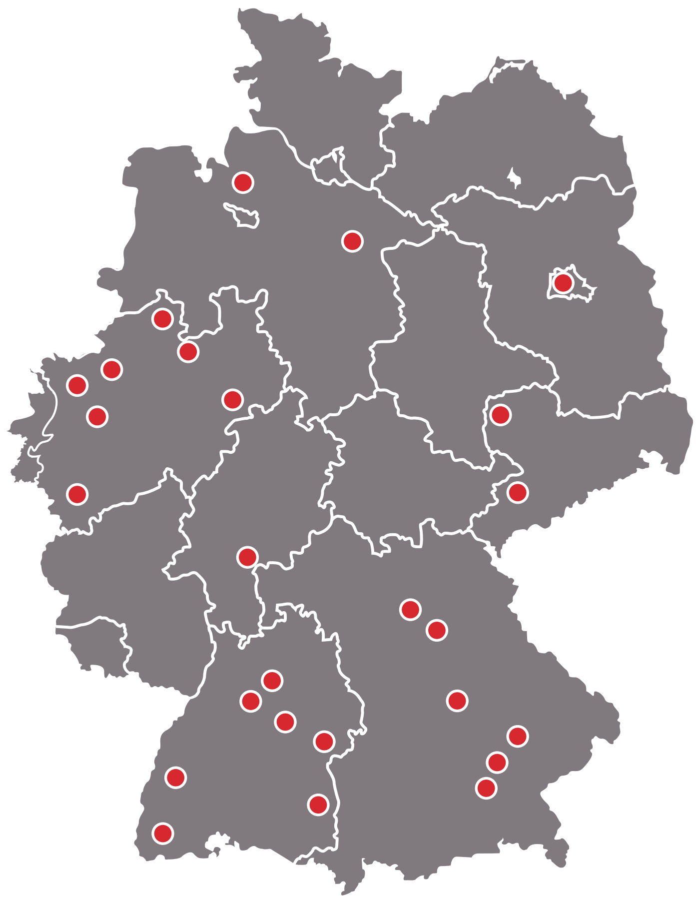
12 "MTI Forecasts GDP Growth of "-6.5 to -6.0 percent" in 2020 and "+4.0 to +6.0 percent" in 2021", Ministry of Trade and Industry, 23 November 2020
13 "Singapore Office, Hi-Tech (B1) and Business Market Overview", CBRE, November 2020

GERMANY

Despite the on-going global pandemic, the German economy has been on a path of recovery since the lockdowns were imposed due to the COVID-19 pandemic eased in May 2020. According to the ifo Institute, following a fall in economic output in the first half of 2020, a strong rebound in the German economy began as early as May 2020, which has continued to-date in almost all sectors. Following an anticipated 5.4% decline in GDP in 2020, the economy is expected to grow 7% in 2021[14].

Together with the strength of the automotive industry and logistics, the e-commerce sector remains one of the strongest and most important economic sectors in Germany. The continued proliferation of e-commerce continues to drive the German industrial and logistics real estate market. The top eight industrial and logistics real estate markets in Germany saw a take-up of around 2 million sqm in the first nine months of 2020, reflecting an 8% increase over the same period in the previous year[15].

FLCT has a strong presence in major global logistics hubs across Germany with 26 highly sought-after logistics and industrial assets located in the logistics regions of Hamburg-Bremen; Leipzig-Chemnitz; Munich-Nuremberg; Stuttgart-Mannheim; Frankfurt; Düsseldorf-Cologne, Bielefeld and Berlin. FLCT's German portfolio has an aggregate leasable area of 662,996 sqm, a WALE of 6.7 years, and a portfolio value of $1.3 billion.



Region	Properties	Lettable Area (sqm)	Valuation ($ million)	% FLCT Portfolio Valuation
Hamburg – Bremen	2	32,170	58.7	0.9
Leipzig – Chemnitz	2	29,590	49.1	0.8
Munich – Nuremberg	6	164,909	334.0	5.4
Stuttgart – Mannheim	7	240,096	491.8	7.9
Frankfurt	1	23,154	50.2	0.8
Dusseldorf – Cologne	7	159,935	260.8	4.2
Berlin	1	13,142	69.3	1.1
Total	**26**	**662,996**	**1,313.9**	**21.2**

14 "Joint Economic Forecast", ifo Institute of Economic Research, 14 October 2020
15 "Industrial & Logistics Leasing & Investment Market: Germany", Colliers International, 3Q2020

Region	Characteristics
Hamburg – Bremen	• Access to Bremen Airport, Hannover-Langenhagen Airport and Braunschweig-Wolfsburg Airport • Well connected to motorways such as A28, A29, A293, A2 and A391
Leipzig – Chemnitz	• Serviced by Leipzig/Halle Airport and Dresden Airport • Leipzig is well connected via rail and serves as an important junction of the north to south and west to east railway lines • Chemnitz is situated at the intersection of two key motorways – the A4 Erfurt-Dresden and the A72 Hof-Leipzig Autobahns
Munich – Nuremberg	• Ranked as the #1 hi-tech location in Europe by the European Commission • Located on the intersection of two core network corridors of the Trans European Transport Network • Serves as a distribution centre and logistics hub for Southern Germany
Stuttgart – Mannheim	• Stuttgart is the largest city of the German state of Baden Wurttemberg and one of the wealthiest regions in Europe with a high level of employment • Mannheim is Germany's second most important intercity railway junction with Paris about 3 hours away
Frankfurt	• Key global gateway in Europe: 3-hour reach to every business metropolis in Europe • Frankfurt Airport is the biggest cargo airport in Germany and one of the largest international airports in the world
Dusseldorf – Cologne	• 9 of Europe's top 100 logistics companies are located in North Rhine Westphalia along with over 24,000 logistics companies • A major hub in the Deutsche Bahn railway network and is also directly accessible via the A3 motorway • Served by Cologne Bonn Airport (ranked third busiest air cargo hub in Germany) and Dusseldorf International Airport (ranked third in passenger traffic in Germany)
Berlin	• Access to Tegel Airport and Schönefeld Airport • Well connected via rail to all major German cities and many cities in Europe • Convenient access to a network of roads and motorways

THE UK

With the COVID-19 pandemic and Brexit continuing to weigh-on consumers and businesses, the UK economy is expected to see contraction of approximately 10.8% in 2020. Industry experts expect the economy to rebound strongly from a low base in 2021-22, before returning to an average growth of 1.4% per annum from 2023 onwards[16].

The South East region contributed £311 billion or 15% of UK's GDP in 2019, supported by more than 940,000 businesses and a highly educated and skilled workforce[16].

FLCT's UK portfolio comprises two thriving office and business park assets in the South East region: Farnborough Business Park located in Farnborough, Thames Valley and Maxis Business Park in Bracknell,Thames Valley. The two assets have a total lettable area of 68,865 sqm, and an aggregate valuation of $434.4 million as at 30 September 2020.

Office and Business Parks	Properties	Lettable Area (sqm)	Valuation ($ million)	% FLCT Portfolio Valuation
Farnborough, Thames Valley	1	51,006	314.0	5.1
Bracknell, Thames Valley	1	17,859	120.4	1.9
Total	**2**	**68,865**	**434.4**	**7.0**

Farnborough has excellent connectivity to key motorways, a 34-minute direct train service to Waterloo Station, London, and the TAG Farnborough Airport. During the first nine months of 2020, the take up rate in Farnborough was 102,471 sqft, approximately 60% higher than the average annual take-up over the last five years of 64,125 sqft. At the end of September 2020, there was less than 130,000 sqft of office space available in Farnborough. The area enjoys a strong following with aerospace industry and technology firms, attracting companies such as QinetiQ Holdings, Serco Group, BAE Systems and CSC, a business services provider[16].

Bracknell is an established office market located at the heart of the UK's "Silicon Valley". Located between the M3 and M4 motorways, the area has a total stock of approximately 3.2 million sqft. As at Q3 2020, there was less than 530,000 sqft of office space available in Bracknell, representing a market vacancy rate of 16.8%. The area has attracted a significant number of high-profile companies from a variety of sectors including Waitrose and Johnson & Johnson[17].

16 "Independent Market Report: South East Office Market", Knight Frank, October 2020

THE NETHERLANDS

Although the Dutch economy was impacted by rising unemployment and declining consumer spending in the first six months of 2020 due to the pandemic, it is clear that the economy is stabilising. According to the CPB Netherlands Bureau for Economic Policy Analysis, the country's GDP is expected to decline 5% in 2020 and grow 3% in 2021[17].

The logistics market in the Netherlands continues to be desirable given the country's attractive tax climate, good infrastructure and a strategic location within Europe. The market is set to benefit when businesses look to relocate away from the UK due to Brexit, or when supply chains seek to diversify their presence in other geographies[18].

FLCT has a presence in the Netherlands with five quality assets in three Dutch logistics and industrial regions: Meppel, Utrecht – Zeewolde, and Tilburg – Venlo. The portfolio has an aggregate gross leasable area of 218,285 sqm with a WALE of 8.0 years. The portfolio was valued at $289.1 million as at 30 September 2020.

Region	Properties	Lettable Area (sqm)	Valuation ($ million)	% FLCT Portfolio Valuation
Meppel	1	31,013	69.5	1.1
Utrecht – Zeewolde	2	136,509	175.1	2.8
Tilburg – Venlo	2	50,763	44.5	0.7
Total	**5**	**218,285**	**289.1**	**4.7**

Region	Characteristics
Meppel	• Developed as a transport and distribution inland harbour, Meppel enjoys strong transport connectivity to national motorways and the Meppel Barge Terminal • Located in the northeast region of the Netherlands and is an approximate 1.5 hours' drive from Amsterdam
Utrecht – Zeewolde	• Utrecht is one of the most notable logistics locations in the eastern part of the Netherlands due to its strong infrastructure • Zeewolde has 8 industrial estates with the concentration of logistics activities at the logistic park Trekkersveld I, II and III
Tilburg – Venlo	• Tilburg is the Netherlands' 6th largest city and largest inland logistics hub • It is a key city in the Belt and Road Initiative given its direct connection to China via the Chengdu-Europe Express Rail • Venlo is the main logistics hotspot of the Netherlands due to its strategic location between the Randstad, Flemisch and Ruhr regions • Rapid growth of transport infrastructure, coupled with the relatively low land and rents, make the region an attractive location for the distribution sector

17 "Renewed growth in Dutch economy from third quarter onwards, but downturn will reverberate", CPB Netherlands Bureau for Economic Policy Analysis, 17 August 2020
18 "Industrial & Logistics Leasing & Investment Market: The Netherlands", Colliers International, 3Q2020

▲ 357 Collins Street, Melbourne, Australia

Contents

PROPERTY PROFILES

AUSTRALIA
Logistics and Industrial


1


2


3


4


5


6


7


8

9


10

11


12


13


14


15


16


17


18


19


20


21


22


23


24

25


26


27


28


29

30

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
MELBOURNE: SOUTH									
South Park Industrial Estate									
1	98-126 South Park Drive Dandenong, South	100	28,062	Freehold	Oct 2006	39.6	30.7	· Woolworths Limited	2.8
2	21-33 South Park Drive, Dandenong South	100	22,106	Freehold	Nov 2005	28.4	21.5	· Caprice Australia Pty Ltd	2.0
3	22-26 Bam Wine Court, Dandenong South	100	17,606	Freehold	Sep 2004	24.9	19.7	· BAM Wine Logistics Pty Ltd	1.9
4	16-32 South Park Drive Dandenong South	100	12,729	Freehold	Apr 2009	16.6	12.4	· Australian Postal Corporation	1.1
5	89-103 South Park Drive, Dandenong South	100	10,425	Freehold	Sep 2005	15.8	11.7	· Ecolab Pty Ltd	1.0
The Key Industrial Park									
6	17 Pacific Drive and 170-172 Atlantic Drive, Keysborough	100	30,004	Freehold	Dec 2012	43.2	31.9	· BIC Australia Pty · Chrisco Hampers Australia Ltd	2.8
7	150-168 Atlantic Drive, Keysborough	100	27,272	Freehold	Aug 2011	38.0	32.3	· ESR Group Holdings Pty Ltd · Tyres 4 U Pty Ltd	3.0
8	49-75 Pacific Drive, Keysborough	100	25,163	Freehold	Dec 2011	35.7	26.2	· Horizon Global Ltd	2.5
9	77 Atlantic Drive, Keysborough	100	15,095	Freehold	Aug 2015	24.1	17.0	· Miele Australia Pty Ltd	1.6
10	78 & 88 Atlantic Drive, Keysborough	100	13,495	Freehold	Nov 2014	19.8	15.5	· Adairs Retail Group Pty Ltd · Orchard Manufacturing Co Pty Ltd (Trading as Melrose Health)	1.6
11	111 Indian Drive, Keysborough	100	21,660	Freehold	Jun 2016	40.1	29.3	· Astral Pool Australia Pty Ltd	2.7
12	29 Indian Drive, Keysborough	100	21,854	Freehold	Nov 2017	36.4	28.0	· Stanley Black & Decker Australia Pty Ltd	2.4
13	17 Hudson Court, Keysborough	100	21,200	Freehold	May 2018	35.7	26.9	· Clifford Hallam Healthcare Pty Ltd	2.3
14	8-28 Hudson Court, Keysborough	100	25,762	Freehold	Dec 2016	38.1	31.4	· Dana Australia Pty Ltd · Pinnacle Diversity Pty Ltd · Licensing Essentials Pty Ltd	2.3
Clayton South & Mulgrave									
15	211A Wellington Road, Mulgrave	100	7,175	Freehold	Apr 2016	39.1	34.0	· Mazda Australia Pty Ltd	3.2
Braeside Industrial Estate									
16	75-79 Canterbury Road, Braeside	100	14,263	Freehold	May 2019	22.1	22.1	· IVE Group Australia Pty Ltd	0.2

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
MELBOURNE: WEST									
West Park Industrial Estate									
17	468 Boundary Road, Derrimut	100	24,732	Freehold	Aug 2006	37.6	22.2	· CHEP Australia Ltd	2.4
18	1 Doriemus Drive, Truganina	100	74,546	Freehold	Jun 2016	96.8	75.8	· CEVA Logistics (Australia) Pty Ltd	6.3
19	2-22 Efficient Drive, Truganina	100	38,335	Freehold	Mar 2015	45.5	37.9	· MaxiPARTS Pty Ltd · Schenker Australia Pty Ltd · Toll Transport Pty Ltd	3.3
20	1-13 and 15-27 Sunline Drive, Truganina	100	26,153	Freehold	Apr 2011	32.7	26.1	· Arlec Australia Pty Ltd · Freight Specialists Pty Ltd	2.4
21	42 Sunline Drive, Truganina	100	14,636	Freehold	Jun 2015	17.8	14.4	· Vermile Pty Ltd (trading as Austrans)	1.3
22	43 Efficient Drive, Truganina	100	23,088	Freehold	Feb 2017	26.9	22.1	· CEVA Logistics (Australia) Pty Ltd	2.0
Altona Industrial Park									
23	18-34 Aylesbury Drive, Altona	100	21,493	Freehold	Feb 2015	26.4	20.7	· Seaway Logistics Pty Ltd · Electrical Home-Aids Pty Ltd (trading as Godfreys)	1.9

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
MELBOURNE: NORTH									
Melbourne Airport Business Park									
24	38-52 Sky Road East, Melbourne Airport	100	46,231	Leasehold (Expires 30 Jun 2047)	Oct 2008	42.7[1]	24.2	· Unilever Australia (Holdings) Proprietary Limited	3.2
25	96-106 Link Road, Melbourne Airport	100	18,599	Leasehold (Expires 30 Jun 2047)	Jun 2009	37.0[1]	22.7	· DHL Global Forwarding (Australia) Pty Ltd	2.9
26	17-23 Jets Court, Melbourne Airport	100	9,869	Leasehold (Expires 30 Jun 2047)	Mar 2009	14.0[1]	7.1	· Eagle Lighting Australia Pty Limited · ICAL International Customs and Logistics Pty Ltd	1.2
27	25-29 Jets Court, Melbourne Airport	100	15,544	Leasehold (Expires 30 Jun 2047)	Dec 2007	16.7[1]	10.0	· Agility Logistics Pty Limited · Boeing Defence Australia Limited	1.4
28	28-32 Sky Road East, Melbourne Airport	100	12,086	Leasehold (Expires 30 Jun 2047)	Aug 2008	13.0[1]	8.1	· Agility Logistics Pty Limited	1.1
29	115-121 South Centre Road, Melbourne Airport	100	3,085	Leasehold (Expires 30 Jun 2047)	May 2008	8.1[1]	5.1	· Prime Vigor Pty Ltd (trading as Jetstream Café) · Alternative Freight Services Pty Ltd	0.7
Port Melbourne									
30	2-46 Douglas Street, Port Melbourne	100	21,803	Leasehold (Expires 30 Mar 2053)	Oct 2005	39.8[1]	19.6	· Siemens Rail Automation Pty Ltd · Toll Transport Pty Ltd	3.1

1 Includes right-of-use asset as at 30 September 2020

SYDNEY


31


32

33


34


35


36


37


38

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
SYDNEY: OUTER CENTRAL WEST									
Eastern Creek									
31	4-8 Kangaroo Avenue, Eastern Creek	100	40,543	Freehold	Dec 2013	90.0	65.2	· Schenker Australia Pty Ltd	5.9
32	21 Kangaroo Avenue, Eastern Creek	100	41,401	Freehold	Jul 2015	71.9	54.7	· Techtronic Industries Australia Pty Limited	5.0
33	17 Kangaroo Avenue, Eastern Creek	100	23,112	Freehold	Jun 2015	47.2	32.3	· Fisher & Paykel Australia Pty Limited · Quatius Logistics Pty Ltd	2.9
34	7 Eucalyptus Place, Eastern Creek	100	16,074	Freehold	Dec 2014	32.3	24.7	· FDM Warehousing Pty Limited	2.5
35	2 Hanson Place, Eastern Creek	100	32,839	Freehold	Mar 2019	70.9	59.1	· FDM Warehousing Pty Ltd · Techtronic Industries Australia Pty Limited	4.5
Pemulwuy									
36	8-8A Reconciliation Rise, Pemulwuy	100	22,511	Freehold	Dec 2005	47.5	32.0	· Inchcape Motors Australia Limited · Ball & Doggett Pty Ltd	3.2
37	6 Reconciliation Rise, Pemulwuy	100	19,218	Freehold	Apr 2005	45.6	28.7	· Ball & Doggett Pty Ltd	2.9
Wetherill Park									
38	1 Burilda Close, Wetherill Park	100	18,848	Leasehold (Expires 29 Sep 2106)	Sep 2016	97.1[1]	52.5	· Martin Brower Australia Pty Ltd	4.9
39	Lot 1,2 Burilda Close, Wetherill Park	100	14,333	Leasehold (Expires 14 Jul 2106)	Jul 2016	38.4[1]	19.3	· RFD (Australia) Pty Ltd (trading as Survitec) · Phoenix Distribution (NSW) Pty Ltd (trading as Phoenix)	2.0
40	3 Burilda Close, Wetherill Park	100	20,078	Leasehold (Expires 14 May 2107)	May 2017	53.7[1]	28.4	· Nick Scali Limited · Plastic Bottles Pty Ltd	2.7

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
SYDNEY: OUTER NORTH WEST									
Seven Hills									
41	8 Distribution Place, Seven Hills	100	12,319	Freehold	May 2008	25.7	20.6	· Legend Corporate Services Pty Ltd (trading as Cabac)	1.9
42	99 Station Road, Seven Hills	100	10,772	Freehold	Mar 2011	21.0	15.6	· RF Industries Pty Ltd	1.4
43	10 Stanton Road, Seven Hills	100	7,065	Freehold	Apr 2003	15.0	11.1	· CSR Building Products Limited	1.2
44	8 Stanton Road, Seven Hills	100	10,708	Freehold	May 2002	18.7	14.4	· Yusen Logistics (Australia) Pty Ltd	1.2
Winston Hill									
45	11 Gibbon Road, Winston Hills	100	16,625	Freehold	May 2015	47.2	34.7	· Tailored Packaging Pty Ltd (trading as Huhtamaki) · Toshiba International Corporation Pty Ltd	3.4
SYDNEY: WOLLONGONG									
Port Kembla									
46	Lot 104 & 105 Springhill Road, Port Kembla	100	90,661	Leasehold (Expiring on 13 Aug 2049 for Lot 104 and 20 Aug 2049 for Lot 105)	Aug 2009	28.7[1]	24.0	· Inchcape Motors Australia Limited	3.4

BRISBANE, ADELAIDE & PERTH


47


48


49


50


51


52


53

54


55


56

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
BRISBANE									
BRISBANE: SOUTHERN									
47	99 Shettleston Street, Rocklea	100	15,186	Leasehold (Expires 19 Jun 2115)	Jan 2002	23.5	20.2	· Opal Packaging Australia Pty Ltd	1.9
48	30 Flint Street, Inala	100	15,052	Leasehold (Expires 19 Jun 2115)	Jan 2013	25.9	22.5	· Isuzu Australia Limited	2.1
49	55-59 Boundary Road, Carole Park	100	13,250	Leasehold (Expires 19 Jun 2115)	May 2004	19.9	13.8	· Goodyear & Dunlop Tyres (Aust) Pty Ltd	1.3
50	51 Stradbroke Street, Heathwood	100	14,916	Leasehold (Expires 19 Jun 2115)	Jun 2002	28.6	20.8	· B & R Enclosures Pty Ltd	2.1
51	10 Siltstone Place, Berrinba	100	9,797	Leasehold (Expires 19 Jun 2115)	Oct 2014	16.0	12.2	· TCK Alliance Pty Ltd	1.1
52	103-131 Wayne Goss Drive, Berrinba	100	19,487	Freehold	Sep 2017	32.3	28.0	· National Tiles Co Pty Ltd · Paccar Australia Pty Ltd	2.4
53	29-51 Wayne Goss Drive, Berrinba	100	15,456	Freehold	Oct 2016	26.5	22.7	· Avery Dennison Materials Pty Ltd · GM Kane and Sons Pty Ltd (trading as CTI Logistics)	1.9
54	57-71 Platinum Street, Crestmead	100	20,518	Leasehold (Expires 19 Jun 2115)	Nov 2000	46.4	26.6	· Stramit Corporation Pty Limited	2.9
55	143 Pearson Rd, Yatala	100	30,618	Leasehold (Expires 30 Aug 2115)	Jul 2016	40.9	33.1	· ACI Operations Pty Ltd (trading as O-I)	2.8
56	166 Pearson Road, Yatala	100	23,218	Freehold	Oct 2017	41.1	30.7	· Beaulieu of Australia Pty Limited	2.5

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
BRISBANE: TRADE COAST									
57	286 Queensport Road, North Murarrie	100	21,531	Leasehold (Expires 19 Jun 2115)	Sep 2004	40.2	32.3	· Laminex Group Limited	3.0
BRISBANE: NORTHERN									
58	350 Earnshaw Road, Northgate	100	30,779	Leasehold (Expires 19 Jun 2115)	Dec 2009	59.6	45.7	· H.J. Heinz Co. Australia Limited	4.2

ADELAIDE

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
ADELAIDE									
59	20-22 Butler Boulevard, Adelaide Airport	100	11,197	Leasehold (Expires 27 May 2048)[2]	Aug 2009	18.2[1]	10.6	· Agility Logistics Pty Limited · TNT Australia Pty Ltd	1.9
60	18-20 Butler Boulevard, Adelaide Airport	100	6,991	Leasehold (Expires 27 May 2048)[2]	Dec 2007	13.0[1]	7.5	· Thermo Gamma Metrics Pty Limited	1.2
61	5 Butler Boulevard, Adelaide Airport	100	8,224	Leasehold (Expiring on 27 May 2048)[2]	Sep 2008	13.1[1]	7.8	· Australian Postal Corporation · Adelaide Packaging Supplies Pty Ltd · Direct Couriers (Adel) Pty Limited (Commences 1 January 2021) · JFC Australia Co Pty Ltd	1.4

PERTH

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
PERTH									
62	60 Paltridge Road, Perth Airport	100	20,143	Leasehold (Expires 3 Jun 2033)	Feb 2009	11.6	16.6	· Amazon Commercial Services Pty Ltd · Electrolux Home Products Pty Ltd	2.7

2 The lease expiry date does not factor in an option to renew for 49 years, which will bring the lease expiry to 27 May 2097



CBD Commercial

	CBD Commercial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	# of Tenants and Key Tenants	FY2020 Gross Revenue ($m)
MELBOURNE: CBD									
63	357 Collins Street, Melbourne	95.9	31,962	Freehold	Dec 2012	312.9	305.2	26 tenants. Key tenants include: · Commonwealth Bank of Australia · Service Stream Limited · Orange Business Services Australia Pty Ltd	9.4
PERTH : CBD									
64	Central Park, 152-158 St Georges Terrace Perth	80.8	66,113	Freehold	1992	307.1	289.0	22 tenants. Key tenants include: · Rio Tinto Shared Services Pty Ltd · Grant Thornton Australia Limited · Australia Energy Market Operator Limited · Jones Lang LaSalle (WA) Pty Ltd	10.4

Office & Business Parks

	Office & Business Parks Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
CANBERRA: TUGGERANONG									
65	Caroline Chisholm Centre, Block 4 Section 13, Tuggeranong	100	40,244	Leasehold (99 years from Jun 2002)	Jun 2007	239.6	228.0	· Commonwealth of Australia (Department of Human services)	10.7

Contents

SINGAPORE

CBD Commercial

	CBD Commercial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	No. of Tenants and Key Tenants	FY2020 Gross Revenue ($m)
Singapore: CBD									
66	Cross Street Exchange, 18, 20 & 22 Cross Street and 4 retail units at 181 South Bridge Road	89.5	36,497	Leasehold (99 years from 3 Feb 1997)	2002 and 2019	643.0	648.0	71 tenants. Key tenants include: · GroupM Singapore Pte Ltd · Suntory Beverage & Food Asia Pte Ltd · JustCo (Cross St) Pte Ltd · Equinix Asia Pacific Pte Ltd	14.3

	Office and Business Parks Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	No. of Tenants and Key Tenants	FY2020 Gross Revenue ($m)
Singapore: City Fringe									
67	Alexandra Technopark, 438A/438B/438C Alexandra Road	97.9	96,107	Leasehold (99 years from 26 Aug 2009)	1996, 1998 and 2018	624.0	606.0	56 tenants. Key tenants include: · Google Asia Pacific Pte. Ltd. · Worley Pte. Limited · Nokia Solutions and Networks (S) Pte Ltd · Olympus Singapore Pte. Ltd.	25.5

GERMANY

Logistics and Industrial

Logistics and Industrial Property		Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
HAMBURG – BREMEN									
68	Am Krainhop 10, Isenbüttel	100	20,679	Freehold	Jul 2014	29.9	23.6	· Volkswagen	1.7
69	Am Autobahnkreuz 14, Rastede	100	11,491	Freehold	Nov 2015	28.8	25.9	· Broetje-Automation	2.0
LEIPZIG – CHEMNITZ									
70	Johann-Esche-Straße 2, Chemnitz	100	18,053	Freehold	Jan 2007	26.9	23.0	· Rhenus	1.9
71	Am Exer 9, Leipzig	100	11,537	Freehold	Sep 2013	22.2	17.9	· Dräxlmaier	1.3
MUNICH – NUREMBERG									
72	Oberes Feld 2, 4, 6, 8, Moosthenning	100	72,558	Freehold	Jul 2009, Aug 2012 and Aug 2015	110.7	94.2	· BMW	6.0
73	Koperstraße 10, Nuremberg	100	44,221	Leasehold (Expires 31 Dec 2080)	Apr 2015 and Jul 2018	104.9[1]	58.2	· Roman Mayer Logistik · Hellmann Worldwide Logistics · Johnson Outdoors Vertriebsgesellschaft mbH	5.3
74	Industriepark 1, Mamming	100	14,193	Freehold	Aug 2013	24.8	21.9	· Leadec	1.5
75	Jubatus-Allee 3, Ebermannsdorf	100	9,389	Freehold	Apr 2005	12.5	10.5	· Grammar Automotive	0.8
76	Hermesstraße 5, 86836, Graben, Augsburg	100	11,534	Freehold	Feb 2018	57.4	48.5	· Hermes Germany GmbH	2.5
77	Dieselstraße 30, 85748, Garching	100	13,014	Freehold	Jan 2008	51.7	43.3	· EDEKA Aktiengesellschaft	2.6


78


79


80


81


82


83


84


85


86


87


88


89


90


91


92


93

Logistics and Industrial Property		Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
STUTTGART – MANNHEIM									
78	Industriepark 309, 78244 Gottmadingen	100	55,007	Freehold	Between 1999 and 2014	77.9	66.4	· Constellium	6.0
79	Otto-Hahn Straße 10, Vaihingen	100	43,756	Freehold	Mar 2014	88.0	68.9	· Dachser · DSV Solutions	4.5
80	Eiselauer Weg 2, Ulm	100	24,525	Freehold	Aug 2009	71.4	58.3	· Transgourmet	3.6
81	Murrer Strasse 1, Freiberg am Neckar	100	21,071	Freehold	Aug 2017	58.3	45.5	· Logistics Group International	2.7
82	Ambros-Nehren-Strasse, Achern	100	12,304	Freehold	Feb 2016	23.5	18.6	· Ziegler	1.2
83	Am Bühlfeld 2-8, 89543, Herbrechtingen	100	44,501	Freehold	Apr 2008	55.4	45.7	· Wilhelm Kentner Kraftwagen – Spedition GmbH & Co. KG	3.2
84	Bietigheimer Straße 50 – 52, 71732 Tamm	100	38,932	Freehold	Aug 2018	117.3	99.5	· Robert Bosch GmbH	5.5
FRANKFURT									
85	Im Birkengrund 5-7, 63179, Obertshausen	100	23,154	Freehold	Dec 2016	50.2	41.9	· Amor GmbH · Mühle Verpackungs- und Dienstleistungs GmbH	2.6

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	Tenants	FY2020 Gross Revenue ($m)
DUSSELDORF – COLOGNE									
86	Saalhoffer Straße 211, Rheinberg	100	31,957	Freehold	Sep 2016	46.6	39.5	· BMW	2.5
87	Elbestraße 1-3, Marl	100	16,831	Freehold	Jul 1995, Jun 2002 and May 2013	23.0	19.4	· Bunzl	1.4
88	Keffelker Straße 66, Brilon	100	13,352	Freehold	Nov 2009	15.8	14.0	· ABB	1.3
89	Gustav-Stresemann-Weg 1, Münster	100	12,960	Freehold	Jul 2009	25.0	20.5	· Saurer Technologies	1.6
90	An den Dieken 94, 40885, Ratingen	100	43,095	Freehold	Mar 2014	75.8	67.2	· Keramag Keramische WerkeAG · VCK Logistics SCS GmbH	4.0
91	Walter-Gropius-Straße 19, 50126, Bergheim	100	19,404	Freehold	Jun 2001, Oct 2018	32.1	27.8	· Callius GmbH · WEG Germany GmbH · GILOG Gesellschaft für Innovative Logistik mbH	1.8
92	Fuggerstraße 17, 33689 Bielefeld	100	22,336	Freehold	2016	42.4	35.7	· B+S GmbH Logistik und Dienstleistungen	1.9
BERLIN									
93	Gewerbegebiet Etzin 1, 14669 Berlin	100	13,142	Freehold	Oct 2017	69.3	58.9	· Hermes	2.4

THE UNITED KINGDOM

Office and Business Parks


94


95

	Office and Business Parks Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	No. of Tenants and Key Tenants	FY2020 Gross Revenue ($m)
FARNBOROUGH, THAMES VALLEY									
94	Farnborough Business Park, Farnborough	99.3	51,006	Freehold	2001 to 2019	314.0	311.4	37 tenants. Key tenants include: · Fluor Limited · Syneos Health UK Limited · TI Media Ltd · AETNA Global Benefits (UK) Ltd · Red Hat UK Limited	12.5
BRACKNELL, THAMES VALLEY									
95	Maxis Business Park, Bracknell	100	17,859	Freehold	2009	120.4	121.1	10 tenants. Key tenants include: · Panasonic UK · Allegis Group Ltd · Blue Yonder Technology Solutions (UK) Ltd · Cadence Design Systems Ltd	1.3

THE NETHERLANDS
Logistics and Industrial


96


97


98


99


100

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2020 ($m)	Purchase Price ($m)	No. of Tenants and Key Tenants	FY2020 Gross Revenue ($m)
MEPPEL									
96	Mandeveld 12, Meppel	100	31,013	Freehold	May 2018	44.5	36.6	· FrieslandCampina	2.3
UTRECHT – ZEEWOLDE									
97	Brede Steeg 1, s-Heerenberg	100	84,806	Freehold	Between 2001 and 2009	104.8	92.0	· Mainfreight	6.5
98	Handelsweg 26, Zeewolde	100	51,703	Freehold	Jul 1994, Jul 2000 and Jul 2010	70.3	55.5	· Bakker Logistiek	4.1
TILBURG – VENLO									
99	Belle van Zuylenstraat 5, Tilburg	100	18,121	Freehold	Jul 1996 and Jul 2000	26.1	21.1	· Bakker Logistiek	1.4
100	Heierhoevenweg 17, Venlo	100	32,642	Freehold	Oct 2015	43.4	36.1	· DSV Solutions	2.2

INVESTOR RELATIONS

The REIT Manager is committed to continuous engagement with FLCT's stakeholders by delivering accurate, timely and transparent communication. Through proactive communication of material information concerning FLCT's business strategies, operations and performance, investors are thus able to appreciate the value of FLCT and make informed investment decisions.

TIMELY COMMUNICATION VIA MULTIPLE CHANNELS

Key updates on FLCT's performance, strategies and initiatives are communicated to stakeholders on a regular basis through multiple communication channels. These include FLCT's corporate website, announcements, press releases, analyst briefings, media briefings, investor conferences, non-deal roadshows and investor meetings.

Notwithstanding disruptions brought about by the COVID-19 pandemic, the REIT Manager's stakeholder engagement efforts progressed unabated, leveraging digital platforms and conferencing technologies to conduct virtual investor meetings and conferences.

During the year, the REIT Manager provided institutional investors, retail investors, sell-side analysts, and financial media with clear and timely insights into FLCT's operations and outlook – in particular, the near- and long-term impact of the ongoing pandemic on operating and financial performance.

To facilitate the prompt dissemination of information, all announcements including corporate developments, financial statements, news releases and presentation slides, are uploaded onto FLCT's corporate website upon release to SGX-ST.

FLCT's corporate website features a wealth of information to support investors in their investment decisions and educate the financial community on FLCT's business fundamentals and operating results. The REIT Manager updates the corporate website regularly and ensures that the information source remains current.

Beginning from November 2020, we provided a webcast presentation of FLCT's full-year results for greater accessibility to the investment community. Going forward, webcasts covering FLCT's half-year and full-year results will be made available on our public platforms.

INSTITUTIONAL ENGAGEMENT

In FY2020, the REIT Manager completed over 200 investor engagements with global institutional investors through 1-on-1 meetings, group meetings, teleconferences, results related investor briefings, investor conferences and non-deal roadshows.

These institutional investor meetings allow for a more in-depth discussion with the REIT Manager on FLCT's prospects and recent developments, raising the profile of FLCT in the investment community.

RETAIL INVESTOR ENGAGEMENT

The REIT Manager endeavours to educate, inform and articulate its strategies and plans to retail investors through various platforms.

FLCT holds its Annual General Meetings ("AGMs") in Singapore. Its AGM held on 14 January 2020 was well-attended with more than 400 Unitholders and proxies present. AGMs serve as a useful platform for FLCT to communicate its long-term plans and strategies, and allow the board and management of the REIT Manager to address concerns and update Unitholders on the REIT's latest developments.

Extraordinary General Meetings ("EGMs") are held, as and when required, to discuss specific issues and seek unitholder approval for material transactions. On 11 March 2020, FLT held its third EGM since listing with the purpose of obtaining Unitholders' approval for the Merger and the acquisition of a 50% interest in Farnborough Business Park. Unitholders expressed strong support with 99.9% of all votes cast in favour of the Merger and 99.8% of all votes cast in favour of the acquisition. The EGM was attended by close to 200 Unitholders and proxies.

All resolutions set forth at FLCT's AGMs and EGMs are polled electronically and the results detailing the number of votes for and against each resolution were counted and validated by an independent scrutineer. Voting results are announced during the general meetings and uploaded on SGX-ST on the same day. The minutes of FLCT's general meetings, which include details of Unitholders' queries and responses, are available for public viewing on the FLCT website.

All board members including the Chairman, CEO and other senior management of the REIT Manager, as well as the Trustee and professional consultants (including auditors and legal advisers) were present to address feedback and queries from Unitholders as necessary.

During the Merger of FLT and FCOT, the REIT Manager intensified its communication with retail investors to raise awareness of the transaction, thereby allowing retail investors to make an informed decision when voting at the EGM. As part of this process, the REIT Manager held a dialogue session moderated by the Securities Investors Association of Singapore on 3 March 2020 with more than 100 retail investors in attendance.

To ensure that the investing community has continued access to the REIT Manager, a dedicated investor relations email and phone lines have been set in place for this purpose.

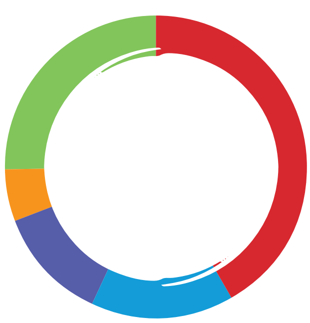
ANALYST ENGAGEMENT

Analyst engagement is a core part of the REIT Manager's investor relations programme. During the financial year, the REIT Manager continued to proactively engage analysts which resulted in three research houses initiating coverage on FLCT: HSBC Global Research, Macquarie Securities and Morningstar Equity Research. This increased the total number of analyst coverage to eight, from five in FY2019. Subsequent to FY2020, Daiwa Capital Markets initiated coverage on FLCT in October 2020, bringing the total number of analyst coverage to nine.

The REIT Manager understands that FLCT is actively covered by the following research houses:

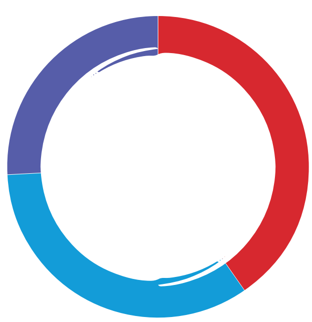
- CGS-CIMB Research
- Citi Investment Research
- Daiwa Capital Markets
- DBS Group Research
- HSBC Global Research
- Macquarie Securities
- Morgan Stanley Research
- Morningstar Equity Research
- OCBC Investment Research

Unitholders by Geography
(As at 15 September 2020)



Singapore	41.9%
Asia (ex. Singapore)	15.2%
North America	12.3%
Europe	5.4%
Rest of World/Unallocated	25.2%

Unitholders by Type
(As at 15 September 2020)



Institutional	40.5%
Retail	33.8%
Sponsor and related entities	25.7%

FY2020 INVESTOR RELATIONS CALENDAR

NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020
6 4QFY2019 and FY2019 Results Announcement	16 Distribution to Unitholders	14 Annual General Meeting	6 1QFY2020 Results Announcement	11 Extraordinary General Meeting

APR 2020	JUN 2020	AUG 2020	NOV 2020	DEC 2020
30 2QFY2020 Results Announcement	26 Distribution to Unitholders	3 3QFY2020 Business Updates	6 2HFY2020 and FY2020 Results Announcement	17 Distribution to Unitholders

FY2021 PLANNED EVENTS AND ACTIVITIES

JAN 2021	FEB 2021	MAY 2021	AUG 2021	NOV 2021
20 Annual General Meeting	3 1QFY2021 Business Updates	6 1HFY2021 Results Announcement	4 3QFY2021 Business Updates	11 2HFY2021 and FY2021 Results Announcement

Note: The above dates are indicative and may be subject to change by the REIT Manager without prior notice

FEEDBACK CHANNELS

The REIT Manager values and welcomes feedback from Unitholders and other stakeholders.

FOR ENQUIRIES OR FEEDBACK ON FLCT, PLEASE CONTACT:

Mr Ng Chung Keat / Ms Wang Mei Ling
Frasers Logistics & Commercial Asset Management Pte Ltd
Phone +65 6813 0583 / +65 6277 2509
Email: ir_flct@frasersproperty.com
Website: www.frasersproperty.com/reits/flct

UNIT PRICE PERFORMANCE

FLCT TRADING PERFORMANCE

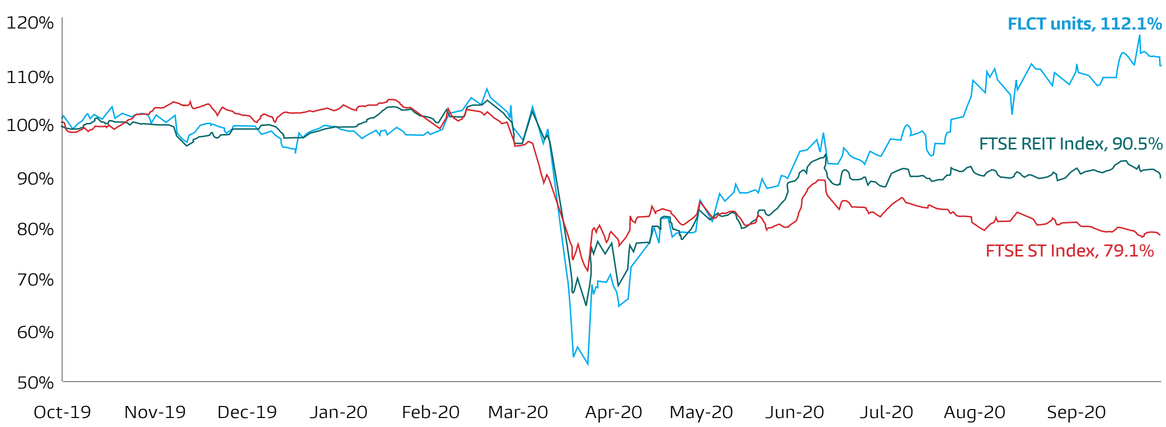
The outbreak of COVID-19 placed downward pressure on the global economy and financial markets in FY2020, and triggered a global equities sell-off in March 2020 when COVID-19 was declared a pandemic by the World Health Organisation.

Against a volatile year, FLCT's units performed respectably, recovering from the lows experienced in March 2020 due to the global equity sell-off to reach a historical high of $1.49 on 18 September 2020 before closing FY2020 at $1.39 on 30 September 2020. This represents a 12.1% increase from its closing price of $1.24 a year ago on 30 September 2019. FLCT's trading performance outperformed both the FTSE ST REIT Index and FTSE ST Index in FY2020, with both indices contracting by 9.5% and 20.9%, respectively during this period.

With a higher market capitalisation and accompanying free float increase arising from its Merger with FCOT in April 2020, FLCT experienced heightened levels of trading liquidity. The counter's average daily traded volume averaged 10.1 million units in FY2020, up 54.9% from 6.5 million units in the preceding year[1].

FLCT has been a constituent stock of the FTSE EPRA/NAREIT Global Developed Index since March 2019.

FLCT Unit Price Performance vs Major Indices

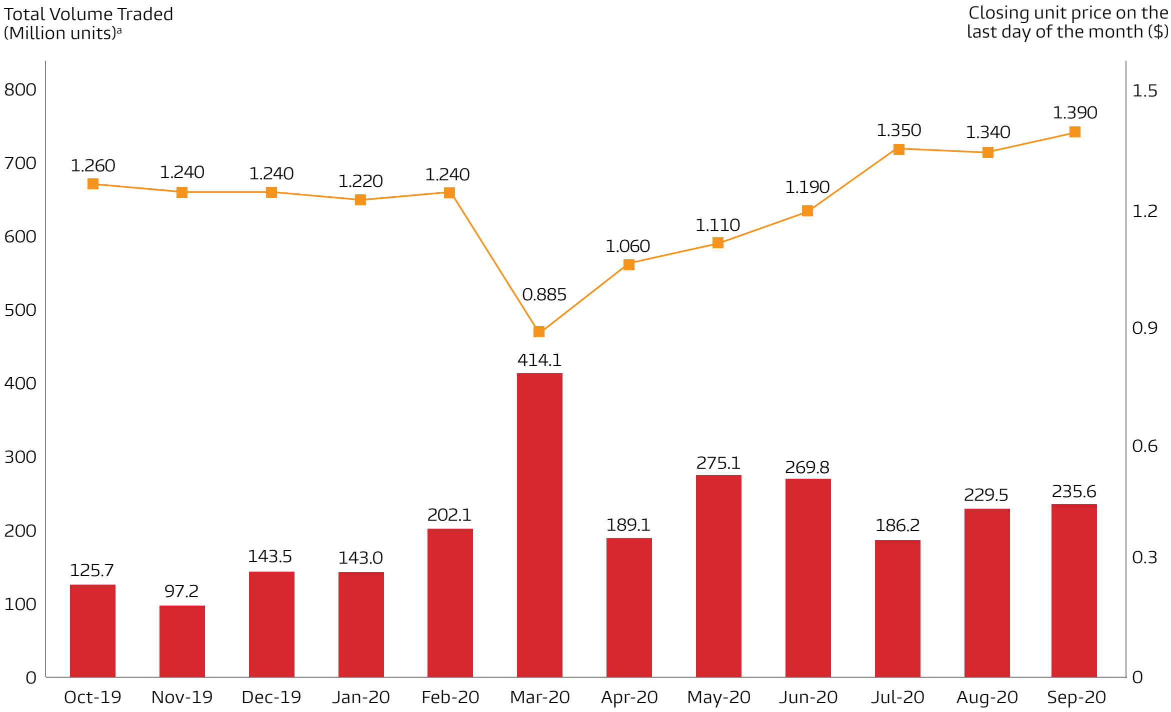


Source: Bloomberg LLP

1 Bloomberg LLP

Contents

FLCT Monthly Trading Performance in FY2020



Total Volume Traded • **Closing unit price on the last day of the month**

Source: Bloomberg LLP

a Sum of the daily traded volume in the respective month

FLCT UNIT PRICE PERFORMANCE

	Listing up to 30 Sep 2017[a]	FY2018	FY2019	FY2020
Opening Price ($)	1.075	1.065	1.080	1.240
Closing Price ($)	1.070	1.070	1.240	1.390
High Close ($)	1.110	1.190	1.290	1.460
Low Close ($)	0.900	1.020	1.010	0.665
Average Daily Traded Volume (million units)	4.4	4.6	6.5	10.1
Market Capitalisation as at 30 September ($ million)[b]	1,617.3	2,154.9	2,788.6	4,744.4

Source: Bloomberg LLP

a From 21 June 2016, date of listing up to 30 September 2017

b Based on the closing price and number of issued units as at the last trading day of the respective financial period/year

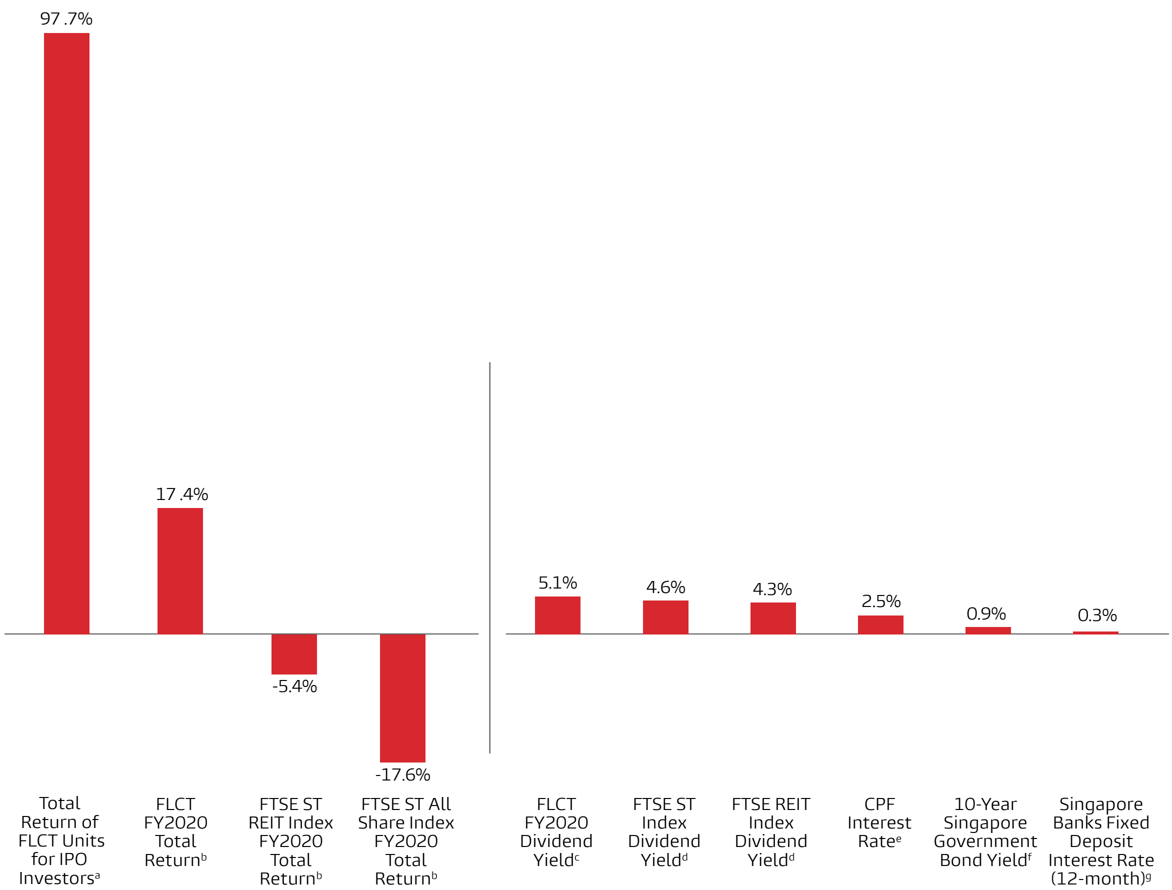
TOTAL RETURN

FLCT's 1-year, 3-year and 5-year total return had exceeded the FTSE REIT Index and the FTSE ST Index total return during the same periods.

	1-Year[a]		3-Year[a]		5-Year[a,b]	
	Price Change %	Total Return[c] %	Price Change %	Total Return[c] %	Price Change %	Total Return[c] %
FLCT	12.1	17.4	30.9	56.7	53.9	97.7
FTSE ST REIT Index	-9.5	-5.4	4.1	22.2	17.1	48.6
FTSE ST Index	-20.9	-17.6	-23.4	-13.9	-11.5	4.4

Source: Bloomberg LLP
a Up to 30 September 2020
b For the period from 21 June 2016, date of FLCT's listing up to 30 September 2020
c Assumes dividends are reinvested

COMPARATIVE YIELD



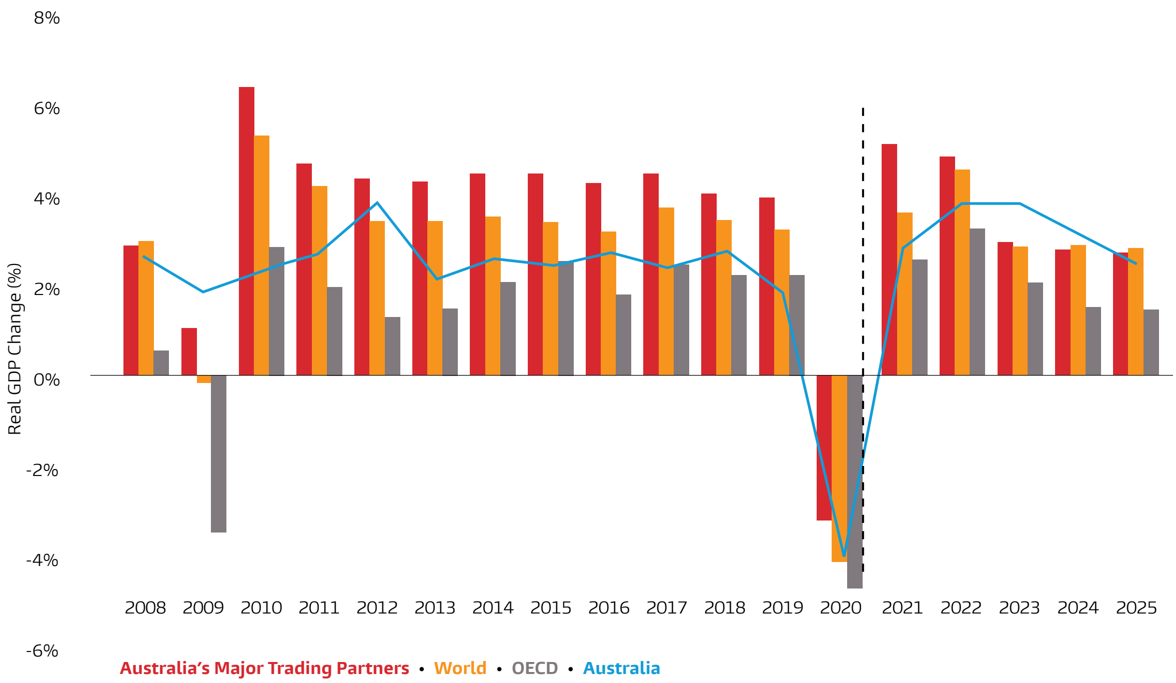
a Bloomberg LLP. For the period from 21 June 2016 to 30 September 2020. Calculation of total return assumed distributions paid during the period are reinvested
b Bloomberg LLP. For the period from 1 October 2019 to 30 September 2020. Calculation of total return assumed distributions paid during the period are reinvested
c Calculated based on FLCT's closing unit price of $1.39 per Unit as at 30 September 2020, and total DPU of 7.12 Singapore cents declared for FY2020
d Bloomberg LLP
e Based on the interest rate paid for the CPF Ordinary Account (https://www.cpf.gov.sg/Members/AboutUs/about-us-info/cpf-interest-rates)
f https://www.mas.gov.sg/bonds-and-bills/SGS-Bond-Statistics
g https://eservices.mas.gov.sg/Statistics/msb/InterestRatesOfBanksAndFinanceCompanies.aspx

INDEPENDENT **MARKET RESEARCH AUSTRALIA**

MACROECONOMIC OVERVIEW AND OUTLOOK

Prior to the COVID-19 pandemic in 2020, Australia experienced long-term economic growth – recording 28 consecutive years of positive economic activity. Australia's economic growth had been fostered by low interest rates and the depreciation of the exchange rate since 2013, therefore fostering higher export volumes. Higher export prices, coupled with a decline in import values, further increased Australia's trade surplus (4% of GDP in the June quarter of 2019 – which marked the highest level since 1959).

Figure 1: Australia's Real GDP Growth



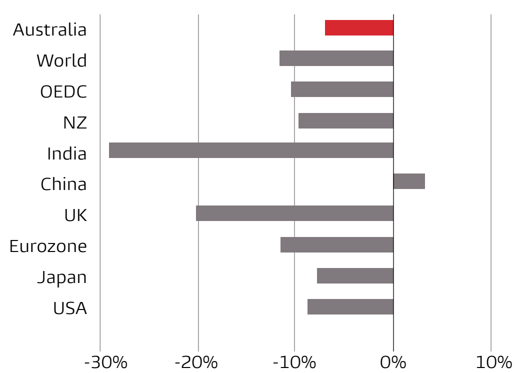
Source: Deloitte Access Economics, Jll Research. As at 3Q20

The COVID-19 containment measures led to a sharp drop in Australia's GDP over 2Q20 (-7.0%) and confirmed Australia's first recession since 1991, after a 0.3% decline in 1Q20. Although activity has somewhat picked up as restrictions in certain parts of the country eased in May, employment growth continues to remain weak.

The reduction in household labour income has, to an extent, been offset by income support policies (such as the JobKeeper program – extended to March 2021, and JobSeeker). This has supported consumption expenditure, particularly within the non-discretionary retail sector and online retail platform. The 2020-21 Federal Budget further provides economic stimulus, mainly in the form of personal income tax cuts and business investment incentives including wage subsidies.

GDP of Australia's major trading partners is forecast to contract by around 3% by the end of 2020.

Figure 2: Real GDP Growth Comparison in 2Q20

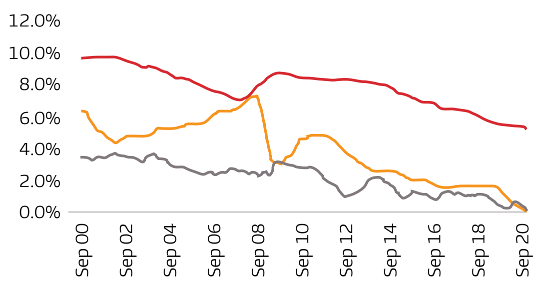


Source: Deloitte Access Economics, Jll Research. As at 3Q20

According to the Reserve Bank of Australia (RBA) in its August 2020 release:

- GDP growth is forecast to be around -6% by the end of 2020 and then increase to 5% by the end of 2021.
- Unemployment rate is forecast to peak at 10% by the end of 2020 and then trend downwards to 8.5% in 2021.
- Underlying inflation is expected to increase from -0.3% in June 2020 to 3% in June 2021.

Figure 3: Cash Rate, Bond Rate, and Industrial Prime Yield



Indexed 10 Year Bond Rate
National Prime Industrial Average Yield
Cash Rate Target

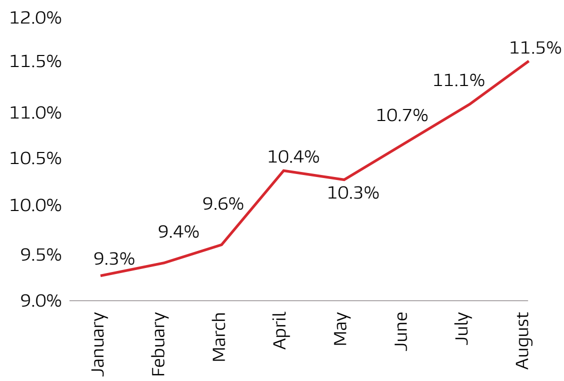
Source: RBA, Jll Research. As at 3Q20

INDUSTRIAL AND LOGISTICS SECTOR PERFORMANCE AND TRENDS

The Australian industrial and logistics sector has entered the COVID-19 pandemic with very strong property fundamentals; low vacancies, limited speculative development activity, relatively strong occupier demand, and growing investor appetite. These fundamentals will continue to drive the resilient performance of industrial and logistics. Pricing for core assets with strong covenants and long WALEs is expected to remain firm, with less demand for secondary grade assets with leasing vulnerabilities.

The global structural eCommerce tailwind is relatively immature in Australia and is expected to further fuel the trajectory of growth. The share of online retail trade to total retail trade currently stands at 11.5% (as at August 2020, according to the National Australia Bank), which is a significant jump from 9.3% as at January 2020. Faster eCommerce adoption will require greater supply chain investments from low-penetration industries such as the grocery sector. Supermarkets in Australia have, on average, online retail sales rate at less than 5%. In order to gear up for anticipated sustained growth in their online sales platform investment in fulfilment centres is likely and subsequent demand for third partly logistics is expected to continue rising.

Figure 4: Australia Ecommerce Share of Total Retail Sales, 2020

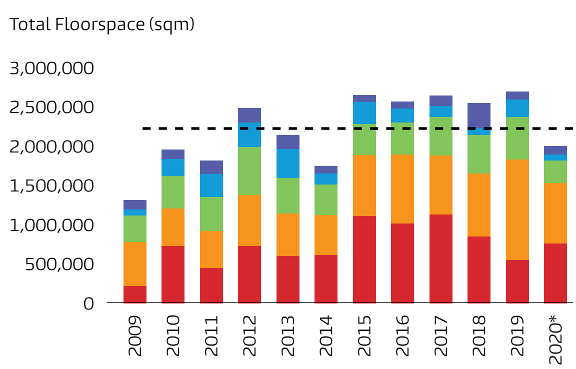


Source: NAB, ABS, Jll Research. As at 3Q20

Output from the transport and storage sectors has grown 0.5% over 2019 and is projected to increase at an annual average rate of 1.4% between 2020 and 2025 (Source: Deloitte Access Economics), driven by solid growth in the demand for goods, on the back of strong projected population growth.

Occupier demand for industrial stock has trended higher since 2014. The level of gross industrial floorspace take-up over 2020 is expected to be in line, if not above, the 10-year annual average of 2.2 million sqm. Take-up levels across the country continue to be attributed to new entrants and business expansion, rather than a pure operation relocation. The transport/logistics and retail sectors combined have accounted for around 60% of the total take-up of industrial floorspace in Australia.

Figure 5: National Industrial Gross Take-Up by City, 2009-2020YTD



Sydney • **Melbourne** • **Brisbane** • **Perth** • **Adelaide**
• **10-Year Average**
Source: Jll Research. As at 3Q20

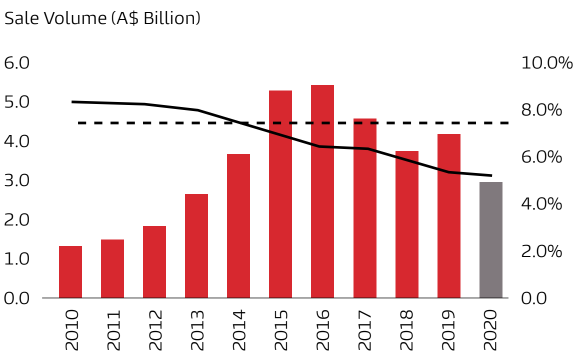
A record high level of infrastructure investment is underway in Australia. This is supported by the 2020-21 Federal Budget, which announced a record $110 billion in transport infrastructure in roads, rail and airports over the coming decade. New transport infrastructure will continue to support the logistics sector and in turn, demand for industrial space.

The pandemic will have long run implications on how supply chains are structured, in order to become more resilient and mitigate external risk. There are three elements or trends that may arise from this, all of which result in the demand for space:

- Reshoring/near sourcing of manufacturing – particularly for higher value-add manufacturing activity, such as those related to the healthcare sector.
- Increased inventory levels to manage potential future disruptions in the supply chain
- Accelerated trend toward the integration of technology into warehousing, and the wider use of automation and robotics.

Industrial property has emerged as a mature, institutional grade investment sector, and plays a vital role in a diversified portfolio. The Australian industrial sector remains one of the most sought-after sectors, by both domestic, regional and global capital sources, as it is underpinned by stable long-term factors. In 2019, approximately A$4.0 billion in investment sales occurred nationally (for sales A$10 million and over), and over 2020YTD around A$2.9 billion in investment sales have been transacted, illustrating the resilience in the sector during the pandemic period.

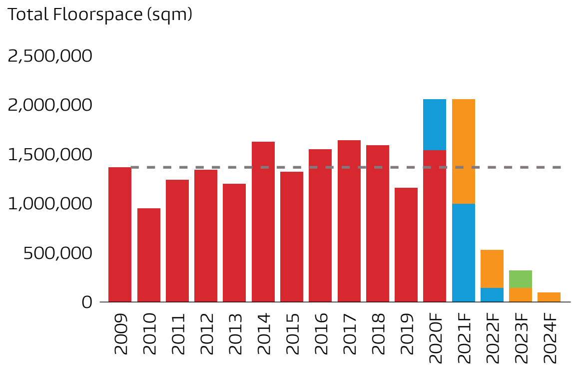
Figure 6: National Investment Sale Volumes and National Average Cap Rate, 2010-2020YTD



National Investment Sales • **National Prime Midpoint Yields (RHS)**
Source: Jll Research. As at 3Q20

JLL are forecasting an average of 1.0 million sqm of industrial space per annum to come online between 2020 and 2024. This is below the five-year historic annual average of 1.4 million sqm, indicating that quality assets will be in short supply.

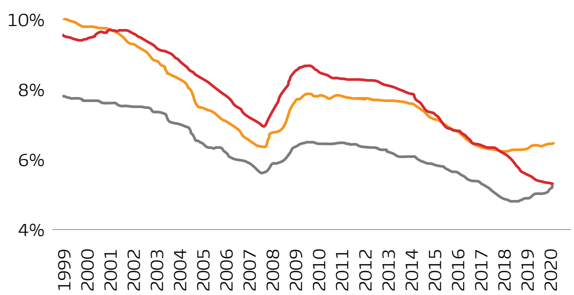
Figure 7: National Industrial Development Supply Pipeline, 2009-2024F



Complete • **Under Construction** • **DA Approved**
• **Development Application Stage** • **Historic 10-Year Average**
Source: Jll Research. As at 3Q20

Strong demand, coupled with the limited supply of stock have led to the appreciation in land, rent and capital values, and downward pressure on transaction yields. National average prime (5.71%) and secondary (6.97%) yields have compressed by 32 basis points ("bps") and 31 bps, respectively, over the 12 months to 3Q20.

Figure 8: Australian Average Sector Yields (Industrial vs. Retail)



Retail - Regional • **Retail - Sub-Regional** • **Industrial - Prime**
Source: JLL Research. As at 3Q20

INDUSTRIAL AND LOGISTICS MARKET OVERVIEWS

SYDNEY

Supply

Supply completions over the past 6 months to 3Q20 were strong, with approximately 303,900 sqm of stock added to the Sydney market. Projects under construction and due to complete in 4Q20 total 98,600 sqm, bringing total completions in 2020 to 544,000 sqm. This is 14% higher than the 10-year annual average.

Of the projects currently under construction, approximately 76% have pre-commitments with relatively little speculative stock expected to be delivered over the short term.

Over the last 12 months, the Outer Central West has accounted for 47% of total new supply delivered to the market, and the Outer North West and Outer South West combined for a total of 34% in this time.

Demand

Gross take-up has totalled 777,533 sqm over 2020YTD, which is already 38% higher than the full year total in 2019. A strong pre-lease market has lifted floorspace demand, driven by the expansion of 3PLs and retail groups enhancing their online sale distribution channel.

The Retail Trade sector has accounted for 56% of gross take-up YTD. This has primarily been facilitated by major pre-leases from groups including Amazon and Woolworths. The Transport, Postal & Warehousing sector (16%) and Manufacturing (15%) sectors have also recorded significant occupier activity.

Prime rents

Strong occupier activity has supported prime rental growth across most precincts in Sydney over the last 12 months. The market average currently sits at AUD 156 per sqm – 2.1% higher year-on-year. Rental growth has been led by the Outer Central West precinct, which has increased by 3.3% over the last 12 months to AUD 126 psm, followed by the South Sydney precinct (2.3% growth to AUD 208 psm) and the North precinct (2.2% growth to AUD 219 psm).

The Outer West precincts remain relatively more affordable than those closer to the city. Average prime existing rents in the three precincts range from AUD 113 psm in the Outer South West to AUD 126 psm for the Outer Central West and Outer North West precincts.

Concerns about potential vacancy risk has led landlords to offer higher incentives compared to pre-COVID. Average prime incentives have increased by 4 percentage points, to 14%, YTD while secondary incentives have increased by 3 percentage points this year, to 13%.

Pre-lease rents in the Outer Central West remain in line with existing prime rents, providing a significant incentive for occupiers to consider relocating to purpose-built/new space.

Transaction volumes and yields

Asset transaction volumes in Sydney have been mixed in 2020, with 1Q20 recording the first sub-AUD 100 million result since 2011, curtailed by the lack of product available for purchase, followed by two above average quarters in 2Q20 (AUD 546.4 million) and 3Q20 (AUD 744.8 million).
The 2020YTD sale volumes as at 3Q20 totals AUD 1.37 billion.

The continued presence of well-capitalised groups seeking exposure to the industrial and logistics sector has placed ongoing downwards pressure on yields. Over the last 12 months, the average prime yield midpoint has compressed by 23 bps to 4.94% - a record low for the Sydney market. This trend has been mirrored in the secondary market, with the average secondary yield midpoint declining by 29 bps to 5.67% as at 3Q20.

MELBOURNE

Supply

A total of 557,747 sqm of industrial floorspace has been delivered to the Melbourne market so far in 2020. There is an additional 244,665 sqm of projects under construction and due to complete in 4Q20, bringing the expected total completions in 2020 to 802,412 sqm. This is 87% higher than the 10-year average of 429,813 sqm.

Pre-commitment rates for projects due to complete this year (77%) are in line with long term averages (80%).

New construction activity has been, and will continue to be, concentrated within the North and West precincts. Over the past 12 months the West Precinct accounted for 68% of total new supply delivered to the market.

Demand

Gross take-up has reached 754,349 sqm in 2020YTD, exceeding the 10-year annual average of 697,720 sqm. Demand in Melbourne has been relatively consistent across both existing and new pre-commitments so far in 2020. However, the strength of the pre-lease market has been a major driver of occupier activity over the last 18 months, with 1.1 million sqm of space pre-committed to since the start of 2019.

Contents

The majority of gross take-up in Melbourne 2020YTD has been recorded in the West (57%) and South East (28%) precinct, with the balance located in the North (13%) and City Fringe (2%) precincts.

Transport, Postal and Warehousing (29%) and Retail Trade (35%) sectors combined have made up 64% of take-up in 2020.

A large proportion of demand recorded in the Melbourne market can be attributed to the city's strong population growth. However, as population growth has stalled for the short term, we expect demand to continue to be driven by expansion in certain defensive industries (e.g. groceries, pharmaceuticals) caused by the COVID-19 pandemic, as well as Melbourne's relative affordability – having the lowest average prime rental rate of anywhere on the east coast and the influence of Port Melbourne, Australia's busiest port.

Prime rents

There has been relatively minimal movement of rents over the last 12 months. The total market average increased by 0.2% over the year to 3Q20, currently at AUD 94 per sqm.

Rental growth has been recorded in the South East precinct (+0.7% year-on-year) to AUD 93 per sqm, due to limited supply. The North and West precincts (both AUD 80 per sqm) have remained steady over the last 12 months, as both precincts have greater scope for new development opportunities and therefore pre-leases, which has reduced competition for space in existing assets.

Average incentives remained stable at 25% in the West and North precincts, and at 23% in the South East precinct over 2020YTD.

Transaction volumes and yields

Appetite for investment in the Melbourne industrial market has remained robust, having recorded the highest totals of any market nationally in 1Q20 (AUD 250.1 million) and strong above-average totals in both 2Q20 (AUD 464.0 million) and 3Q20 (493.3 million). The rolling 12-month total for transaction volumes equates to AUD 1.52 billion – 25% higher than the 10-year annual average of AUD 1.21 billion.

The strength of the investment market in Melbourne has continued to support pricing and place downwards pressures on yields. The average prime yield midpoint has compressed by 27 bps over the last 12 months to a new record low of 4.81%. This compression has been even more significant in the secondary space, with the average secondary yield midpoint compressing by 42 bps to 5.79%.

BRISBANE

Supply

Supply completions in 2020 YTD have been strong, with a total of 371,340 sqm reaching completion. There is an additional 25,400 sqm of projects under construction and due to complete in 4Q20, bringing the expected total completions in 2020 to 419,440 sqm. This is 56% higher than the 10-year average of 269,210 sqm.

Around 80% of the projects in 2020YTD were pre-committed prior to completion. Of the projects that are currently under construction, 50% have pre-commitments. The construction of speculative stock is expected to be extremely limited over the short term.

Over the last 12 months, the Southern Precinct has accounted for 75% of total new supply delivered to the market, with the remainder delivered in the Trade Coast (23%) and Northern Precinct (2%).

Demand

Gross take-up has totalled 293,050 sqm in 2020YTD, across 37 lease deals. Take-up volumes by year-end are anticipated to be below the 10-year annual average (472,230 sqm) and the 2019 total (546,459 sqm), mainly owing to the broader economic slowdown and business uncertainty.

Over the past 12 months, take -up has been driven by the Retail Trade (37%) and the Transport, Postal and Warehousing (24%) sectors.

The majority of gross take-up in Brisbane so far this year has been recorded in the South (63%), with the balance located in the Trade Coast (28%) and North (9%).

Prime rents

Given the lower levels of leasing activity, we have seen minimal movement in rents in the Brisbane market over the last 12 months. The average prime rent has increased by 1.3% to AUD 115 per sqm, while the average secondary rent has increased by 2.8% to AUD 87 per sqm.

Prime rental growth has been sourced from the Northern and Trade Coast precincts, which have grown by 2.2% and 1.4%, respectively. This is reflective of the restrictive supply environment of these precincts. On the contrary, rents within the Southern Precinct have remained relatively stable (0.2%), given land availability and scope for development opportunities (increasing the competition between new and existing assets).

Developers continue to offer relatively high incentives across the Brisbane market, particularly in the Southern Precinct. The average prime incentive increased by 2 percentage points in 2020 YTD to 17%, led by a 5 ppt increase in the Trade Coast to 18%. Incentives within the South and Trade Coast have remained stable at 20% and 13%, respectively.

Transaction volumes and yields

Transaction volumes in Brisbane have been mixed so far in 2020. Volumes were below average (AUD 244.8 million) in 1Q20 (AUD 100.6 million). However, this has been followed by two above average quarters in 2Q20 (AUD 253.4 million) and 3Q20 (AUD 281.4 million). Total sales volumes have reached AUD 1.13 billion over the 12 months to 3Q20, which is a 59% increase on the 10-year annual average.

The industrial asset class has been an appealing defensive option for investors during the COVID-19 pandemic. This coupled with the continued presence of well-capitalised groups within the industrial and logistics sector has placed ongoing downwards pressure on yields. Over the past 12 months, the prime midpoint yield has tightened by 38 bps to 5.58% - the tightest recorded midpoint in the Brisbane market. Similarly, the secondary midpoint has also tightened by 33 bps to 7.38%.

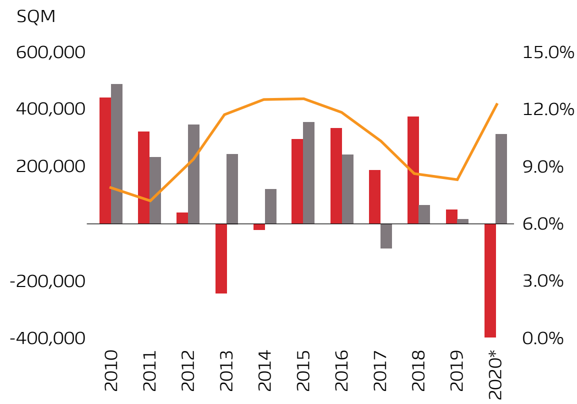
OVERVIEW OF THE OFFICE PROPERTY MARKET

National market overview

JLL Research tracks 27.6 million sqm of office stock across 19 Australian office markets. Approximately 17.8 million sqm is located across six CBD markets, and the remaining 8.8 million sqm is located across 13 metropolitan office markets across Australia – nine of these metropolitan office markets are located in Sydney (totaling 5.0 million sqm). The largest office markets are the Melbourne CBD (5.1 million sqm) and the Sydney CBD (5.1 million).

Figure 9 provides a high-level summary of Australia's CBD market balance. The Australian CBD office market vacancy rate has increased from a cyclical low of 8.1% in 3Q19 to 12.2% in 3Q20. COVID-19 has pushed the Australian economy into recession and has resulted in increased consolidation activity by small businesses and larger corporates across the country. As a result, the year-to-date Australian CBD net absorption figure for 2020 is -396,300sqm, which is already the worst net absorption result on record. The only CBD market to have reported positive net absorption in 2020 is Canberra, which is a result of this market being predominately made up of public sector tenants, who have been relatively stable in terms of occupancy during this downturn.

Figure 9: Australian CBD Office Market Balance, 2010 to 2020



Net Absorption • Supply Additions • Vacant Rate % (RHS)
Source: Jll Research. *As at 3Q20

Demand drivers

Demand for office space is intrinsically linked to white collar employment growth, as it is typically white-collar workers that use office space. If the number of white-collar workers is increasing strongly, this means that businesses are in expansionary mode and may require more office space in order to accommodate their additional workforce. If the amount of office space is increasing this place downward pressure on a markets vacancy rate.

Deloitte Access Economic (DAE) tracks white collar employment on a city level and shows that white collar employment across Australia's metropolitan cities grew by 610,400 employees between 2015 and 2019. This is reflective of 2.8% per annum growth which is well above the 20-year average growth rate of 2.4% per annum. Over this 2015 to 2019 period, the Australian CBD vacancy rate fell from 12.6% to 8.3%. Conversely, as a result of the economic shock caused by COVID-19 white collar employment has fallen by -75,500 over the first two quarters of 2020 (the latest available data) according to DAE. This has pushed the Australian vacancy rate up from 8.3% in 2019 to 10.2% in 2Q20 and is currently averaging 12.2% as at 3Q20.

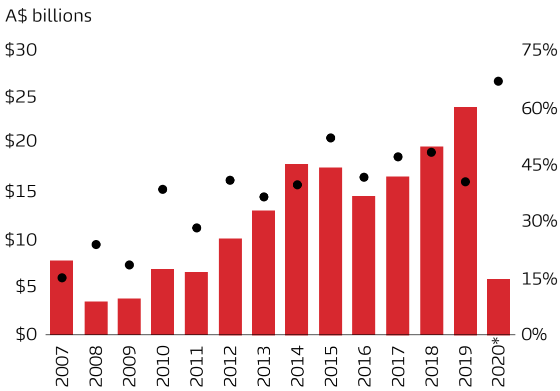
Development supply

JLL Research projects the amount of office supply (new and refurbished projects) to complete across Australia's CBD markets in 2020 will total approximately 504,800sqm – this will be the highest year of completions since 2010. The majority of these office completions will be in the Melbourne CBD (328,900sqm or 65% of total CBD office completions), followed by the Sydney CBD (96,900sqm or 19% of total CBD office completions). As at 3Q20, the total amount of projects that have completed has been 428,300 sqm.

Transaction volumes and yields

Transaction volumes for Australia's CBD and metropolitan office markets have totalled AUD 6.02 billion for the first three quarters of 2020. When comparing the first three quarters of transaction volumes to previous years, 2020 is the lowest level of investment activity in the office sector since 2011. Offshore groups have been particularly active in 2020, reflecting 67% of overall transactions. In fact, eight of the top 10 largest transactions (in AUD) for 2020 have been by offshore groups, in particular from Singapore and Germany.

Figure 10: Australian Office Transaction Volumes, 2007 to 2020



Transaction • % Offshore Investors (RHS)
Source: JLL Research. *As at 3Q20

Since 2009, the average Australian CBD prime office yield (which is weighted by total stock) has been compressing from a midpoint of 7.79% in 4Q09 to a cyclical low of 5.22% in 1Q20. Since the outbreak of COVID-19 in 1Q20, leasing and investment markets have been substantially impacted which has resulted in prime yields expanding from 5.22% in 1Q20 to 5.28% in 3Q20. As at 3Q20 the individual CBD prime yields ranges are as follows:

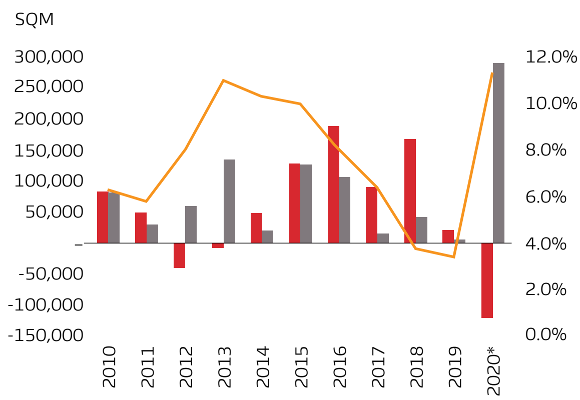
- Sydney CBD: 4.38%-5.00%
- Melbourne CBD: 4.38%-5.38%
- Brisbane CBD: 5.00%-6.25%
- Adelaide CBD: 5.50%-7.00%
- Perth CBD: 5.25%-7.75%
- Canberra: 4.75%-6.50%

MELBOURNE CBD

Demand and vacancy

Over the past five years the Melbourne CBD has gone through a period of very strong demand for office space, with net absorption averaging 119,800 sqm between 2015 and 2019, which is well above the 20-year long-term trend of 85,600 sqm. Drivers of this demand have been the result of strong population growth into the Melbourne metropolitan area which has spurred the creation of white collar jobs, centralisation activity into the CBD from the suburban office markets, as well as broad-based expansionary activity from multiple industry sectors such as professional services, the public sector, education as well as co-working groups.

Figure 11: Melbourne CBD Market Balance



Net Absorption • Supply Additions • Vacant Rate % (Rhs)
Source: Jll Research. *As at 3Q20

This strong demand resulted in the Melbourne CBD vacancy rate falling from a cyclical peak of 11.2% in 2Q14 to 3.4% in 1Q20. Since 1Q20, the negative economic impact that COVID-19 has generated across the Australian economy has resulted in a large amount of consolidation activity by small businesses and larger corporates, which has pushed the vacancy rate upwards. The increase in the vacancy rate has been compounded by a large amount of office completions in the Melbourne CBD, which has resulted in a large amount of backfill space coming to market. As a result of these factors, the Melbourne CBD vacancy rate has increased from 3.4% in 1Q20 to 11.3% in 3Q20.

Supply

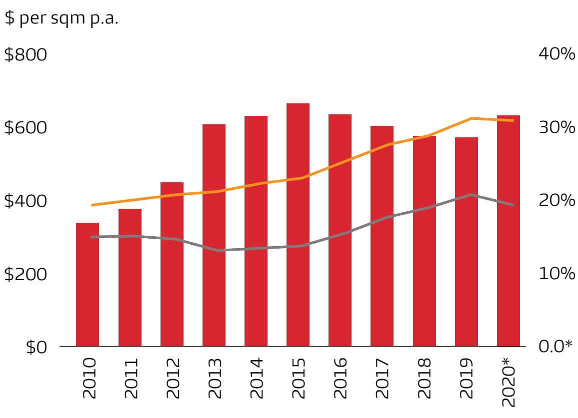
The Melbourne CBD is currently going through an office development boom. An estimated 328,900 sqm of office stock has completed over the first three quarters of 2020 (across seven assets) – this is the highest year of office completions since 1991. This stock received a blended pre-commitment rate of 95%. No further stock is projected to complete in 4Q20.

A further 204,200 sqm of office stock is currently under construction across six assets, which has an expected completion date over 2021 and 2022. This stock has received a blended pre-commitment rate of 58%.

Rents

Over the past five years, the strong demand for office space has supported above average rental growth in the Melbourne CBD. Prime net face rents have increased by 6.9% per annum between 2015 and 2019, which is above the 20-year long-term average of 5.6%. The strong demand conditions also supported a fall in incentives over this period, falling from a cyclical peak of 33.4% in 4Q15 to 28.7% in 4Q19. Both the strong face rent growth and falling incentives boosted prime net effective rental growth which increased 8.8% per annum between 2015 and 2019, which was nearly double the 20-year long-term average of 4.8%.

Figure 12: Melbourne CBD Prime Net Face Rents and Incentives, 2010 to 2020



Source: JLL Research. *As at 3Q20

Yields

The Melbourne CBD prime midpoint yield has been trending downwards for over a decade, from a cyclical peak of 7.88% in 1Q10 to a low of 4.75% in 1Q20. Melbourne's attractive fundamentals of strong population growth and strong State economic growth made it an attractive destination for both domestic and offshore capital.

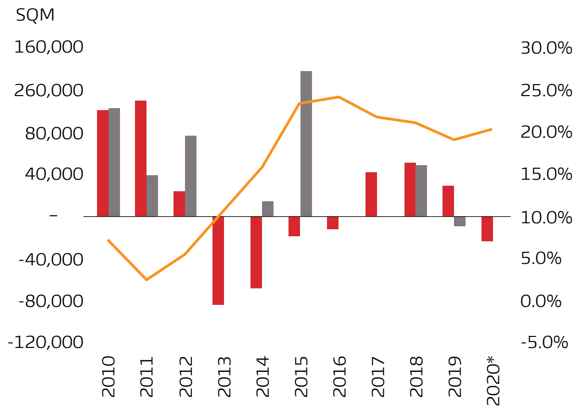
Over the course of 2020, the combination of the economic shock caused by COVID-19 as well as the large amount of backfill space being put to market which has substantially increased the vacancy rate, has resulted in yields softening in some lower quality prime grade assets. The Melbourne CBD prime midpoint yield has softened from 4.75% in 1Q20 to 4.88% in 3Q20.

PERTH CBD

Demand and vacancy

The Perth CBD is a market dominated by mining employment and professional services groups, some of which are associated with the mining industry. DAE estimates that the Professional, Scientific and Technical Services industry sector make up 28% of white collar employment in the Perth and West Perth market, and mining makes up 19% of white collar employment. The slowdown in the mining investment boom in 2012/13 resulted in a spike in Perth CBD vacancy, with the vacancy rate increasing from a cyclical low of 2.0% in 1Q12 to a peak of 24.7% in 3Q16.

Figure 13: Perth CBD Market Balance



Source: JLL Research. *As at 3Q20

Since 2016, the market has been in recovery mode, recording three consecutive years of positive net absorption (between 2017 and 2019), which was driven professional services groups, the public sector as well as co-working groups. As a result, the Perth CBD vacancy rate fell from its peak of 24.7% in 3Q16 to 19.1% in 4Q19.

Supply

The elevated vacancy rate in the Perth CBD over recent years has meant that there has been minimal development activity in the market. The only major office development (>5,000 sqm) to complete in the market since 2016 has been Capital Square Tower 1, 98 Mounts Bay Road (48,484 sqm) which was 100% preleased by Woodside Petroleum.

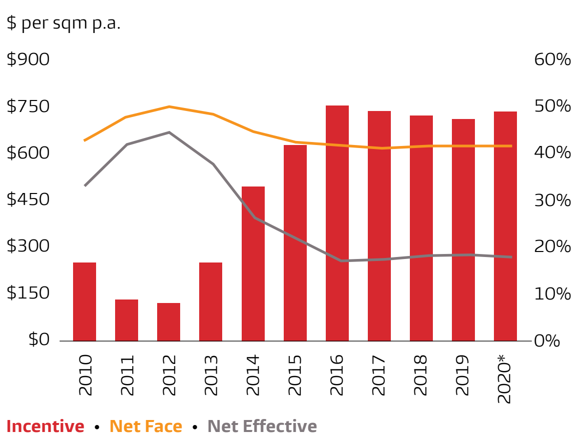
JLL Research is tracking two developments that are currently under construction Capital Square Tower 2 (25,200 sqm) and the Chevron Headquarters, 1 The Esplanade (54,000 sqm). The blended pre-commitment rate across these two developments is 74%.

Rents

Over the past two years, rents in the Perth CBD have gradually began to recover after undergoing a substantial correction over the past decade as a result of the mining downturn. Prime net face rents have fallen on average -0.3% per annum between 2010 and 2019. However, they have grown 0.7% per annum over 2018 and 2019.

Over the past decade, incentives have increased substantially as a result of the large increase in the vacancy rate. Prime incentives increased from a cyclical low of 6.7% in 3Q12 to a peak of 50.0% in 4Q16. In line with the demand recovery that commenced in 2017, incentives have gradually fallen to 47.1% in 2Q20, but have risen back to an average of 48.9% in 3Q20 as a result of economic shock caused by COVID-19. As a result of this spike in incentives, prime net effective rents have been substantially impacted over the past 10 year, fall on average -4.8% per annum between 2010 and 2019. Prime net effective rents had shown signs of a recovery between 2017 and 2019, growing 2.5% per annum.

Figure 14: Perth CBD Prime Net Face Rents and Incentives, 2010 to 2020



Source: Jll Research.*As at 3Q20

Yields

The Perth CBD prime midpoint yield has been trending downwards for over a decade, from a cyclical peak of 8.50% in 3Q09 to a low of 6.50% in 3Q20. Good quality assets with strong covenants have fared better, with the upper end prime yield compressing by 275 bps to 5.25% in between 2009 and 3Q20. Lower quality prime assets have also been viewed favorably by investors but have not been priced as aggressively with lower end prime yields falling by 125 bps to 7.75% over the same period of time.

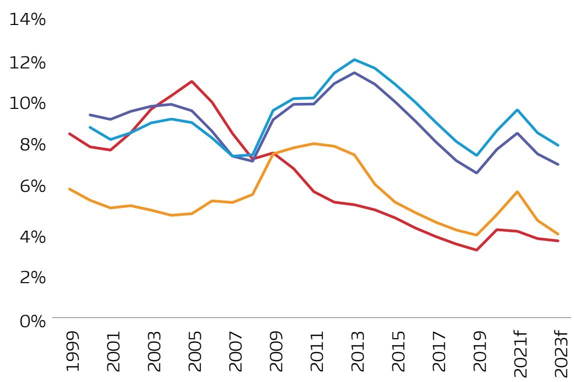
INDEPENDENT **MARKET RESEARCH GERMANY**

ECONOMY AND OUTLOOK GERMANY

The German economy continues to recover. However, national and international pandemic-related activity continues to hamper the recovery process. After a strong upturn in May and June, the economy went on to regain a moderate pace. The initial process of recovery in the industrial sector is continuing, but it will slow down in view of weak foreign demand. It has so far largely been driven by the automotive sector and with only a slight fall in gainful employment. There are signs of stabilisation in the labour market. Unemployment fell by 18,000 people between June and July after three months of sharp increases. According to initial estimates by the Federal Employment Agency, the level of short-time work fell from 6.7 million people in May to 4.5 million in June. The leading indicators have continued to improve. Imports of goods and services are still well below the pre-crisis level. This is partly because their growth in June was comparatively weak in seasonally adjusted and nominal terms, at +5.4% from May (May: +2.4%). Quarter-on-quarter, imports fell by an unprecedented 19.3%. The leading indicators for foreign trade and investment suggest that the recovery will continue. On balance, the Ifo Institute for Economic Research (well-known Institute for economic studies) reported that export expectations for the manufacturing sector were positive in July for the first time since January. The level of new orders from abroad also improved further in June, with a sharp seasonally adjusted rise of 22.0% against May, as pent-up demand during the period of low production was satisfied. These signals suggest that the process of recovery will continue in the course of the year. However, the process will take quite some time.

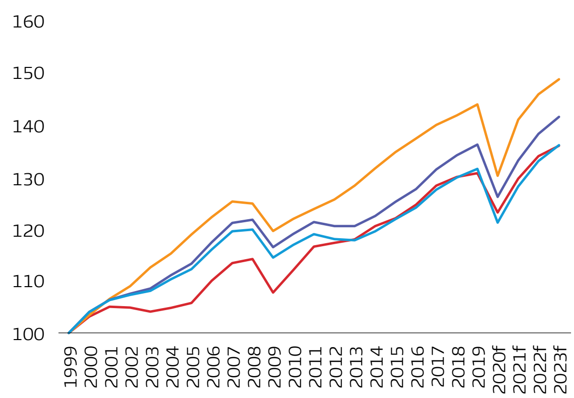
Key Factors	CAGR 2014-2019	Forecast 2021
Population growth	+ 0.5 %	+ 0.1 %
Employment growth	+ 1.5 %	+ 0.7 %
Real Wage growth (in Euro)	+ 1.6 %	+ 1.2 %
Consumer Price Inflation	+ 9.3 %	+ 1.4 %

Unemployment Rate (% of Workforce)



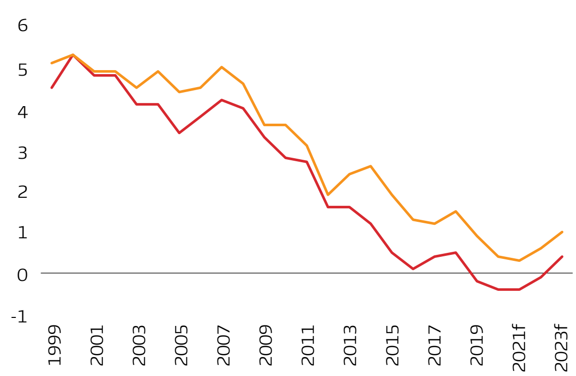
Germany • UK • EU (excl. UK) • Eurozone

GDP Development (Index 1999 = 100)



Germany • UK • EU (excl. UK) • Eurozone

Long Term Interest Rate - Government Bond Yields (10 years)



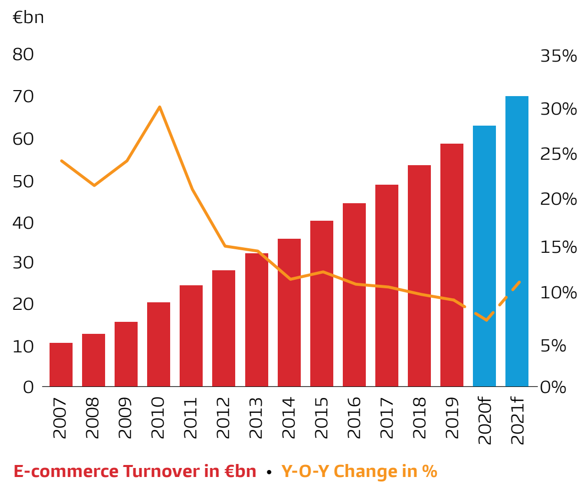
Germany • UK

MARKET TRENDS GERMANY

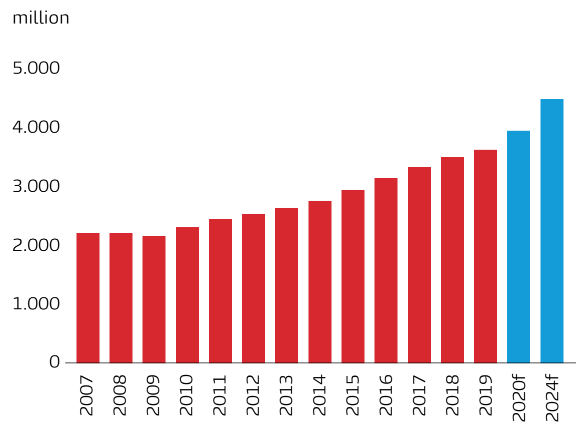
The key drivers of the German industrial and logistics real estate market are mainly being influenced by the steady growth of the e-commerce sector. Together with the automotive industry and logistics, the trade sector is one of the strongest and most important economic sectors in Germany. In recent years, a shift in demand towards e-commerce could be observed and Germany became the largest e-commerce market in Europe with an annual turnover of €58.9bn in 2019 (2nd place is UK with €57.2bn and 3rd place is France with €38.0bn). To satisfy customer demand for faster speed of goods delivery, new logistical concepts are required. As a result, there was increased demand for logistics properties in last-mile-locations. Due to the shortage of logistics spaces in the TOP 8 locations, this demand cannot be fully satisfied.

The current Covid-19 crisis has been the first real stress test for the logistics industry. Already in the first weeks of the pandemic, the relevance of the industry became obvious. The supply function moved further into the foreground. The closure of the stationary retail trade led to an increased demand for short-term storage solutions. At the same time, online retailers such as Amazon are experiencing an enormous increase in orders, especially for medicine and everyday products. This development has not only resulted in an increased need for storage space, but also an increased demand in the CEP (couriers, express and parcel service) logistics sector, with parcel volume increased by 8.9% Y-o-Y in the first half of the year 2020. Nevertheless, economic uncertainties had a temporary dampening effect on consumer behavior especially in the fashion and lifestyle sector. Furthermore, digitalisation and industry 4.0 (fourth industrial revolution) are being pushed by the increasing development of shipments in the recent years. Only by simplifying the existing processes is it possible to guarantee a fast delivery time. Furthermore, the Covid-19 crisis will have a long-lasting effect, on global supply-chain-management. In the near future, market participants will have to shorten their existing supply-chains to remain flexible in case of another lock-down. All in all, it can be seen that the logistics asset class has a high degree of flexibility and resilience that the demand for logistics is in part developing very independently of global economic events. The shift in demand in favour of logistics along with ongoing pressure to invest are heavily impacting yield performance on the German industrial and logistics market.

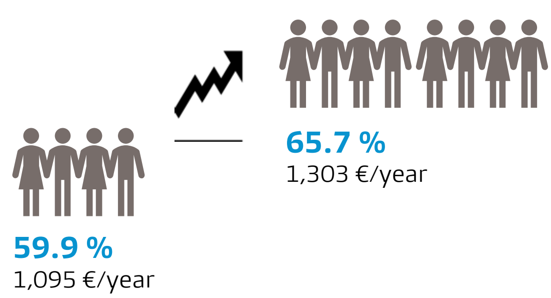
Growth of e-commerce



Shipment Per Year



The Proportion of Online Shoppers and Their Spending in Germany is Growing Annually (2007 vs. 2018)

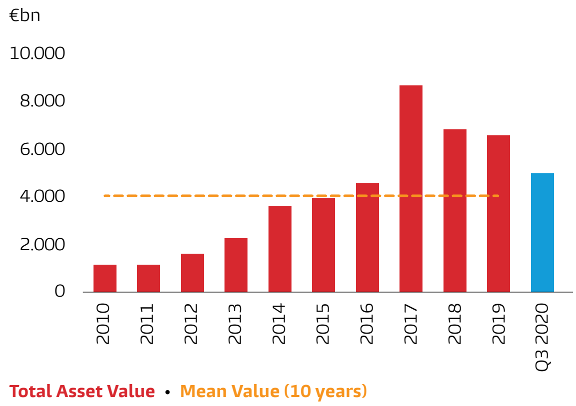


NATIONAL INDUSTRIAL MARKET GERMANY

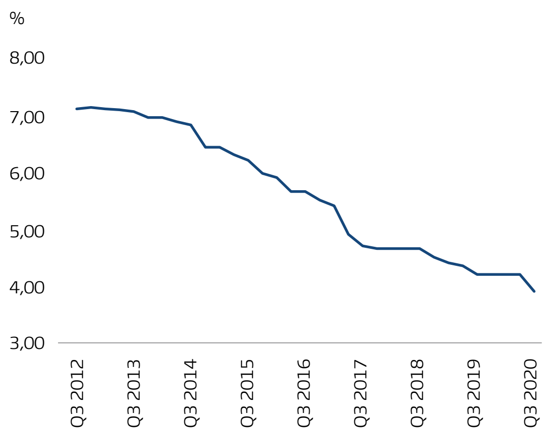
The German industrial and logistics real estate market posted a total transaction volume of just under €5bn at the end of Q3, reflecting a 16% Y-o-Y increase and up 25% compared to the 5-year average. Not only can this result be attributed to the record transaction volume posted in Q1, but also to a considerable increase in investor demand, due to the impact of the global pandemic over the course of the year. Despite a limited supply, the asset class accounted for a 12% share of the overall German commercial market as a result. Due to economic uncertainties, especially in April and May, many investors have turned to logistics assets, which promise high potential at low risk thanks to steadily rising demand for e-commerce and the growing need for logistics space this brings with it. The shift in demand in favour of logistics along with ongoing pressure to invest are heavily impacting yield performance on the German industrial and logistics market. Even in the first half of the year the market saw a number of transactions pulling in a purchase price multiplier of over 25.5x. This has set the bar for high-quality German core logistics assets in strategic locations with strong-covenant tenants, putting current gross prime yields at 3.90% (in line with the prime yield average in Germany's top investment hubs). Currently, the market is mainly dominated by national asset and fund managers and open-ended real estate funds looking for new investment opportunities. Some of the deals that are currently in the pipeline and pending closing are landing yields of well over 28x annual rent. That puts logistics yields at a level previously only recorded for core office assets in Germany's top investment locations. Yield compression in Q4 is expected given in the light of current market trends.

The TOP 8 industrial and logistics real estate markets in Germany generated a solid take-up of around 2.0 million sqm in the first nine months of 2020. Despite regional differences in take-up and the general reluctance of market players to commit in the previous quarter, still the total take-up after nine months was around 8% higher than in the same period a year ago. In particular, leases above 10,000 sqm were signed more frequently in the third quarter. Nevertheless, the predominant shortage of space is leading to a negative trend in the take-up in the logistics regions despite the high demand, especially from the e-commerce sector. As a result, locations outside the established logistics centers are becoming increasingly important. Compared to the TOP 8 logistics regions, these regions offer higher space potential and favourable rent levels. This is also having an impact on rental prices, which, while remaining stable, are showing a clear upward trend.

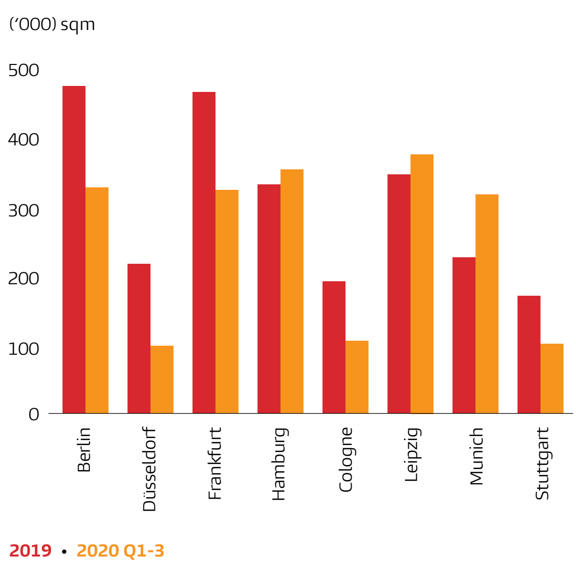
Transaction Volume Industrial & Logistics (in bn €)



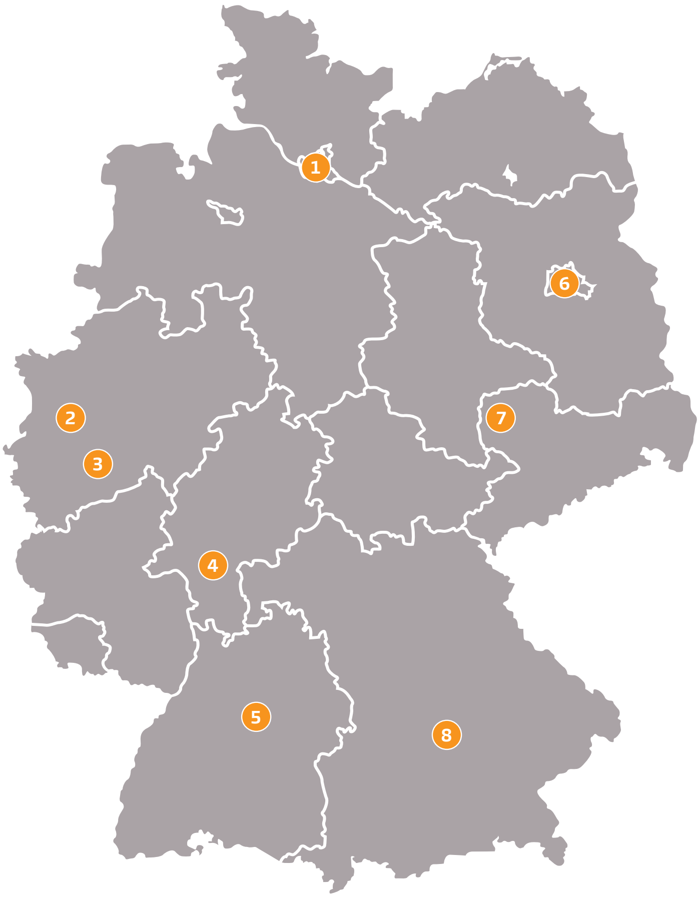
Gross Initial Yield (Logistics) ("GIY")– Germany (TOP 7, in %)



Take-Up of the Top Logistics Markets in Germany



NATIONAL MARKET OVERVIEW
TOP LOGISTICS MARKETS GERMANY



	Q3 2019	Q3 2020	12-month Forecast
1. Hamburg			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/per sqm per annum	€75.6	€75.6	→
2. Dusseldorf			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/sqm per annum	€69.0	€70.8	↗
3. Cologne			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/sqm per annum	€66.0	€69.6	↗
4. Frankfurt			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/sqm per annum	€78.0	€78.0	→
5. Stuttgart			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/sqm per annum	€78.0	€78.0	→
6. Berlin			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/sqm per annum	€68.4	€73.2	↗
7. Leipzig			
GIY (in %)	4.5%	4.2%	↘
Prime Rent €/sqm per annum	€55.2	€55.2	→
8. Munich			
GIY (in %)	4.2%	3.9%	↘
Prime Rent €/sqm per annum	€85.8	€85.8	→

INDUSTRIAL MARKET STUTTGART

Occupational Market:

At the end of the third quarter of 2020, the Stuttgart industrial and logistics real estate market recorded a total take-up of 101,600 sqm, down around 24% from the previous year. Although the rental market in Germany is proving to be slightly more active overall, the Stuttgart market, which is dominated by the automotive industry, is still experiencing a significant decline in take-up, triggered by the Covid-19 crisis. As a result, occupiers are adopting a wait-and-see attitude. Uncertainty combined with a low supply of land has had a particularly strong impact on the owner-occupier market. So far, it has not been possible to register any key-market deals or settlement projects. It is also possible that the production losses in the industrial sector could lead to new opportunities for trade and e-commerce as well as for locally operating logistics companies, which could now be exploited to a greater extent. Despite this year's fluctuations, prime and average rents remained stable.

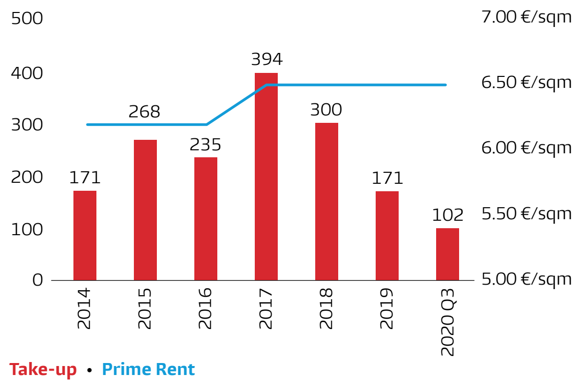
Investment Market:

Stuttgart is currently one of the investment markets in Germany that is primarily affected by the shortage of products being available to purchase. For this reason, the market is experiencing a significant decline in investment volume, with just under €20 million recorded in the last 9 months. In the same period of the previous year, just under €114 million were invested. The low level of construction activity in the region is the decisive factor slowing down the transaction volume.

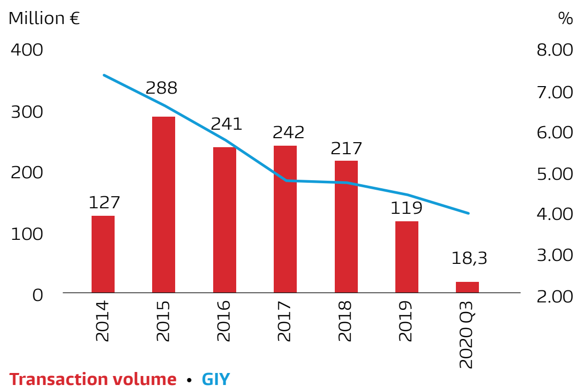
Outlook:

The logistics market in Stuttgart is one of the markets most affected by the Covid-19-crisis due to its user group focus on the automotive industry. At the same time the crisis offers great possibilities for the market. The automotive sector is currently undergoing a restructuring phase and is holding back with decisions on expansion. Some logistics and production space has become available for lease, but because of the overall high demand for logistics space and a very low vacancy rate, the market can absorb those spaces easily.

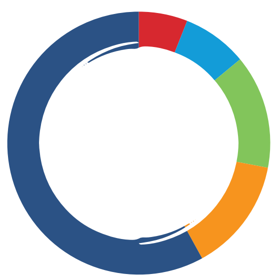
Take-Up and Prime Rent (per month)



Investment Volume and GIY



Take-Up by Size Category Q1-Q3 2020 (in %)



up to 500 sqm	–
501 - 1,000 sqm	6%
1,001 - 3000 sqm	8%
3,001 - 5,000 sqm	14%
5,001 - 10,000 sqm	14%
above 10,001 sqm	58%

Take-up by Sector Q1-Q3 2020 (in %)

Logistics Service Providers	42%
Others	27%
Trading Companies	17%
Production & Manufacturing Companies	14%

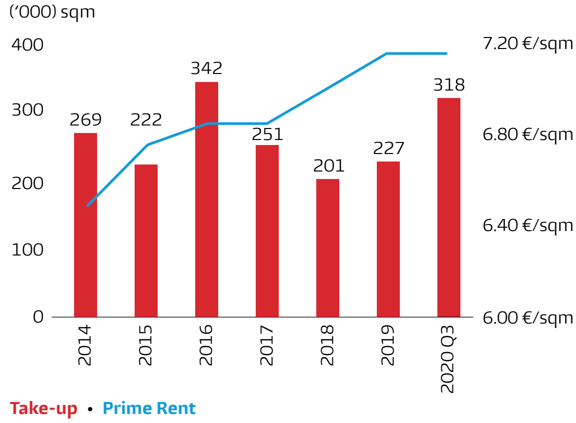
INDUSTRIAL MARKET MUNICH

Occupational Market:
The Munich industrial and logistics real estate market generated a take-up (including owner-occupiers) of around 317,900 sqm in the first nine months of 2020. This corresponds to a solid increase of 63% over the previous year. A major contributory factor to the high take-up was the exceptional lease by the manufacturer KraussMaffei, with around 137,800 sqm of new space. In the third quarter, lettings in the size segment below 10,000 sqm predominated. The largest letting in the third quarter and the only one in the large-volume size segment took place in the submarket City South-West. The company MyPlace-SelfStorage rented around 10,000 sqm of existing space. The supply of space available at short notice remains very modest on the Munich market. The vacancy rate for logistics space is currently stable at 2.1%. Only around 41,300 sqm are therefore available at short notice. Despite the continuing shortage of space in the context of rising demand, the rent level remains stable.

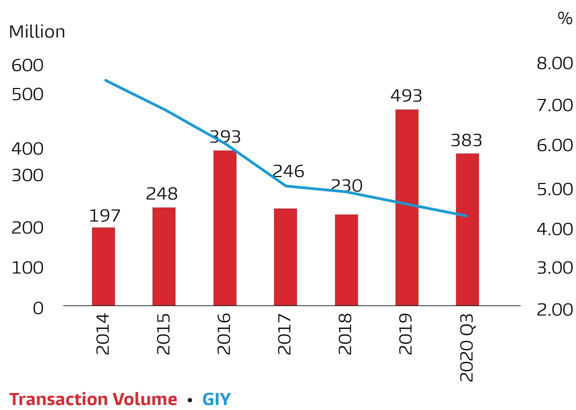
Investment Market:
By the end of the third quarter, the Munich logistics investment market recorded a solid transaction volume of around €383 million (5-year-average: €322 million). This includes, among others, two properties in the greater Munich area which were part of the sale of the €480 million "logistrial portfolio" at the beginning of the year. This compares to 2019, which saw very above-average volumes (€402 million) thanks to a number of portfolio acquisitions. Like Stuttgart, the Munich market lacks new products that are available to the market. The high level of competition as well as the rising purchase prices for land are causing the price level to rise significantly. The market is therefore the most expensive market in Germany.

Outlook:
During the first half of the year the market participants, especially the automotive sector, adopted a wait-and-see attitude. In the second half of the year, the Munich logistics market is active again, in particular, and especially the automotive sector is currently looking for new logistics space. Nevertheless there are no further major letting deals planned till the end of this year.

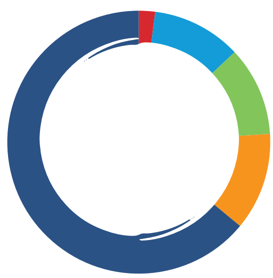
Prime Rent (per month)



Investment Volume and GIY

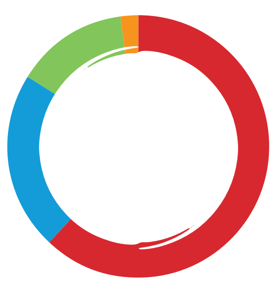


Take-Up by Size Category Q1-Q3 2020 (in %)



up to 500 sqm	–
501 - 1,000 sqm	2%
1,001 - 3000 sqm	11%
3,001 - 5,000 sqm	11%
5,001 - 10,000 sqm	12%
above 10,001 sqm	64%

Take-up by Sector Q1-Q3 2020 (in %)



Production & Manufacturing Companies	62%
Logistics Service Providers	22%
Others	14%
Trading Companies	2%

INDUSTRIAL MARKET NUREMBERG

Occupational Market:

The logistics region Nuremberg is one of the new upcoming logistics regions outside of the TOP 8 locations. In the first nine months the logistics real estate market in Nuremberg recorded around 86,000 sqm take-up which is approximately 39% below the total annual take-up of 2019. The Nuremberg metropolitan region is characterized by an economy supported by a diverse group of medium-sized companies which have driven the high demand for logistics space. Furthermore, given the current shortage of logistics space in the TOP 8 locations, the availability of development areas in the logistics region of Nuremberg is very attractive for the market participants. The majority of deals in the last nine months were above 10,000 sqm. The largest letting deal has been concluded by the e-commerce company Durstexpress which leased approximately 21,400 sqm logistics space in Nuremberg City during the third quarter. The rental prices for logistics real estate in Nuremberg are stable between 3.00 and 5.00 €/sqm per month. Only the average rent has increased slightly in the last three years, due to a moderate supply of new building space.

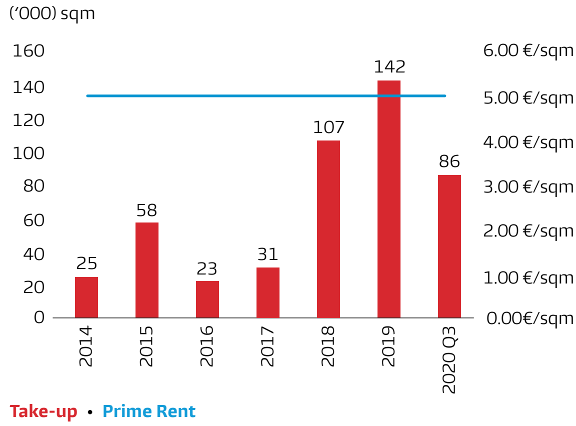
Investment Market:

The Nuremberg investment market recorded a total volume of €170 million in the last nine months, which is significantly above the previous year's level. The result is attributable to a number of large-volume logistics transactions, such as the €80 million takeover of the logistics development in Roßtal, west of Nuremberg (approximately 70,000 sqm). The seller is dataform dialogservices GmbH. The buyer was the German investor Union Investment.

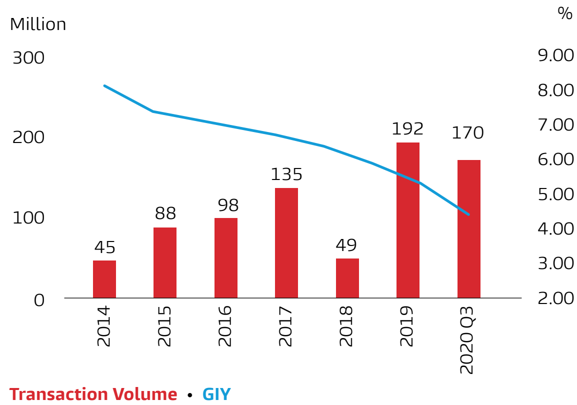
Outlook:

Demand in the logistics region is currently high and stable. There is hardly available logistics space in the city of Nuremberg and the market participants have to move to locations outside the city which also offers more land potential. Additionally due to the shortage of space and high land prices in the TOP 8 logistics regions, logistics locations within the established regions with above-average transport connections, like Nuremberg, are becoming increasingly important. It is expected that the take-up in the logistics region Nuremberg will continuously grow in the next years.

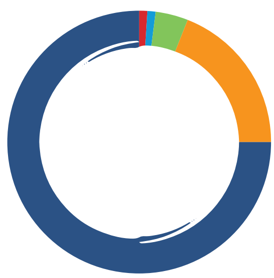
Take-Up and Prime Rent (per month)



Investment Volume and GIY

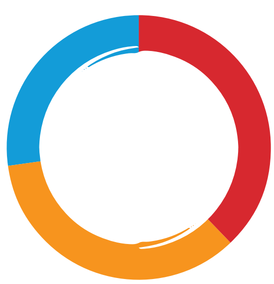


Take-Up by Size Category 2019 - Q3 2020 (in %)



up to 500 sqm	–
501 - 1,000 sqm	1%
1,001 - 3000 sqm	1%
3,001 - 5,000 sqm	4%
5,001 - 10,000 sqm	19%
above 10,001 sqm	75%

Take-Up by Sector 2019 - Q3 2020 (in %)



Production & Manufacturing Companies	38%
Trading Companies	35%
Logistics Service Providers	27%

Contents

INDUSTRIAL MARKET DUSSELDORF

Occupational Market:

At the end of the third quarter, the Dusseldorf logistics market recorded a total take-up of 99,500 sqm, which is significantly below the level of the previous year (-52%). After a very subdued first half of the year, which was marked in particular by the effects of the Covid-19 pandemic, the summer months of July to September were also extremely quiet. As a result, the market was hardly able to catch up in the third quarter and, unlike some other TOP 8 markets, recorded a significant summer gap. The market also lacked owner-occupier developments, with take-up in the Dusseldorf region almost exclusively by lettings. One of the largest deals in the logistics region in the last nine months was the letting of the logistics service provider Yusen Logistics, which took over 11,000 sqm of new space in the commercial complex of the developer LogProject in Winkelsweg (total area: over 50,000 sqm) in Langenfeld. A further 10,000 sqm of the new building complex was secured by the delivery service Flaschenpost at the beginning of the year.

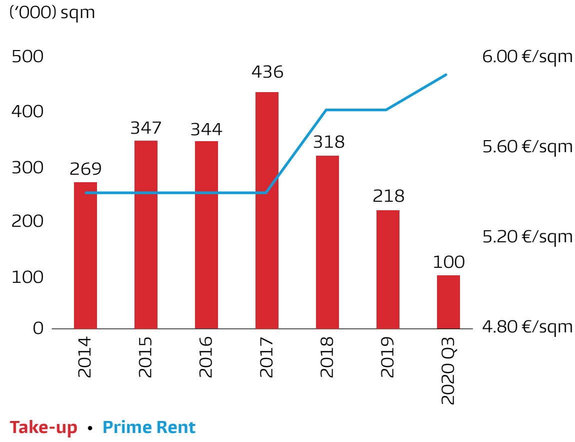
Investment Market:

With an average investment volume of €284 million, the region is one of the established logistics regions in Germany. Due to the Covid-19-pandemic the investment volume in the first nine months was below average. Despite a high demand for modern logistics space, the low availability of products slowed activity in the investment market.

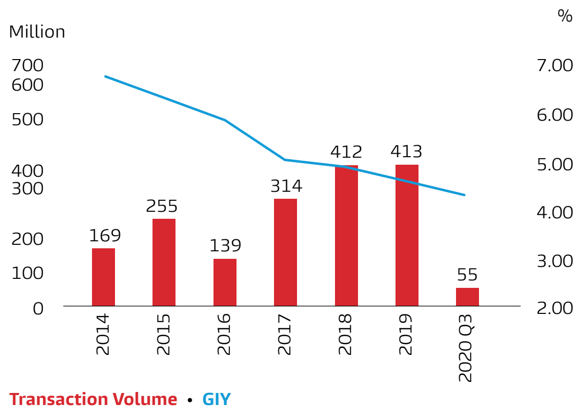
Outlook:

After a solid start in the first quarter the logistics market Dusseldorf was strongly hindered by the current pandemic. The slow down in take-up development and the low number of letting deals as well as the shortage of modern logistics space led to a negative trend in take-up. Currently there are a few brownfield developments which will have a positive impact on the future take-up. Still, it is expected that the year-end result will not reach the previous year's level.

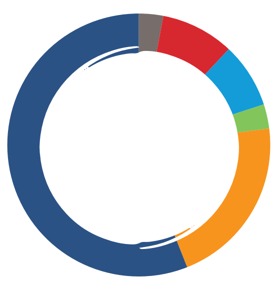
Take-Up and Prime Rent (per month)



Investment Volume and GIY

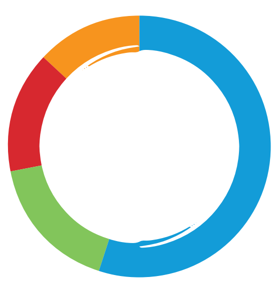


Take-Up by Size Category Q1-Q3 2020 (in %)



up to 500 sqm	3%
501 - 1,000 sqm	9%
1,001 - 3000 sqm	8%
3,001 - 5,000 sqm	3%
5,001 - 10,000 sqm	21%
above 10,001 sqm	56%

Take-up by Sector Q1-Q3 2020 (in %)



Logistics Service Providers	55%
Others	17%
Production & Manufacturing Companies	15%
Trading Companies	13%

INDUSTRIAL MARKET COLOGNE

Occupational Market:

The Cologne industrial and logistics real estate market remains 17% below last year's levels with a total take-up of 105,700 sqm. Although the number of deals remained the same, the market lacked large-volume deals above 10,000 sqm, which in comparison to the previous year accounted for only 10% of the total take-up instead of 36%. The majority of lettings were concluded in the size category of up to 5,000 sqm. The reason for the decline in take-up are letting deals that were postponed due to the Covid-19 pandemic in recent months. With limited supply, the market therefore remains below its potential. However, this is particularly the case in the surrounding area, while take-up within the city limits boosted thanks to some available existing space. The city area even doubled its take-up compared to the previous year. However, both the prime rent and the average rent remained stable at € 5.80 and € 4.50 per sqm.

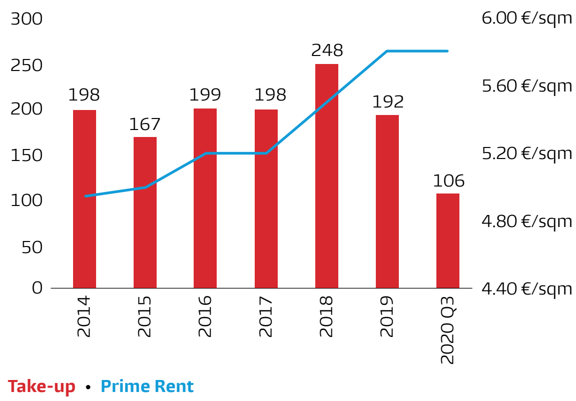
Investment Market:

In the first nine months, Cologne's logistics investment market remained around its five-year average of about €152 million. The market belongs to the TOP 8 logistics investment markets. The strong result of the first three quarters was mainly due to two large-volume portfolio deals. Firstly, the "Freund Portfolio" with five logistics properties in the Cologne logistics region and secondly the acquisition of ARES with one property in the region (Mönchengladbach).

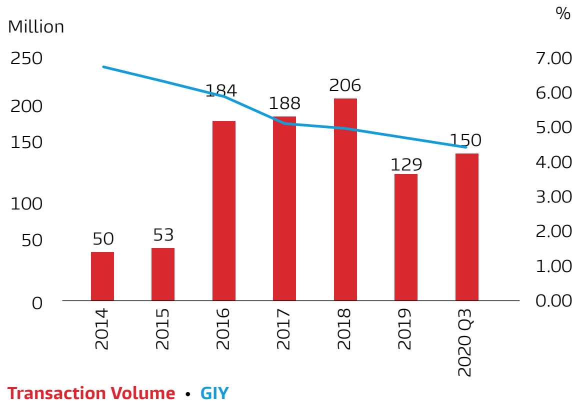
Outlook:

The logistics region of Cologne was the only TOP 8 location that was able to generate positive take-up development from quarter to quarter and recorded no Covid-19-related take-up declines. It is expected that this positive trend will continue in Cologne but, because of the shortage of suitable logistics space, it is expected that the total take-up will not match the previous year's result.

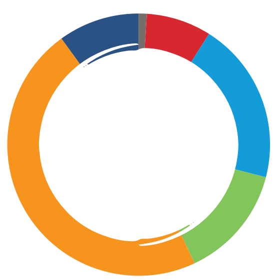
Take-Up and Prime Rent (per month)



Investment Volume and GIY

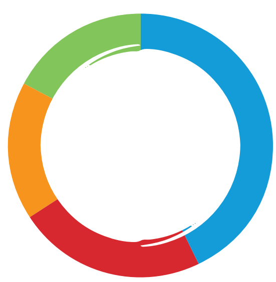


Take-Up by Size Category Q1-Q3 2020 (in %)



up to 500 sqm	1%
501 - 1,000 sqm	8%
1,001 - 3000 sqm	20%
3,001 - 5,000 sqm	14%
5,001 - 10,000 sqm	47%
above 10,001 sqm	10%

Take-up by Sector Q1-Q3 2020 (in %)



Logistics Service Providers	43%
Production & Manufacturing Companies	23%
Trading Companies	17%
Others	17%

INDEPENDENT MARKET RESEARCH THE NETHERLANDS

ECONOMY AND OUTLOOK THE NETHERLANDS

As the economic impact of the COVID-19 pandemic begins to influence key factors, it is becoming clear that the Dutch economy has a considerably more limited decline in economic activity compared to almost all other countries in Europe. For example, the Netherland's GDP growth for the full year is likely to be -4.8% compared with most other European countries which are expected to report GDP growth of -6% to -12%.

This also has repercussions on employment. Unemployment is growing in almost all countries, including the Netherlands. However, the increase in unemployment has slowed down in recent months and it is noted that total employment is growing in the Netherlands. Only Ireland shows comparable figures, while all other countries show a decline in employment. This is important, as job security and limited unemployment have a significant impact on consumer spending, which in turn affects the resilience of an economy. In this sense, it can be said that the Netherlands not only has a relatively limited decline in economic activity but is most likely to be more resilient due to the relatively limited decline in consumer spending. Also, the number of pronounced bankruptcies of companies remains low.

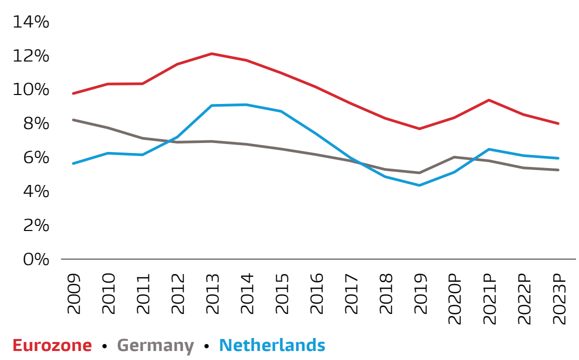
Because the economic starting positions of the various countries in Europe differ greatly from each other, this also has an impact on the real estate investment climate. Investors reassess the allocation of real estate investments partly based on the political situation and economic principles within a country. For the Netherlands, this means that many investors see the Netherlands as a safe haven. This will in particular lead to investors with a core/core-plus investment strategy looking to the Netherlands.

Investors with a value-add strategy will largely relocate their activities to the more southern European countries, because the expectation is that the depreciation of real estate will be considerably greater there than in the Netherlands. This is partly due to the significant rise in unemployment in these countries, as a result of which consumer spending there is falling much more sharply than in the Netherlands.

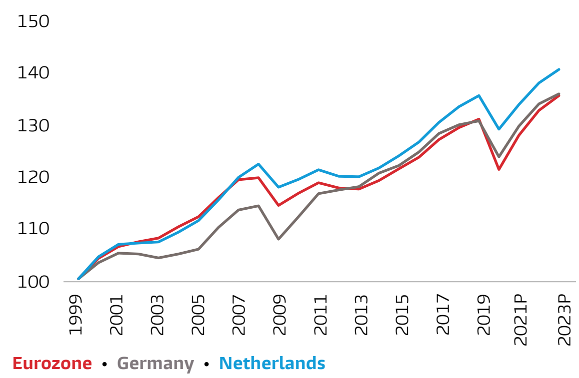
In the retail, offices and leisure sectors, investment products will be viewed significantly critically. Both by investors and financiers. The residential and logistics market seem to be the most resilient at the moment.

Key Factors	CAGR 2014-2019	Forecast 2020-2021
Population growth	+ 0.5 %	+ 0.1 %
Employment growth	+ 1.6 %	+ 0.1 %
Real Wage growth (in Euro)	+ 0.0. %	+ 1.5 %
Consumer Price Inflation	+ 21.79%	+ 1.5 %

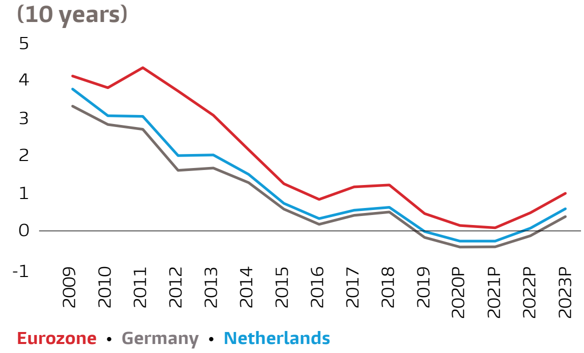
Unemployment Rate (% of Workforce)



GDP Development (Index 1999 = 100)



Long Term Interest Rate - Government Bond Yields (10 years)



NATIONAL MARKET OVERVIEW THE NETHERLANDS

Occupational market

Take-up volume of industrial and logistics space amounted around 3.5 million sqm in the first three quarters of 2020, driven by demand from the e-commerce, pharmacy/medical care and food sectors. However, take-up was lower than the average of the same periods in the years before and 34% below the previous year's level. This can be partly explained by a temporary setback in negotiations due to the COVID-19 outbreak. This setback also led to a slight increase of supply with +2% Y-o-Y. In the second quarter, the worst COVID-19 period in the Netherlands so far, several rental transactions of large distribution centers were announced, of which processes were already near finalised. Colliers' latest online shopping survey shows that more than a third of Dutch people plan to order more products online. The share of e-commerce in total retail sales in the Netherlands is increasing, and the COVID-19 crisis is expected to further strengthen this trend. Online retailers and online supermarkets are looking for expansion options.

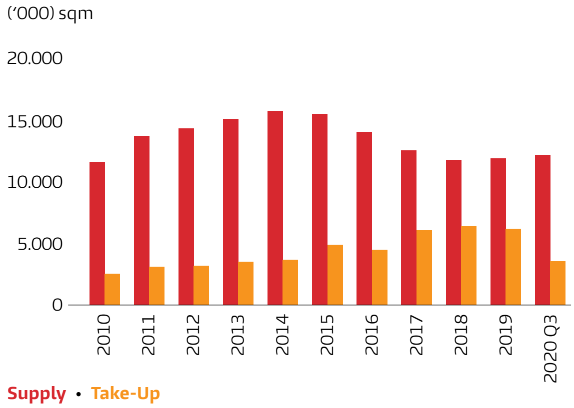
Producer confidence has fallen firmly in the first months during the COVID-19 outbreak, but in the second quarter of 2020 recovery has started and there is more confidence in exports. In September 2020, confidence had improved for the fifth month in a row compared to the previous month. In Germany, which is the most important sales market for Dutch industrial products, the same trend is visible.

Up to and including the third quarter of 2020, the volume of containers in the port of Rotterdam decreased by 2.1% in tons and 4.7% in twenty-foot equivalent unit (TEU). The decline was caused by the fact that demand for goods in Europe fell more sharply than in China. This year, imports from Asia have declined while exports to Asia have increased, in particular exports of meat, chemical products and wood. Given the number of services that had been interrupted and the severity of the Covid-19 crisis, the decline in container throughput was ultimately very limited.

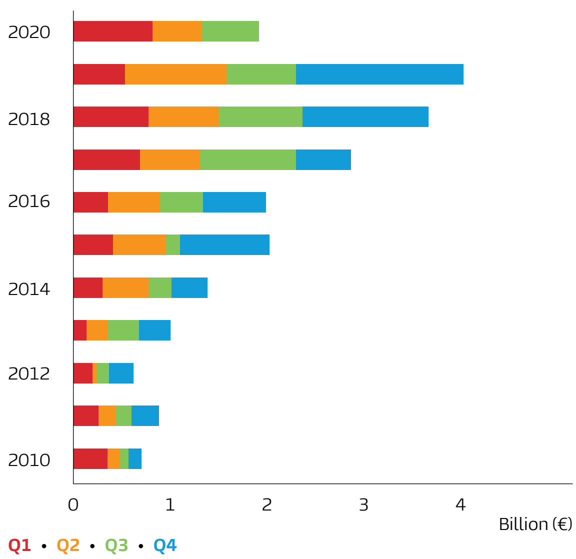
Investment Market:

In mid-2020, it became clear that the COVID-19 outbreak was starting to affect investment dynamics. This disruption was less obvious in the logistics market which proved to be more robust compared to other real estate sectors in the Netherlands. It has mainly led to postponed transactions, longer decision processes and sometimes to cancellations. The investment volume for the first six months of 2020 totaled almost €2 billion including development sites for logistics. As this is slightly behind 2019, it can be concluded that the market has suffered

Occupier Market



Investment Market



relatively limited damage. The market is dominated by international (developing) investors, but institutional funds seem to show increasing interest in entering the logistics market since the market proves to be strong. As a result of, among other things, the growth in e-commerce in recent months, investors also see less risk in smaller logistics industrial spaces and light industrial real estate located in urban areas. These locations have great potential when it comes to last mile distribution. Investors are interested in these strategic hubs that can be used to supply consumers. The prices paid for premium logistics real estate remain high.

There are more concerns about production locations and other smaller industrial spaces, given the less stable position of tenants due to falling demand and uncertainty. This can affect investors with this type of property in their portfolio. Nevertheless, the Netherlands continues to perform above average in the Eurozone in terms of industrial activities.

Outlook:

During the COVID-19 outbreak in the Netherlands, confidence in the Dutch economy declined. However, this is still limited in perspective to many other countries. For 2021, growth is expected to be driven by a recovery in consumer confidence and spending.

Within the logistics market, the Netherlands remains important with an attractive tax climate, good infrastructure and a strategic location within Europe. This is for example beneficial when activities relocate from the UK due to Brexit, or when supply chains undergo a change with less dependency on one production country.

The government wants more control over the construction of new distribution centers. They acknowledge the importance of the e-commerce sector within the Dutch economy, but also want a more controlled development by only assigning locations on already existing terrains and industrial clusters. This may lead to a tighter supply pipeline and greater occupier demand, which may translate to rental growth. There also needs to be more attention focused on sustainable energy and reservation of space in urban areas for city logistics hubs to guarantee emission-free delivery by 2025.

Long-term consequences of COVID-19 remain uncertain. But at this moment, the logistics real estate sector can be considered more stable compared to other sectors and the effects on the investment market remain limited. The further forecasts depend on developments concerning the COVID-19 pandemic, land shortage and the operating results of (owner) users in the industrial market, but also the logistics sector.

NATIONAL MARKET OVERVIEW
TOP LOGISTICS MARKET THE NETHERLANDS

	Q3 2019	Q3 2020	6-month Forecast
1. Amsterdam			
GIY (in %)	5.0% – 5.2%	4.8% – 5.0%	→
Prime Rent €/per sqm per annum	€65	€65	→
2. Schiphol Region			
GIY (in %)	4.7% – 5.0%	4.7% – 5.0%	→
Prime Rent €/sqm per annum	€85	€85	→
3. Utrecht-Nieuwegein			
GIY (in %)	4.8% – 5.1%	4.5% – 4.8%	→
Prime Rent €/sqm per annum	€67.50	€67.50	→
4. Nijmegen-Geldermalsen-Tiel			
GIY (in %)	4.8% – 5.1%	4.8% – 5.1%	→
Prime Rent €/sqm per annum	€50	€52.50	→
5. Rotterdam			
GIY (in %)	4.7% – 5.0%	4.5% – 4.8%	→
Prime Rent €/sqm per annum	€70	€70	→
6. Moerdijk			
GIY (in %)	4.7% – 5.0%	4.7% – 5.0%	→
Prime Rent €/sqm per annum	€52.50	€55	→
7. Breda-Roosendaal-Bergen Op Zoom			
GIY (in %)	4.7% – 4.8%	4.5% – 4.8%	→
Prime Rent €/sqm per annum	€50	€55	→
8. Tilburg-Waalwijk			
GIY (in %)	4.3% – 4.6%	4.0% – 4.3%	→
Prime Rent €/sqm per annum	€52.50	€57.50	→
9. Eindhoven			
GIY (in %)	5.0% – 5.3%	4.5% – 4.8%	→
Prime Rent €/sqm per annum	€55	€60	→
10. Venlo-Venray			
GIY (in %)	4.3% – 4.6%	4.0% – 4.3%	→
Prime Rent €/sqm per annum	€50	€55	→

The shift in demand in favor of logistics along with ongoing pressure to invest are heavily impacting yield performance on the Dutch industrial and logistics market. This has set the bar for high-quality Dutch core logistics assets in strategic locations with strong-covenant tenants, putting current gross prime yields at 4.00%. Top locations with this yield level are Venlo region and Tilburg region. Demand for development plots remained high during the year. Even in the lockdown months of April and May, project developers and investors diligently secured space in strategically favorable locations, targeting zoning. Municipalities have started to issue new land earlier. Due to the demand, the prime logistics locations showed increasing prime rents over the past months and a low level of incentives. Due to Covid-19 uncertainties, little can be predicted about further yield compression and rental growth, but this is expected to continue at the top locations.

INDEPENDENT MARKET RESEARCH SINGAPORE

CBRE

THE SINGAPORE ECONOMY

Economic Overview

While Singapore's economy contracted 5.8% year-on-year ("Y-o-Y") in 3Q 2020, based on figures by the Ministry of Trade and Industry ("MTI"), it rebounded by 9.2%[1] quarter-on-quarter ("Q-o-Q") in 3Q 2020. The improved Q-o-Q performance comes on the back of the phased re-opening of the economy since June 2020 following the Circuit Breaker ("CB") measures that were put in place between 7 April to 1 June 2020 as a result of the COVID-19 pandemic.

Amidst the sluggish performance of the general economy, the manufacturing sector has been positive, with a 10.0% Y-o-Y growth in 3Q 2020. Output growth in the electronics and biomedical manufacturing sectors, as well as the increased global demand for semiconductors and semiconductor manufacturing equipment which has driven growth in the electronics and precision engineering sectors, are the major contributors to the growth of the manufacturing sector.

While the COVID-19 pandemic has been largely under control in recent months in Singapore, the pandemic is still a major global issue which will likely continue to contribute to uncertainties in the global macroeconomy. MTI forecasts Singapore's GDP growth for 2020 to be -6.5% to -6.0% and 4.0% to 6.0% in 2021.

SINGAPORE OFFICE MARKET OVERVIEW

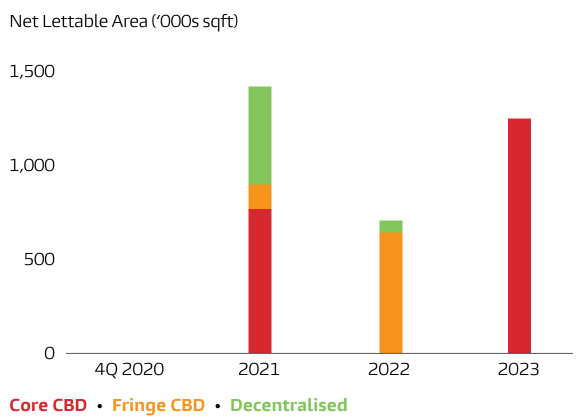
Existing Office Supply

As at 3Q 2020, islandwide office stock totaled about 61.6 million sqft. Within the Central Business District (CBD) Core[2], there are about 14.1 million sqft of Grade A and 17.1 million sqft of Grade B office space. The Decentralised market and Fringe CBD office stock accounts for 14.3 million sqft and 16.1 million sqft, respectively. There is a slight contraction in office stock due to some properties being taken out of the market for redevelopment. Some major office developments completed earlier in 2020 included 30 Raffles Place (310,000 sqft) and 79 Robinson Road (518,000 sqft) in the CBD Core. Cross Street Exchange is part of the Grade B office stock although it has finishes and fittings commonly found in Grade A office buildings.

Future Office Supply

For the remaining 2020 to 2023, islandwide new office supply is projected at 3.4 million sqft (Chart 2.1). The CBD Core, Decentralised and CBD Fringe market accounts for 59.9% (2.0 million sqft), 17.1% (0.6 million sqft) and 23.0% (0.8 million sqft) of future office supply, respectively. Considering the existing COVID-19 situation, CBRE expects a slower than expected resumption of construction activities which may cause delays in the completion of developments in the pipeline. There is no development expected to be completed for the rest of 2020.

Chart 2.1: Future Office Supply



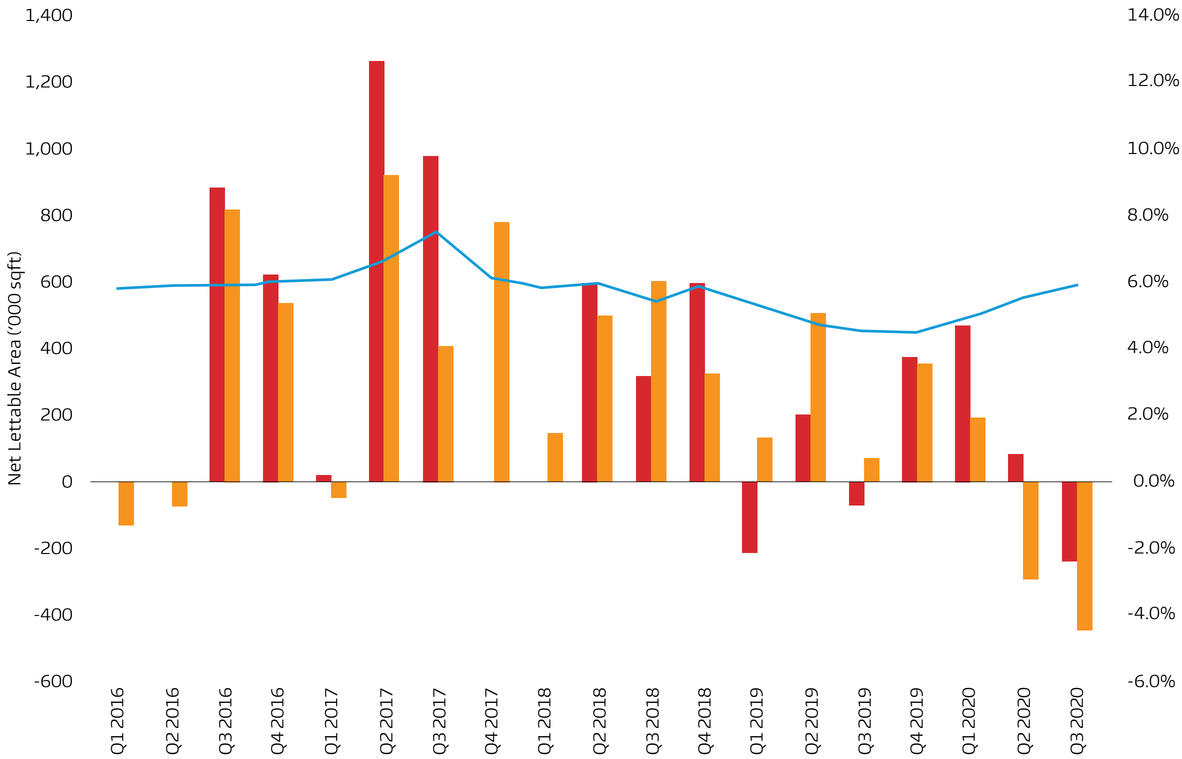
Source: CBRE

Office Demand and Occupancy

Total islandwide office net absorption was -445,491 sqft in 3Q 2020 (Chart 2.2) with renewals and business relocations being the main drivers for leasing demand. Despite the current situation, CBRE witnessed some activity stemming from occupiers' relocation due to displacement from several upcoming redevelopment projects. Occupier activity was also driven by resilient sectors like technology, financial services and insurance firms. In addition, there have been several Chinese technology firms and family offices establishing offices here, reinforcing Singapore's strong and stable market fundamentals.

1 Non-annualised, seasonally adjusted
2 CBRE defines CBD Core as a composition of three micromarkets, including Raffles Place, Marina Centre and Shenton Way. A revision of CBRE's basket was conducted in 1Q 2019 with figures from 1Q 2019 onwards reflecting the revision of numbers. Historical figures are unchanged

Chart 2.2: Islandwide Office: Net Supply, Net Absorption and Vacancy Rates



Net New Supply • **Net Absorption** • **Vacancy Rate Island-wide (RHS)**
Source: CBRE

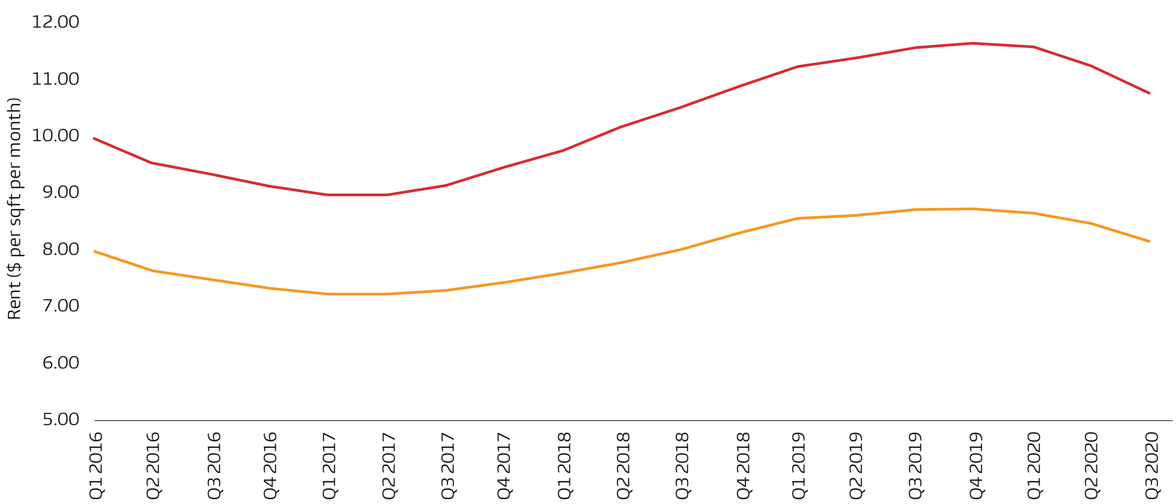
Office Vacancy Rates

Islandwide office vacancy inched to 5.9% in 3Q 2020, from 4.5% in 3Q 2019 or 5.6% in 2Q 2020, partly due to the removal of Shaw Towers for redevelopment works. Vacancy rates are expected to rise, alongside weakening business sentiments and dampened economic performance as businesses today continues to reassess their existing footprint and cost containment measures.

Office Rents

In 3Q 2020, office rents for Grade A CBD Core contracted 6.6% Y-o-Y (4.0% Q-o-Q) to $10.70 per sqft per month. Similarly, office rents in Grade B CBD Core declined, albeit at lower levels, by 3.6% Q-o-Q to $8.15 per sq per month (Chart 2.3). Notwithstanding the COVID-19 situation, rental decline has been cushioned by Government stimulus packages and several rental relief schemes.

Chart 2.3: Office Rents (Grade A CBD Core and Grade B CBD Core)



Grade A CBD Core • **Grade B CBD Core**
Source: CBRE

Office Investment Market and Capital Values

Office investments totaled $2.2 billion from 4Q 2019 to 3Q 2020, a 62.2% decline Y-o-Y. Notable transactions in 4Q 2019 include the sale of the office and retail components of DUO by M+S Pte Ltd to Allianz Real Estate and Gaw Capital Partners for $1.6 billion and 30 Raffles Place sale by Oxley Beryl Pte Ltd to Golden Compass (BVI) Limited for $1.0 billion. There were two major deals in 2Q 2020, both Perennial-led divestments. The first transaction comprised a 50% divestment stake in AXA Tower to Alibaba Singapore for $840.0 million while the other transaction involved the divestment of a remaining 30% stake in TripleOne Somerset to a unit of Shun Tak Holdings for $342.0 million. For 3Q 2020, Tuan Sing Holdings sold Robinson Point for $500.0 million to a British Virgin Islands-incorporated entity whilst ABI Plaza was sold for $200.0 million to Artemis Ventures; a CapitaLand fund by MYP Ltd. The estimated cap rate for the above two transactions ranges between 1.9% - 2.1% and 2.2% - 2.4%, respectively.

Office Market Outlook

Overall, global market uncertainties are expected to continue. The impact and severity of the COVID-19 pandemic has weighed heavily on global economies with weakening business sentiments and rising unemployment levels. Occupier activity for the rest of 2020 is expected to be driven mainly by renewals or relocations, rather than to accommodate growth. Nonetheless, there are several bright spots for sectors like technology, information and communications, financial services and insurance firms, which will drive leasing activity.

Vacancy levels will likely increase due to downsizing office requirements and natural expiry of leases in 2020/2021, resulting in further market correction on office rents for the rest of 2020. On the other hand, the expected delay in upcoming developments will help to recalibrate the supply and demand dynamics. The impact of the COVID-19 pandemic may redefine future office demand and working spaces in the longer term, considering social distancing measures and business continuity plans, though any longer-term trends are yet to be determined. Remote working cannot entirely replicate or replace the benefits of community, collaboration and culture that a physical office environment can potentially generate. Companies will also have to provide a diverse range of work locations to support employee needs. CBRE's 2020 Global Occupier Sentiment Survey "The Future of the Office" showed three trends going forward: 'Better Office', 'Collaborative' and 'Flexibility and Agility'. Given a limited supply pipeline and resilient demand for growth sectors, CBRE expects office rents to rebound in the medium term, underpinned by the country's stable growth fundamentals.

SINGAPORE HI-TECH AND BUSINESS PARK MARKET OVERVIEW

The hi-tech market typically refers to modern industrial premises with higher-grade and more comprehensive building specifications as compared to conventional industrial premises. Business Parks are Urban Redevelopment Authority zoned sites that tend to be developed as larger campus-style developments occupying at least five hectares of land with modern office-like specifications.

Hi-Tech and Business Park Existing Supply[3]

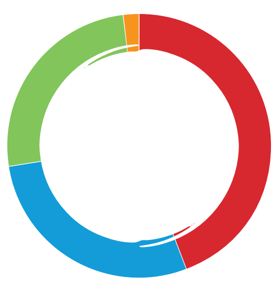
As at 3Q 2020 , the overall stock of Hi-Tech space totaled about 11.9 million sqft. There have been limited new completions in the last year. Alexandra Technopark, which is located within the City Fringe, is part of the Hi-Tech sector. Following an asset enhancement which was completed in 2019, the property, with a land area of 4.8 hectares, has a spacious campus-like environment with communal spaces for collaborative and placemaking activities and a multitude of lifestyle, wellness, sports and social amenities. These attributes, including large floor plates and flexible space configuration, are commonly found in a Business Park environment.

Total stock for Business Parks is estimated at 19.3 million sqft as of 3Q 2020. There has been no new supply in the past year.

Hi-Tech and Business Park Future Supply

CBRE estimates that total islandwide stock of Hi-Tech space and Business Park space to increase by 6.4 million sqft for the remaining of 2020 to 2023. This consists of 2.0 million sqft and 4.4 million sqft of Hi-Tech business space and Business Park space, respectively. Approximately 44.4% of the pipeline supply will be in the North East Region, with 28.3%, 25.5% and 1.8% of the remaining pipeline supply coming into the Central, West and East Regions, respectively (Chart 3.1).

Chart 3.1: Future Supply of Hi-Tech and Business Park Space by Area



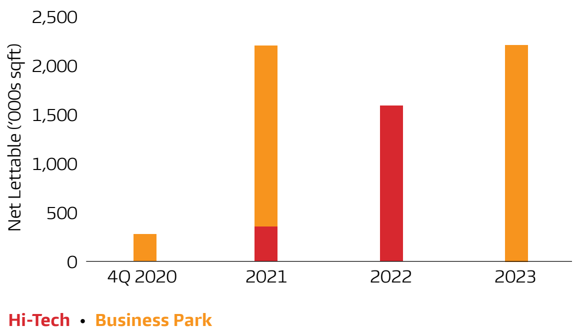
North East	44.4%
Central	28.3%
West	25.5%
East	1.8%

Source: CBRE

3 Preliminary Data as at 3Q 2020

For the remaining 2020 to 2023, new Hi-Tech supply is projected at about 2.0 million sqft (Chart 3.2). This includes 351 on Braddell (220,000 sqft) and Ubix (143,400 sqft), both located in the Central region, in 2021. In 2022, Solaris @Tai Seng (North East Region) and the redevelopment of Kolam Ayer 2 (Central Region) will collectively contribute another 1.6 million sqft to the market. There is no new Hi-Tech development expected to complete in 2023 as at 3Q 2020.

Chart 3.2: Future Hi-Tech and Business Park Supply



Source: CBRE

Business Park future supply is projected to contribute 4.4 million sqft for the remaining 2020 to 2023. Key developments to be completed in 4Q 2020 include the reconstruction of 13 IBP (West Region) and the addition/alteration works of JTC's Business park developments at Cleantech Loop (West Region) which amounts to about 300,900 sqft.

2021 will see approximately 1.9 million sqft of Business Park space coming into the market, with Razer Headquarters ("HQ"), Grab HQ and Wilmar Development contributing about 750,000 sqft in the Central Region whilst the addition of Surbana Jurong Campus, Cleantech Three and PBA Group Development will contribute an additional 1.1 million sqft in the West. In 2023, projects expected to enter the market include Phase 1 of the Punggol Digital District in the North East Region (1.9 million sqft), Kajima HQ in the East Region (112,700 sqft) and the redevelopment of iQuest@IBP in the West (212,000 sqft).

Considering the COVID-19 situation and the stoppage in construction activities during CB period, projects currently under development or asset enhancement works are expected to face delays. Construction works have since resumed upon Building and Construction Authority approvals.

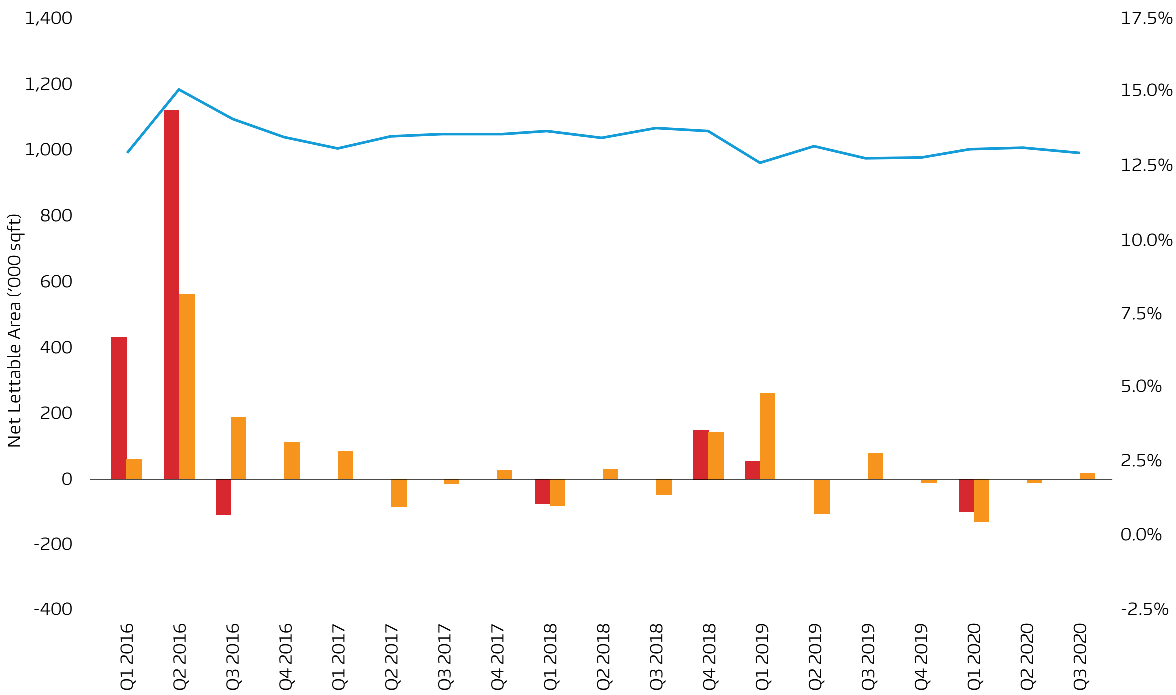
Hi-Tech and Business Park Demand and Vacancy

The total islandwide net absorption for Hi-Tech space was around 71,400 sqft for 3Q 2020, with vacancy levels dipping from 13.4% to 12.2% in 3Q 2020. Notwithstanding the CB measures and the gradual reopening of the economy, newer Hi-Tech buildings such as 18 Tai Seng and Aperia have registered improving occupancies, which offsets the performance of the older stock of Hi-Tech buildings.

Notwithstanding the economic uncertainties, occupier activity is expected to be supported by the technology, pharmaceutical, medical technology and biomedical industries. With the growing need for an increase in digital capabilities, the demand for technology services will likely continue to grow. Additionally, the hub-and-spoke model of having front facing working spaces in the CBD and back-end operations in decentralised locations will contribute to the demand for Hi-Tech spaces. CBRE expects vacancy levels in the Hi-Tech sector to remain relatively healthy.

Overall demand in the Business Park sector was relatively subdued in 3Q 2020 as portrayed by the islandwide net absorption of 15,960 sqft in 3Q 2020. Leasing demand saw some uptick from the technology sector, but occupier activity remains soft. Renewals showed noteworthy patterns with large occupiers shrinking their business space requirements. With no new supply in the past one year, islandwide vacancy inched up to 13.0% in 3Q 2020, from 12.7% in 3Q 2019 (Chart 3.3).

Chart 3.3: Island-wide Business Park Net Supply, Net Absorption and Vacancy Rates



Net New Supply • Net Absorption • Vacancy Rate (RHS)
Source: CBRE

The rental premium of the City Fringe submarket over the Rest of Island submarket has driven cost-conscious occupiers to explore the latter. However, given the limited availability of large, contiguous spaces in new business park developments within the City Fringe, CBRE expects occupancy in Business Park spaces to unlikely dip significantly.

Alexandra Technopark's appeal is also expected to benefit from its location within the City Fringe, particularly in the longer term given its strategic location and proximity to the Greater Southern Waterfront Masterplan[4] and the CBD.

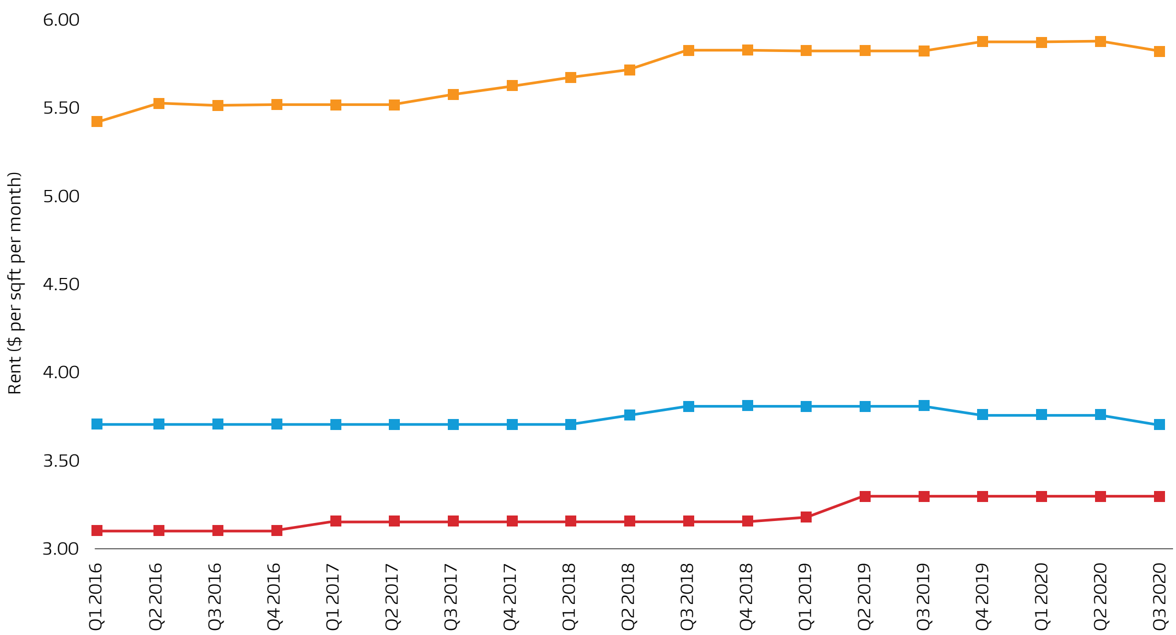
Hi-Tech and Business Park Rents

Despite relatively weaker business sentiments and the uncertainties in the market, rents in Hi-Tech spaces have been stable for the past year, at $3.30 per sqft per month. With competitive rents, high-quality specifications and strong locational attributes, the value proposition of Hi-Tech developments is likely to remain strong to occupiers.

On the back of muted demand and growing vacancy in older developments, landlords are adapting to the current climate and adjusting their rental expectations. Business Park rents in the City Fringe submarket softened 0.9% Q-o-Q to $5.80 per sqft per month, while the Rest of Island submarket decreased 1.3% Q-o-Q to $3.70 per sqft per month (Chart 3.4).

4 Announced during the Singapore National Day Rally 2019

Chart 3.4: Hi-Tech and Business Park Rents



Hi-Tech • Business Park - City Fringe • Business Park - Rest of the Island
Source: CBRE

Hi-Tech and Business Park Outlook

The COVID-19 pandemic is expected to contribute to uncertain global sentiments and will continue to have a material effect on certain sectors of the Singapore economy in the foreseeable future. In particular, the construction sector, which continues to operate with tight safety management measures in place, as well as the services sector, where the aviation and tourism sub-sectors continued to be affected by restrictions in global travel. The manufacturing sector will likely continue to experience mixed performances across various sub-sectors.

Notwithstanding the immediate challenging environment, the Hi-Tech space is expected to remain relatively resilient in the short term, with demand for spaces more so driven by renewals and relocations rather than new leasing deals. However, with the continual push for higher-tech and higher value-added industries such as digital and robotics, advanced manufacturing and pharmaceuticals, coupled with urban and economic decentralisation masterplans, Hi-Tech spaces will be well-positioned to be a beneficiary in the longer term.

Alexandra Technopark, which has a healthy occupancy rate of 97.9% as at 3Q 2020, will stand to benefit in the long term from the revitalisation of the Greater Southern Waterfront area, which will feature future residential and commercial developments.

Business Parks showcase signs of resilience as the value proposition of efficient floor plates and cost competitiveness alternative to offices remains attractive to occupiers. While more downsizing could be expected as occupiers reassess their real estate footprint in the near term, Business Parks, especially those located in the City Fringe, will continue to feature favourably with occupiers in their long-term plans.

INDEPENDENT MARKET RESEARCH THE UK

GENERAL ECONOMIC GROWTH AND OUTLOOK

An economic contraction is forecast for the UK in 2020, with real GDP expected to shrink 10.8% before rebounding with strong growth in 2021/2022, before returning to an average of around 1.4% per annum from 2023 onwards. There has been a surge in public sector borrowing in order to fund the fiscal measures introduced to combat the impacts of the Covid-19 pandemic. UK government debt has risen to more than 100% of GDP for the first time since 1963.

UK inflation was 0.7% in September 2020, up from a low of 0.5% in August 2020; the lowest it has been since 2016, driven by falling fuel costs and price reductions on clothing and footwear. Inflationary pressures are not expected to return anytime soon, with inflation forecast to remain below the Bank of England's target 2% until 2031.

The government furlough scheme is due to end in March 2021, having been extended from the end of October 2020 due to England entering a second lockdown. Economists expect that the end of the furlough scheme will coincide with a spike in the unemployment rate as furloughed staff are ultimately released by employers unable to justify their roles owing to the economic crisis.

Around 15% (330,000) of furloughed workers are expected to lose their jobs, with unemployment expected to peak around June 2021 (Source: Capital Economics). However, by the end of 2022, Oxford Economics expect the unemployment rate to have returned to pre-Covid, sub-4% levels.

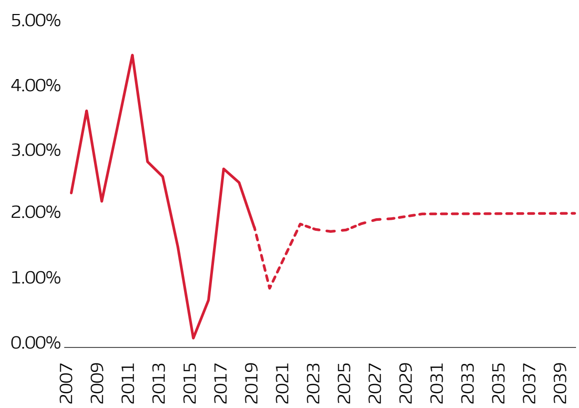
The impact on jobs is highly uneven across sectors, with accommodation and food services as well as arts, entertainment and recreation expected to be worst hit. When unemployment levels begin to fall over the next few years, the shape of the economy and labour market is expected to have shifted significantly and this is likely to impact the sector composition of the UK jobs market.

The South East region accounts for 15% of UK GDP (2019), the largest share of UK GDP outside of Greater London, which accounts for

UK Real GDP Growth Forecast

Source: Knight Frank, Oxford Economics

UK CPI Forecast

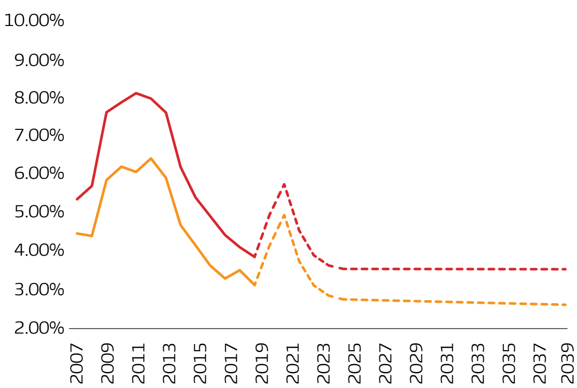


Source: Knight Frank, Oxford Economics

24% of UK GDP. There is a positive relationship between relative regional Gross Value Add (GVA) growth rates and high levels of education and skills, business formation and employment in professional and technical services.

The South East economy is forecast to grow faster than any other region of the UK (outside of London), with a average annual growth rate of 1.5% forecast for the next ten years (2020 – 2030). This compares to 1.3% growth for the UK and London, with an average annual growth of 1.7%. The South East demonstrates many of the key ingredients for continued growth such as higher levels of professional, technical and service growth and the second highest levels of education in the UK, after London.

Unemployment Rate Forecast



UK • South East Region
Source: Knight Frank, Oxford Economics

Accommodation and food services (highlighted as one of the most at risk sectors) accounts for 6% of workforce jobs in the South East. Another at risk category, wholesale and retail trade account for a more significant 15% of workforce jobs. However, the South East has a high proportion of jobs in professional, scientific and tech (10%), and human health and social work (12%), these sectors are considered relatively low risk in terms of Covid-19 related job losses.

Over the past fifteen years, the total workforce in the South East region has grown 14.5%, it is forecast to grow a further 6.2% over the next fifteen years. The greatest employment growth has been in the professional, scientific and tech sector and the human health and social work sector; both recording over 40% employment growth in the region. Further growth is forecast for these sectors, which should support future demand for office space in the region.

Following the outbreak of the coronavirus, home-working has become the norm for many, previously office-based jobs. For those that have returned to the office, they are choosing to drive (or walk where possible) rather than take public transport. Since lockdown measures have been eased, use of public transport has been slowest to recover. In city centre locations, many commuters travel by public transport and high rise office buildings can make using the office difficult with social distancing measures in place. Some organisations have faced challenges in trying to reopen and the office experience is unlikely to return to normal until a vaccine is available.

Covid-19 has underlined the need for operational resilience and contingency planning. For businesses considering how they can maintain their operations during this, or potential future outbreaks, or even other such "black swan" events, offices located outside major city centres or offering parking facilities may be considered as part of their business contingency plans. A network of offices or hubs could also offer improved options and business parks in the South East region could form an important part of these contingency plans and office networks. Offering parking facilities, lower occupancy rates and low rise office buildings, business parks

Economic factors are likely to drive businesses to rationalise their real estate. Decentralising some or all of their operations, reducing their footprint or increasing their ability to flex up and down their requirements may be some of the ways they will look to do this but they are unlikely to compromise in terms of quality of space, fit-out or amenities. If businesses decentralise and adopt a more dispersed office footprint, markets in fringe London locations and across the wider South east region have the potential to offer hub locations that work in tandem with Central London office locations, creating hub-and-spoke office networks.

SOUTH EAST OFFICE MARKET – OCCUPIER MARKET

The South East England is a dynamo for the UK economy. Home to more than 940,000 businesses – the large majority clustered within striking distance of the M25 orbital. As at Q3 2020, total office stock in the South East is 161m sqft incorporating markets around the major motorways routes of the M25, M3 and M4. To contextualise, this total is similar to the combined office stock of the City and Docklands markets of London.

Take-up and Demand

The global spread of Covid-19 and subsequent imposed containment measures have meant a sharp reduction in occupier activity across the South East markets. To varying degrees of severity, the pandemic has affected all businesses without exception, with adaptation and recovery replacing longer term space planning. At the end of the third quarter, total take-up for the South East in 2020 had reached 1.48m sqft To contextualise, this is the lowest total for Q1-Q3 period since 2009.

Importantly, examples of requirements completely withdrawn during the pandemic are few, albeit 1.3million sqft of requirements were placed on hold between March and September 2020. At the close of the third quarter, named demand was at a 10-year low of 3.7million sqft This is 34% below the 10-year average.

In 2020, technology firms remain the dominant source of new demand in the South East region. Between Q1-Q3 2020, the Technology sector accounted for 28% of all occupier deals completed.

This is consistent with the long-term trend, with this business grouping representing 30% of deals completed in the market in each of the past three years. Considered over a longer period growth of the technology sector is observed. Over the five-year period 2015-2019, occupiers from a technology, media, and telecom (TMT) background acquired 4.3million sqft of space. Compare this to the 3.1million sqft acquired in the previous five years (2010–2014).

In 2020, a rise in activity from the Pharmaceutical and Healthcare firms is also notable. The sector accounts for 21% of space acquired between Q1-Q3 2020, well above the long-term average of 10%.

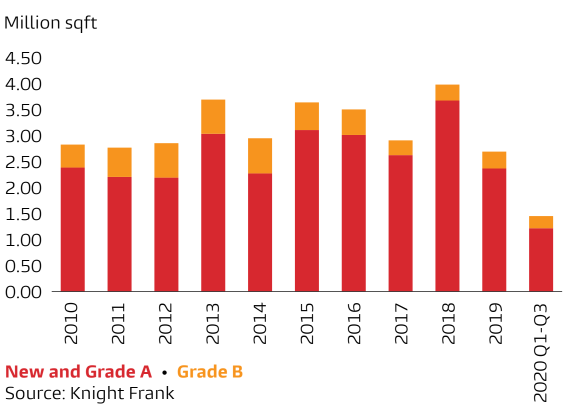
The drive towards acquiring the best quality space continues to dictate occupier behaviour. Analysis of take-up across the South East in 2020 (Q1-Q3) reveals that leasing volumes of New or Grade A space was 84% of the market. This trajectory is consistent with the recent trend. New and Grade A space accounted for an average of 88% of leasing volumes between 2015 and 2019. This is an increase when compared to the preceding five years (2010–2014), when the market share of New and Grade A space was 79%.

Take-up by Sector 2020 Q1-Q3

TMT	28%
Financial & Business Services	24%
Pharmaceutical/ Healthcare/Medical Technology	21%
Retail, Distribution & Transport	11%
Public Sector	4%
Construction & Engineering	3%
Energy & Utilities	3%
Other	4%
Manufacturing & Fast Moving Consumer Goods (FMCG)	2%

Source: Knight Frank

Office Take-up by Grade 2010 – 2020 Q3

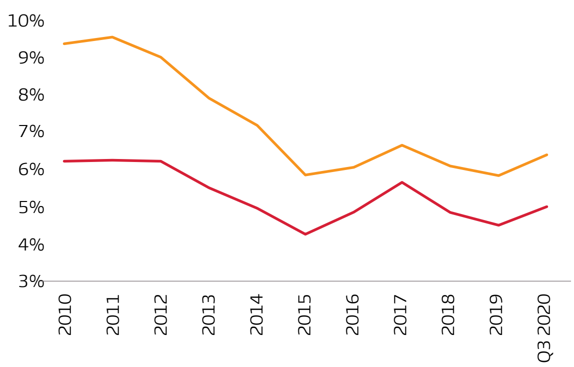


New and Grade A • Grade B
Source: Knight Frank

Supply

The low level of take-up has meant that market vacancy rate has risen in 2020 but only marginally. As at Q3 2020, vacancy across the South East was 6.4%. Although this is above the 5.8% registered at the end of 2019, it remains below the 10-year market average of 7.4% and significantly, below the 7.9% recorded at the onset of the Global Financial Crisis (GFC) in 2008.

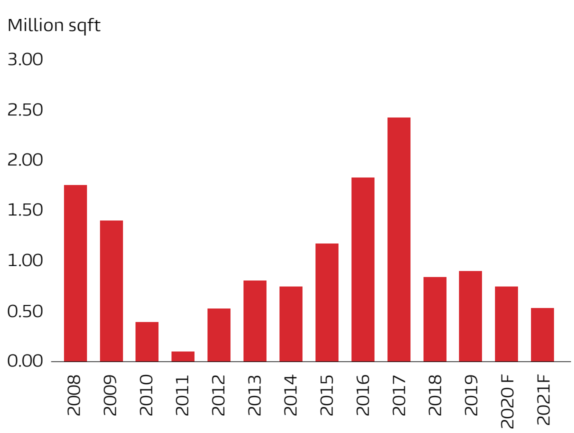
South East Vacancy Rate 2010-2020 Q3



Vacancy Rate (All Grade) • New & Grade A
Source: Knight Frank

A comparison to the GFC is important. Vacancy rates rose to over 9% as development completions of 3.1m sqft realised in 2008 and 2009 compounded the consequences of the economic downturn. Speculative completions scheduled for 2020 and 2021 however, amount to much less at 1m sqft This means that although vacancy will rise, because demand has slowed at the same time as supply, a market imbalance is not expected to be as pronounced.

Speculative Completions 2008-2021



Source: Knight Frank

Rental Tone
Over the past 12 months, headline rents have remained largely unchanged. An average taken across the South East markets over this period registers an increase of 1%. The strongest rental growth over the past 12 months was in St Albans and Basingstoke at 10%, with Bracknell and Camberley rising by 7%, respectively.

Over a longer period of five years, the compound annual growth rate for the South East is 3%pa. This demonstrates the upward trajectory of asking and achieved rents. The strongest rental growth over this period was in Croydon and Watford at 8% per annum, respectively. Although location will dictate terms, based on 10-year lease, average rent-free period for the South East has remained at 24 months in 2020.

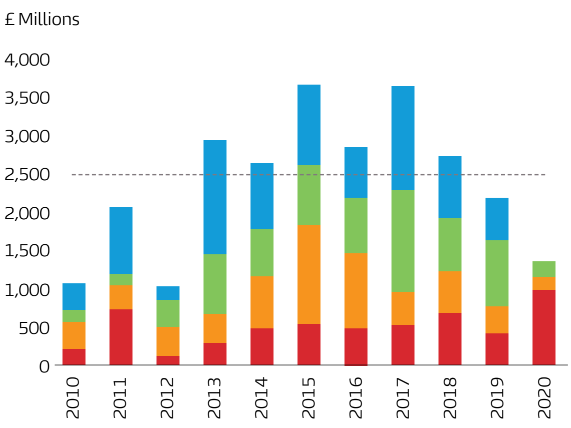
Prime rent £ per sqft	Q3 2019	Q3 2020
Bracknell	27.00	29.00
Farnborough	28.00	29.00

Source: Knight Frank

SOUTH EAST OFFICE MARKET INVESTMENT MARKET

The practicalities of conducting due diligence and an uncertain leasing market meant that investment activity has been limited in 2020. Office investment volumes for the South East up to and including Q3 are £1.4bn. This total is 16% below the 10-year average for a Q1-Q3 period. Two thirds of this total however was committed ahead of the national lockdown on the 23rd March, with £997m of sales completed in the first quarter.

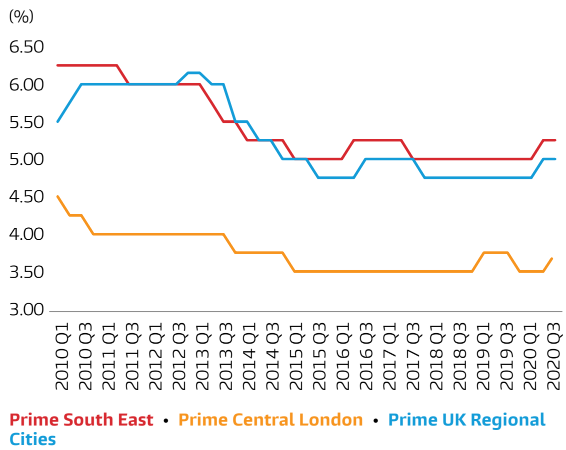
Investment Volumes 2010 – 2020 Q3



Source: Knight Frank

Prime yields softened during 2020, moving from 5.00% to 5.25%. The spread between prime offices in the West End of London and the South East is now 150 – 175 basis points. Previous market downturns however have resulted in a flight to quality, both in terms of income and property fundamentals. As such, assets of this type could attract keener prices. Correspondingly, secondary or higher risk assets, where there is a need for refurbishment and re-letting could see further outward shift.

Prime Yields 2010 – 2020 Q3



Source: Knight Frank

SUBMARKET OVERVIEWS FARNBOROUGH & BRACKNELL

FARNBOROUGH & BLACKWATER VALLEY

Farnborough is the pre-eminent office market within the Blackwater Valley, which incorporates Aldershot, Farnborough, Fleet, Frimley and Camberley. The area has a significant number of large, corporate office occupiers who locate in the region due to the excellent transport links and highly educated labour force.

The out-of-town office market is well developed in the area; driven by easy access into central London and the UK motorway network. Most office development in the area is located in business parks rather than town centre locations, town centres have under-performed business parks in the area due to a lack of investment. There are ten key business parks in the Blackwater Valley area.

Blackwater Valley Business Parks and Occupiers

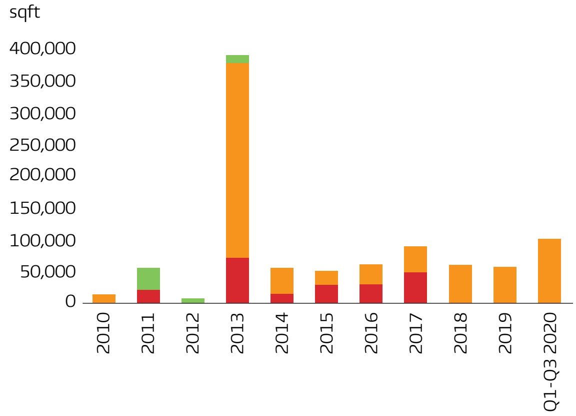
Business Park	Occupiers include:
Farnborough Business Park	Fluor, Syneos Health, Aetna, Aramark, Gama Aviation, Exclaimer
Cody Technology Park	Airbus Defence & Space, GE Oil & Gas, QinetiQ, UK Missile Defence Centre, UK Defence Solutions Centre
Southwood Business Park	Harrods Aviation, South East Water Scientific Services, Peak Analysis & Automation, Aastra Telecom UK Ltd
Frimley Business Park	Alcon Laboratories UK, Ziarco Pharma Ltd
Waterfront Business Park	Higgs & Sons Solicitors, Emerson Network Power Ltd, West Midlands Ambulance Service and Royal Mail
Ancells Business Park	Murata, Anite Telecoms ltd, Nokia Siemens Network, Boeing Defence UK, L3 Communications, Rohde & Schwarz
The Meadows	Rentokil Ltd, Safenet UK Ltd, Bet Pension Trust Ltd, Enigma Services Group Ltd, BPS Offshore Services Ltd
Watchmoor Park	Telent, Jaegermeister, BTG, Unisys, Bachy Soletanche, Dc Leisure, Herrington & Carmichael
Farnborough Aerospace Centre	Discover Financial, Philips, Infor, Lockheed Martin and Countryside Properties
Archipelago Office Park	MSC Software, Regus, Autoguard Warranties Ltd

Source: Knight Frank

Farnborough and the Blackwater Valley have strong historic connection to the aerospace industry and technology firms. IBM, Siemens and BAE systems all have headquarters located in the Blackwater Valley, and there are many aerospace companies located in Hampshire. Top employers in the areas include QinetiQ Holdings, specialising in Aerospace, defence and security; engineering company, Serco Group; BAE Systems who develop defence and aerospace systems; and CSC, a business services provider.

The largest employment sector in the Blackwater Valley are professional services, and the TMT sectors. The pharmaceuticals sector is also important within the Blackwater Valley and across the Thames Valley. Farnborough Airport has a long history as a centre for aviation and defence. Prior to 2003 the Ministry of Defence controlled the airport. However, business jets now account for the majority of traffic. Aerospace company Gulfstream have recently opened a new purpose-built business jet aircraft service centre at TAG Farnborough Airport.

Farnborough - Annual Take-up Category of Space

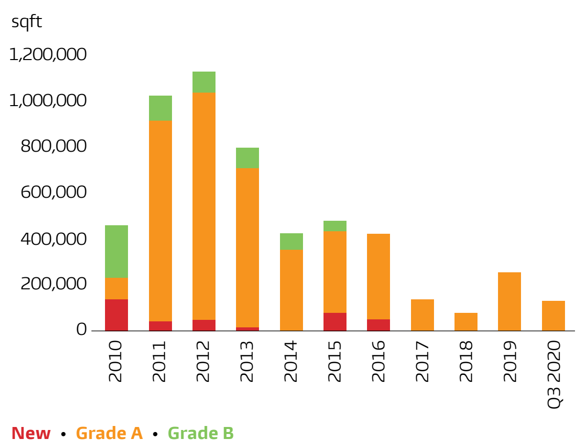


Source: Knight Frank

During the first three quarters of 2020, take up in Farnborough has totalled 102,471 sqft, 60% higher than the average annual take-up over the last five years, which stands at 64,125 sqft (2015-2019). Occupier deals so far this year include Phillips who took 37,000 sqft at Farnborough Aerospace Centre, Gama Aviation, who agreed a lease on a 20,000 sqft office in Farnborough Business Park in Q1 2020 and TMT company Vodafone took space at Cody Technology Park. Software company Exclaimer relocated to Farnborough Business Park recently, taking 9,414 sqft on a ten-year lease from October 2019.

At the end of Q3 2020, there was just 128,757 sqft of office space available in Farnborough. Availability has trended down over the past year and the limited availability has helped drive rental growth. Prime rents currently stand at £28.00 per sqft This is however, significantly lower than some of the larger South East office markets such as Reading, where prime rents are currently £37.50 per sqft

Farnborough - Availability



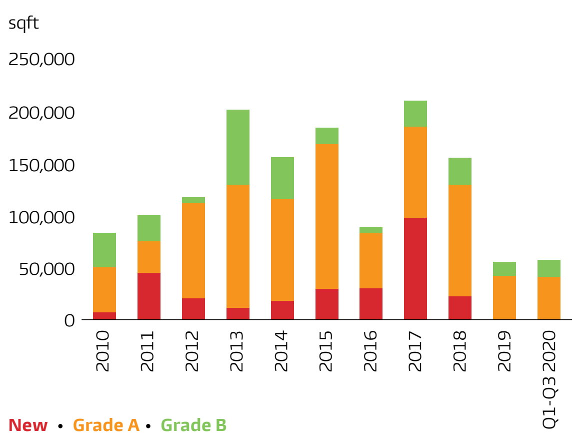
Source: Knight Frank

BRACKNELL

Bracknell is an established office market with a total stock of approximately 3.2 million sqft Equidistant between the M3 and M4 motorways; Bracknell is located at the heart of the UK's equivalent to 'Silicon Valley'. Bracknell has received significant levels of investment to upgrade the amenity of the town. The flagship £240m Lexicon is the most prominent with the award winning retail centre completing in 2017. Additionally, the Bracknell Business Improvement District (BID) started on 1st April 2020.

The town has attracted a significant number of high-profile companies from a variety of sectors including Waitrose and Johnson & Johnson. The largest office based employment source in Bracknell is Professional & Business Services, accounting for 14.1% of total employment. The technology sector though has provided the main basis for market growth. Employment levels are 14% of the total in Bracknell, with office demand derived from technology firms accounting for 40% of take-up since 2000. Global brands such as 3M, Dell and Fujitsu have established a presence in the town. However, Hewlett-Packard recently announced their departure from their Bracknell site by the end of 2020. The HP Enterprise campus was acquired at the beginning of December 2019 by a joint venture between Credit Suisse, Chancerygate and Hines, with plans to create a 350,000 sqft business and industrial park.

Bracknell - Annual Take-up Category of Space



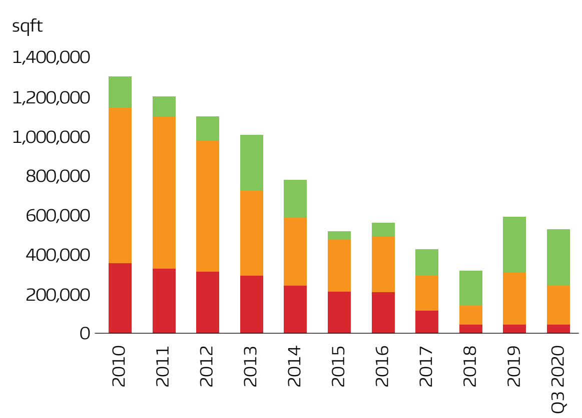
New • Grade A • Grade B
Source: Knight Frank

A combination of political uncertainty, the draw of Crossrail locations and latterly Covid-19 has meant that occupier demand levels have fallen below the long-term trend in Bracknell in recent years. Total take-up for Q1-Q3 2020 amounts to 58,514 sqft, 35% below the 10-year average for the period. In one of two office deals in 2020, American pharmaceutical firm Eli Lilly took 42,480 sqft at 8 Arlington Square West (formerly three The Arena). This represents the largest letting recorded since Q4 2018. The building underwent a comprehensive refurbishment in 2019.

As at Q3 2020, office availability in Bracknell was 529,682 sqft, representing a market vacancy rate of 16.8%. Closer analysis of this total shows that 53% of office availability was Grade B space. In fact, Bracknell currently has the second highest availability of Grade B space of the major South East markets. The comprehensive refurbishment of 7 Arlington Square was the only development project underway at Q3 2020. Completion is scheduled for Q4 2020 with the building providing 66,600 sqft of grade A space.

Bracknell has registered rental growth over the past 12 months with prime headline rents increasing by 7% to £29.00 per sqft in 2020. The increase in headline rents demonstrates the level of occupier demand for good quality offices, with occupiers in the South East willing to pay a premium in order to secure the best space. Despite the increase, Bracknell still offers a relative discount to surrounding commercial towns, including Reading, Maidenhead, Staines and Woking. Rent-free periods are higher in Bracknell than the South East office average. On a 10-year lease, the typical rent-free period is 24 – 30 months.

Bracknell - Availability



New • Grade A • Grade B
Source: Knight Frank

ENTERPRISE-WIDE RISK MANAGEMENT

Enterprise-wide risk management ("ERM") is an integral part of the business strategy and activities of FLCT. The objective of enterprise-wide risk management is to identify key risks and put in place controls, and to allocate appropriate resources to proactively manage the identified risks. The Board of Directors is responsible for governing the overall risk strategy and ensuring that the Manager implements sound risk management and internal control practices. The Board of Directors is supported by the Audit, Risk and Compliance Committee ("ARCC"). The Manager maintains a risk management system to proactively manage risks to support the achievement of FLCT's business objectives.

The ERM framework covers key areas such as investment, financial management and operating activities. The risk exposures and potential mitigating measures are identified, and key risk indicators ("KRIs") are established to monitor risks. The KRIs are presented in the form of a report and reviewed by the Management and the ARCC on a regular basis. FLCT's risk tolerance statement and risk thresholds have been developed by the REIT Manager, and reviewed and approved by the Board. The risk tolerance statement and thresholds set out the nature and extent of significant risks which the Manager is willing to take in achieving FLCT's strategic objectives. The risk tolerance statements are reviewed periodically.

An ERM validation exercise was held at the end of the financial year, where Management provided assurance to the ARCC that the system of risk management is adequate and effective as at the end of the financial year to address risks in key areas which are considered relevant and material to the operations and to assess the validity of the existing key risks and to review emerging risks.

KEY RISKS IN FY2020

Regulatory Risk

This refers to the likelihood of adverse changes in the economic, regulatory (including tax), social and political environment affecting business operations in the markets which FLCT operates in. In mitigating regulatory risks, the Manager has measures in place to monitor the markets closely, such as through engaging with local authorities and Frasers Property's offices in Australia and Europe (including the UK) , and participating in industry events organised by professional, tax and legal professionals in the various jurisdictions where FLCT operates. The Manager also reviews expert opinions and market indicators to keep informed of significant changes. Operationally, the Manager practices prudent capital management to allow for sufficient available liquidity to buffer for potential adverse impact.

Interest Rate Risk

The Manager proactively manages interest rate risk by adopting a policy of fixing interest rates for a portion of its outstanding borrowings via the use of derivative financial instruments or other suitable financial products. Interest rate derivative instruments are used for the purpose of hedging interest rate risk and managing the portfolio of fixed and floating rates. The Manager also monitors, on an ongoing basis, economic conditions and interest rate movements, and reviews its hedging strategy on an on-going basis.

Operational Risk

Operational risk refers to (i) increased market competition in attracting and retaining tenants, as well as changing customer requirements, and (ii) any unanticipated disruption impacting business continuity (e.g. outbreak of contagious diseases, natural disasters like flood and earthquake). In mitigating these risk factors, the Manager maintains strong tenant relationships and understand their business and requirements with early engagement to secure lease renewals. Annual tenant surveys are carried out to measure tenant satisfaction. Other steps taken to mitigate these risk exposures include active asset management and maintaining properties to a high standard, as well as improving asset functionality and sustainability benefits.

The Manager has in place well-established standard operating procedures designed to identify, monitor, report and manage operational risks associated with the day-to-day management and operation of the REIT's properties. These include actively managing lease renewals and marketing of space to minimise rental voids, as well as actively monitoring and managing property expenses and rental arrears. Insurances are in place to mitigate the impacts of property damage and business disruption resulting from unforeseen events. Property operating procedures and business continuity plans are also reviewed and tested regularly to ensure their continued relevance and effectiveness.

Funding and Liquidity Risks

The Manager actively manages FLCT's capital structure. The Manager ensures that the gearing of FLCT is maintained at a prudent level and adheres to the applicable aggregate leverage limit under the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and loan facility agreements (where applicable). Refinancing risk is also monitored, taking into account the maturity profile of debt facilities and available sources of funding. As far as possible, the maturities of debt facilities are spread out to mitigate re-financing risks in any single financial year. In addition, a suitable level of working capital is maintained to meet the requirements of the REIT's operations. The Manager also seeks to broaden its source of funding to ensure liquidity, fund capital expenditure requirements and investment opportunities as well as to refinance existing debt.

Credit Risk

Credit risk is the potential financial loss resulting from failure of tenants to fulfil their rent payment obligations. To mitigate credit risk, credit evaluations are performed on prospective tenants before the lease agreements are entered into. Credit risk is also mitigated by collecting security deposits or bankers' guarantees or corporate guarantees from tenants prior to the commencement of leases. Quarterly billing in advance for certain properties also reduces credit risk. Arrears by tenants are actively monitored and acted upon promptly.

Investment Risk

All investment proposals are evaluated against a comprehensive set of investment criteria and due diligence is carried out to mitigate potential investment risks. The evaluation process for all investment activities includes consideration of the location, macro-economic condition, quality of tenants, building condition and age, environmental impact, competitive landscape, investment return, long-term sustainability and growth potential.

Human Capital Risk

The Manager has in place a career planning and development system and conducts regular remuneration and benefits benchmarking to attract and retain appropriate talent for the business. Regular training and development opportunities are also provided to upgrade the skills of the staff. Organisational culture surveys are also deployed to measure employee engagement and sentiments.

Fraud Risk

Robust approval processes for purchasing and procurement and a whistle-blowing policy are in place to mitigate fraud risk. These are subject to regular internal audit reviews scheduled based on the internal audit work plans approved by the ARCC.

Foreign Currency Risk

FLCT is exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations, as FLCT's operations are currently in Australia, Germany, Singapore, the United Kingdom and the Netherlands where revenues are in the natural currency while distributions are declared in Singapore Dollars. To mitigate this risk, FLCT has in place a policy to hedge Singapore Dollar distributions to Unitholders for a period of six months forward on a rolling basis using mainly currency forwards for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the ARCC and the Board. There is a partial natural hedge on the investment in assets to the extent that related borrowings are in the same currency or if not, swapped to the currency if it results in lower financing costs. The net positions of the foreign exchange risk of investments in overseas assets are not hedged as such investments are long-term in nature.

Information Technology Risk

Digital disruption and the future of work that are enabled by digital technology offer new opportunities and challenges. The Group, of which the Manager is part of, builds digital capabilities and invests in new technologies to ensure our business is future-ready. To safeguard against the technology risks that come with digitalisation, a management sub-committee of Information Technology & Cybersecurity Committee was formed by Frasers Property to provide oversight on technology risks management. Group-wide policies, standards and procedures were established to govern the confidentiality, integrity and availability of business data and IT systems. Technology solutions were implemented to manage risk exposures such as cyber-attacks, phishing and malicious software such as ransomware. Incident management procedures and disaster recovery plans have been established to respond and recover from IT security incidents. Ongoing IT security training are provisioned for new and existing employees to institute awareness on evolving threats. External professional services are engaged to conduct proactive threat and vulnerability management.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This Sustainability Report published by FLCT covers our sustainability practices and performance for FY2020. This report has been prepared in accordance with the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B) and the Global Reporting Initiative (GRI) Standards: Comprehensive Option.

This report, together with our Annual Report, aims to provide a transparent and comprehensive commentary of FLCT's overall performance to our stakeholders.

Report Scope

The information and data disclosed within this report are in relation to all properties owned by FLCT in Australia, Germany, Singapore, the UK and the Netherlands, unless otherwise stated. Employee-related information in this report refers solely to the employees of Frasers Logistics & Commercial Asset Management Pte. Ltd. located in Singapore and Australia.

The property manager for the Australian industrial properties and 357 Collins Street is Frasers Property Management Services Pty Limited. The property manager for the German and Dutch industrial properties is FPE Advisory B.V.. The property manager for the Singapore commercial properties is Frasers Property Commercial Management Pte. Ltd.. The property managers for Central Park, and Farnborough Business Park and Maxis Business Park are Jones Lang LaSalle (WA) Pty Ltd, and MAPP (Property Management) Limited, respectively. The current Facilities Manager for Caroline Chisholm Centre is BGIS Australia Pty Ltd. We are committed to maintaining open and proactive communications with our stakeholders. All information in this Sustainability Report has been prepared in good faith and to the best of our knowledge.

Feedback

FLCT welcomes any feedback regarding this Sustainability Report and our sustainability performance. Please address all feedback to **ir_flct@frasersproperty.com**.

CONTENTS

112	About This Report
113	Board Statement
114	The Year at A Glance
115	Making Sustainability Our Core Capability
116	Managing Sustainability
120	Acting Progressively
125	Consuming Responsibly
131	Focusing On People
139	GRI Content Index

BOARD STATEMENT

FY2020 was an unprecedented year for FLCT in which we successfully executed and completed our landmark merger with FCOT to form what is today the seventh largest REIT in Singapore[1], while navigating through a turbulent year brought about by the COVID-19 pandemic. Despite the challenges, we remain steadfast in our commitment to maintain FLCT's market-leading position as an industrial sector leader for sustainability, which is now augmented by the inclusion of the FCOT commercial portfolio.

At FLCT, we recognise that sustainability is a competitive advantage and together with our Sponsor, we have made substantial progress with our sustainability strategy. FLCT has committed to achieve a net zero carbon status by 2030, in line with Frasers Property's ambition to be net zero carbon as an organisation. We have developed a workplan to realise our commitment through the various focus areas within our strategy, 'A Different Way'. To fast track the delivery, we identified short and long-term targets and have embarked on works to start the decarbonisation of our operations. We are also investing in our people and the communities to ensure that they thrive alongside our business.

Our efforts were once again recognised as we emerged as 'Industrial - Global Listed Sector Leader' for our excellence in sustainability by the Global Real Estate Sustainability Benchmark (GRESB). With an expanded portfolio, we endeavour to continue to achieve the same in the coming years.

To ensure that we are on track to achieve our goals and targets, the Board is supported by the Sustainability Steering Committee ("SSC") together with the Sustainability Project Management Office to drive the sustainability agenda within FLCT. The Board continues to provide strategic oversight of the management and monitoring of FLCT's performance pertaining to sustainability.

We invite you to read more about our initiatives and achievements in our Sustainability Report.

Board of Directors
Frasers Logistics & Commercial Asset Management Pte. Ltd.
REIT Manager of Frasers Logistics & Commercial Trust

1 Based on market capitalisation as at 30 September 2020. Source: Bloomberg LLP

THE YEAR AT A GLANCE

ACTING PROGRESSIVELY

GRESB REAL ESTATE Sector Leader 2020

FLT achieved **Industrial - Global Listed Sector Leader status with a 5 Star rating**

FCOT ranked **Top-5 in Asia-Pacific in Diversified Office/Industrial with a 4 Star rating**

NABERS

First premium office building in Perth, Australia to attain a **5.0 Star NABERS** Energy base building rating

Three employees of the REIT Manager are trained as **Innovation Champions**

CONSUMING RESPONSIBLY

GHG

Reduced portfolio GHG emissions intensity by 14.6% for logistics and industrial and 11.8% for commercial from FY2019

87% of lights across our logistics and industrial portfolio use high-efficiency light fittings

Installed 100kW of solar panels on **40%** of our industrial properties

3,810 m^3 of rainwater harvested and used on-site

745 kg of e-waste collected across commercial properties in Singapore and sent for recycling

FOCUSING ON PEOPLE

Adopted the Group Corporate Social Responsibility Policy and Diversity & Inclusion Policy

47 average training hours completed by employees of the REIT Manager

100% of the REIT Manager's employees in Singapore received ESG-related training

Achieved **zero** incidents of injuries for employees of the REIT Manager

MAKING SUSTAINABILITY **OUR CORE CAPABILITY**

FLCT recognises the importance of addressing key global environmental and social issues. 'A Different Way' provides the overarching strategy that drives FLCT's approach through three focus areas – Acting Progressively, Consuming Responsibly and Focusing on People. We recognise and understand that sustainability is more than just managing risks. Sustainability provides opportunities to enhance our resilience, provide better customer performance and future-proof our business for the long-term.

During the last 12 months, Frasers Property achieved a key milestone by establishing five long-term goals to further strengthen the Group's commitment and deepen the integration of sustainability into the Group's business operations.

The Group's goals:

- **To be a net zero carbon corporation by 2050**
- **To be climate resilient and establish adaptation and mitigation plans by 2024**
- **To have green certification for 80% of the Group's owned and managed assets by 2024**
- **To finance the majority of the Group's sustainable asset portfolios with green/ sustainable financing by 2024**
- **To train all employees in sustainability by 2021**

FLCT's strategy is aligned with the Group's sustainability strategy. One of our key goals is to achieve net zero carbon status by 2030. We have also identified specific goals and targets for FLCT to continue to lead the way and measure our sustainability performance.

To learn more about
A Different Way

CORE AREAS

Acting Progressively means challenging the way we operate by embracing flexibility and resilience.

We need to focus on the future and rethink the way we make decisions to benefit the people and the planet.

Consuming Responsibly means reconsidering the way we use and dispose of our resources.

We have set ambitious targets to drive our approach to water, waste, energy and biodiversity across our portfolio and supply chain.

Focusing on People means creating communities that are diverse, inclusive and safe.

Our approach is anchored upon social connectedness and enabling more sustainable lifestyles.

Contents

MANAGING SUSTAINABILITY

Effective management is the foundation to achieving our sustainability goals and targets, and we work collaboratively with our Sponsor on our sustainability strategies. Our sustainability agenda is driven the SSC, chaired by the Sponsor's CEO, Mr Panote Sirivadhanabhakdi. The SSC is tasked to review the strategic directions of the Group's sustainability strategy and performance against goals and targets and reports to the Board. The SSC is supported by three core sustainability teams – the Group Sustainability Team, the Project Management Office as well as the Global Sustainability Taskforce ("Taskforce") which comprises management representatives across the Group's business units and from the REIT Manager. The Taskforce is responsible in supporting the various business units in developing their sustainability action plans and monitoring their performance.

Stakeholder Engagement

Stakeholders' expectations and concerns evolve over time. It is important that we constantly engage with our stakeholders to identify the key material issues to facilitate continuous improvement in our operations to create the most impact.

Key Stakeholders	Key Topics of Concern
Tenants	• Clean, safe and pleasant environment • Reliable and efficient buildings • Tenant engagement activities • Tenant satisfaction • Quality of facilities and services • Health and safety • Collaborating with tenants on their corporate social responsibility ("CSR") initiatives • Improving the energy and water efficiency of our properties
Employees	• Friendly and safe working environment • Fair and competitive employment policies • Staff development • Health and safety • Business' impacts on the environment and society
Contractors/Consultants/ Suppliers	• Health and safety • Business performance
Property managers	• Key performance indicators for property managers • Operational performance of the properties
Unitholders and investor community	• Sustainable distribution • Operational and financial performances • Business strategies and outlook • Timely and transparent reporting • Good corporate governance
Local community	• Build and nurture relationships with the wider community • Community investments • Business' impacts on the environment and society
Regulators/Non-Governmental Organisations (NGOs)/Industry bodies	• Government policies on SREITs or real estate sectors • Compliance with rules and regulations • Engagement with industry forums and trade associations • Corporate governance

Industry Alignment

We believe in driving positive change in the real estate industry by sharing our knowledge and experience, especially on the topic of sustainability. As part of the Group, we actively engage with industry bodies on sustainability matters.

Memberships of Associations

- Member of the Singapore Green Building Council (SGBC)
- Member of the Green Building Council of Australia (GBCA)
- Member of the REIT Association of Singapore (REITAS)
- Member of Securities Investors Association (Singapore) (SIAS)
- Global Compact Network of Singapore (GCNS)

Endorsement and Participation in Sustainability Initiatives

- United Nations Global Compact (UNGC) Principles
- United Nations Sustainable Development Goals (SDGs)
- The Global Real Estate Sustainability Benchmark (GRESB)
- United Nations Women Empowerment Principles (UNWEP)
- Paris Agreement of the United Nations Framework
- Convention on Climate Change (UNFCCC)
- CitySwitch Green Office Programme of Australia

Mode of Engagement	Frequency of Engagement and FY2020 Highlights
• Tenant engagement programs • Joint community programs with tenants • Tenant surveys • Tenant meetings	• Throughout the year, the REIT Manager (or through the property managers) actively engaged tenants • Conduct annual tenant surveys
• Performance appraisals • Team bonding activities • Orientation program for new staff • Communication via Frasers Property intranet and Workplace • Professional and sustainability training • Company and employee activities such as Annual Dinner & Dance, sports events and fitness programmes • Environmental and Health & Safety awareness activities	• Once a year • Throughout the year • Upon joining • Throughout the year • Throughout the year • Throughout the year • Throughout the year
• Bilateral communication with our contractors, suppliers, and consultants	• FLCT maintains regular interactions with contractors, consultants and suppliers as applicable
• Regular meetings and discussions • Emails and phone calls	• Throughout the year • Throughout the year
• Local and overseas investor meetings, conferences, roadshows and property tours • Post-results briefings for analysts and investors • Annual General Meetings • Website, announcements, management presentations, press release, webcasts of half-year and full-year results briefings[a] • Bilateral communication, one-on-one meetings and site tours • Environment, social and governance ("ESG") surveys	• Refer to Investor Relations on pages 70 to 72 • Participation in 2020 GRESB Real Estate Assessment, achieved a score of 87 out of 100 for FLT and 78 out of 100 for FCOT[b]
• Social and community events and activities • Donations • Sustainability report	• Refer to pages 136 to 138 • Once a year
• Meetings, briefings and consultations • Industry conferences and seminars and memberships in industry bodies such as REITAS (FCOT is one of the pioneer members) • Participation in NGOs	• Throughout the year • Refer to Industry Alignment above • Throughout the year

a With effect from November 2020, the REIT Manager provides webcast presentation of FLCT's half-year and full-year results briefings
b The results of the 2020 Real Estate Assessment by GRESB were released on 16 November 2020

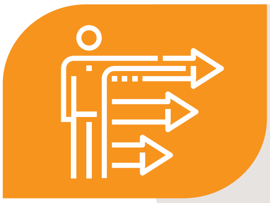
MATERIALITY ASSESSMENT

Our material topics are regularly reviewed to ensure relevance to the business and stakeholders. Last year, a survey was conducted by the Sponsor with internal and external stakeholders to understand their views on our material ESG topics. The material topics for both FLT and FCOT are similar and continue to remain relevant. As we strengthened our sustainability strategy and approach, we have also deepened our alignment with the United Nations Sustainability Development Goals (SDGs) and Goal 13 – Climate Action was identified as an additional SDG that we contribute to. Goal 13 corresponds with our Acting Progressively and Consuming Responsibly pillars. The table here shows where significant impacts occur for each of our material topics and where we have caused or contributed to the impacts through our business relationships.

Sustainability Framework	Focus Area	What it means to FLCT
Acting Progressively	**Risk-based Management**	We must maintain high standards of integrity, accountability and responsible governance and comply with the relevant laws and regulations to earn the trust of our stakeholders.
	Responsible Investment	Achieving long-term value is a priority for the REIT and hence it is critical to ensure the sustainable growth of FLCT's economic performance.
	Resilient Properties	The industry is changing rapidly. We need to be flexible and resilient in the way we operate. We need to build our properties' resilience to better face future challenges and grow our business.
	Innovation	Fostering an innovation culture that creates value and strengthens our competitive edge. Deliver added value to our tenants through innovative solutions.
Consuming Responsibly	**Energy & Carbon**	Energy consumption in the building sector is one of the largest sources of energy usage around the world. We endeavour to improve overall energy performance for our properties and proactively work with our tenants to help them manage the properties' energy consumption.
	Water	Water is a scarce resource. We strive to optimise water usage at our properties and to work with tenants to conserve water, where possible.
Focusing on People	**Diversity &Inclusion**	Empowering and promoting the social inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status.
	Skills & Leadership	It is paramount that the REIT Manager has the capacity to manage and expand FLCT's portfolio to create value for our stakeholders. We seek to attract, develop and retain a workforce with diverse skills and knowledge that forms the cornerstone of our success.
	Health & Well-being	As landlords, our priority is to create places where people feel comfortable, safe and enhances their well-being. We ensure that our employees, suppliers, contractors, and tenants have a safe working environment.
	Community Connectedness	We have the potential to create significant positive impacts in the communities that we operate in through our properties. We endeavour to run a business that responds to our communities' needs.

Material Topics & GRI Indicators	Boundaries	Corresponding UN SDGs
• Environmental compliance (GRI 307) • Anti-corruption (GRI 205) • Marketing and labelling (GRI 417)	FLCT, Contractors, Suppliers Customers and Tenants	
• Economic performance (GRI 201)	FLCT	
• Economic performance (GRI 201)	FLCT, Contractors, Customers and Tenants	
• Economic performance (GRI 201)	FLCT, Customers and Tenants	
• Energy (GRI 302) • Emissions (GRI 305)	FLCT, Customers and Tenants	
• Water (GRI 303)	FLCT, Customers and Tenants	
• Labour/management relations (GRI 402)	FLCT	
• Employment (GRI 401) • Training and education (GRI 404)	FLCT	
• Occupational health and safety (GRI 403)	FLCT, Contractors, Suppliers, and Tenants	
• Local communities (GRI 413)	FLCT, Government, NGOs and Local communities	

ACTING **PROGRESSIVELY**

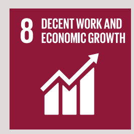


We are committed to creating long-term value for our portfolio. A progressive mindset grounded by strong corporate governance are integral to our business model. We integrate ESG considerations into our business decisions to build resilience and holistically manage risks associated with our business to continue to lead the way in the real estate industry.

Our Approach

- Establish policies to guide and manage our approach to achieve our business and sustainability objectives
- Adopt green building certifications and responsible investment practices
- Cultivate a culture that supports innovation

Our Progress

Focus Area	Our Goals	Our Progress in FY2020	Contribution to UN SDGs
Risk-based Management	Establish holistic overarching internal policies to govern and guide management of the focus areas.	• FLCT adopted the Group Diversity & Inclusion Policy and Group Corporate Social Responsibility Policy.	   
Responsible Investment	Achieve at least an average 4-star Green Star Performance as assessed by the GBCA for the industrial portfolio by 2021. Achieve at least BCA Green Mark Gold Certifications for all commercial assets in Singapore by FY2024. Achieve green certification for at least 80% of the commercial portfolio by FY2024. Endeavour to continue structuring new borrowings in the form of sustainability linked-loans/bonds or green loans/bonds in FY2021.	• Highest Green Star performance rated (84.0%) industrial portfolio in Australia as assessed by GBCA. • A total of 86.0% of commercial GLA are certified green in Singapore, Australia and the UK. • $660 million of sustainability-linked credit facilities secured.	
Resilient Properties	Carry out climate risk assessments and implement asset-level adaptation and mitigation plans with alignment to the Task Force on Climate-Related Financial Disclosures ("TCFD") framework by 2024. Update the Resilience Policy and Framework to align with TCFD recommendations by 31 December 2020.	• In collaboration with the Group, we will be conducting a climate risk assessment for our portfolio in the coming year. The climate risk assessment has been completed for the properties in Australia as part of the Green Star performance certification. • The alignment with TCFD recommendations is on-going and is to be delivered as part of the Group initiatives.	
Innovation	Foster an innovation culture to create value for all by 2030.	• Trained three employees of the REIT Manager as Innovation Champions.	

Risk-Based Management

FLCT firmly believes that strong corporate governance and high standards of integrity extend beyond compliance to laws and regulations to strengthen the trust and confidence of stakeholders in our business. It is critical to embed good governance values to strengthen the organisational conduct and culture to truly improve the effectiveness of our management and performance.

We uphold a high level of accountability and responsibility and adhere to the following corporate policies:

- Code of Business Conduct
- Whistle-blowing Policy
- Anti-bribery Policy
- Competition Act Compliance Manual
- Personal Data Protection Act Policy
- Environment, Health and Safety Policy
- Compliance Manual
- Policy on Dealing in Units of FLCT and Reporting Procedures
- Policy for Prevention of Money Laundering and Countering the Financing of Terrorism
- Policy on Outsourcing
- Treasury Policy
- Manual of Authority
- Investor Relations Policy
- Board Diversity Policy
- Diversity and Inclusion Policy
- Corporate Social Responsibility Policy

We have a robust internal independent audit process led by the Sponsor's internal audit that focuses on examining the adequacy of internal controls, risk management and corporate governance[2].

As part of our commitment to good corporate governance, we have been a signatory to the annual Corporate Governance Statement of Support initiated by the Securities Investors Association (Singapore) (SIAS) since FLCT's listing in 2016.

During the year, we did not record any breaches of laws and regulations in relation to the environment, bribery and corruption and industry codes in relation to marketing communications. We endeavour to maintain this performance in the coming year.

As recognition of our good corporate governance and disclosure practices, FLCT was ranked 11th out of 45 in the Singapore Governance and Transparency Index 2020 (REIT and Business Trust category).

Responsible Investment

To ensure that we continue to create value to the business and Unitholders in the long-term, we make sound investments to strengthen the sustainability attributes of our portfolio to stay ahead within the industry. Where possible, our logistics and industrial and commercial properties are certified to various recognised green building certifications such as Green Mark and Water Efficient Building in Singapore, Green Star and/or NABERS in Australia, Germany and the Netherlands and BREEAM in the UK. We aim to achieve at least an average 4-star Green Star Performance portfolio for all the logistics and industrial portfolio by 2021 and to achieve green certification for 100% of commercial portfolio by FY2024.

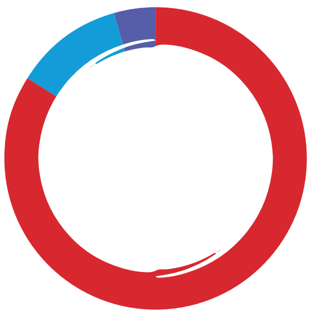
We also endeavour to continue structuring new borrowings in the form of sustainability linked-loans/bonds or green loans/bonds in FY2021.

2 Please refer to page 174 of the Corporate Governance Report

Our Green Portfolio

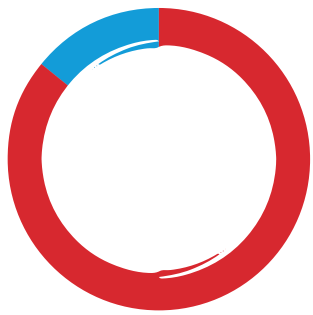
As a result of our team's efforts, FLCT has the highest Green Star Performance rated industrial portfolio in Australia at 84.0%[3]. In Singapore[4], Cross Street Exchange is certified Green Mark Gold^{PLUS} by BCA and in Australia, Caroline Chisholm Centre and 357 Collins Street achieved at least 5.0-star NABERS Energy base building rating while Central Park achieved 4.5-star. Farnborough Business Park in the UK received the prestigious Green Flag Award for the fifth consecutive year. Three buildings that were newly constructed have achieved "Very Good" ratings under the BREEAM New Construction while eight existing buildings are rated BREEAM In-Use – 'Excellent/Very Good'. At Maxis Business Park in the UK, both buildings in the development received "Very Good" ratings under BREEAM New Construction.

Industrial Portfolio Green-rated Status by GLA



Performance Rated	84.0%
Not rated	11.7%
Design and As-built	4.3%

Commercial Portfolio Green-rated Status by GLA



Performance Rated	86.0%
Pending certification	14.0%

greenstar

Industrial

Australia
Green Star Industrial Design & As Built with 6 stars:
- CEVA, 1 Doriemus Drive, Truganina, Victoria
- OI Glass 143 Pearson Road, Yatala, Queensland
- Survitec and Phoenix, 2 Burilda Close, Wetherill Park, New South Wales
- Nick Scali and Plastic Bottles, 3 Burilda Close, Wetherill Park, New South Wales
- CEVA, 43 Efficient Drive, West Park, Victoria
- Martin Brower, 1 Burilda Close, Wetherill Park, New South Wales
- Astral Pool, 111 Indian Drive, Keysborough, Victoria

Australia
Green Star Industrial Design & As -built with 5 stars:
- DB Schenker, 4 – 8 Kangaroo Avenue, Eastern Creek, New South Wales
- Tyres for U, 150-168 Atlantic Drive, Keysborough, Victoria
- Mazda, 211A Wellington Road, Mulgrave, Victoria
- Miele, 77-89 Atlantic Drive, Keysborough, Victoria
- Stanley Black and Decker, 29 Indian Drive, Keysborough, Victoria
- Clifford Hallam Healthcare, 17 Hudson Court, Keysborough, Victoria
- Beaulieu Carpets, 166 Person Road, Yatala, Queensland
- National Tiles and Paccar, 103-131 Wayne Goss Drive, Berrinba, Queensland
- Avery Dennison and CTI Logistics, 29-51 Wayne Goss Drive, Berrinba, Queensland
- Danna, Pinnacle & Licensing, 8-28 Hudson Court, Keysborough, Victoria

3 Portfolio green star rating based on gross lettable area as at 30 September 2020
4 Green Mark Gold re-certification for Alexandra Technopark is currently underway. Alexandra Technopark was certified Green Mark Gold prior to re-certification

Commercial

Singapore

- **Cross Street Exchange**
  - o Green Mark Gold[PLUS] Award, BCA
  - o Water Efficient Building, PUB
  - o Accredited under Project: Eco Office
- **Alexandra Technopark**
  - o Green Mark recertification is currently underway (to be completed by 2021)
  - o Water Efficient Building, PUB
  - o Accredited under Project: Eco Office

Australia

- **Central Park**
  - o First commercial building to achieve 4.5 star NABERS Energy rating
  - o First premium office building in Perth to attain a 5.0 star NABERS Energy base building rating
  - o 3.5-star NABERS Water rating
  - o 4.5-star NABERS Indoor Environment rating
- **Caroline Chrisholm Centre**
  - o 5.0-star NABERS Energy base building rating
  - o 4.5-star NABERS Water rating
- **357 Collins Street**
  - o 5.5-star NABERS Energy base building rating (with green power)
  - o 4.5-star NABERS Water rating
  - o 5-star NABERS Indoor Environment rating[5]

United Kingdom

- **Farnborough Business Park**
  - o BREEAM New Construction: "Very Good" ratings for three buildings
  - o BREEAM In-Use: "Excellent/Very Good" ratings for eight buildings
  - o Green Flag Award®, Ministry of Housing, Communities & Local Government
- **Maxis Business Park**
  - o BREEAM New Construction: "Very Good" ratings for both buildings in the development

BUILT ENVIRONMENT AWARDS

The inaugural Green Star Awards by the GBCA recognises the vision, passion and commitment of leaders across the property industry who work tirelessly in the delivery of a more sustainable built environment through the GBCA's Green Star certification program. Four of the Sponsor's employees, including Paolo Bevilacqua, Marine Calmettes and Andrew Thai who are deeply involved in the sustainability aspects of FLCT's industrial portfolio, were awarded as Green Star Champions as recognition of their passion for sustainability and work excellence.

GRESB 2020

In this year's GRESB assessment which was announced in November 2020, FLT and FCOT scored 87 points and 78 points respectively. We are pleased that both FLT and FCOT have performed well-above the global average.

Find out more about our GRESB performance **here**

FLT

Industrial – Global Listed Sector Leader

87 out of 100 points
Maintained 5 Star rating and Green Star status

ESG Performance
FLT's ESG performance outperformed peers:

- **Environmental performance 51/62 points**
  Scored 15 points above the peer group average of 36
- **Social performance 18/19 points**
  Scored 3 points above the peer group average of 15
- **Governance performance 18/20 points**
  Scored 1 point above the peer group average of 17

FCOT

Top-5 in Asia Pacific Diversified – Office/Industrial

78 out of 100 points
Maintained 4 Star rating and Green Star status

ESG Performance
FCOT's ESG performance outperformed peers:

- **Environmental performance 44/62 points**
  Scored 3 points above the peer group average of 41
- **Social performance 16/19 points**
  At par with the peer group average of 16
- **Governance performance 19/20 points**
  Scored 1 points above the peer group average of 18

5 Certification obtained in November 2020

Resilient Properties

As we witness increasing climate-change related events globally, we recognise the importance of assessing the risks of these events impacting our business. Understanding the likelihood and consequences of future climate events will enable us to develop strategic and systematic response to enhance the resilience of our properties.

Additionally, investors are also increasingly climate-aware and have put climate resilience as a key determining factor when making investment decisions. The Group is conscious of this paradigm shift and the severity of the impacts to its portfolio and financial performance. It is the Group's goal to carry out climate risk assessments and implement asset-level adaptation and mitigation plans for the entire business portfolio by 2024.

Since FY2019, the Group has reported disclosures aligned to the TCFD. At FLCT, we are in the process of updating the Resilience Policy and Framework to align with TCFD recommendations by 31 December 2020. This process is on-going and is to be delivered as part of the Group initiatives.

To read more on our journey and progress, please refer to the 'Resilient Properties' section of A Different Way **website**.

Innovation

Driven by our belief in experience matters, we are constantly looking for new ways to deliver enhanced experiences and value to our customers, tenants, communities and investors. Innovation is key to remaining relevant and competitive in the market. To achieve this, we promote a culture of innovation at the workplace and invest in our workforce to effect a shift in thought processes. It is our long-term objective to foster an innovation culture to create value for all by 2030.

Within FLCT, we have three trained innovation champions to bring the innovation culture to the next level. The innovation champions have undergone externally certified training to equip them with the skills to promote ideation and implementation of new ideas. Across the business, we introduced DASH, a programme to encourage innovation by crowd-sourcing ideas to solve daily challenges within the business. Each DASH lasts for four weeks – from announcing a challenge to shortlisting and implementing ideas.

INNOVATION - FULLY AUTOMATED HERMES FACILITY

Hermes is Germany's largest post-independent logistics service provider for deliveries to private customers. Hermes transports everything from letters through parcels to furniture and bulky goods, servicing the rapidly expanding e-commerce sector. With over 16,000 ParcelShops in Germany, the company has Europe's largest nationwide network of receiving offices for private parcel shipments. Key to supporting this extensive supply-chain, Hermes operates nine state-of-the-art distribution centres, of which FLCT owns two. These automated sortation hubs are capable of processing up to 13,000 items per hour, equating to 100,000 packages each day. This a made possible by an automated belt tray sorter which sits within the main hall and is accessed via approximately 100 gates for loading and unloading parcels. Each hub employs more than 120 employees.

CONSUMING **RESPONSIBLY**

Given the global climate crisis today, we recognise the critical role we play in reducing our environmental footprint and efficiently manage consumption of natural resources as a property owner and REIT Manager. In our effort to be a net zero carbon organisation, we are making conscious decisions that will positively impact our carbon footprint. We adopt sustainable practices across our properties – from design through to operations and leverage on technological solutions to achieve our objectives. We are also cognisant of the shift in stakeholder expectations, thus we are constantly engaging and collaborating with our tenants to help them manage their resource consumption.

Our Approach

- Establish policies that provides the framework to sustainable business operations and manage use of resources efficiently
- Engage with tenants and customers to increase awareness and promote responsible consumption
- Implement asset enhancement initiatives and energy, water and waste audits and improvement plans

Our Progress

Focus Area	Our Goals	Our Progress in FY2020	Contribution to UN SDGs
Energy & Carbon	Be net zero carbon in operations from 2030. Retrofit 90% of investment assets with high-efficiency lighting by 2021. Develop carbon offset offerings for tenants through partnerships by 2020. Provide onsite renewable energy for 60% of our Australian investment assets by 2021.	• FLCT has started the process to inventorise its Group-wide carbon emissions and develop a roadmap towards net zero carbon by 2030 aligned with Science Based Targets. • 87% of our investment assets has been retrofitted with high-efficiency lighting. • The initiative is on-going. Progress has been impacted by the COVID-19 pandemic. • Installed 100kW of solar panels on 40% of our industrial properties. The process is still on-going.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Water	Implement water saving recommendations from water audits for our three most water intensive investment assets by 2021. Achieve 20% water usage intensity reduction by 2030 from a baseline of 2015, and establish interim targets by FY2021 for Singapore assets.	• Conducted water audits and started the process of engaging with the top three most water tenant for improvement plans. • Achieved at least 55% reduction in potable water demand for all new projects in Australia using the Green Star benchmark. • All commercial buildings in Singapore are certified Water Efficient Buildings.	
Waste	Develop a general waste and recycling program, a partnership with tenants under the green lease initiative in Singapore.	• Started to include recycling requirements in waste disposal contracts together with Frasers Property Commercial.	
Materials & Supply Chain	Create a responsible sourcing policy and implement it by start of 2021.	• To uphold the Modern Slavery Statement which will be published by Frasers Property Australia in response to the Modern Slavery Act that will take effect in 2020 in Australia.	

Energy and Carbon

Buildings and construction activities contribute towards 39% of global energy-related carbon emissions, of which 28% are contributed by operational assets as they rely on electricity to operate. Improving the energy efficiency of buildings helps to reduce energy consumption and our GHG emission. As owners and REIT Managers of properties in various geographical locations, we are promoting the use of renewable energy, where possible in our transition to becoming a net zero carbon organisation.

Industrial Properties[6]

Our industrial properties in Australia are operated by the tenants. Although we have little control over our tenants' energy management, we proactively support and engage them to reduce their energy consumption. We capture and analyse over 98% of the tenants' energy consumption - 84 out of 85 Australian tenants' electricity usage and 100% of their gas usage in FY2020. Using the data, we have been able to provide practical advice that led to positive changes in their energy consumption.

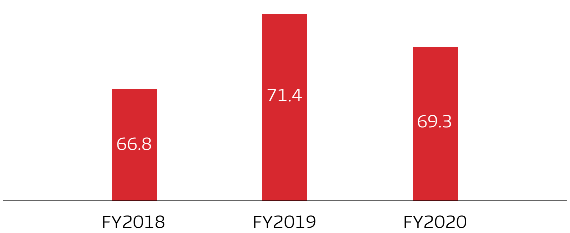
Furthermore, we also continuously seek ways to improve the energy efficiency of our industrial properties while reducing reliance on non-renewable energy sources. This year, we are pleased to have achieved our targets of installing a minimum 100kW of solar panels on 40% of our properties. We are aiming to increase the coverage to 60% by 2021. We have also successfully upgraded 87% of lights to high-efficiency lighting, an outcome of our commitment to progressively decarbonise our operations. During the financial year, we have generated 2.5 GWh of renewable energy from on-site solar photovoltaics ("PV") in our industrial properties.

In Europe, we have also started collecting data from our tenants, and look forward to improve our data coverage in the coming years.

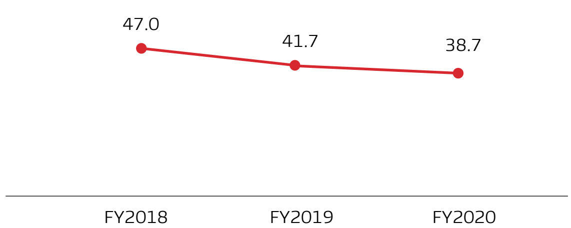
In FY2020, total energy consumption comprising both electricity and fuel consumption for our industrial properties was 83.1 GWh, a decrease of 6.9%. With lower consumption, our energy intensity dropped by 11.7% to 46.4 kWh/m² compared to FY2019. As a result, our GHG emissions intensity also dropped by 14.6% to 30.4 $kgCO_2e/m^2$.

We also collect Scope 3 GHG emissions from non-energy related use such as waste disposal and water production from our Australian tenants every year, which totalled 6,271 tCO_2e in FY2020, a 15.4% Y-o-Y decrease. Intensity dropped correspondingly to 4.7 $kgCO_2e/m^2$, a 20.1% Y-o-Y decrease.

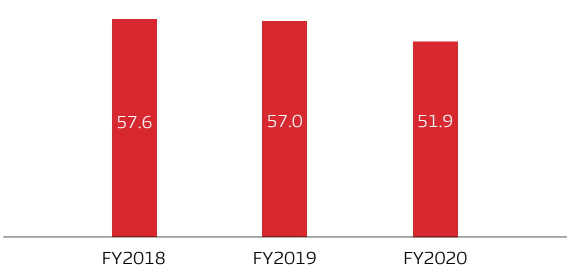
Electricity Consumption
(GWh)



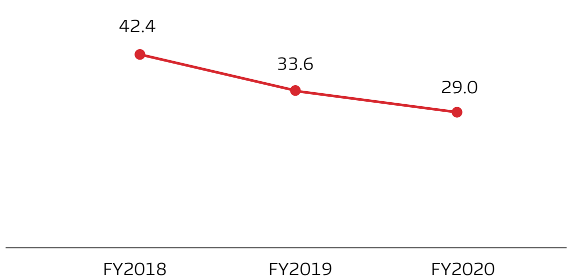
Energy Intensity
(electricity consumption) (kWh/m²)



Scope 3 GHG Emissions
(electricity consumption) ('000 tonnes of CO_2e)

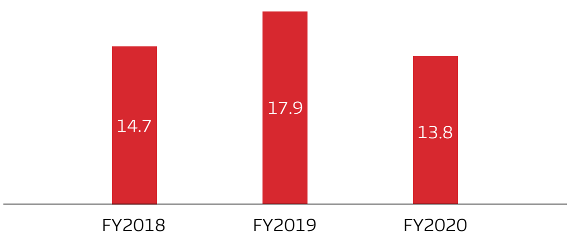


Scope 3 GHG Intensity
(electricity consumption) ($kgCO_2e/m^2$)

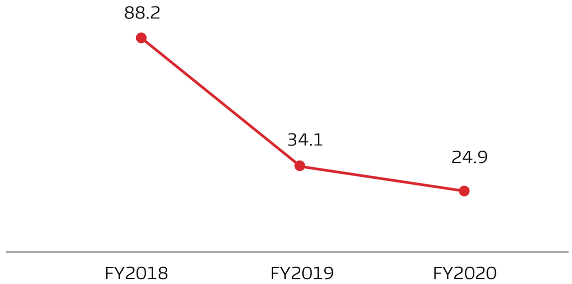


6 Energy consumption and GHG emissions are based on tenants' consumption only. Total energy consumption includes both purchased electricity and fuels, and are reported as a whole in text and separately in charts. Energy and GHG data for the reported periods are restated to reflect a change in reporting practice from calendar year to the financial year, and to factor in avoided emissions from use of renewable energy. Data coverage for the Industrial portfolio excludes one Australian tenant and 20 German properties. For the Australian industrial properties, data for the period from July to September 2020 were estimated based on the data management system's estimation tool. For the European industrial properties, data for the period from January to September 2020 were estimated by adopting a trailing twelve months calculation methodology. Emissions from electricity and fuel use by tenants has been reclassified as Scope 3 emissions compared to last year

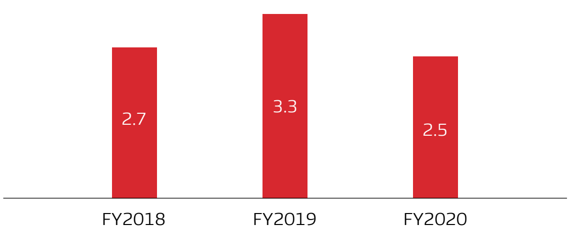
Fuel Consumption
(GWh)



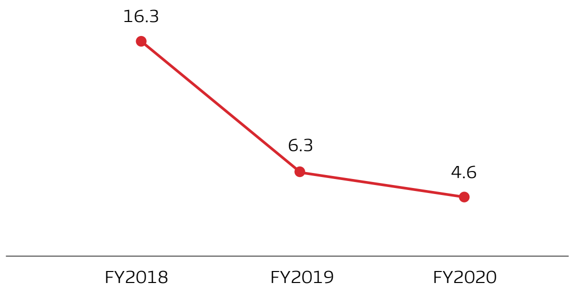
Energy Intensity
(fuel consumption) (kWh/m²)



Scope 3 GHG Emssion
(fuel consumption) ('000 tonnes of CO_2e)



Scope 3 GHG Intensity
(fuel consumption) (kgCO_2e/m²)



GENERATING CLEAN POWER

Our industrial properties are often occupied by manufacturing tenants who may face a significant challenge in managing their high power and gas consumption all year round. Recognising this, two of our latest facilities located in Yatala Central, Queensland, have been designed and fitted with a solar PV system on the roofs to generate 350 kW power on-site. The solar PV system is intended to reduce the reliance on fossil-based power for the tenants. Additionally, the facilities have also been designed to achieve 5 Star Green Star and 6 Star Green Star Design and As-Built rating – the first 6 Star Green Star Design and As-Built rating in Queensland. The facilities are currently occupied by OI Glass, a distributor of glass bottles for the food and beverage industry and Beaulieu, one of Australia's largest carpet manufacturers. In total, our industrial properties in Australia generated a total of 2.5 GWh of on-site solar energy in FY2020.

Commercial Properties[7]

In FY2020, total energy consumption comprising both electricity and fuel consumption for our commercial properties was 29.5 GWh, a decrease of 13.5% Y-o-Y. Lower occupancy rate as a result of various lockdown measures imposed by the local authorities during the global COVID-19 pandemic led to the reduction of energy consumption across all commercial properties. With lower consumption, our energy intensity dropped by 9.1% to 77.4kWh/m² compared to FY2019. As a result, our GHG emissions intensity also dropped by 11.8% to 31.6 kgCO_2e/m². A total of 5.7 GWh of renewable energy were used in our commercial properties in FY2020, of which 5.45 GWh were purchased off-site from third parties and 0.28 GWh were generated from on-site solar PVs.

To ensure that our commercial properties are operating at optimum performance, we continuously seek opportunities to improve the energy performance of our properties. In Singapore, both our properties are ISO 50001: 2011 and ISO 14001:2015 certified. On top of that, we undertake energy audits every three years at our properties to meet BCA's requirement. In Australia, our properties are assessed according to NABERS certification. Over the years, our properties have achieved significant improvements in energy performance due to our efforts.

7 Energy consumption and GHG emissions are based on landlord's areas and exclude tenants' areas. Total energy consumption includes both purchased electricity and fuels, and are reported as a whole in text and separately in charts. FY2018 energy consumption for UK Commercial is restated to streamline calculation methodologies across the Group. Energy and Scope 2 GHG intensity for UK Commercial portfolio has been restated to factor in updated gross floor area. Scope 2 GHG emissions and intensity for Australia Commercial properties has been restated to factor in avoided emissions from the use of renewable energy. There were no fuel consumption in Singapore Commercial properties

KEY ENERGY IMPROVEMENT PROJECTS

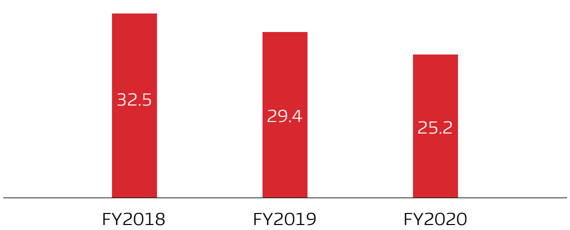
Over the years, FLCT had invested in improving the energy performance of its buildings in various geographies. Below are key highlight of the projects that had been undertaken.

At Cross Street Exchange, the chiller plant system was designed to operate at 23% above the baseline required by BCA[8] with incorporation of energy efficient chillers, variable speed drives pumps and tower fans. This translates to a saving of 503,000 kWh annually. LED, T5 lights and motion sensors were installed at common areas which led to further savings of 165,000 kWh a year.

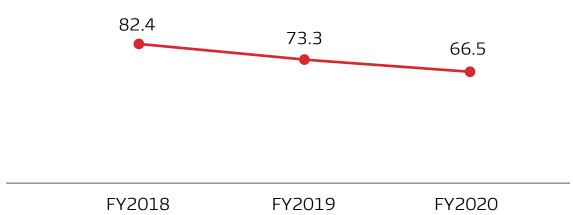
At 357 Collins Street, the mechanical chiller plant was reconfigured to achieve a higher performance which resulted in a savings in energy consumption of 10% Y-o-Y. The water chiller temperature was fine-tuned and control valves recalibrated to ensure that the enhanced efficiency is sustained.

Central Park progressively upgraded the building's mechanical controls and lighting system over the course of four years. More than 70% of the building's mechanical controls was recommissioned and achieved significant energy savings through improved building performance and peak building energy demand. The lighting system was replaced with energy efficient T5 fluorescent lights or LED lights. This resulted in a 62% reduction in energy intensity to 5 watts/m^2. To further reduce consumption, Central Park installed solar PV which generated approximately 10,000 kWh of renewable energy, sufficient to power the management office in a year.

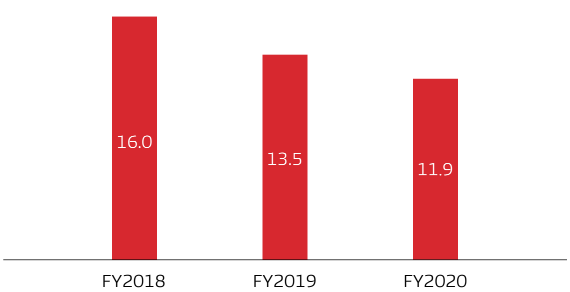
Electricity Consumption
(GWh)



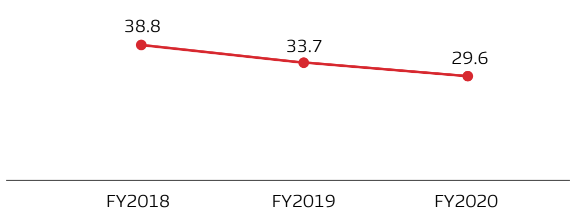
Energy Intensity
(electricity consumption) (kWh/m^2)



Scope 2 GHG Emissions
(electricity consumption) ('000 tonnes of CO_2e)

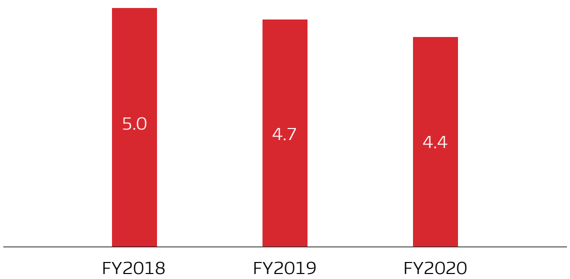


Scope 2 GHG Intensity
(electricity consumption) (kgCO_2e/m^2)

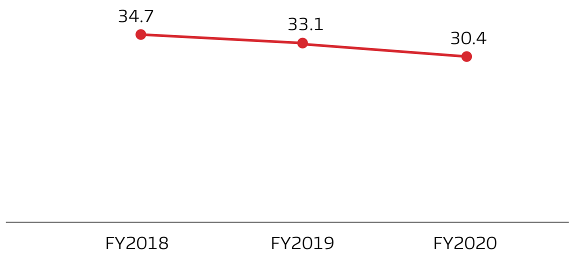


8 BCA Green Mark requirements for existing Non-Residential Buildings Version 3.0

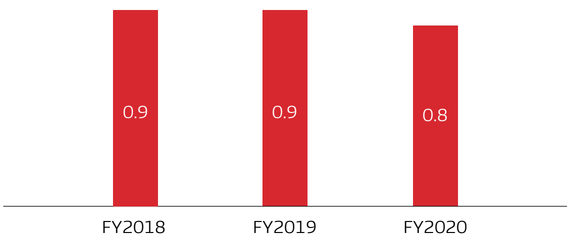
Fuel Consumption[9]
(GWh)



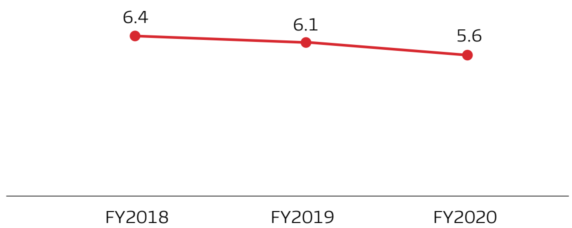
Energy Intensity
(fuel consumption) (kWh/m²)



Scope 1 GHG Emission
(fuel consumption) ('000 tonnes of CO_2e)



Scope 1 GHG Intensity
(fuel consumption) ($kgCO_2e/m^2$)



Water

Water is a scarce resource and water scarcity issues are expected to intensify due to extreme climate changes globally. We are committed to improving our water management and strive to reduce water consumption at our properties by working with our tenants where possible to improve their water management. We also harvest rainwater and use recycled water, where possible to reduce use of potable water.

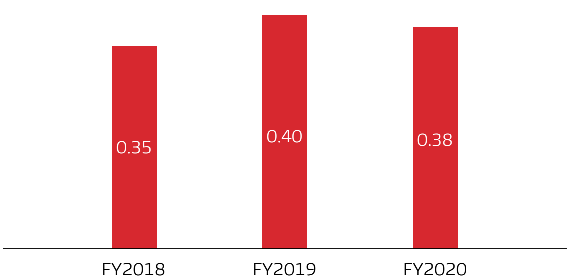
Industrial Properties[10]

The water consumed at our industrial properties are by our tenants. While we have little control over the usage, we continue to work together with our tenants to manage their consumption as we have overview of 99% of our tenants' water usage in FY2020.

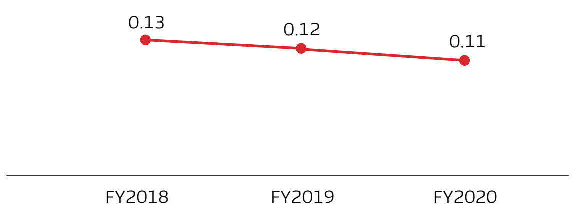
In addition to data analysis, we conduct water efficiency audits to ensure that our properties are water efficient at all times. Currently, we are working together with our top three water intensive tenants to manage their water consumption. Moving forward, we will also continue to undertake water efficiency audits for our most water usage intensive properties, present recommendations to our tenants, and incorporate such recommendations into our development activities or AEI delivery, where possible.

In FY2020, total building water consumption for our industrial properties decreased by 5.5% Y-o-Y to 381,105 m^3. Water intensity recorded was 0.11 m^3/m^2, a reduction of 9.2% compared to the previous year.

Water Consumption
(million m^3)



Water Intensity
(m^3/m^2)

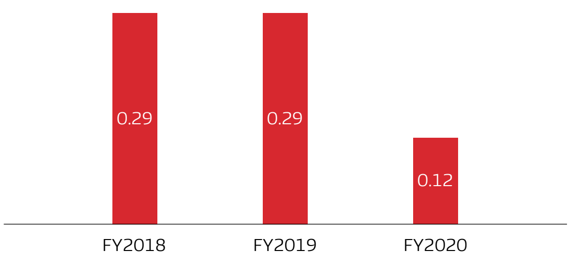


9 In Singapore, fuel is not used at the commercial properties
10 Water consumption is based on tenants' consumption only. Water data for the reported periods are restated to reflect a change in reporting practice from calendar year to the financial year. Data coverage for the Industrial portfolio exclude 21 German properties. For the Australian industrial properties, data for the period from July to September 2020 were estimated based on the data management system's estimation tool. For the European industrial properties, data for the period from January to September 2020 were estimated by adopting a trailing twelve months calculation methodology

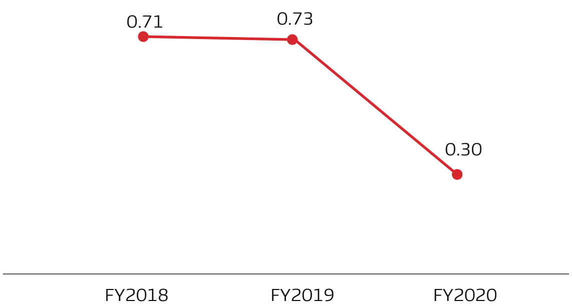
Commercial Properties[11]

All properties in Singapore are certified Water Efficient Building by the Public Utilities Board (PUB). In Australia, Central Park has a 3.5-star NABERS Water rating, while 357 Collins Street has a 4.5-star NABERS Water rating. In FY2020, total building water consumption for our commercial portfolio decreased by 59.0% Y-o-Y to 119,402 m^3. Similar to energy consumption, the reduction in water consumption was mainly attributed to the global COVID-19 pandemic that disrupted business operations. Water intensity was 0.30 m^3/m^2, a reduction of 59.0% compared to the previous year. A total of 40,829 m^3 of NEWater (treated used water) and 3,810 m^3 of collected rainwater were used within our commercial properties in FY2020.

Water Consumption
(million m^3)



Water Intensity
(m^3/m^2)



Waste[12]

We proactively manage our waste to minimise impacts on landfills and encourage recycling to conserve natural resources. We promote waste reduction at our properties by providing the necessary facilities and raising awareness amongst our tenants and employees.

In FY2020, our commercial properties generated a total of 1,265 tonnes of waste, a decrease of 10% compared to FY2019. Of that, 13% of waste was recycled. In Australia, at 357 Collins Street, we continue to recycle used cooking oil by converting to bio-fuel or food for livestock. In Singapore, we have been collecting e-waste in partnership with Starhub and in FY2020, we collected 745 kg of e-waste from our commercial properties.

Materials and Supply Chain

We are committed to use and source for sustainable and responsible products and services for our business. We believe that sustainable practices go beyond our operations to our supply chain, leveraging our influence as an industry leader.

To drive our vision of creating a sustainable business and supply chain, the Group is in the process of developing a Responsible Sourcing Policy to outline our commitment towards responsible sourcing and expectations of suppliers in this regard. We are committed to tackling modern slavery in our supply chain. Frasers Property Australia is part of the consortium of developers who have worked with the Property Council of Australia to establish an industry-standard questionnaire and supplier reporting platform, easing the process for our supply chain and improving the visibility of supply chain risks. Frasers Property Australia is currently preparing a Modern Slavery Policy and Statement in compliance with the requirements of the Modern Slavery Act that came into effect this year in Australia. We will align our supply chain management practices once the statement is established.

As FLCT engages with various stakeholders, we strive to influence our tenants on our sustainability objectives. We adopt the use of a green lease standard for our industrial tenants to promote the use of sustainable materials and efficient management of the properties.

11 Water consumption is based on landlord's areas and exclude tenants' areas. FY2018 water consumption for UK Commercial was restated to streamline calculation methodologies across the Group. Water intensity for UK Commercial portfolio has been restated to factor in updated gross floor area
12 Waste generated and recycled is based on whole building area in Singapore and Australia, and landlord-controlled areas in the UK

FOCUSING ON **PEOPLE**

Our people and communities are key to the success of our business. We strive to build long-lasting relationships through positive interactions with our stakeholders – employees, tenants and communities. We are focused on developing an agile and resilient workforce to grow alongside our business in the long-term. Going beyond our organisation, we actively seek to empower the communities we serve to improve their social and economic conditions.

Our Approach

- Establish policies that are focused on developing and growing our human capital and creating valuable impact on the communities
- Foster a culture of collaboration and engagement with our people and the communities to achieve common objectives

Our Progress

Focus Area	Our Goals	Our Progress in FY2020	Contribution to UN SDGs
Diversity & Inclusion	Embed diversity and inclusion in our culture through employee engagement. Provide training and education that raises employee awareness of diversity and inclusion and work associated benefits. Enhance processes at work and policies to encourage greater work flexibility and diversity.	• FLCT is aligned with the Group's pledge and put into practice the United Nations Women Empowerment Principles. • FLCT has adopted the Group Diversity & Inclusion Policy at workplace.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
Skills & Leadership	Achieve an average of 40 training hours per employee annually. Train all our employees on ESG areas by 2021, and extend to our supply chain and other stakeholders after 2021.	• The REIT Manager's employees in Singapore and Australia achieved an average of 46.5 training hours per employee in FY2020. • 100% of the REIT Manager's employees in Singapore received ESG-related training in FY2020.	
Health & Well-being	Aim to improve the well-being of our people, customers and communities by 2030. Create a safe working environment and record zero injuries. Develop and implement estate master plan design guidelines to have minimum standards on open space and access to amenities for all new estate developments in Australia from 2020. Set minimum standards in our buildings to improve health and well-being in Europe by 2022.	• Employees of the REIT Manager now have access to the Employee Assistance Programme launched by the Group in Singapore and Australia which provides counseling and support to employees. • Zero workplace injuries for the REIT Manager's employees. • Began upgrading the occupational health and safety management system to ISO 45001 from OHSAS 18001 at commercial properties in Singapore.	
Community Connectedness	Seek meaningful long-term relationships that respect local cultures and create lasting benefits. Identify measurements to understand how we are making positive contributions.	• FLCT adopted and put into practice the Group Corporate Social Responsibility Policy. • FLCT adheres to the Group's newly launched Community Investment Framework that fosters a culture of pursuing community development in a coordinated manner.	

Contents

Diversity & Inclusion

A diverse and inclusive workplace enables employees to thrive and feel motivated, leading to greater productivity and talent retention. We are cognisant that a diverse workforce also brings together a wealth of knowledge, skills and experiences that will contribute towards the success of our business.

We are committed to fair employment and do not condone any form of discrimination. In line with this commitment, the Group instituted a Diversity and Inclusion Policy which defines the Group's beliefs and actions to support a diverse workplace. FLCT's diversity and inclusion strategy is aligned with the Group's policy.

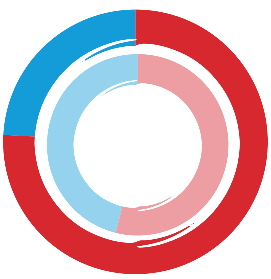
On top of that, our employment practices are guided by the Tripartite Alliance for Fair and Progressive Employment practices (TAFEP) and we are a member of the Singapore National Employer Federation in Singapore. Our employees are rewarded based on meritocracy and they have equal access to opportunities to grow. Annual performance review is conducted for all of the REIT Manager's employees to assess their performance and also to understand their professional development needs through an open appraisal process.

As at 30 September 2020, the REIT Manager had a total of 38 permanent and full-time employees. The REIT Manager's workforce increased by over 35.9% compared to last year as a result of the merger with FCOT. The workforce comprises 27 females and 11 males, constituting 71.1% and 28.9% respectively of the REIT Manager. Majority of employees are within the age group of 30 – 49 years old, constituting 63.2% of employees. Our hiring rate was at 52.6%, which included internal transfers arising from the merger with FCOT, while the turnover[13] rate was 7.9%.

Employee Profile

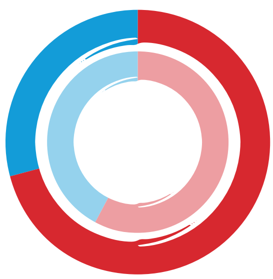
Employee Breakdown by Region, Gender and Age Group

By Region



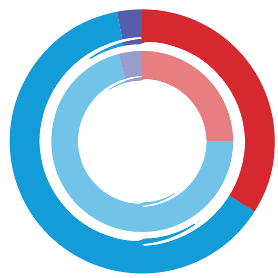
	FY2019	FY2020
Singapore	54.0%	**76.3%**
Australia	46.0%	**23.7%**

By Gender



	FY2019	FY2020
Female	58.0%	**71.1%**
Male	42.0%	**28.9%**

By Age Group

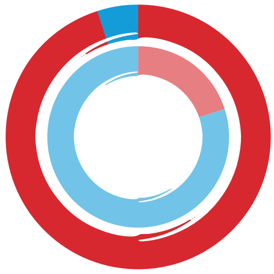


	FY2019	FY2020
< 30 Years Old	25.0%	**34.2%**
30-49 Years Old	71.0%	**63.2%**
≥50 Years Old	4.0%	**2.6%**

13 The turnover rate refers to voluntary turnover

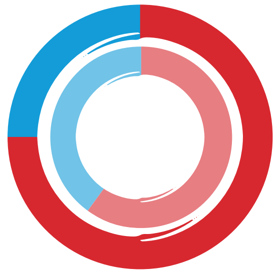
New Hires by Region, Gender and Age Group

By Region



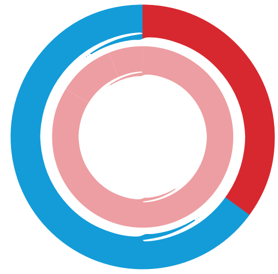
	FY2019	FY2020
Singapore	20.0%	95.0%
Australia	80.0%	5.0%

By Gender



	FY2019	FY2020
Female	60.0%	75.0%
Male	40.0%	25.0%

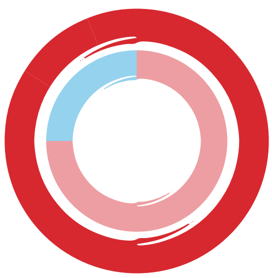
By Age Group



	FY2019	FY2020
< 30 Years Old	100.0%	35.0%
30-49 Years Old		65.0%

Turnover by Region, Gender and Age Group

By Region

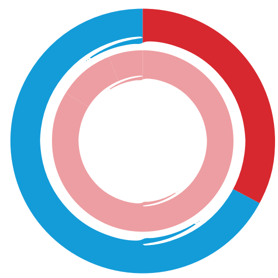


	FY2019	FY2020
Singapore	75.0%	100.0%
Australia	25.0%	

By Gender

	FY2019	FY2020
Female	100.0%	100.0%

By Age Group



	FY2019	FY2020
< 30 Years Old	100%	33.3%
30-49 Years Old		66.7%

CHAMPIONING DIVERSITY & INCLUSION

Our focus on Diversity & Inclusion initiatives expand beyond gender. In Australia, mental health, ethnicity and culture and LGBTIQ+ were identified as focus areas that mattered to our employees. The Diversity & Inclusion Committee, launched a host of initiatives which centred around three focus areas throughout FY2020. One of the outcomes was the launch of Frasers Pride, a network which aims to support the LGBTI community at Frasers Property Australia. For its dedication and commitment to diversity, Frasers Property Australia won the UDIA New South Wales Diversity & Inclusion Award 2019.

Skills & Leadership

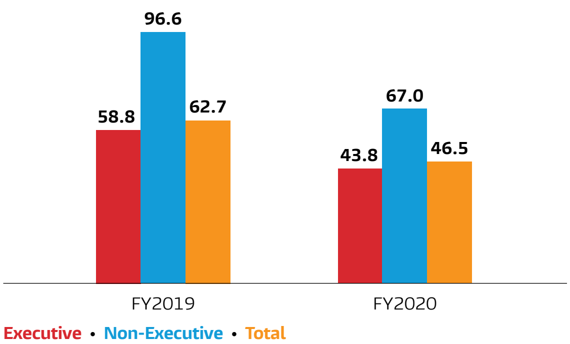
The real estate industry is rapidly evolving and constantly disrupted by technological advancement, innovation and the fourth industrial revolution (Industry 4.0). Our priority is to develop and prepare our workforce by strengthening their capabilities, skills and knowledge to enable them to adapt to the global changes. These will create a pool of agile and future-ready professional talent that will enhance the business's adaptability to changes whilst remaining competitive in the market.

FLCT's Learning and Development (L&D) initiatives are driven by the Frasers Property Group's Human Resource (HR) department. The HR department identifies and curates comprehensive training programmes to meet the needs of employees of various level within the organisation. This will not only hone their professional skills, but also enhances their readiness and mindsets for leadership roles.

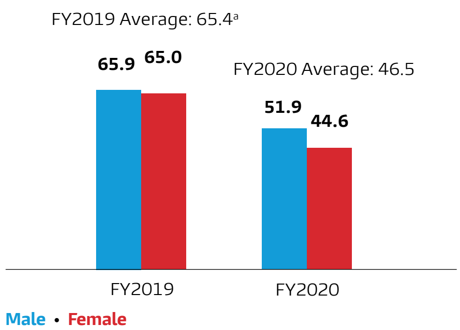
As part of the L&D framework to support FLCT's growth and long-term sustainability, relevant employees are trained in key sustainability topics such as GRESB, carbon and climate resilience and Green Star rating scheme. In the coming year, a sustainability focused e-learning will be rolled out to all employees.

During the financial year, employees of the REIT Manager received an average training of 46.5 hours per employee, exceeding the target of 40 hours. Both female and male employees received a total of 1,114.3 hours and 467.3 hours respectively during the financial year. In FY2020, we started tracking the number of employees that had undertaken sustainability-related training. We are pleased to report that 100% of the REIT Manager's employees in Singapore received ESG-related training while in Australia, 91% of employees received ESG-related training in FY2020.

FLCT Average Training Hours by Employee Category



FLCT Average Training Hours Per Employee by Gender



a The average training hours for FY2019 has been restated to 65.4 hours per employee due to alignment with the calculation methodology used by the Group

UNDISRUPTED LEARNING

To promote undisrupted learning, we have to adapt to learning beyond physical classrooms. Training programmes were transitioned to virtual classrooms through Virtual Instructor-Led Training (VILT), webinars and self-paced e-learning. An online nine-days Learning Festival themed 'Learning for the Future' was hosted in July 2020. Over 40 virtual live session were delivered by both internal and external subject matter experts.

Health and Well-being

The topic of health, safety and well-being is a global concern, especially in the past year with the ongoing COVID-19 pandemic. It is our commitment to create healthy and safe places for our employees and tenants for their well-being and prevent injuries. We believe these will safeguard the people while boosting morale at the workplace.

Safety at the Workplace

As part of our safety framework, we have put in place a robust health and safety management system to monitor and manage risks and identify areas of improvement. We are also a member of our Sponsor's health and safety senior management committee that oversees the Group's health and safety practices.

In addition, our property managers undergo safety related training courses to ensure that they are equipped with the right skills and knowledge to deal with security and emergency situations. To ensure that our tenants can respond to emergencies, evacuation drills are regularly conducted at our commercial properties. Across our industrial properties, we continue to conduct Indoor Environment Quality (IEQ) assessments in accordance with the Green Star Performance indicators. We have successfully conducted the IEQ assessment for 79% of our industrial properties in Australia as at 30 September 2020.

Over the course of FY2020, we recorded no safety related non-compliance, fatalities, lost-time injury, lost-days or occupational diseases across our properties as a result of our safety practices.

Employee Well-being, Our Priority

In addition to the safety measures adopted at our properties, we also strive to improve the health and well-being of our employees. We implement a variety of policies and initiatives in line with this commitment. As part of the Group, our full-time employees enjoy a range of comprehensive welfare and benefits scheme such as insurance coverage, medical and dental benefits, maternity and parental leave and family care leave. We also comply with various social security policies legislated in Singapore and Australia by making monthly contributions to each employee's Central Provident Fund and pension fund respectively.

To encourage employees to spend quality time with families, every last Friday of the school semester is designated as Eat With Your Family Day to encourage employees to leave work early and spend quality time over dinner with their families in Singapore. In FY2020, one female employee took paid maternity and has returned to work after the leave ended. The employee remained to be employed 12 months after returning to work.

FOCUSING ON MENTAL HEALTH

We recognise that mental health is as important as physical health, if not more. The Group introduced an Employee Assistance Program (EAP) in Singapore, Australia and the UK to provide 'in-the-moment' assistance to our employees. A team of specialist counsellors are on hand to provide professional and confidential assistance or counselling for our employees on personal or work-related issues. Employees of the REIT Manager are able to access this program in their respective countries.

COVID-19, OUR RESPONSE THROUGH HEALTH AND WELL-BEING

Since the outbreak of the COVID-19 pandemic, we have swiftly implemented safety measures to ensure the safety and well-being of our employees and tenants.

Where applicable, we installed thermal scanners at entry points to our properties to screen the temperatures of employees, tenants and visitors as part of our new operation procedures. Cleaning and disinfection of high-contact areas are conducted regularly by our frontliners to maintain high standards of public hygiene. Our employees were encouraged to work remotely from the safety of their homes as part of our social distancing measure. In preparing to return to the office, our offices have introduced new measures to step-up the safety standards. In Australia, employees were required to watch a 3-minute return to office safety video to raise awareness on the expected social practices and behaviours. They were also provided with a return-to-office pack which includes a stylus for use at high touch points. In Singapore, we continue to encourage working remotely and flexible working hours with scheduled rotation work in the office.

Community Connectedness

To create a dynamic and thriving community of the future, we need to move beyond focusing on economic growth. Guided by our Corporate Social Responsibility Policy, we seek to connect the business and social needs for sustainable development. We believe in building strong and lasting relationships with our tenants and the communities we serve. It is our priority to increase the social value of our stakeholders, leveraging our expertise and resources with a focus on education, health and the environment. The COVID-19 pandemic has curtailed some of these efforts in FY2020, nevertheless, we endeavour to connect with the community where possible.

Understanding Our Tenants

Customer satisfaction is one of our key engagements that underpins our vision of building long-term relationships with our tenants. Understanding tenants' satisfaction enables us to respond to their expectations and continuously improve the standards of our properties and services. As customer preferences evolve, we need to curate our offerings to deliver enhanced values and experiences to retain our tenants.

In Singapore, we conduct annual tenant satisfaction surveys at Alexandra Technopark and Cross Street Exchange. We are heartened to see that 99% of Alexandra Technopark tenants are satisfied with the property and the number of tenants that responded 'Satisfied to Very Satisfied' increased by 11%-points to 82% this year. At Cross Street Exchange, 95% of tenants surveyed are satisfied with the property and the number of tenants who rated 'Satisfied to Very Satisfied' increased from 70% to 79% in FY2020.

We also conduct annual tenant satisfaction surveys for our industrial tenants in Australia to gain insights into our operations and its effectiveness in delivering value and to meet our tenants' needs. Our recent survey in FY2019 showed that over 96% of tenants surveyed were satisfied with the property manager's performance. While we were unable to conduct tenant surveys this year due to the COVID-19 pandemic, we continue to have interactive engagements with our tenants through our property managers.

In Europe, we completed the first survey for our tenants in Germany and the Netherlands in FY2020. The overall responses from the tenants were positive with very good ratings for the location and quality of our buildings, including the 'Frasers Way of Working', which covers overall performance and responsiveness of property managers.

Engaging with Our Tenants

Besides providing facilities and services to our tenants, we take proactive actions to engage and connect with our tenants through tenant events and celebrating major festivities with our tenants throughout the financial year.

Central Park tenants were treated to a fun-filled day during the Melbourne Cup Competition. The event was celebrated over a lunch event at the lawn of the property with over 300 tenants getting together and enjoying drinks, canapes and a fashion show sponsored by Myer. The tenants also participated in sweepstakes while watching the race on a large television screen. The Melbourne Cup is Australia's most celebrated host racing event held at Flemington Racecourse in Melbourne.

▲ Melbourne Cup 2019, Central Park, Perth Australia

▲ R U OK Day, Central Park, Perth, Australia

▲ Daffodil Day, Central Park, Perth, Australia

In the spirit of Christmas, a 'Find the Central Park Elf' friendly competition was held at Central Park and tenants were rewarded with attractive prizes and Christmas carols in celebration of the yuletide season. Tenants at Central Park also ushered in the Lunar New Year with a two-week long celebration which showcased a myriad of traditions and activities including lion dance performances with lucky candies and red envelopes full of prizes given out. The property management team also worked with the retail tenants to give out lucky red envelopes when customers spend at the shops.

In Singapore, we partnered with various organisations such as the Health Promotion Board, National Healthcare Group and World Wildlife Fund to organise talks and roadshows at our properties. In conjunction with Breast Cancer Awareness Month, a Mammobus Roadshow was held at Alexandra Technopoint to raise awareness and promote screening for breast cancer. The Mammobus, a mobile screening centre was deployed at the property to provide breast cancer screening services to our tenants. A blood donation drive and health talks on topics such as nutrition, excessive sugar consumption, weight lost and diet were also held at the property.

At Cross Street Exchange, we organised a 'Bring Your Own Mug' event in collaboration with our food and beverage tenants to raise environmental awareness by avoiding use of disposable utensils. Orange juice was given to those who brought along their own mugs to the stores. A talk by the Kidney Dialysis Foundation was also conducted to raise awareness on dialysis and kidney disease prevention. A similar talk was also held at Alexandra Technopark.

Supporting Our Communities

A strong partnership with the community is essential in ensuring that the communities we serve progress together. We seek to empower and contribute meaningfully through our community investment initiatives which comprise diverse activities including corporate philanthropy, staff volunteerism and partnerships.

▲ Lunchtime talk by the Health Promotion Board, Alexandra Technopark, Singapore

Health

In Singapore, Alexandra Technopark and Cross Street Exchange have been partnering with Foodbank Singapore to collect and donate food items to communities with food security issues over the past few years. Collection bins are placed in these properties at strategic locations easily accessible to employees and tenants to drop off their donations. In FY2020, a total of 50 kg of food items were collected for donation.

FY2020 was a challenging year for many as a result of the COVID-19 pandemic which may have impacted a person's mental and physical well-being and requiring morale support. Central Park supported the 'R U OK? Day', a cause championing suicide prevention to raise awareness on the severity of this issue. On this day, tenants were given free coffee vouchers, cookies and merchandise. An onsite meditation class which was broadcasted virtually and a mindset workshop were also held.

For the 15th consecutive year, the Central Park management team held a fundraising event in support of Daffodil Day Appeal, Cancer Council's most iconic fundraising campaign in Australia. Fresh daffodils were sold and proceeds raised went towards supporting cancer research, education programmes and families affected by cancer.

Environment
Australia experienced devastating bushfires across the country in early 2020 which impacted millions of hectares of lands and animals. Our employees in Australia contributed to the bushfire relief and recovery effort organised by Frasers Property Australia, collectively raising more than $24,000 for the Salvation Army Appeal through donations from employees and matched by Frasers Property Australia Foundation. The funds were used to provide assistance, including financial assistance, supporting emotional well-being and other support services to those affected by the bushfires.

Education
In celebration of the UK's military and aviation history, Farnborough Business Park opened up the park to the public and hunting enthusiasts for the Rushmoor Borough Council's Memorial and Landmark Hunt. The Farnborough area is regarded as the birthplace of UK aviation. The event highlighted many notable sites and buildings in Farnborough Business Park rich in aviation-related history, including the FAST Museum, Farnborough Wind Tunnels and the Balloon Hangar.

Community
We are proud to have contributed more than $8,000 towards two charitable causes, Migrant Workers' Centre and TOUCH Community Services (TOUCH) in Singapore during this pandemic.

More than $3,000 was raised from employees across Singapore and Australia, with the REIT Manager pledging a $3,000 matching sum, bringing the total donation amount to more than $6,000.This was channelled to the Migrant Workers Centre, a non-government organisation whose mission is championing fair employment practices and the well-being of migrant workers in Singapore. The donation went towards supporting the migrant workers affected by the COVID-19 pandemic which had impacted their well-being and livelihoods greatly.

Similarly, the vulnerable in our society, including the low-income families, the elderly and people with special needs were impacted by the COVID-19 pandemic. We have been supporting TOUCH for a number of years and have pledged $2,000 towards its COVID-19 Emergency Relief Fund.

For many years, Central Park had been organising Christmas Wishing Trees, benefitting the less fortunate. Tenants were encouraged to purchase gifts and place them under the Central Park Christmas Trees. This year, the Central Park management team collaborated with our tenant, Rio Tinto and worked with one of the charities under their patronage, the Pat Giles Centre which provides support to those affected by domestic violence and abuse.

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Universal Standards			
GRI 102: General Disclosures	**Organisational Profile**		
	102-1	Name of the organisation	Frasers Logistics & Commercial Trust
	102-2	Activities, brands, products, and services	About Frasers Logistics & Commercial Trust. pg. 4
	102-3	Location of headquarters	Corporate Information, inside back cover
	102-4	Location of operations	About Frasers Logistics & Commercial Trust, pg. 4
	102-5	Ownership and legal form	About Frasers Logistics & Commercial Trust, pg. 4 Organisation Structure, pg. 19
	102-6	Markets served	About Frasers Logistics & Commercial Trust. pg. 4 Property Overview, pgs. 44-54 Property Profiles, pgs. 56-69
	102-7	Scale of the organisation	About Frasers Logistics & Commercial Trust. pg. 4 Focusing on People - Diversity & Inclusion pgs. 132-133
	102-8	Information on employees and other workers	Focusing on People – Diversity & Inclusion, pg. 132, Health & Well-being, pg. 135
	102-9	Supply chain	Managing Sustainability – Stakeholder Engagement, pg. 116 Consuming Responsibly – Materials & Supply Chain, pg. 125 Focusing on people – Health & Well-being, pgs. 131, 135
	102-10	Significant changes to organisation and its supply chain	The merger of FLT and FCOT became effective on 15 April 2020 and the enlarged platform was renamed to FLCT. About Frasers Logistics & Commercial Trust. pg. 4 About This Report – Report Scope, pg. 112
	102-11	Precautionary principle or approach	FLCT does not specifically refer to the precautionary approach when managing risk; however, our management approach is risk-based, and underpinned by our internal audit framework.
	102-12	External initiatives	Managing Sustainability - Industry Alignment, pg. 117
	102-13	Membership of associations	Managing Sustainability - Industry Alignment, pg. 117
	Strategy		
	102-14	Statement from senior decision-maker	Board Statement, pg. 113
	102-15	Key impacts, risks and opportunities	Board Statement, pg. 113 Acting Progressively – Resilient Properties, pgs. 120, 124 Enterprise-Wide Risk Management, pgs. 110-111

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
GRI 102: General Disclosures	**Ethics and Integrity**		
	102-16	Values, principles, standards, and norms of behaviour	Acting Progressively – Risk-based Management, pgs. 120-121
	102-17	Mechanisms for advice and concerns about ethics	Corporate Governance, pgs. 145-184 Acting Progressively – Risk-based Management, pgs. 120-121
	Governance		
	102-18	Governance structure	Organisation and Corporate Structure, pg. 19 Board of Directors, pgs. 20-24 Management Team, pgs. 26- 29 Managing Sustainability, pgs. 116-117 Corporate Governance, pgs. 145 -184 Corporate Information, inside back cover
	102-19	Delegating authority	Managing Sustainability, pg. 116 Corporate Governance, pg. 138
	102-20	Executive-level responsibility for economic, environmental, and social topics	Managing Sustainability, pg. 116
	102-21	Consulting stakeholders on economic, environmental and social topics	Managing Sustainability, pgs. 116-117
	102-22	Composition of the highest governance body and its committee	Board of Directors, pgs. 20-24 Managing Sustainability, pgs. 116-117
	102-23	Chair of the highest governance body	Board of Directors, pgs. 20 to 24
	102-24	Nominating and selecting the highest governance body	Corporate Governance, pgs. 156-157
	102-25	Conflicts of interest	Corporate Governance, pg. 163
	102-26	Role of highest governance body in setting purpose, values, and strategy	Managing Sustainability, pg. 116 Corporate Governance, pgs. 145-146
	102-27	Collective knowledge of highest governance body	Corporate Governance, pg. 155
	102-28	Evaluating the highest governance body's performance	Corporate Governance, pgs. 163-164
	102-29	Identifying and managing economic, environmental, and social impacts	Managing Sustainability – Materiality Assessment, pgs. 118-119
	102-30	Effectiveness of risk management processes	Managing Sustainability – Sustainability Governance, pgs. 116-119 Corporate Governance, pgs. 173-174
	102-31	Review of economic, environmental, and social topics	Managing Sustainability, pgs. 116-119
	102-32	Highest governance body's role in sustainability reporting	Board Statement, pg. 113 Managing Sustainability, pgs. 116-119
	102-33	Communicating critical concerns	Corporate Governance, pg. 175
	102-34	Nature and total number of critical concerns	Enterprise-wide Risk Management, pgs. 110-111
	102-35	Remuneration policies	Corporate Governance, pgs. 164-168
	102-36	Process for determining remuneration	Corporate Governance, pg. 165
	102-37	Stakeholders' involvement in remuneration	Corporate Governance, pg. 165
	102-38	Annual total compensation ratio	We are unable to disclose the ratio due to our highly competitive labour market.
	102-39	Percentage increase in annual total compensation ratio	We are unable to disclose the ratio due to confidentiality constraints.

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
GRI 102: General Disclosures	**Stakeholder Engagement**		
	102-40	List of stakeholder groups	Managing Sustainability – Stakeholder Engagement, pgs. 116-117
	102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
	102-42	Identifying and selecting stakeholders	Managing Sustainability – Stakeholder Engagement, pgs. 116-117
	102-43	Approach to stakeholder engagement	Managing Sustainability – Stakeholder Engagement, pgs. 116-117
	102-44	Key topics and concerns raised	Managing Sustainability – Stakeholder Engagement, pgs. 116-117
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Organisation Structure, pg. 19 Notes to Financial Statements, pgs. 289-292
	102-46	Defining report content and topic Boundaries	About This Report – Report Scope, pg. 112 Managing Sustainability – Stakeholder Engagement, pgs. 116-117; Materiality Assessment, pgs. 118-119
	102-47	List of material topics	Managing Sustainability –Materiality Assessment, pgs. 118-119
	102-48	Restatements of information	Consuming Responsibly – Energy & Carbon, pgs. 126-127, Water, pgs. 129-130
	102-49	Changes in reporting	Managing Sustainability – Materiality Assessment, pgs. 118-119
	102-50	Reporting period	About This Report, pg. 112
	102-51	Date of most recent report	September 2019
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	About This Report – Feedback, pg. 112
	102-54	Claims of reporting in accordance with GRI Standards	About This Report, pg.112
	102-55	GRI content index	GRI Content Index, pgs. 139-144
	102-56	External assurance	We have not sought external assurance on this data; however we intend to review this stance in the future.
Management Approach			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	Managing Sustainability - Materiality Assessment, pgs. 118-119
Topic-specific Standards			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Our Strategy, pgs. 8- 9
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Highlights, pgs. 6- 7 Financial Statements, pgs. 186-292 Financial Review, pgs. 30-31 Focusing on People – Community Connectedness, pgs. 136-138
	201-2	Financial implications and other risks and opportunities due to climate change	Acting Progressively – Resilient Properties, pg. 124

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Economic Performance			
GRI 201: Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	Focusing on People – Health & Well-being, pg. 135
	201-4	Financial assistance received from government	Information is not disclosed due to its confidential and sensitive nature
Anti-corruption			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management, pg. 121
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Acting Progressively – Risk-based Management, pg. 121
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance, pg. 178 Acting Progressively – Risk-based Management, pg. 121 Focusing on People – Skills & Leadership, pg. 134
	205-3	Confirmed incidents of corruption and actions taken	Acting Progressively – Risk-based Management, pg. 121
Environmental Compliance			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management, pg. 121
	103-3	Evaluation of the management approach	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Acting Progressively – Risk-based Management, pg. 121
Ethical Marketing			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management, pg. 121
	103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling	417-1	Requirements for product and service information and labeling	Not applicable due to the nature of our business.
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable due to the nature of our business.
	417-3	Incidents of non-compliance concerning marketing communications	Acting Progressively – Risk-based Management, pg. 121
Energy Management			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organization	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	302-2	Energy consumption outside of the organization	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	302-3	Energy intensity	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	302-4	Reduction of energy consumption	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	302-5	Reductions in energy requirements of products and services	Consuming Responsibly – Energy & Carbon, pgs. 126-129

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Energy Management			
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	305-2	Energy indirect (Scope 2) GHG emissions	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	305-3	Other indirect (Scope 3) GHG emissions	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	305-4	GHG emissions intensity	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	305-5	Reduction of GHG emissions	Consuming Responsibly – Energy & Carbon, pgs. 126-129
	305-6	Emissions of ozone-depleting substances (ODS)	Not significant due to the nature of our business.
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not significant due to the nature of our business.
Water Management			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Water, pgs. 129-130
	103-3	Evaluation of the management approach	
GRI 303: Water	303-1	Water withdrawal by source	All water consumed is from purchased utilities. Rainwater is harvested and water is recycled at certain sites Consuming Responsibly – Water, pgs. 129-130
	303-2	Water sources significantly affected by withdrawal of water	Consuming Responsibly – Water, pgs. 129-130
	303-3	Water recycled and reused	Consuming Responsibly – Water, pgs. 129-130
Staff Retention and Development			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People– Diversity & Inclusion, pgs. 132-133, Skills & Leadership, pg. 134
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	Focusing on People – Diversity & Inclusion, pgs. 132-133
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focusing on People – Diversity & Inclusion, pgs. 132-133
	401-3	Parental leave	Focusing on People – Diversity & Inclusion, pgs. 132-133
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Focusing on People – Skills & Leadership, pg. 134
	404-2	Programs for upgrading employee skills and transition assistance programs	
	404-3	Percentage of employees receiving regular performance and career development reviews	Focusing on People – Diversity & Inclusion, pgs. 132-133

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Labour/Management Relations			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Diversity & Inclusion, pgs. 132-133
	103-3	Evaluation of the management approach	
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	This is currently not covered in Group-wide collective agreements. The notice period varies.
Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Health & Well-being, pg. 135 Acting Progressively – Risk-based Management, pg. 121
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	FPL has a Health and Safety senior management committee, of which FLCT is a member.
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Focusing on People – Health & Well-being, pg. 121
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Not significant due to the nature of our business.
	403-4	Health and safety topics covered in formal agreements with trade unions	This is currently not covered in Group-wide collective agreements. The agreement varies.
Local Communities			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Community Connectedness, pgs. 136-138
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Focusing on People – Community Connectedness, pgs. 136-138
	413-2	Operations with significant actual and potential negative impacts on local communities	Focusing on People – Community Connectedness, pgs. 136-138 We are not aware of any actual and potential negative impacts on local communities in the locations we operate.

Notes

Energy, GHG and Water Reporting Practices

Industrial Properties: All electricity, gas and water consumption are from tenants. Electricity, gas, GHG and water data reported reflects the performance of the full portfolio unless stated otherwise in the respective sections' footnotes.

Commercial Properties: All electricity, gas and water consumption are from landlord-controlled areas. Electricity, gas, GHG and water data reported reflects the performance of the full portfolio unless stated otherwise in the respective sections' footnotes.

Energy, GHG and water intensities exclude both newly completed properties and properties divested in FY20. GHG Emission Factors are from: Singapore Energy Statistics 2020, Australia National Greenhouse Accounts Factors 2020, UK Government GHG Reporting 2018, 2019, 2020, Association of Issuing Bodies (AIB) 2017, 2018, 2019.

Monetary Disclosure

All monetary related disclosures within the report are in Singapore Dollars ($) unless stated otherwise.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) ("**FLCT**") is a real estate investment trust ("**REIT**") listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). FLCT is managed by Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.) (the "**REIT Manager**"), a wholly-owned subsidiary of Frasers Property Limited ("**FPL**" or the "**Sponsor**").

In line with the listing rules of the SGX-ST (the "**Listing Rules**") and its obligations under the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04–G07) issued by the Monetary Authority of Singapore ("**MAS**"), the REIT Manager complies with the principles of the Code of Corporate Governance 2018 (the "**CG Code**").

The practices and activities of the Board of Directors (the "**Board**") and the management of the REIT Manager (the "**Management**") adhere closely to the provisions under the CG Code.

To the extent the practices may vary from any provision of the CG Code, the REIT Manager will explain the reason for the variation and how the practices nevertheless are consistent with the intent of the relevant principle of the CG Code. The REIT Manager is also guided by the voluntary Practice Guidance which was issued to complement the CG Code and which sets out best practices for issuers, as this will build investor and stakeholder confidence in FLCT and the REIT Manager. A summary of compliance with the express disclosure requirements in the principles and provisions of the CG Code is set out on pages 182 to 184.

FLCT is a signatory to the 2019 Corporate Governance Statement of Support organised by Securities Investors Association (Singapore) where FLCT has pledged its commitment to uphold high standards in corporate governance.

The REIT Manager

The REIT Manager has general powers of management over the assets of FLCT. As a manager of a REIT, the REIT Manager holds a Capital Markets Services Licence issued by the MAS to carry out REIT management activities.

The REIT Manager's main responsibility is to manage FLCT's assets and liabilities for the benefit of unitholders of FLCT ("**Unitholders**"). To this end, the REIT Manager is able to set the strategic direction of FLCT and make recommendations to Perpetual (Asia) Limited, in its capacity as trustee of FLCT (the "**Trustee**"), on acquisitions, divestments and enhancement of the assets of FLCT. The role of the REIT Manager includes the pursuit of a business model that sustains the growth and enhances the value of FLCT and is focussed on delivering regular and stable distributions to Unitholders. Other functions and responsibilities of the REIT Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis, and managing finance functions relating to FLCT (which includes financial and tax reporting, capital management, treasury and preparation of consolidated budgets).

The Values of the REIT Manager

1. The REIT Manager is committed to upholding and maintaining high standards of corporate governance, corporate transparency and sustainability, and instituting sound corporate practices and controls to facilitate the REIT Manager's role in safeguarding and enhancing FLCT's asset value so as to maximise returns from investments, and ultimately the total return to Unitholders. The REIT Manager believes that a robust and sound governance framework is an essential foundation on which to build, evolve and innovate a business which is sustainable over the long term and one which is resilient in the face of the demands of a dynamic, fast-changing environment.

2. The REIT Manager adheres to corporate policies, business practices and systems of risk management and internal controls, which are designed to ensure that it maintains consistently high standards of integrity, accountability and governance in FLCT and its own daily operations.

CORPORATE GOVERNANCE REPORT

3. The REIT Manager ensures that the business and practices of FLCT are carried out in a manner that complies with applicable laws, rules and regulations, including the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**"), the listing manual of the SGX-ST (the "**SGX-ST Listing Manual**"), the CG Code, the Code on Collective Investment Schemes (the "**CIS Code**") issued by the MAS (including Appendix 6 of the CIS Code, the "**Property Funds Appendix**") the trust deed constituting FLCT between the REIT Manager and the Trustee dated 30 November 2015 (as amended) ("**Trust Deed**"), as well as the written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time.

The Board works with Management to ensure that these values underpin its leadership of the REIT Manager.

The REIT Manager is staffed by an experienced and well-qualified team who manage the operational matters of FLCT.The REIT Manager is a subsidiary of FPL, a multi-national developer-owner-operator of real estate products and services across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The FPL 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 and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

As the Sponsor holds a substantial ownership stake of approximately 22.5% in FLCT, there is an alignment of interests between the Sponsor, the REIT Manager and the unitholders of FLCT. The REIT Manager is able to benefit from and leverage on its association with the Sponsor in the management of FLCT in various ways, including tapping on the Sponsor's extensive experience in development and management of real estate assets, sourcing for talent and experienced personnel within the Sponsor pool of employees, including those who may be considered for appointment to the Board, access to the FPL Group's network of lenders for debt financing, and negotiating for favourable terms with external suppliers and vendors on a group basis. The REIT Manager is also able to benefit from the expertise of Frasers Property Industrial and Frasers Property Australia, a strategic business unit and wholly-owned subsidiary of FPL, respectively, which were acknowledged as global sector leader in two categories by the Global Real Estate Sustainability Benchmark (GRESB) in 2020.

The REIT Manager is appointed in accordance with the terms of the Trust Deed. The REIT Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee under certain circumstances outlined in the Trust Deed, including where Unitholders, by a resolution duly passed by a simple majority of Unitholders present and voting (with no Unitholder being disenfranchised) at a Unitholders' meeting, decide that the REIT Manager is to be removed.

BOARD MATTERS

The Board

The Board is responsible for the overall leadership and oversight of both FLCT's and the REIT Manager's business, financial, investment and material operational affairs and performance objectives, and its long-term success. The Board sets the strategic direction of FLCT and the REIT Manager and the REIT Manager's approach to corporate governance, including the organisational culture, values and ethical standards of conduct, and works with Management on its implementation across all levels of the organisation, as well as focus on value creation, innovation and sustainability. The Board, supported by Management, ensures necessary resources are in place for FLCT and the REIT Manager to meet its strategic objectives. Through the enterprise-wide risk management framework of FLCT and its subsidiaries (the "**Group**"), the Board establishes and maintains a sound risk management framework to effectively monitor and manage risks. It also oversees Management to ensure transparency and accountability to key stakeholder groups.

CORPORATE GOVERNANCE REPORT

The Chairman

The chairman of the Board (the "**Chairman**") leads the Board. The Chairman sets the right ethical and behavioural tone and ensures the Board's effectiveness by, among other things, encouraging active and effective engagement, participation by and contribution from all directors of the REIT Manager (the "**Directors**") and facilitating positive relations among and between them and Management. The Chairman promotes a culture of openness at Board meetings and encourages Directors to engage in productive and thorough discussions and constructive debate on strategic, business and other key issues pertinent to the business and operations of the Group and the REIT Manager, leading to better decision making and enhanced business performance. With the support of the Board, the Company Secretary of the REIT Manager ("**Company Secretary**") and Management, the Chairman spearheads the REIT Manager's drive to promote, attain and maintain high standards of corporate governance and transparency.

Role of Management

The Management is led by the Chief Executive Officer (the "**CEO**") of the REIT Manager. The CEO is responsible for the execution of the Board's adopted strategies and policies and is accountable to the Board for the conduct and performance of Management. Senior Management, comprising the CEO, and the Chief Financial Officer ("**CFO**") of the REIT Manager (the "**Key Management Personnel**") are responsible for executing the REIT Manager's strategies and policies, and are accountable to the Board for the planning, direction, control, conduct and performance of the business operations of the REIT Manager.

Division of Responsibilities between the Chairman and CEO

The Chairman and the CEO are separate persons and the division of responsibilities between the Chairman and the CEO is clearly demarcated. This avoids concentration of power and ensures a degree of checks and balances, an increased accountability, and greater capacity of the Board for independent decision-making. Such separation of roles between the Chairman and CEO promotes robust deliberations by the Board and Management on the business activities of FLCT.

Relationships between the Board and CEO

None of the members of the Board and CEO are related to one another, and none of them has any business relationships among them.

Members of the Board and Board Committees

During FY2020, further to the merger of Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) with Frasers Commercial Trust, which came into effect on 15 April 2020 and the replacement of the manager of Frasers Commercial Trust, Frasers Commercial Asset Management Ltd. ("**FCOAM**") with the REIT Manager on 29 April 2020, Mr Chin Yoke Choong and Ms Soh Onn Cheng Margaret Jane, who were directors of FCOAM were appointed as non-executive, independent Directors of the REIT Manager with effect from 29 April 2020.

On 30 July 2020, Mr Reinfried Helmut Otter (Reini Otter), the Chief Executive Officer of Frasers Property Industrial, a strategic business unit of Frasers Property Limited, was appointed as a non-executive and non-independent Director.

CORPORATE GOVERNANCE REPORT

The following table shows the composition of the Board and the various Board Committees as at 30 September 2020:

		Audit, Risk and Compliance Committee	Nominating and Remuneration Committee
Mr Ho Hon Cheong	Chairman Non-Executive and Independent Director	✓	✓ (Chairman)
Mr Chin Yoke Choong [1]	Non-Executive and Independent Director	✓ (Chairman)	✓
Mr Goh Yong Chian [2]	Non-Executive and Independent Director	✓	✓
Mr Paul Gilbert Say	Non-Executive and Independent Director	✓	
Ms Soh Onn Cheng Margaret Jane [3]	Non-Executive and Independent Director		
Mr Panote Sirivadhanabhakdi	Non-Executive and Non-Independent Director		✓
Mr Chia Khong Shoong	Non-Executive and Non-Independent Director		
Mr Rodney Vaughan Fehring	Non-Executive and Non-Independent Director		
Mr Reinfried Helmut Otter (Reini Otter) [4]	Non-Executive and Non-Independent Director		

Profiles of each of the Directors can be found at pages 20-24.

Notes

(1) Mr Chin Yoke Choong was appointed as a non-executive, independent Director on 29 April 2020. He was appointed as (a) a member and Chairman of the ARCC, and (b) a member of the NRC with effect from 27 July 2020.

(2) Ms Soh Onn Cheng Margaret Jane was appointed as a non-executive, independent Director on 29 April 2020.

(3) Mr Goh Yong Chian served as the Chairman and a member of the ARCC from the listing of FLCT in June 2016 to 26 July 2020. With effect from 27 July 2020, he relinquished his role as Chairman of the ARCC but continues to perform a key role as a member of the ARCC and NRC.

(4) Mr Reinfried Helmut Otter (Reini Otter) was appointed as a non-executive, non-independent Director with effect from 30 July 2020.

Board Committees

Board Committees were formed by the Board to oversee specific areas, for greater efficiency. There are two Board Committees, namely, the Audit, Risk and Compliance Committee (“**ARCC**”), and the Nominating and Remuneration Committee (“**NRC**”).

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings, matters discussed and decisions made during such meetings, and to enable the Directors to weigh in on any key points under consideration.

CORPORATE GOVERNANCE REPORT

Audit, Risk and Compliance Committee	
Membership	**Key Objectives**
Mr Chin Yoke Choong, *Chairman* Mr Goh Yong Chian, *Member* Mr Ho Hon Cheong, *Member* Mr Paul Gilbert Say, *Member*	• Assist the Board in fulfilling responsibility for overseeing the quality and integrity of the accounting, auditing, internal controls, risk management and financial practices of the REIT Manager

As at 30 September 2020, the ARCC is made up of non-executive Directors, all of whom, including the chairman of the ARCC, are independent Directors ("**IDs**"). The members of the ARCC, including the chairman of the ARCC, are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. Their collective wealth of experience and expertise enables them to discharge their responsibilities competently.

Under the Terms of Reference of the ARCC, a former partner or director of FLCT's existing auditing firm or auditing corporation should not act as a member of the ARCC: (a) within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or a director of the auditing corporation; and in any case, (b) for as long as he has any financial interest in the auditing firm or auditing corporation. Save for Mr Chin Yoke Choong (who had retired as the Managing Partner of KPMG Singapore in 2005), none of the members of the ARCC is a former partner of FLCT's external auditors, KPMG LLP and none of the members of the ARCC has any financial interest in FLCT's external auditors, KPMG LLP.

Audit Functions

The Terms of Reference of the ARCC provide that some of the key responsibilities of the ARCC include:

- External Audit Process: reviewing and reporting to the Board, the scope, quality, results and performance of the external audit(s), its cost effectiveness and the independence and objectivity of the external auditors. It shall also review the nature and extent of non-audit services performed by external auditors;

- Internal Audit: establishing an effective internal audit function which shall be adequately qualified to perform an effective role, adequately resourced, independent of the activities which it audits and able to discharge its duties objectively, and to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

- Financial Reporting: reviewing and reporting to the Board, the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of FLCT and the REIT Manager and any announcements relating to FLCT's and the REIT Manager's financial performance, and to review the assurance provided by the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of FLCT's and/or the REIT Manager's operations and finances;

- Internal Controls and Risk Management: reviewing and reporting to the Board at least annually, its assessment of the adequacy and effectiveness of the REIT Manager's internal controls for FLCT and the REIT Manager, including financial, operational, compliance and information technology controls (including those relating to compliance with existing legislation and regulations), and risk management policies and systems established by Management;

- Interested Person Transactions: reviewing interested person transactions (as defined in the SGX-ST Listing Manual) and interested party transactions (as defined in the Property Funds Appendix) (both such types of transactions constituting "**Related/Interested Person Transactions**") entered into from time to time and the internal audit reports to ensure compliance with applicable legislation, the SGX-ST Listing Manual and the Property Funds Appendix;

- Conflicts of Interests: deliberating on resolutions relating to conflicts of interest situations involving FLCT;

CORPORATE GOVERNANCE REPORT

- Whistle-blowing: reviewing the policy and arrangements by which staff of the REIT Manager, FLCT and any other persons may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken; and

- Investigations: reviewing the findings of internal investigations into any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which the ARCC becomes aware of, and which has or is likely to have a material impact on FLCT's operating results or financial position.

In carrying out its role, the ARCC is empowered to investigate any matter within its Terms of Reference, with full access to, and cooperation by, Management, to seek information it may require from any Director and/or employee of the REIT Manager. The ARCC also has full discretion to request the attendance of any Director or employees of the REIT Manager at its meetings, and reasonable resources to enable it to discharge its functions properly. The Chairman of the Board, non-executive Directors, the CEO, the CFO, the head of the internal audit function, representatives of the external auditor(s), or any other person with relevant experience and expertise may attend the meetings of the ARCC at the invitation of the ARCC. The meetings serve as a forum to review and discuss material risks and exposures of the REIT Manager's businesses and strategies to mitigate risks. The ARCC meets with internal auditors and external auditors without the presence of Management at least once a year to review various audit matters, including reviewing the audit plans, and evaluating the internal accounting controls, the audit reports and the assistance given by Management to the internal and external auditors. In carrying out its function, the ARCC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at the REIT Manager's cost.

Periodic updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the ARCC so that they are kept abreast of such changes and its corresponding impact on the financial statements, if any.

Risk Management

The ARCC shall review the framework and processes established by Management to achieve compliance with applicable laws, regulations, standards, best practice guidelines and the REIT Manager's policies and procedures. The ARCC shall assist the Board in ensuring that Management maintains a sound system of risk management and internal controls to safeguard the interests of the REIT Manager or the interests of Unitholders (as the case may be) and the assets of the REIT Manager and the assets of FLCT. The ARCC also assists the Board in its determination of the nature and extent of significant risks which the Board is willing to take in achieving the REIT Manager's strategic objectives and the overall levels of risk tolerance and risk policies. Further information on the key activities conducted by the ARCC can be found in the sections titled "Financial Performance, Reporting and Audit" on pages 170 to 172 and "Governance of Risk and Internal Controls" on pages 173 to 174.

CORPORATE GOVERNANCE REPORT

Nominating And Remuneration Committee	
Membership	**Key Objectives**
Mr Ho Hon Cheong, *Chairman* Mr Chin Yoke Choong, *Member* Mr Goh Yong Chian, *Member* Mr Panote Sirivadhanabhakdi, *Member*	• Establish a formal and transparent process for appointment and re-appointment of Directors • Develop a process for evaluation of the performance and annual assessment of the effectiveness of the Board as a whole and each of its board committees and individual directors • Review succession plans • Assist the Board in establishing a formal and transparent procedure for developing policies on Director and executive remuneration, developing a general framework of remuneration for the Board and Key Management Personnel and fixing the remuneration packages of individual Directors and Key Management Personnel • Ensure that there is an appropriate proportion of independent directors on the Board, and review annually, or where required, the independence of each Director

A majority of the members of the NRC, including the chairman of the NRC, are independent non-executive Directors.

The NRC is guided by written Terms of Reference approved by the Board which set out the duties and responsibilities of the NRC. The NRC's responsibilities, in relation to its functions as a nominating committee, include reviewing the structure, size and composition and independence of the Board and its Board Committees, reviewing and making recommendations to the Board on the succession plans for Directors, the Chairman and Key Management Personnel, making recommendations to the Board on all Board appointments and re-appointments, and determining the independence of Directors. The NRC also proposes for the Board's approval, the objective performance criteria and process for the evaluation of the effectiveness of the Board, the Board Committees and each Director, and ensures that proper disclosures of such process are made. The NRC is also responsible for making recommendations to the Board on training and professional development programmes for the Board and the Directors.

Further information on the main activities of the NRC, in relation to its functions as a nominating committee, are outlined in the following sections:

- "Training and development of Directors" on page 155
- "Board Composition" on pages 155 to 157
- "Directors' Independence" on pages 158 to 163
- "Board Performance Evaluation" on pages 163 to 164

CORPORATE GOVERNANCE REPORT

The NRC's responsibilities, in reviewing remuneration matters, include: (i) reviewing and recommending to the Board, a framework of remuneration for the Board and Key Management Personnel, and (ii) ensuring that the remuneration of executive Directors shall not be linked in any way to FLCT's gross revenue.

On an annual basis, the NRC also reviews and recommends, for the Board's approval, the REIT Manager's remuneration and benefits policies and practices (including long-term incentive schemes), and the performance and specific remuneration packages for each Director and Key Management Personnel, in accordance with the approved remuneration policies and processes. The NRC also proposes, for the Board's approval, criteria to assist in the evaluation of the performance of Key Management Personnel, and (where applicable) reviews the obligations of the REIT Manager arising in the event of the termination of the service agreements of Key Management Personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The NRC also administers and approves awards under the FLCT Restricted Unit Plan ("**RUP**") and/or other long-term incentive schemes to senior executives of the REIT Manager.

In carrying out its review on remuneration matters, the Terms of Reference of the NRC provide that the NRC shall consider all aspects of remuneration, including Directors' fees, special remuneration to Directors who render special or extra services to the REIT Manager, salaries, allowances, bonuses, options, Unit-based incentives and awards, benefits-in-kind and termination payments, and shall aim to be fair and to avoid rewarding poor performance.

If necessary, the NRC can seek expert advice on remuneration within the Frasers Property Group Human Resources Department or from external sources. Where such advice is obtained from external sources, the NRC ensures that existing relationships, if any, between the REIT Manager and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Delegation of authority framework

As part of the REIT Manager's internal controls, the Board has adopted a framework of delegated authorisations in its Manual of Authority (the "**MOA**"). The MOA sets out the levels of authorisation required for particular types of transactions to be carried out, and specifies whether Board approval needs to be sought. It also sets out approval limits for operating and capital expenditure, treasury transactions as well as investments and asset enhancement initiatives.

While day-to-day operations of the business are delegated to Management, in the Board's exercise of its leadership and oversight of FLCT, the MOA contains a schedule of matters specifically reserved for approval by the Board. These include approval of annual budgets, material transactions such as the major acquisitions and disposals of property assets, equity investments, unbudgeted asset enhancement initiatives and budgeted asset enhancement initiatives of a value of more than $5 million (with such transactions of lower value to be reported to the Board), the entry into credit facilities including hedging facilities, and operational matters such as the entry into, or renewal of leases where the contract value exceeds a gross rental income of $5 million. Investments and strategic plans are subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

Meetings of the Board and Board Committees

The Board meets regularly, at least once every quarter, and also as required by business needs or if their members deem it necessary or appropriate to do so.

The following table summarises the number of meetings of the Board and Board Committees and general meetings held and attended by the Directors in the financial year ended 30 September 2020 ("**FY2020**"):

	Board Meetings	Audit, Risk and Compliance Committee Meetings	Nominating and Remuneration Committee Meetings	Annual General Meeting	Extraordinary General Meeting[6]
Meetings held for FY2020	8	5	2	1	1
Mr Ho Hon Cheong	8(C)[1]	5	2(C)[1]	1(C)[1]	1(C)[1]
Mr Chin Yoke Choong	3	1(C)[1][2]	1[2]	–	–
Mr Goh Yong Chian	8	5(C)[1][3]	2	1	1
Mr Paul Gilbert Say	8	5	N.A.	1	1
Ms Soh Onn Cheng Margaret Jane[4]	3	N.A.	N.A.	–	–
Mr Panote Sirivadhanabhakdi	8	N.A.	2	1	1
Mr Chia Khong Shoong	8	N.A.	N.A.	1	1
Mr Rodney Vaughan Fehring	7	N.A.	N.A.	1	1
Mr Reinfried Helmut Otter (Reini Otter)[5]	2	N.A.	N.A.	–	–

Notes:

(1) (C) refers to chairman.

(2) Mr Chin Yoke Choong was appointed as a non-executive, independent Director on 29 April 2020. He was appointed as (a) a member and Chairman of the ARCC, and (b) a member of the NRC with effect from 27 July 2020.

(3) Mr Goh Yong Chian served as the Chairman and a member of the ARCC until 26 July 2020. With effect from 27 July 2020, he relinquished his role as Chairman of the ARCC but continues to perform a key role as a member of the ARCC and NRC.

(4) Ms Soh Onn Cheng Margaret Jane was appointed as a non-executive, independent Director on 29 April 2020

(5) Mr Reinfried Helmut Otter (Reini Otter) was appointed as a non-executive, non-independent Director with effect from 30 July 2020.

(6) Extraordinary General Meeting held on 11 March 2020.

A calendar of activities is scheduled for the Board a year in advance.

The REIT Manager's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other form of electronic or instantaneous communication facilities.

Directors are provided with Board papers setting out relevant information on the agenda items to be discussed at Board and Board Committee meetings around a week in advance of the meeting (save in cases of urgency), to give Directors sufficient time to prepare for the meeting and review and consider the matters being tabled so that discussions can be more meaningful and productive and Directors have the necessary information to make sound and informed decisions.

Senior members of the Management team attend Board meetings, and where necessary, Board Committee meetings, to brief and make presentations to the Directors, provide input and insight into matters being discussed, and respond to queries and take any follow up instructions from the Directors. At least once a year and if required, time is set aside after scheduled Board meetings for discussions amongst the Board without the presence of Management.

Where required by the Directors, external advisers may also be present or available whether at Board and Board Committee meetings or otherwise, and (if necessary), at the REIT Manager's expense where applicable, to brief the Directors and provide their advice.

CORPORATE GOVERNANCE REPORT

Matters discussed by Board and Board Committees in FY2020

Board

- Strategy
- Business and Operations Update
- Financial Performance
- Acquisitions and divestment proposals
- Asset enhancement initiatives
- Governance
- Feedback from Board Committees

Audit, Risk and Compliance Committee

- External and Internal Audit
- Financial Reporting
- Internal Controls and Risk Management
- Related/Interested Person Transactions
- Conflicts of Interests

Nominating and Remuneration Committee

- Board Composition and Renewal
- Board, Board Committees and Director Evaluations
- Training and Development
- Remuneration Policies and Framework
- Succession Planning

Board Oversight

Outside of Board and Board Committee meetings, Management also provides Directors with reports on major operational matters, business development activities, financial performance, potential investment opportunities, as well as such other relevant information on an on-going and timely basis to enable them to discharge their duties and responsibilities properly. Where required or requested by Directors, site visits are also arranged for Directors to have an intimate understanding of the key business operations of each division and to promote active engagement with Management.

Directors are provided with sufficient information to enable them to ensure that they prepare adequately for Board and Board Committee meetings, and devote sufficient time and attention to the affairs of FLCT and the REIT Manager. At Board and Board Committee meetings, the Directors actively participate, discuss, deliberate and appraise matters requiring their attention and decision. Where necessary for the proper discharge of their duties, the Directors may seek and obtain independent professional advice at the REIT Manager's expense.

The Company Secretary

The Company Secretary, who is legally trained and familiar with company secretarial practices, is responsible for administering and executing Board and Board Committee procedures in compliance with the Companies Act (Chapter 50 of Singapore), the REIT Manager's Constitution, the Trust Deed and applicable law. The Company Secretary also provides advice and guidance on relevant guidelines, notices, rules and regulations, including disclosure requirements under the SFA, applicable MAS guidelines and notices, the CIS Code and the SGX-ST Listing Manual, as well as corporate governance practices and processes.

The Company Secretary attends Board and Board Committee meetings and drafts and reviews the minutes of proceedings thereof, and facilitates and acts as a channel of communication for the smooth flow of information to and within the Board and its various Board Committees, as well as between and with senior Management.

The Company Secretary obtains and consolidates Directors' feedback and evaluation, facilitates induction and orientation programmes for new Directors, and assists with Directors' professional development matters. The Company Secretary also acts as the REIT Manager's primary channel of communication with the SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

Training and development of Directors

The NRC is tasked with identifying and developing training programmes for the Board and Board Committees for the Board's approval and ensuring that Directors have the opportunity to develop their skills and knowledge.

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her duties and obligations, including his or her responsibilities as fiduciaries and on the policies relating to conflicts of interest. An induction and orientation programme is also conducted to provide new appointees with information on the business activities, strategic direction, policies and corporate governance practices of the REIT Manager, as well as their statutory and other duties and responsibilities as directors.

The Directors are kept continually and regularly updated on FLCT's business and the regulatory and industry specific environments in which the entities of the Group operate. The REIT Manager sees to it that the Board is regularly updated on new developments in laws and regulations or changes in regulatory requirements and financial reporting standards which are relevant to or may affect the REIT Manager or FLCT and such updates may be in writing, by way of briefings held by the REIT Manager's lawyers and external auditors or disseminated by way of presentations and/or handouts. During FY2020, the Directors were updated on (a) changes in Financial Reporting Standards, (b) revisions on enhancing continuous disclosures and (c) tax regulations in relevant jurisdictions. The Directors attended asset tours conducted of the FCOT assets in Canberra, Melbourne, Perth, Singapore and the United Kingdom in the last quarter of 2019. Due to the travel restrictions arising from the COVID-19 pandemic situation, overseas travel for the assets acquired in August 2020 has been deferred.

To ensure the Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment, and provided with opportunities to develop and maintain their skills and knowledge at the REIT Manager's expense. The REIT Manager maintains a training record to track Directors' attendance at training and professional development courses.

Directors are encouraged to be members of the Singapore Institute of Directors ("**SID**") and for them to receive updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and business trends.

BOARD COMPOSITION

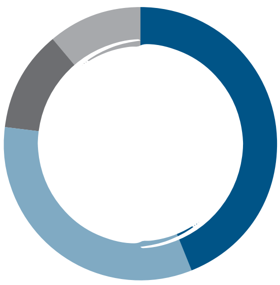
All of the Directors are non-executive and the Board comprises five independent and four non-independent Directors.

The NRC reviews, on an annual basis, the Board structure, size, composition of the Board and Board Committees, taking into account the CG Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**"). The NRC has assessed that the current structure, size and composition of the Board and Board Committees are appropriate for the scope and nature of FLCT's and the REIT Manager's operations. No individual or group dominates the Board's decision-making process or has unfettered powers of decision-making. There is a balanced exchange of views and robust deliberations and debates among members. The NRC is of the opinion that the Directors with their diverse backgrounds and experience (including banking, accounting and finance, legal and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management) provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity that avoids groupthink and fosters constructive debate and ensures the effectiveness of the Board and its Board Committees. The Board concurs with the views of the NRC.

CORPORATE GOVERNANCE REPORT

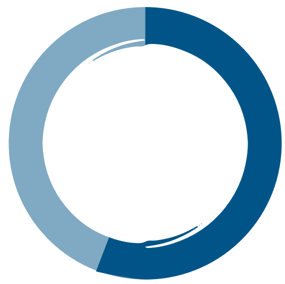
Board Composition in terms of Age Group, Independence, Tenure and Gender (as at 30 September 2020)

Age Group



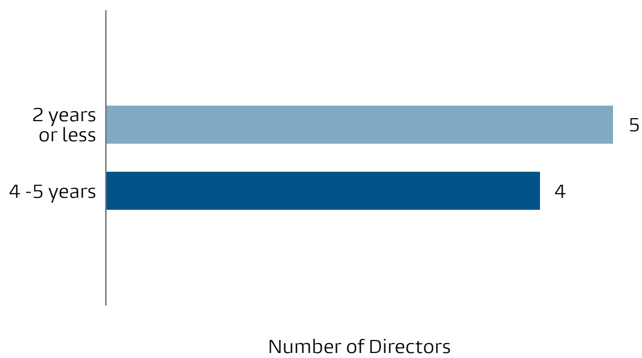
61–70	44%
41–50	33%
51–60	12%
71–80	11%

Independence

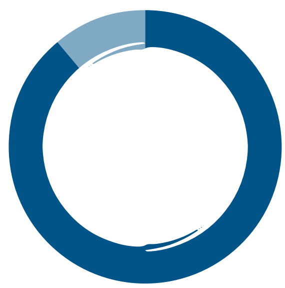


Independent and Non-Executive Directors	56%
Non-Independent and Non-Executive Directors	44%

Tenure



Gender



Male	89%
Female	11%

Under the NRC Terms of Reference, the NRC is tasked with making recommendations to the Board on all Board appointments and re-appointments, taking into account, among other things, the scope and nature of the operations of the Group, the requirements of the business, whether Directors who have multiple board representations are able to carry out and have been carrying out their duties as Directors and whether the Directors have given sufficient time and attention to the affairs of FLCT and the REIT Manager. The process for the selection, appointment and re-appointment of Directors also takes into account the composition and progressive renewal of the Board and Board Committees, each Director's experience, education, expertise, judgment, personal qualities and general and sector specific knowledge in relation to the needs of the Board as well as whether the candidates will add diversity to the Board and whether they are likely to have adequate time to discharge their duties.

CORPORATE GOVERNANCE REPORT

The NRC considers different channels to source and screen candidates for Board appointments, depending on the requirements, including tapping on existing networks of contacts and recommendations. External consultants may be retained from time to time, where appropriate, to assist in assessing and selecting potential candidates. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. Instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have, the NRC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, taking into consideration not only the number of other board and other principal commitments held by each Director, but also the nature and complexity of such commitments. Each Director is required to assess on an annual basis that Board members effectively manage his or her directorships and have the time and ability to contribute to the Board. The assessment also takes into consideration Directors' commitment, conduct and contributions (such as participation, candour and ability to make quality decisions) at board meetings, as well as whether Directors' engagement with management is adequate and effective. On an annual basis, the NRC reviews (a) the directorships and principal commitments of each Director, and (b) a framework for board evaluation to be conducted by an external consultant on the effectiveness of the Board. Through the aforementioned Board evaluation exercise conducted by the external consultant, the Directors assess whether Board members effectively manage his or her directorships and have the time and ability to contribute to the Board. The assessment also takes into consideration Directors' commitment, conduct and contributions (such as participation, candour and ability to make quality decisions) at Board meetings, as well as whether Directors' engagement with Management is adequate and effective. Further details on the Board evaluation exercise is set out under the section "Board Performance Evaluation" on pages 163 to 164.

Directors are not subject to periodic retirement by rotation. Under its Terms of Reference, the NRC is tasked with reviewing the succession plans for Directors, the Chairman and Key Management Personnel.

Board Diversity Policy

The Board has adopted, with the recommendation of the NRC, a board diversity policy. The NRC will monitor and implement this policy, and will take the principles of the policy into consideration when determining the optimal composition of the Board, the appointment and re-appointment of Directors and when recommending any proposed changes to the Board. On the recommendation of the NRC, the Board may set certain measurable objectives / specific diversity targets, with a view to achieving an optimal Board composition, and these objectives / specific diversity targets may be reviewed by the NRC from time to time to ensure their appropriateness.

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks as part of its board diversity policy, to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of the composition of the Board, in terms of age, gender, and the backgrounds and competencies of the Directors, whose experience range from banking, accounting and finance, legal and property, and include relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to FLCT, the REIT Manager and Management as decisions by, and discussions with, the Board would be enriched by the broad range of views and perspectives and the breadth of experience of the Directors.

CORPORATE GOVERNANCE REPORT

Directors' Independence

The Directors exercise their judgment independently and objectively in the interests of FLCT and the REIT Manager. The NRC determines annually, and as and when circumstances require, if a Director is independent. The Directors complete a declaration of independence annually which is reviewed by the NRC.

Based on each ID's declaration of independence, which includes questions relating to his relationship with FLCT, the REIT Manager, the Trustee and the Sponsor, all IDs have declared that there are no relationships or instances that would otherwise deem them not to be independent.

Based on the declarations of independence of the Directors, and having regard to the circumstances set forth in Provision 2.1 of the CG Code, Rule 210(5)(d) of the SGX-ST Listing Manual, the MAS Guidelines No. SFA04-G07 "Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" dated 1 January 2016 and the SFLCB Regulations (collectively, the "**Relevant Regulations**"), the NRC and the Board have determined that as at 30 September 2020, there are five IDs on the Board (including the Chairman), namely: Mr Ho Hon Cheong, Mr Chin Yoke Choong, Mr Goh Yong Chian, Mr Paul Gilbert Say and Ms Soh Onn Cheng Margaret Jane.

Mr Ho Hong Cheong

Mr Ho Hon Cheong is currently a non-executive, independent commissioner of PT Chandra Asri Petrochemical Tbk in Indonesia, a non-executive, non-independent director of Alliance Bank Malaysia Bhd in Malaysia and a non-executive, independent director of AIA Singapore Pte. Ltd. He has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not an executive director of or employed by the REIT Manager, its related corporations or the trustee of FLCT for the current or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations as an executive officer in any of the past three financial years; and

(c) in the current or immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or unitholder of, or (b) an executive officer of, or (c) a director of, any entity to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Ho is an independent director.

CORPORATE GOVERNANCE REPORT

Mr Chin Yoke Choong

Mr Chin Yoke Choong was previously an independent, non-executive director of and the chairman of the board of of FCOAM, which was the manager of Frasers Commercial Trust prior to the merger of Frasers Commercial Trust with Frasers Logistics & Commercial Trust. He was also a member of the audit, risk and compliance committee and nominating and remuneration committee of FCOAM. FCOAM is a wholly-owned subsidiary of FPL and a related corporation of the REIT Manager. Pursuant to the merger, Mr Chin was appointed as a Director of the REIT Manager and stepped down from the Board of FCOAM with effect from 29 April 2020. In connection with his appointments in FCOAM, Mr Chin received director's fees amounting to $138,500 and $91,522 in the financial year ended 30 September 2019 ("**FY2019**") and FY2020 respectively. The aforesaid appointments therefore fall within the categories of business relationships under Regulation 13G of the SFLCB Regulations.

Mr Chin is also a director of AVJennings Limited, Ho Bee Land Limited and Yeo Hiap Seng Limited, Housing and Development Board, NTUC Fairprice Co-operative Ltd, NTUC Fairprice Foundation Ltd, NTUC Enterprise Co-operative Limited, Singapore Labour Foundation and Temasek Holdings (Private) Limited. He has confirmed, *inter alia*, that (save as disclosed in relation to the aforesaid appointments with FCOAM) he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not an executive director of or employed by the REIT Manager, its related corporations or the trustee of FLCT for the current or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations as an executive officer in any of the past three financial years; and

(c) in the current or immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or unitholder of, or (b) an executive officer of, or (c) a director of, any entity to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee received significant payments[5] or material services (other than directors' fees).

In addition, the Monetary Authority of Singapore had on 30 March 2020 confirmed that it has no objections to the REIT Manager refreshing and commencing the 9-year independence period for Mr Chin from the date of his appointment as independent non-executive director of the REIT Manager, notwithstanding that he was previously an independent, non-executive director of FCOAM.

The NRC has reviewed, *inter alia*, the declaration of independence by Mr Chin and the Relevant Regulations and affirms its view that the prior appointments of Mr Chin as director and member of the Board Committees of FCOAM and the payment of the FCOAM directors' fees in respect thereof to Mr Chin for FY2019 and FY2020 does not affect his continued ability to exercise strong objective judgment and be independent in conduct and character (in particular, in the expression of his views and in his participation in the deliberations and decision-making of the Board), acting in the best interests of all unitholders of FLCT as a whole. As such, the NRC has determined that Mr Chin is an independent director as at 30 September 2020.

CORPORATE GOVERNANCE REPORT

Mr Goh Yong Chian

Mr Goh Yong Chian has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not an executive director of or employed by the REIT Manager, its related corporations or the trustee of FLCT for the current or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations as an executive officer in any of the past three financial years; and

(c) in the current or immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or unitholder of, or (b) an executive officer of, or (c) a director of, any entity to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Goh is an independent director.

Mr Paul Gibert Say

Mr Paul Gibert Say is currently a non-executive director of ALE Property Group, which is listed in Australia, a director of Stratum Pty Ltd and a non-executive director of Women's Community Shelters in Australia. He has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not an executive director of or employed by the REIT Manager, its related corporations or the trustee of FLCT for the current or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations as an executive officer in any of the past three financial years; and

(c) in the current or immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or unitholder of, or (b) an executive officer of, or (c) a director of, any entity to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Say is an independent director.

CORPORATE GOVERNANCE REPORT

Ms Soh Onn Cheng Margaret Jane

Ms Soh Onn Cheng Margaret Jane was previously an independent, non-executive director of FCOAM, which was the manager of Frasers Commercial Trust prior to the merger of Frasers Commercial Trust with Frasers Logistics & Commercial Trust. She was also the the chairperson of the nominating and remuneration committee of FCOAM and a member of the audit, risk and compliance committee of FCOAM. FCOAM is a wholly-owned subsidiary of FPL and a related corporation of the REIT Manager. Pursuant to the merger, Ms Soh was appointed as a Director of the REIT Manager and stepped down from the Board of FCOAM with effect from 29 April 2020. In connection with her appointments in FCOAM, Ms Soh received director's fees amounting to $21,815 and $63,489 in FY2019 and FY2020 respectively. The aforesaid appointments therefore fall within the categories of business relationships under Regulation 13G of the SFLCB Regulations.

Ms Soh has confirmed, *inter alia*, that (save as disclosed in relation to the aforesaid appointments with FCOAM) she:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial unitholders of FLCT which could interfere with the exercise of her independent judgment as a Director;

(b) (i) is not an executive director of or employed by the REIT Manager, its related corporations or the trustee of FLCT for the current or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations as an executive officer in any of the past three financial years; and

(c) in the current or immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or unitholder of, or (b) an executive officer of, or (c) a director of, any entity to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee received significant payments[5] or material services (other than directors' fees).

In addition, the Monetary Authority of Singapore had on 30 March 2020 confirmed that it has no objections to the REIT Manager refreshing and commencing the 9-year independence period for Ms Soh from the date of her appointment as independent non-executive director of the REIT Manager, notwithstanding that she was previously an independent, non-executive director of FCOAM.

The NRC has reviewed, *inter alia*, the declaration of independence by Ms Soh and the Relevant Regulations and affirms its view that the prior appointments of Ms Soh as director and member of the Board Committees of FCOAM and the payment of the FCOAM directors' fees in respect thereof to Ms Soh for FY2019 and FY2020 does not affect her continued ability to exercise strong objective judgment and be independent in conduct and character (in particular, in the expression of her views and in her participation in the deliberations and decision-making of the Board), acting in the best interests of all unitholders of FLCT as a whole. As such, the NRC has determined that Ms Soh is an independent director as at 30 September 2020.

Notes

(1) A Director is "**connected**" to a substantial shareholder of the REIT Manager or substantial unitholder of FLCT if: (a) (where such shareholder or unitholder is an individual) the Director is a member of the immediate family of, or employed by such substantial shareholder or substantial unitholder or accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial unitholder, and (b) (where such shareholder or unitholder is a corporation) the Director is employed by or a director of such substantial shareholder, substantial unitholder, their related corporations or associated corporations or accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Unitholder.

(2) "**substantial shareholder**" and "**substantial unitholder**" refers to a shareholder or unitholder holding not less than 5% of the total votes or units attached to all voting shares or units in the REIT Manager or FLCT, respectively.

(3) "**Immediate family**" refers to the person's spouse, child, adopted child, step-child, sibling, step-sibling, parent and step-parent.

(4) As a guide, payments aggregated over any financial year in excess of $50,000 would generally be deemed as significant. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.

(5) As a guide, payments aggregated over any financial year in excess of $200,000 would generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.

CORPORATE GOVERNANCE REPORT

The Board has considered the relevant requirements under the SFLCB Regulations and its views in respect of the independence of each Director for FY2020 are as follows:

The Director:	Mr Ho Hon Cheong	Mr Chin Yoke Choong	Mr Goh Yong Chian	Mr Paul Gilbert Say	Ms Soh Onn Cheng Margaret Jane	Mr Panote Sirivadhanabhakdi [(1)]	Mr Chia Khong Shoong [(2)]	Mr Rodney Vaughan Fehring [(3)]	Mr Reinfried Helmut Otter (Reini Otter) [(4)]
(i) had been independent from the management of the REIT Manager and FLCT during FY2020	✓	✓	✓	✓	✓				
(ii) had been independent from any business relationship with the REIT Manager and FLCT during FY2020	✓		✓	✓		✓	✓	✓	✓
(iii) had been independent from every substantial shareholder of the REIT Manager and every substantial Unitholder during FY2020	✓		✓	✓					
(iv) had not been a substantial shareholder of the REIT Manager or a substantial Unitholder during FY2020	✓	✓	✓	✓	✓		✓	✓	✓
(v) has not served as a director of the REIT Manager for a continuous period of nine years or longer as at the last day of FY2020	✓	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

(1) Mr Panote Sirivadhanabhakdi is a director and the Group Chief Executive Officer of FPL and a director of certain entities within the FPL Group (as defined below) other than the REIT Manager. FPL wholly-owns the REIT Manager and is a substantial Unitholder. Mr Panote Sirivadhanabhakdi is also a director of various entities within the TCC Group (as defined below), which is the controlling shareholder of the FPL Group. He holds 20.0% of the issued share capital of TCC Group Investments Limited, which was a substantial Unitholder in FY2020. Mr Panote Sirivadhanabhakdi is also the son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi. As such, during FY2020, Mr Panote Sirivadhanabhakdi is deemed (a) to have a management relationship with the REIT Manager and FLCT; (b) connected to the shareholder of the REIT Manager and a substantial Unitholder; and (c) to be a substantial Unitholder.

"***FPL Group***" refers to FPL and/or its subsidiaries.

"***TCC Group***" refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

(2) Mr Chia Khong Shoong is the Group Chief Corporate Officer of FPL and is employed by a related corporation of the REIT Manager. He is also a director and/or executive of certain entities within the FPL Group other than the REIT Manager. As such, during FY2020, Mr Chia Khong Shoong is deemed (a) to have a management relationship with the REIT Manager and FLCT; and (b) connected to the shareholder of the REIT Manager and a substantial Unitholder.

(3) During FY2020 and as at 30 September 2020, Mr Rodney Vaughan Fehring was the Chief Executive Officer of Frasers Property Australia and employed by a related corporation of the REIT Manager. He is also a director and/or executive of certain entities within the FPL Group other than the REIT Manager. As such, during FY2020, Mr Rodney Vaughan Fehring is deemed (a) to have a management relationship with the REIT Manager and FLCT; and (b) connected to the shareholder of the REIT Manager and a substantial Unitholder.

(4) Mr Reinfried Helmut Otter (Reini Otter) is the Chief Executive Officer of Frasers Property Industrial, a strategic business unit of FPL and is employed by a related corporation of the REIT Manager. He is also a director and/or executive of certain entities within the FPL Group other than the REIT Manager. As such, during FY2020, Mr Reinfried Helmut Otter (Reini Otter) is deemed (a) to have a management relationship with the REIT Manager and FLCT; and (b) connected to the shareholder of the REIT Manager and a substantial Unitholder.

CORPORATE GOVERNANCE REPORT

The Board is satisfied that, as at the last day of FY2020, each of Mr Panote Sirivadhanabhakdi, Mr Chia Khong Shoong, Mr Rodney Vaughan Fehring and Mr Reinfried Helmut Otter (Reini Otter) was able to act in the best interests of all Unitholders as a whole. As at the last day of FY2020, each of Mr Panote Sirivadhanabhakdi, Mr Chia Khong Shoong, Mr Rodney Vaughan Fehring and Mr Reinfried Helmut Otter (Reini Otter) was able to act in the best interests of Unitholders as a whole.

The IDs lead the way in upholding good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensure that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into account the long-term interests of FLCT and its Unitholders.

As of 30 September 2020, none of the IDs have been on the Board for a continuous period of nine years or longer. Board renewal is a continuing process where the appropriate composition of the Board is continually under review. In this regard, the tenure of each ID is monitored so that the process for board renewal is commenced ahead of any ID reaching the nine-year mark to facilitate a smooth transaction and to ensure that the Board continues to have an appropriate balance of independence. To this end, the NRC is tasked with undertaking the process of reviewing, considering and recommending any changes to the composition of the Board, where appropriate, taking into account the requirements to be met by IDs including the SFLCB Regulations.

As more than half of the Board comprises IDs, the REIT Manager will not be subjecting any appointment or re-appointment of Directors to voting by Unitholders under Regulation 13D of the SFLCB Regulations. The Chairman is presently an ID.

No alternate directors have been appointed on the Board for FY2020.

Conflict Policy

To address and manage possible conflicts of interest (including in relation to Directors, officers and employees) that may arise in managing FLCT, the REIT Manager has put in place procedures which, among other things, specify that: (a) the REIT Manager shall be dedicated to the management of FLCT and will not directly or indirectly manage other REITs, without first obtaining approval from the MAS; (b) all executive officers of the REIT Manager will be employed by the REIT Manager; (c) all resolutions in writing of the Directors in relation to matters concerning FLCT must be approved by a majority of the Directors, including at least one ID; (d) at least one-third of the Board shall comprise IDs; (e) on matters where FPL, its subsidiaries and/or its shareholders have an interest (directly or indirectly), Directors nominated by FPL, its subsidiaries and/or its shareholders shall abstain from voting. On such matters, the quorum must comprise a majority of IDs and must exclude nominee Directors of FPL Group and/or its subsidiaries; and (f) an interested Director is required to disclose his interest in any proposed transaction with FLCT and is required to abstain from voting on resolutions approving the transaction.

The REIT Manager does not have a practice of extending loans to Directors, and as at 30 September 2020, there were no loans granted by the REIT Manager to Directors. If there are such loans, the REIT Manager will comply with its obligations under the Companies Act in relation to loans, quasi-loans, credit transactions and related arrangements to Directors.

Board Performance Evaluation

The NRC is tasked with making recommendations to the Board on the process and criteria for evaluation of the performance of the Board as a whole, each of the Board Committees and the Directors.

The effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board are assessed annually. The Board, with the recommendations of the NRC, has implemented a formal process for assessing the effectiveness of the Board and Board Committees and the contribution by each Director to the effectiveness of the Board.

For FY2019 and FY2020, an independent external consultant, Ernst & Young Advisory Pte. Ltd., was appointed to facilitate the process of conducting a Board evaluation survey. The external consultant has no connection with FLCT, the REIT Manager or any of the Directors, apart from being the consultant in previous financial year(s). The outcome of the evaluation in relation to FY2019 was satisfactory and based on the responses received, ratings were generally affirmative across the evaluation categories.

CORPORATE GOVERNANCE REPORT

For FY2020, the survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities for FLCT as a whole. As part of the survey, the external consultant will facilitate questionnaires to be sent to all Directors as well as conduct interviews with some Directors to obtain their feedback. The objective performance criteria covered in the Board evaluation exercise relate to the following key segments: (a) the Board's contribution to the overall development of FLCT's strategic and performance orientation; (b) Board priorities; (c) Board composition and skills; (d) Governance of the Board and organisation focus; (e) the effectiveness of the Board's internal operations and Board dynamics, as well as engagement with key investors, Unitholders and strategic stakeholders; (f) the Board's relationship with Management; (g) the Board's role in respect of Director development and succession planning for the Board and Management; (h) Director performance, which includes an evaluation of whether each Director is willing to challenge and ask questions to address gaps in and add to others' thinking, effective in fulfilling and delivering value on his/her responsibilities and acts as a valuable resource in fulfilling the Board's accountabilities; (i) the Board's governance in the management of a REIT; and (j) the effectiveness of the Board Committees. The responses to the questionnaires and interviews would be summarised by the external consultant and its report would be submitted to the NRC. Findings and recommendations of the external consultant which include feedback from Directors would be taken into consideration and any necessary follow-up actions would be undertaken with a view to improving the overall effectiveness of the Board in fulfilling its role and meeting its responsibilities to Unitholders.

Based on the NRC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

REMUNERATION MATTERS

The remuneration of the staff of the REIT Manager and Directors' fees are paid by the REIT Manager from the management fees it receives from FLCT, and not by FLCT. With the recommendations of the NRC, the Board has put in place a formal and transparent process for developing policies on remuneration of Directors and Key Management Personnel and for fixing the remuneration packages of individual Directors and Key Management Personnel.

Compensation Philosophy

The REIT Manager seeks to incentivise and reward consistent and sustained performance through market competitive, internally equitable, performance-orientated and Unitholder-aligned compensation programmes. This compensation philosophy serves as the foundation for the REIT Manager's remuneration framework, and guides the REIT Manager's remuneration framework and strategies. In addition, the REIT Manager's compensation philosophy seeks to align the aspirations and interests of its employees with the interests of FLCT and its Unitholders, resulting in the sharing of rewards for both employees and Unitholders on a sustained basis. The REIT Manager's compensation philosophy serves to attract, retain and motivate employees. The REIT Manager aims to connect employees' desire to develop and fulfil their aspirations with the growth opportunities afforded by the REIT Manager's strategic vision and corporate initiatives.

Compensation Principles

The design, determination and administration of all compensation programmes are guided by the following principles:

(a) Pay-for-Performance

The REIT Manager's Pay-for-Performance principle encourages excellence, in a manner consistent with the REIT Manager's core values. The REIT Manager takes a total compensation approach, which recognises the value and responsibility of each role, and differentiates and rewards performance through its incentive plans.

(b) Unitholder Returns

Performance measures for incentives are established to drive initiatives and activities that are aligned with both short-term value creation and long-term Unitholder wealth creation, thus ensuring a focus on delivering Unitholder returns.

CORPORATE GOVERNANCE REPORT

(c) Sustainable Performance

The REIT Manager believes sustained success depends on the balanced pursuit and consistent achievement of short-term and long-term goals. Hence, variable incentives incorporate a significant pay-at-risk element to align employees with sustainable performance for the REIT Manager.

(d) Market Competitiveness

The REIT Manager aims to be market competitive by benchmarking its compensation levels with relevant comparators accordingly. However, the REIT Manager embraces a holistic view of employee engagement that extends beyond monetary rewards. Recognising each individual as unique, the REIT Manager seeks to motivate and develop employees through all the levers available to the REIT Manager through its comprehensive human capital platform.

Engagement of External Consultants

The NRC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the REIT Manager to stay competitive in its remuneration packages. During FY2020, Korn Ferry was appointed as the REIT Manager's remuneration consultant. The remuneration consultant does not have any relationship with FLCT, the REIT Manager, its controlling shareholders, its related entities and/or its Directors which would affect its independence and objectivity.

Remuneration Framework

The NRC reviews and makes recommendations to the Board on the remuneration framework for the IDs and other non-executive Directors and Key Management Personnel. The remuneration framework is endorsed by the Board.

The remuneration framework covers all aspects of remuneration including salaries, allowances, performance bonuses, grant of awards of units of FLCT ("**Units**") and incentives for Key Management Personnel and fees for the IDs and other non-executive Directors.

Remuneration Policy in respect of Management and other employees

The NRC reviews the level, structure and mix of remuneration and benefits policies and practices (where appropriate) of the REIT Manager, to ensure that they are appropriate and proportionate to the sustained performance and value creation of FLCT and the REIT Manager, taking into account the strategic objectives of FLCT and the REIT Manager, and designed to attract, retain and motivate Key Management Personnel to successfully manage FLCT and the REIT Manager for the long-term. The NRC takes into account all aspects of remuneration, including termination terms, to ensure that they are fair.

The remuneration framework comprises fixed and variable components, which include short-term and long-term incentives. When conducting its review of the remuneration framework, the NRC takes into account the performance of FLCT and individual performance. The performance of FLCT is measured based on pre-set financial and non-financial indicators. Individual performance is measured via the employee's annual appraisal based on indicators such as core values, competencies and key performance indicators.

Fixed Component

The fixed component in the REIT Manager's remuneration framework is structured to remunerate employees for the roles they perform, and is benchmarked against relevant industry market data. It comprises base salary, fixed allowances and any statutory contribution. The base salary and fixed allowances for Key Management Personnel are reviewed annually by the NRC and approved by the Board.

CORPORATE GOVERNANCE REPORT

Variable Component

An appropriate proportion of the remuneration of key executives of the REIT Manager ("**Key Executives**", which expression for the avoidance of doubt includes Key Management Personnel) comprises a variable component which is structured so as to link rewards to corporate and individual performance and incentivise sustained performance in both the short and long-term. The variable incentives are measured based on quantitative and qualitative targets, and overall performance will be determined at the end of the year and approved by the NRC.

1. Short-Term Incentive Plans

The short-term incentive plans ("**STI Plans**") aim to incentivise excellence in performance in the short-term. All Key Management Personnel's performance are assessed using a balanced scorecard with pre-agreed financial and non-financial key performance indicators ("**KPIs**"). The financial KPIs are based on the performance of FLCT. Non-financial KPIs may include measures on People, Corporate Governance, Sustainability or specified projects. These targets are established at the beginning of each financial year. At the end of the financial year, the achievements are measured against the pre-agreed targets and the short-term incentives of each Key Management Personnel are determined.

The NRC recommends the final short-term incentives that are awarded to Key Management Personnel for the Board's approval, taking into consideration any other relevant circumstances.

2. Long-Term Incentive Plans

The NRC administers the REIT Manager's long-term incentive plan, namely, the RUP. The RUP was approved by the Board and adopted on 8 December 2017. Through the RUP, the REIT Manager seeks to foster a greater ownership culture within the REIT Manager by aligning more directly the interests of senior executives (including Key Executives) with the interests of Unitholders and other stakeholders, and for such employees to participate and share in FLCT's growth and success, thereby ensuring alignment with sustainable value creation for Unitholders over the long-term.

The RUP is available to selected senior executives of the REIT Manager. Its objectives are to increase the REIT Manager's flexibility and effectiveness in its continuing efforts to attract, retain and motivate talented senior executives and to reward these executives for the future performance of FLCT and the REIT Manager. The RUP also applies to senior Management in key positions who shoulder the responsibility of FLCT's future performance and who are able to drive the growth of FLCT and the REIT Manager through superior performance. It serves as further motivation to the participants in striving for excellence, promoting FLCT's and the REIT Manager's long-term success and delivering long-term Unitholder value.

Under the RUP, the REIT Manager grants Unit-based awards ("**Initial Awards**") with pre-determined performance targets being set at the beginning of the performance period. The NRC recommends the Initial Awards granted to Key Management Personnel to the Board for approval, taking into consideration the Key Management Personnel's individual performance. The performance period for the RUP is one year. The pre-set targets are net property income and distribution per Unit. Such performance conditions are generally performance indicators that are key drivers of Unitholder value creation and aligned to FLCT's business objectives. The RUP awards represent the right to receive fully paid Units, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of Units to be released ("**Final Awards**") will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are exceeded, more Units than the Initial Awards may be delivered, subject to a maximum multiplier of the Initial Awards. The Final Awards will vest in the participants in three tranches over two years after a one-year performance period. The obligation to deliver the Units is expected to be satisfied out of the Units held by the REIT Manager.

The NRC has absolute discretion to decide on the Final Awards, taking into consideration any other relevant circumstances.

CORPORATE GOVERNANCE REPORT

Approach to Remuneration of Key Management Personnel

The REIT Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market, which also takes into account FLCT's performance and that of its employees.

In designing the compensation structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation.

Executives who have a greater ability to influence outcomes within the REIT Manager have a greater proportion of overall reward at risk. The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and other stakeholders and promote the long-term success of FLCT.

Performance Indicators for Key Management Personnel

As set out above, the REIT Manager's variable remuneration comprises short-term and long-term incentives, taking into account both FLCT's and individual performance. This is to ensure employee remuneration is linked to performance. In determining the short-term incentives, both FLCT's financial and non-financial performance as per the balanced scorecard are taken into consideration. The performance targets align the interests of Key Management Personnel with the long-term growth and performance of FLCT and the REIT Manager. The financial performance indicators on which Key Management Personnel are evaluated comprise (a) Unitholder distribution per Unit, (b) portfolio occupancy, (c) weighted average lease expiry, and (d) total unitholder return relative to a peer group. These performance indicators are quantitative and are objective measures of FLCT's performance. The non-financial performance indicators on which Key Management Personnel are evaluated include (i) people, (ii) synergy, (iii) business development performance. These qualitative performance indicators will align the Key Management Personnel's performance with FLCT's strategic objectives.

In relation to long-term incentives, the REIT Manager has implemented the RUP with effect from the financial year ended 30 September 2018 as set out above. The release of long-term incentive awards to Key Management Personnel are conditional upon the performance targets being met. The performance targets of the KPIs align the interests of Key Management Personnel with the long-term growth and performance of FLCT. For FY2020, the majority of pre-determined target performance levels for the RUP grants were met.

Currently, the REIT Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its Key Executives in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

Remuneration Packages of Key Management Personnel

The NRC reviews and makes recommendations on the specific packages and service terms for Key Management Personnel for endorsement by the Board. The NRC will review the short-term and long-term incentives in the Key Management Personnel's remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

No Director or Key Management Personnel is involved in deciding his or her remuneration.

The NRC aligns the CEO's leadership, through appropriate remuneration and benefit policies, with FLCT's and the REIT Manager's strategic objectives and key challenges. Performance targets are also set for the CEO and his performance is evaluated yearly.

CORPORATE GOVERNANCE REPORT

Remuneration Policy in respect of Non-Executive Directors

The remuneration of non-executive Directors has been designed to be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities, on the Board and Board Committees, and to attract, retain and motivate the Directors to provide good stewardship of FLCT.

Non-executive Directors do not receive bonuses, options or Unit-based incentives and awards. Directors' fees are paid in cash and not in the form of Units.

The REIT Manager engages consultants to review Directors' fees by benchmarking such fees against the amounts paid by listed industry peers. Each non-executive Director's remuneration comprises a basic fee and attendance fees for attending Board and Board Committee meetings, including attendance fees for Board and Board Committee meetings requiring travel outside the home country of that Director. In addition, non-executive Directors who perform additional services in Board Committees are paid an additional fee for such services. The chairman of each Board Committee is also paid a higher fee compared with the members of the respective Board Committees in view of the greater responsibility carried by that office.

The REIT Manager's Board fee structure during the year is as set out below.

	Basic Fee per annum (S$)	Attendance Fee per meeting [(1)] (for physical attendance in Singapore where this is the home country the Director) (S$)	Attendance Fee per meeting (for physical attendance outside Singapore) (S$)	Attendance Fee per meeting for attendance via tele/ video conference) (S$)
Board				
– Chairman	90,000	3,000	4,500	1,000
– Member	45,000	1,500	4,500	1,000
Audit, Risk and Compliance Committee				
– Chairman	40,000	3,000	4,500	1,000
– Member	20,000	1,500	4,500	1,000
Nominating and Remuneration Committee				
– Chairman	12,000	3,000	4,500	1,000
– Member	6,000	1,500	4,500	1,000

Note

(1) The attendance fee applies for physical attendance in Singapore, where this is the home country of the Director. Board members who travel to Singapore for the Board or Board committee meetings receive an overseas allowance fee of $2,500 per trip.

CORPORATE GOVERNANCE REPORT

Disclosure of Remuneration of Directors and Key Executives

Information on the remuneration of Directors and Key Executives for FY2020 is set out below.

Directors of the REIT Manager	Remuneration [6] S$
Mr Ho Hon Cheong	153,000
Mr Chin Yoke Choong	30,000 [1]
Mr Goh Yong Chian	107,000
Mr Paul Gilbert Say	79,000
Ms Soh Onn Cheng Margaret Jane	20,000 [2]
Mr Panote Sirivadhanabhakdi	60,000 [3]
Mr Chia Khong Shoong	53,000 [3]
Mr Rodney Vaughan Fehring	50,000 [4]
Mr Reinfried Helmut Otter (Reini Otter)	9,000 [4][5]

Notes:

(1) Mr Chin Yoke Choong was appointed as Director with effect from 29 April 2020. He was appointed as (a) a member and Chairman of the ARCC, and (b) a member of the NRC with effect from 27 July 2020.

(2) Ms Soh Onn Cheng Margaret Jane was appointed as Director with effect from 29 April 2020.

(3) Director's fees are paid to Frasers Property Corporate Services Pte. Ltd.

(4) Director's fees are paid to Frasers Property AHL Limited.

(5) Mr Reinfried Helmut Otter (Reini Otter) was appointed as a Director with effect from 30 July 2020.

(6) The Board had approved the waiver of 10% of non-executive Directors' fees for the period from 1 May 2020 to 30 September 2020, and the remuneration amount takes this into account.

Remuneration of CEO for FY2020	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Between S$1,000,001 to S$1,250,000					
Mr Robert Stuart Claude Wallace	48	28	5	19	100

Remuneration of Key Executives (excluding CEO) for FY2020	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Ms Susanna Cher Mui Sim Ms Chew Yi Wen Mr Jonathan James Spong Ms Tricia Yeo Whay Teng [2]	54 [1]	21 [1]	4 [1]	21 [1]	100
Aggregate Total Remuneration (including CEO)					S$2,854,666

Notes:

(1) Derived based on the aggregation of the respective remuneration components of each of the Key Executives (excluding the CEO) and represented as percentages against the total remuneration for these Key Executives.

(2) Calculated from 30 April 2020 to 30 September 2020. Ms Tricia Yeo was appointed as Head of Capital Markets & Treasury with effect from 30 April 2020.

CORPORATE GOVERNANCE REPORT

For FY2020, there were no termination, retirement and post-employment benefits granted to the Directors, the CEO and Key Management Personnel.

Pursuant to MAS' "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" (Notice No: SFA4-N14), REIT managers are required to disclose the remuneration of the CEO and each individual director on a named basis, and the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are directors), on a named basis, in bands of $250,000. The REIT manager may provide an explanation if it does not wish to or is unable to comply with such requirement. The REIT Manager has decided (a) to disclose the CEO's remuneration in bands of $250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the other Key Executives in bands of $250,000, and (c) to disclose the aggregate remuneration of all of the abovenamed Key Executives (including the CEO) for the following reasons:

(i) competition for talent in the REIT management industry is very keen and the REIT Manager has, in the interests of Unitholders, opted not to disclose the exact remuneration of its Key Executives (including the CEO) as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;

(ii) the composition of the current management team has been stable and to ensure the continuity of business and operations of FLCT, it is important that the REIT Manager continues to retain its team of competent and committed staff;

(iii) due to the confidentiality and sensitivity of staff remuneration matters, the REIT Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and

(iv) the remuneration of the Key Executives (including the CEO) are paid by the REIT Manager and there is full disclosure of the total amount of fees paid to the REIT Manager set out at pages 192, 237 and 296 of this Annual Report.

As at 30 September 2020, there are no employees within the REIT Manager who is a substantial Unitholder or who is an immediate family member of a Director, the CEO or a substantial Unitholder.

FINANCIAL PERFORMANCE, REPORTING AND AUDIT

The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FLCT's performance, position and prospects. Financial reports are provided to the Board on a quarterly basis and monthly accounts are made available to the Directors on request.

The REIT Manager prepares the financial statements of FLCT in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the CIS Code and the provisions of the Trust Deed.

Quarterly financial results were provided to Unitholders for the financial quarters ended 31 December 2019 and 31 March 2020. Following the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020, the REIT Manager announced on 13 May 2020 that it would cease to announce the financial statements of FLCT on a quarterly basis and would announce its financial statements on a half-yearly basis, commencing from the financial results announcement for the full-year ended 30 September 2020. The REIT Manager would provide business updates to Unitholders for the first and third quarter performance of FLCT, commencing with the third quarter ended 30 June 2020.

The Board releases FLCT's half-yearly and full year financial results, quarterly business updates and other price sensitive information and material corporate developments through announcements to the SGX-ST and, where appropriate, press releases, FLCT's website, and/or media and analysts' briefings.

CORPORATE GOVERNANCE REPORT

External Audit

The ARCC conducts an assessment of the external auditors, and recommends its appointment, re-appointment and removal to the Board. The assessment is based on factors such as the performance and quality of its audit, the cost effectiveness and the independence and objectivity of the external auditors.

At the annual general meeting ("**AGM**") held on 14 January 2020, KPMG LLP was re-appointed by Unitholders as the external auditors of FLCT for FY2020. Pursuant to the requirements of the SGX-ST, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current KPMG LLP audit partner for the Group has been appointed since FLCT was admitted to the Official List of the SGX-ST on 20 June 2016. There will be a new audit partner in charge of the financial year ending 30 September 2021.

During FY2020, the ARCC conducted a review of the scope, quality, results and performance of audit by the external auditors and its cost effectiveness, as well as the independence and objectivity of the external auditors. It also reviewed all non-audit services provided by the external auditors during the financial period, and the aggregate amount of fees paid to them for such services. Details of fees payable to the external auditors in respect of audit and non-audit services for FY2020 are set out in the table below:

Fees relating to external auditors for FY2020	$ (Million)
For audit and audit-related services	1.17
For non-audit services	0.12
Total	1.29

The ARCC has conducted a review of all non-audit services provided by KPMG LLP during the financial period. The ARCC is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG LLP is put at risk. For details of the fees paid to KPMG LLP, please refer to the Financial Statements at page 238 of this Annual Report. KPMG LLP attended the ARCC meetings every quarter for FY2020, and where appropriate, has met with the ARCC without the presence of Management to discuss their findings, if any.

The REIT Manager, on behalf of FLCT, confirms that FLCT has complied with Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm should be appointed by FLCT having regard to certain factors. FLCT has also complied with Rule 715 of the SGX-ST Listing Manual which requires that the same auditing firm of FLCT based in Singapore audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

CORPORATE GOVERNANCE REPORT

In the review of the financial statements for FY2020, the ARCC reviewed the following significant matters identified by the external auditors with Management:

Valuation of investment properties	The ARCC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties. The ARCC reviewed the outputs from the year-end valuation process of the Group's investment properties and discussed the details of the valuation with Management, focusing on significant changes in fair value measurements and key drivers of the changes. The ARCC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties, including key valuation parameters to take into account the potential impact of COVID-19 on the investment properties. The ARCC was satisfied with the valuation process, the methodologies used and the valuation of investment properties as adopted and disclosed in the financial statements as at 30 September 2020. However, the ARCC noted the independent valuation reports for certain properties have highlighted that with the heightened uncertainty of the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon the valuations. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. The ARCC will continue to monitor the situation and seek professional advice on the property values as and when necessary.
Accounting for the merger with FCOT and the acquisition of the remaining 50% interest in Farnborough Business Park, 2 German acquisitions, FY2020 acquisitions (collectively "**Acquisitions**")	FRS103 *Business Combinations* states that an entity shall determine whether a transaction is a business combination, which requires that the assets acquired and liabilities assumed constitute a business. Otherwise, it is accounted for as an asset acquisition. A business is an integrated set of activities which includes significant processes such as strategic management and operational processes in addition to the properties acquired. As the Acquisitions did not represent an integrated set of activities being acquired, it has been accounted for as an asset acquisition. Acquisition related costs have been capitalised as part of investment properties. The ARCC reviewed the reasonableness of Management's assessment and concurred with Management's conclusion.

CORPORATE GOVERNANCE REPORT

GOVERNANCE OF RISK AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls.

Enterprise Risk Management and Risk Tolerance

The REIT Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FLCT's assets and the interests of FLCT and its Unitholders. The ARCC reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

Internal Controls

The ARCC, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the REIT Manager's system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, the ARCC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors (if any) in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

A comfort matrix of key risks, by which relevant material financial, compliance and operational (including information technology) risks of FLCT and the REIT Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARCC.

Risk Management

The Board, through the ARCC, reviews the adequacy and effectiveness of the REIT Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The REIT Manager has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the REIT Manager's ERM framework and progress report is set out on pages 110 to 111.

Periodic updates are provided to the ARCC on FLCT's and the REIT Manager's risk profiles. These updates would involve an assessment of FLCT's and the REIT Manager's key risks by risk categories, current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework, risk tolerance statements setting out the nature and extent of significant risks which the REIT Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the CFO that as at 30 September 2020:

(a) the financial records of the Group have been properly maintained and the financial statements for FY2020 give a true and fair view of the Group's operations and finances;

(b) the system of internal controls in place for FLCT is adequate and effective to address financial, operational, compliance and information technology risks which the REIT Manager considers relevant and material to FLCT's operations; and

(c) the risk management system in place for FLCT is adequate and effective to address risks which the REIT Manager considers relevant and material to FLCT's operations.

CORPORATE GOVERNANCE REPORT

Board's Comment on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the REIT Manager, work performed by internal and external auditors, reviews performed by Management and the ARCC, and assurance from the CEO and the CFO, the Board is of the view that the internal controls in place for FLCT were adequate and effective as at 30 September 2020 to address financial, operational, compliance and information technology risks, which the REIT Manager considers relevant and material to FLCT's operations.

Based on the risk management framework established and adopted by the REIT Manager, review performed by Management and assurance from the CEO and the CFO, the Board is of the view that the risk management system in place for FLCT was adequate and effective as at 30 September 2020 to address risks which the REIT Manager considers relevant and material to FLCT's operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the REIT Manager will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The ARCC concurs with the Board's view that as at 30 September 2020, the internal controls of FLCT (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the REIT Manager considers relevant and material to FLCT's operations.

Internal Audit

The internal audit function of the REIT Manager is performed by FPL Group's internal audit department ("**FPL Group IA**"). FPL Group IA is responsible for conducting objective and independent assessments on the adequacy and effectiveness of the REIT Manager's system of internal controls, risk management and governance practices. The Head of the FPL Group IA, who is a Certified Fraud Examiner and a Fellow of the Institute of Singapore Chartered Accountants, CPA Australia and ACCA reports directly to the chairman of the ARCC and administratively to the Group Chief Executive Officer of the Sponsor or such other officer as may be charged with this responsibility from time to time. The appointment and removal of the FPL Group's internal audit department as the service provider of the REIT Manager's internal audit function requires the approval of the ARCC. In performing internal audit services, FPL Group IA has adopted and complies with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

As at 30 September 2020, FPL Group IA comprises 22 professional staff. The Head of the FPL Group IA and the Singapore-based FPL Group IA staff are members of The Institute of Internal Auditors, Singapore. To ensure that the internal audit activities are effectively performed, FPL Group IA recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are given relevant training and development opportunities to update their technical knowledge and auditing skills. All staff members of FPL Group IA also receive relevant technical training and attend seminars organised by The Institute of Internal Auditors, Singapore and other professional bodies. FPL Group IA operates within the framework of a set of terms of reference as contained in the Internal Audit Charter approved by the ARCC. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of FLCT. The results of the risk assessments determine the level of focus and the review intervals for the various activities audited. Higher risk areas are subject to more intense reviews which are also carried out more frequently. FPL Group IA conducts its audit reviews based on internal audit plans approved by the ARCC. FPL Group IA has the right to access all of FLCT's and the REIT Manager's documents, records, properties and personnel, and has access to the ARCC members. All audit reports detailing audit findings and recommendations are provided to Management who would respond with the actions to be taken.

Each quarter, FPL Group IA will submit reports to the ARCC on the status of the audit plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at ARCC meetings for discussion. The ARCC monitors the timely and proper implementation of the required follow-up measures undertaken by Management. The ARCC is satisfied that for FY2020, the internal audit function is independent, effective and adequately resourced and has appropriate standing within FLCT and the REIT Manager to perform its functions effectively. Quality assurance reviews on FPL Group's internal audit function are periodically carried out by qualified professionals from an external organisation. The last review was performed in the financial year ended 30 September 2018.

CORPORATE GOVERNANCE REPORT

Related/Interested Person Transactions

The REIT Manager has established internal processes such that the Board, with the assistance of the ARCC, is required to be satisfied that all Related/Interested Person Transactions are undertaken on normal commercial terms, and are not prejudicial to the interests of FLCT and its Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the REIT Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix). Directors who are interested in any proposed Related/Interested Person Transaction to be entered into by FLCT are required to abstain from any deliberations or decisions in relation to that Related/Interested Person Transaction.

All Related/Interested Person Transactions are entered in a register maintained by the REIT Manager. The REIT Manager incorporates into its internal audit plan a review of the Related/Interested Person Transactions recorded in the register to ascertain that internal procedures and requirements of the SGX-ST Listing Manual and Property Funds Appendix have been complied with. The ARCC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related/Interested Person Transactions have been complied with. The review includes the examination of the nature of the Related/Interested Person Transactions and its supporting documents or such other data deemed necessary by the ARCC. In addition, the Trustee also has the right to review any such relevant internal audit reports to ascertain that the Property Funds Appendix has been complied with.

Any Related/Interested Person Transaction proposed to be entered into between FLCT and an interested person, would require the Trustee to satisfy itself that such Related/Interested Person Transaction is conducted on normal commercial terms, is not prejudicial to the interests of FLCT and its Unitholders, and is in accordance with all applicable requirements of the CIS Code and the SGX-ST Listing Manual.

Whistle-Blowing Policy

The REIT Manager has put in place a whistle-blowing policy (the "**Whistle-Blowing Policy**"). The Whistle-Blowing Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting, suspected fraud and corruption or other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal. Whistle-Blowers may report any matters of concern by mail, email or calling a hotline, details of which are provided in the Whistle-Blowing Policy, which is available on FLCT's website at www.fraserslogisticstrust.com. Any report submitted through this channel would be received by the head of the internal audit function. For employees, the Whistle-Blowing Policy provides assurance that employees will be treated fairly and protected from reprisals or victimisation for whistle-blowing in good faith.

The improprieties that are reportable under the Whistle-Blowing Policy include: (a) financial or professional misconduct; (b) improper conduct, dishonest, fraudulent or unethical behaviour; (c) any irregularity or non-compliance with laws/ regulations or the REIT Manager's policies and procedures, and/or internal controls; (d) violence at the workplace, or any conduct that may threaten health and safety; (e) corruption or bribery; (f) conflicts of interest; and (g) any other improprieties or matters that may adversely affect Unitholders'/shareholders' interests in, and assets of, FLCT/the REIT Manager as well as FLCT's/the REIT Manager's reputation. The Whistle-Blowing Policy is covered during staff training. All whistle-blowing complaints raised are independently investigated and if appropriate, an investigation committee will be constituted. The outcome of each investigation and any action taken is reported to the ARCC.

Contents

CORPORATE GOVERNANCE REPORT

UNITHOLDER MATTERS

The REIT Manager treats all Unitholders fairly and equitably in order to enable them to exercise their Unitholders' rights and have the opportunity to communicate their views on matters affecting FLCT.

Investor Relations

The REIT Manager prides itself on its high standards of disclosure and corporate transparency. The REIT Manager aims to provide fair, relevant, comprehensive and timely information regarding FLCT's performance and progress and matters concerning FLCT and its business which are likely to materially affect the price or value of the Units and other FLCT securities, to Unitholders and the investment community, to enable them to make informed investment decisions.

The REIT Manager's dedicated Investor Relations ("**IR**") manager is tasked with, and focuses on, facilitating communications between FLCT and its Unitholders, as well as with the investment community, analysts and the media. An IR policy is in place to promote regular, timely, accurate and fair communications. The IR policy is available on FLCT's website at www.frasersproperty.com/reits/flct and includes contact details of the IR manager for investors to channel their comments and queries.

Continuous and informed dialogue between the REIT Manager and Unitholders is a central tenet of good corporate governance, and encourages more active stewardship. Better engagement between these parties will thus benefit FLCT and investors. Notwithstanding disruptions brought about by the COVID-19 pandemic, the REIT Manager's stakeholder engagement efforts progressed unabated, leveraging digital platforms and conferencing technologies to conduct virtual investor meetings and conferences. The REIT Manager, through the IR team, the CEO and the CFO communicate regularly with Unitholders, as well as with the investment community, through timely disclosures of material and other pertinent information to the SGX-ST, and half-year and full-year results briefings and conference calls. Although FLCT ceased providing financial statements on a quarterly basis since May 2020 following amendments to Rule 705(2) of the Listing Rules, the REIT Manager will provide business updates on FLCT's operational performance to the investment community for the first and third quarter, which commenced with the third quarter business updates in FY2020[1]. The REIT Manager also participates in roadshows, investor meetings, teleconferences and conferences to keep the market and investors apprised of FLCT's corporate developments and financial and operating performance. During the year, the REIT Manager engaged with Singapore and foreign investors at conferences, briefings and calls, non-deal roadshows as well as one-on-one and group meetings. The aim of such engagements is to provide Unitholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of FLCT's businesses, performance and strategies. The REIT Manager makes available all its briefing materials to analysts and the media, its financial information, its annual reports, and all announcements to the SGX-ST on its website at www.frasersproperty.com/reits/flct, with contact details of the IR manager for investors to channel their comments and queries.

Further details on the various activities organised by IR during the year can be found in the Investor Relations section of this Annual Report on pages 70 to 72.

Unitholders, investors and other stakeholders can communicate with Management via email or telephone to IR; please find their contact details on page 72.

An electronic copy of this Annual Report has been uploaded on FLCT's website. Unitholders can access this Annual Report (printed copies are available upon request) at https://flct.frasersproperty.com/publications.html.

The Trust Deed is available for inspection upon request at the REIT Manager's office.[2]

1 A voluntary one-off update on certain selected interim financial information of FLCT on a consolidated basis for 3QFY20 was provided in the 3QFY20 business updates given that it was the first financial quarter of FLCT as an enlarged REIT immediately after the merger of FLT and FCOT by way of a trust scheme of arrangement which became effective on 15 April 2020.

2 Prior appointment with the REIT Manager is appreciated.

CORPORATE GOVERNANCE REPORT

Conduct of general meetings

In view of the COVID-19 pandemic, the forthcoming fourth Annual General Meeting ("**AGM 2021**") will be held on 20 January 2021 via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Temporary Measures Order**"). Alternative arrangements relating to attendance at the AGM 2021 (including arrangements by which the AGM 2021 can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2021, addressing of substantial and relevant questions prior to or at the AGM 2021 and voting by appointing the chairman of the meeting as proxy at the AGM 2021) are set out in the REIT Manager's announcement dated 18 December 2020. The description below sets out FLCT's usual practice for unitholder meetings when there are no pandemic risks and the COVID-19 Temporary Measures Order is not in operation.

The Board supports and encourages active Unitholder participation at AGMs as it believes that general meetings serve as an opportune forum for Unitholders to meet the Board and senior Management, and to interact with them. As and when an extraordinary general meeting is convened, a circular is sent to Unitholders, containing details of the matters proposed for Unitholders' consideration and approval. To encourage participation, FLCT's general meetings are held at convenient locations. Unitholders are given the opportunity to participate effectively and vote at FLCT's general meetings, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting. At FLCT's general meetings, Unitholders are also given opportunities to ask questions or give feedback to the REIT Manager.

At general meetings, the REIT Manager sets out separate resolutions on each substantially separate issue. Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

For greater transparency, the REIT Manager has implemented electronic poll voting at general meetings. This entails Unitholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands), thereby allowing all Unitholders present or represented at the meeting to vote on a one Unit, one vote basis. The voting results of all votes cast for, against, or abstaining from each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings. The REIT Manager will continue to use the electronic poll voting system at the forthcoming AGM. As the authentication of Unitholder identity and other related security and integrity issues remain a concern, for FY2020, the REIT Manager did not implement absentia voting methods such as voting via mail, e-mail or fax.

At the AGM, a presentation is made to Unitholders to update on FLCT's financial and operational performance and prospects. The presentation materials are made available on SGXNET and the FLCT website before the commencement of the AGM for the benefit of Unitholders.

Board members and senior Management are present at each Unitholders' meeting to respond to any questions from Unitholders, unless they are unable to attend due to exigencies. Certain external consultants including FLCT's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

The minutes of Unitholders' meetings which capture the attendance of Board members at the meetings, matters approved by Unitholders, voting results and substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management, are prepared by the REIT Manager. These minutes are available on the FLCT website.

Distributions

FLCT's distribution policy is to distribute at least 90.0% of its distributable income and such distributions are paid on a semi-annual basis. For FY2020, FLCT made two such distributions to Unitholders (including the clean-up distribution for the period from 1 October 2019 up to 14 April 2020, being the date immediately before 15 April 2020, which is the effective date of the merger of FLCT and Frasers Commercial Trust).

CORPORATE GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of FLCT are served.

Code of Business Conduct

The conduct of employees of the REIT Manager is governed by the FPL Code of Business Conduct. The FPL Group's business practices have been governed by integrity, honesty, fair dealing and compliance with applicable laws. To guide FPL Group's employees across its multi-national network to uphold these values, FPL has established the FPL Code of Business Conduct to provide clear guidelines on ethics and relationships to safeguard the interests and reputation of the FPL Group, including the REIT Manager, as well as its stakeholders.

The Code of Business Conduct has been recently updated in FY2020 to keep current with today's business practices and requirements. The updated policy covers key aspects such as avoiding conflicts of interest, working with external stakeholders (customers, suppliers, business partners, governments and regulatory officials), protecting company's assets, social media engagement, data privacy and upholding laws in countries where the FPL Group has geographical presence in. The updated Code of Business Conduct also emphasises the importance of upholding the FPL Group's core values to build a respectful culture. Employees are encouraged to be respectful to the elements that make people similar or different from one another, including background, views, experiences, capabilities, values, beliefs, physical differences, ethnicity and culture, gender, age, thinking styles, preferences and behaviours.

The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, the maintenance of records and reports, equal employment opportunities and sexual harassment. It includes requirements relating to the keeping of accurate and sufficiently detailed accounting records for financial transactions, internal financial reporting and financial reporting to stakeholders, sets out the standards to which employees must adhere in their business relationships with third parties and personal business undertakings and their obligations to the FPL Group, and provides for the need to obtain approval in certain situations where a conflict of interest may arise. It also covers an employee's obligations in protecting the FPL Group's confidential information and intellectual property and reiterates the FPL Group's zero tolerance approach to bribery and corruption.

Where applicable/appropriate, the Code of Business Conduct is also made available to other stakeholders such as the REIT Manager's agents, suppliers, business associates and customers.

Anti-Bribery and Anti-Corruption

The REIT Manager has procedures in place to comply with applicable anti-bribery laws and regulations. Under the Company's Code of Business Conduct, employees are not to accept, offer, promise, or pay anything of value to another person with the intention to obtain or retain business, to improperly influence an official action or to secure an unfair business advantage, whether directly or through a third party. The Company also has an anti-bribery policy, which is applicable to entities of the FPL Group incorporated or formed in the United Kingdom, and those carrying on business in the United Kingdom.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

The REIT Manager has a policy in place and implemented procedures to comply with applicable anti-money laundering, counter-terrorism financing laws and regulations, including the notice and guidelines issued by the Monetary Authority of Singapore to capital intermediaries on the prevention of money laundering and countering the financing of terrorism. The Company's policy and procedures include, but are not limited to, risk assessment and mitigation, customer due diligence, reporting of suspicious transactions, and record keeping. Training on anti-money laundering, counter-terrorism financing laws and regulations are also conducted for employees, officers and representatives periodically and as and when needed.

CORPORATE GOVERNANCE REPORT

Business Continuity Management

The REIT Manager adheres to the Group Business Continuity Management ("**BCM**") Policy which has been implemented by, and applies to, the entities within the FPL Group. The BCM Policy references the requirements of ISO22301 management system, sets directives and guides the REIT Manager in implementing and maintaining a BCM programme to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise. Annual tests, exercises and drills are carried out to assess the effectiveness of the plans.

The Code of Business Conduct, BCM Policy and the other policies, are accessible to all employees on the FPL Group intranet.

In order to review and assess the material factors relevant to FLCT's business activities, the REIT Manager from time to time proactively engages with various stakeholders, including employees, vendors, tenants, and the investment community, to gather feedback on the sustainability matters which have significant impact to the business and operations of FLCT and its stakeholders. Please refer to the Sustainability Report on pages 112 to 144 of this Annual Report, which sets out information on the REIT Manager's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the REIT Manager's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2020.

POLICY ON DEALINGS IN SECURITIES

The REIT Manager has established a dealing policy on securities trading ("**Dealing Policy**") setting out the procedure for dealings in FLCT's securities by its Directors, officers and compliance with Rule 1207(19) of the SGX-ST Listing Manual on best practices on dealing in securities. The Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (a) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (b) one month before the announcement of full year results, and ending on the date of such announcements, and following the REIT Manager's announcement on the SGXNET on 13 May 2020[3], the period commencing (a) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (b) one month before the announcement of the half-year and full-year results, and ending on the date of such announcements (the "**Prohibition Period**"). Directors, officers and employees are also reminded not to trade in listed securities of FLCT at any time while in possession of unpublished price sensitive information and to refrain from dealing in FLCT's securities on short-term considerations. Directors and the CEO are also required to report their dealings in FLCT's securities within two business days.

Every quarter, each Director, officer and employee is required to complete and submit a declaration form to the designated compliance officer to report any trades he/she made in Units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARCC. Any non-compliance with the Dealing Policy will be reported to ARCC for its review and instructions.

3 Following the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020, the REIT Manager announced on 13 May 2020 that it would cease to announce its financial statements on a quarterly basis and would announce its financial statements on a half-yearly basis, commencing from the financial results announcement for the full-year ended 30 September 2020. The REIT Manager would provide business updates to shareholders for the first and third quarter performance of FLCT, commencing with the third quarter ended 30 June 2020.

CORPORATE GOVERNANCE REPORT

In compliance with the Dealing Policy in relation to the REIT Manager, prior approval from the Board is required before the REIT Manager deals or trades in Units. The REIT Manager has undertaken that it will not deal in Units:

(i) during the period commencing (A) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (B) one month before the announcement of the half-year and full-year results and (where applicable) property valuations, and ending on the date of such announcements; or

(ii) whenever it is in possession of unpublished material price sensitive information.

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER

Pursuant to the Trust Deed[1], the REIT Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	Pursuant to Clause 15.1.1 of the Trust Deed, the REIT Manager is entitled to receive a Base Fee not exceeding the rate of 0.4% per annum of the Value of FLCT's Deposited Property. The Base Fee is payable quarterly in the form of cash and/or Units as the REIT Manager may elect.	The Base Fee compensates the REIT Manager for the costs incurred in managing FLCT, which includes overheads, day-to-day operational costs, compliance, monitoring and reporting costs as well as administrative expenses. The Base Fee is calculated at a fixed percentage of asset value as the scope of the REIT Manager's duties is commensurate with the size of FLCT's asset portfolio.
Performance Fee	Pursuant to Clause 15.1.2 of the Trust Deed, the REIT Manager is entitled to receive a Performance Fee equal to a rate of 5.0% per annum of the Distributable Income of FLCT (calculated before accounting for the Performance Fee but after accounting for the Base Fee and adding back Adjustments) in the relevant financial year. The Performance Fee is payable annually in the form of cash and/or Units as the REIT Manager may elect.	The Performance Fee, which is based on Distributable Income, aligns the interests of the REIT Manager with Unitholders as the REIT Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FLCT's properties. Linking the Performance Fee to Distributable Income will also motivate the REIT Manager to ensure the long-term sustainability of the distribution income instead of taking on excessive short-term risks to the detriment of Unitholders.

[1] Capitalised terms used in this section shall have the same meanings ascribed to them in the Trust Deed.

CORPORATE GOVERNANCE REPORT

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Acquisition Fee	Pursuant to Clause 15.2.1(i) of the Trust Deed, the REIT Manager is entitled to receive an Acquisition Fee not exceeding the rate of (i) 0.5% for acquisitions from Related Parties; and (ii) 1.0% in all other cases, of the acquisition price[2] upon the completion of an acquisition. Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the REIT Manager may elect.	The Acquisition Fee and Divestment Fee seek to motivate and compensate the REIT Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow FLCT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties. The REIT Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FLCT. The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.
Divestment Fee	Pursuant to Clause 15.2.1(ii) of the Trust Deed, the REIT Manager is entitled to receive a Divestment Fee not exceeding the rate of 0.5% of the sale price[3] upon the completion of a sale or disposal. Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the REIT Manager may elect.	The Divestment Fee is lower than the Acquisition Fee because there is additional work to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.

[2] (a) being the acquisition price of any real estate purchased (whether directly or indirectly through one or more special purpose vehicles) plus any other payments made to the vendor in addition to the acquisition price in connection with the purchase of the real estate, pro-rated, if applicable, to the proportion of FLCT's interest;

(b) being, in relation to an acquisition of any special purpose vehicles or holding entities which hold real estate (whether directly or indirectly through one or more special purpose vehicles), the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased (whether directly by FLCT or through any special purpose vehicle(s)), plus any other payments made to the vendor in connection with the purchase of the equity interests, pro-rated, if applicable, to the proportion of FLCT's interest; or

(c) being the acquisition price of any Investment purchased by FLCT (whether directly or through any special purpose vehicle), in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate, or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

[3] (a) being the sale price of any real estate sold (whether directly or indirectly through one or more special purpose vehicles) plus any other payments made in addition to the sale price received from the purchaser in connection with the sale of the real estate, pro-rated, if applicable, to the proportion of FLCT's interest;

(b) being, in relation to a divestment of any special purpose vehicles or holding entities which hold real estate, the underlying value of any real estate which is taken into account when computing the sale price payable for the equity interests of any vehicle holding directly or indirectly the real estate sold (whether directly by FLCT or through any special purpose vehicle(s)), plus any other payments made by the purchaser in connection with the sale of the equity interests, pro-rated, if applicable, to the proportion of FLCT's interest; or

(c) being the sale price of any Investment sold by FLCT (whether directly or through any special purpose vehicle), in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate, or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

Contents

CORPORATE GOVERNANCE REPORT

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF THE CG CODE

Principles And Provisions Of The 2018 Code Of Corporate Governance		Page Reference Of FY2020 Annual Report
BOARD'S CONDUCT OF AFFAIRS		
Provision 1.2	Induction, training and development provided to new and existing Directors	155
Provision 1.3	Matters requiring Board approval	152
Provision 1.4	Names of Board Committee members, terms of reference of Board Committees, any delegation of Board's authority to make decisions and a summary of each Board Committee's activities	147-154
Provision 1.5	Number of Board and Board Committee meetings and each individual Directors' attendances at such meeting	153
BOARD COMPOSITION AND GUIDANCE		
Provision 2.2	The Board diversity policy and progress made towards implementation of the policy, including objectives	157
BOARD MEMBERSHIP		
Provision 4.3	Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate Candidates	156-157
Provision 4.4	Relationships that IDs have with FLCT, its related corporations, its substantial Unitholders or its officers, if any, which may affect their independence, and the reasons why the Board, having taken into account the views of the NRC, has determined that such Directors are still independent	158-163
Provision 4.5	Listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NRC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties	20-24

CORPORATE GOVERNANCE REPORT

Principles And Provisions Of The 2018 Code Of Corporate Governance		Page Reference Of FY2020 Annual Report
BOARD PERFORMANCE		
Provision 5.2	How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the REIT Manager or any of its Directors	163-164
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Provision 6.4	Engagement of any remuneration consultants and their independence	165
DISCLOSURE ON REMUNERATION		
Provision 8.1	Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel	164-170
Provision 8.2	Names and remuneration of employees who are substantial shareholders of the REIT Manager or substantial Unitholders, or are immediate family members of a Director, the CEO or such a substantial shareholder or substantial Unitholder, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000. The employee's relationship with the relevant director or the CEO or substantial shareholder or substantial Unitholder should also be stated.	170
Provision 8.3	All forms of remuneration and other payments and benefits, paid by the REIT Manager and its subsidiaries to directors and key management personnel of the REIT Manager	169-170

CORPORATE GOVERNANCE REPORT

Principles And Provisions Of The 2018 Code Of Corporate Governance		Page Reference Of FY2020 Annual Report
RISK MANAGEMENT AND INTERNAL CONTROLS		
Provision 9.2	Board's assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the REIT's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the REIT's risk management and internal control systems.	173
UNITHOLDER RIGHTS AND ENGAGEMENT		
UNITHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
Provision 11.3	Directors' attendance at general meetings of Unitholders held during the financial year	153
ENGAGEMENT WITH UNITHOLDERS		
Provision 12.1	Steps taken by the REIT Manager to solicit and understand the views of Unitholders	176
ENGAGEMENT WITH STAKEHOLDERS		
Provision 13.2	The REIT Manager's strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	176-177

FINANCIALS CONTENTS

186 Report of the Trustee

187 Statement by the Manager

188 Independent Auditors' Report

192 Statement of Total Return

193 Distribution Statement

194 Statements of Financial Position

195 Statements of Movements in Unitholders' Funds

198 Statement of Cash Flows

200 Portfolio Statement

208 Notes to the Financial Statements

REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "Regulations"), the Trustee shall monitor the activities of Frasers Logistics & Commercial Asset Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 30 November 2015 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the financial year covered by these financial statements set out on pages 192 to 292, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Sin Li Choo
Director

Singapore
20 November 2020

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.) (the "Manager"), the accompanying financial statements set out on pages 192 to 292, comprising the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 30 September 2020, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year ended 30 September 2020, and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust and the portfolio holdings of the Group as at 30 September 2020, the total return, distributable income, movements in unitholders' funds and cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended 30 September 2020 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Frasers Logistics & Commercial Asset Management Pte. Ltd.

Ho Hon Cheong
Director

Chin Yoke Choong
Director

Singapore
20 November 2020

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS OF FRASERS LOGISTICS & COMMERCIAL TRUST
(FORMERLY KNOWN AS FRASERS LOGISTICS & INDUSTRIAL TRUST)
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO THE TRUST DEED DATED 30 NOVEMBER 2015 (AS AMENDED))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 30 September 2020, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 192 to 292.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 30 September 2020 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 ("RAP 7") *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 10 of the financial statements)

Risk

The Group owns a portfolio of logistics and industrial properties in Australia, Germany and the Netherlands, as well as commercial properties and business parks in Singapore, Australia and the United Kingdom that are leased to third parties under operating leases. Investment properties represent the largest category of assets on the consolidated statement of financial position, with a carrying value of approximately S$6.4 billion as at 30 September 2020.

These investment properties are stated at their fair values based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied and a change in the assumptions may have an impact on the valuations.

The valuers for certain commercial properties in Singapore and Australia have highlighted in their valuation reports that the real estate market has been impacted by the uncertainty that the COVID-19 pandemic has caused, that the valuations were current at the date of valuation only and that the values may change significantly and unexpectedly over a relatively short period of time.

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS OF FRASERS LOGISTICS & COMMERCIAL TRUST
(FORMERLY KNOWN AS FRASERS LOGISTICS & INDUSTRIAL TRUST)
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO THE TRUST DEED DATED 30 NOVEMBER 2015 (AS AMENDED))

Our response

We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types. We evaluated the appropriateness of the key assumptions used in the valuations by comparing them to available industry data, taking into consideration comparability and market factors. Where the assumptions were outside of the expected range, we undertook further procedures, and when necessary, held discussions with the external valuers to understand the effects of additional factors taken into account in the valuations. We also discussed with the Manager and the external valuers to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations.

Our findings

The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used by the valuers are in line with generally accepted market practices. The key assumptions applied in the valuations are generally comparable to available market data. Where the assumptions were outside of the expected range, the additional factors considered by the valuers were consistent with other corroborative evidence.

Accounting for the acquisition of Frasers Commercial Trust
(Refer to Note 32 to the financial statements)

Risk

On 15 April 2020, the Group completed the acquisition of the units in Frasers Commercial Trust ("FCOT") by way of a trust scheme of arrangement and FCOT became a sub-trust of the Group. The acquisition is considered a key audit matter as this is a significant non-routine transaction and requires management judgement in determining whether the acquisition is a business combination or an acquisition of assets, given that the accounting treatment is different in each case. The Group accounted for the acquisition as an acquisition of assets.

Our response

We assessed the Group's basis of accounting for the acquisition as an acquisition of assets by examining the transaction agreements, to understand the key terms of the transaction. We also considered the appropriateness of the disclosures in relation to the acquisition in the financial statements.

Our findings

The judgement applied by management in determining the basis of accounting as an asset acquisition was supported by the available information. We also found the disclosures on the acquisition in the financial statements to be appropriate.

Other information

Frasers Logistics & Commercial Asset Management Pte. Ltd., the Manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained Glossary, About Frasers Logistics & Commercial Trust, Financial Highlights, Our Strategy, Letter to Unitholders, In Conversation with the CEO, Organisation Structure, Corporate Structure, Board of Directors, Management Team, Financial Review, Capital Management, Operational Review, Property Overview, Property Profiles, Investor Relations, Unit Price Performance, Independent Market Research Australia, Independent Market Research Germany, Independent Market Research The Netherlands, Independent Market Research Singapore, Independent Market Research The UK, Enterprise-Wide Risk Management, Sustainability Report, Corporate Governance Report, Financial Information and Interested Person Transactions prior to the date of this auditors' report, and the Unitholders' Statistics, which is expected to be made available to us after that date.

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS OF FRASERS LOGISTICS & COMMERCIAL TRUST
(FORMERLY KNOWN AS FRASERS LOGISTICS & INDUSTRIAL TRUST)
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO THE TRUST DEED DATED 30 NOVEMBER 2015 (AS AMENDED))

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Unitholders' Statistics, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS OF FRASERS LOGISTICS & COMMERCIAL TRUST
(FORMERLY KNOWN AS FRASERS LOGISTICS & INDUSTRIAL TRUST)
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO THE TRUST DEED DATED 30 NOVEMBER 2015 (AS AMENDED))

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lo Mun Wai.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 November 2020

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Group 2020 S$'000	Group 2019 S$'000
Revenue	3	332,029	217,076
Property operating expenses	4	(62,214)	(37,335)
Net property income		269,815	179,741
Managers' management fees	5	(28,551)	(17,430)
Trustees' fees		(636)	(412)
Trust expenses		(4,183)	(2,606)
Exchange gains/(losses) (net)		2,055	(2,937)
Finance income	6	277	1,046
Finance costs	6	(41,169)	(25,139)
Net finance costs		(40,892)	(24,093)
Net income		197,608	132,263
Net change in fair value of derivatives		(2,859)	1,895
Net change in fair value of investment properties	10	334,306	109,990
Gain on divestment of investment properties		1,422	1,487
Total return for the year before tax		530,477	245,635
Tax expense	7	(71,719)	(40,151)
Total return for the year	8	458,758	205,484
Total return attributable to:			
Unitholders		454,722	203,425
Non-controlling interests		4,036	2,059
		458,758	205,484
Earnings per Unit (Singapore cents)			
Basic	9	16.46	9.88
Diluted	9	16.31	9.82

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Group 2020 S$'000	Group 2019 S$'000
Amount available for distribution to Unitholders at beginning of the year	68,701	46,539
Total return for the year attributable to Unitholders	454,722	203,425
Tax related and other adjustments (**Note A**)	(253,642)	(72,164)
	201,080	131,261
Distribution from divestment gain	–	3,837
Amount available for distribution to Unitholders	269,781	181,637
Distributions to Unitholders:		
Distribution of 2.57 Singapore cents per Unit for the period from 21 May 2018 to 30 September 2018	–	(46,517)
Distribution of 3.54 Singapore cents per Unit for the period from 1 October 2018 to 31 March 2019	–	(66,419)
Distribution of 2.45 Singapore cents per Unit for the period from 1 April 2019 to 7 August 2019	(47,108)	–
Distribution of 1.01 Singapore cents per Unit for the period from 8 August 2019 to 30 September 2019	(21,551)	–
Distribution of 3.73 Singapore cents per Unit for the period from 1 October 2019 to 14 April 2020	(84,368)	–
	(153,027)	(112,936)
Amount available for distribution to Unitholders at end of the year	116,754	68,701
Distribution per Unit (DPU) (Singapore cents) [(1)]	7.12	7.00

Note A

Tax related and other adjustments relate to the following items:

	2020 S$'000	2019 S$'000
Straight-lining of rental adjustments	(5,366)	(3,100)
Managers' management fees paid/payable in Units	27,232	16,063
Exchange (gains)/losses (net)	(1,682)	2,971
Interest expense on lease liabilities	5,060	–
Lease payments of right-of-use assets	(6,114)	–
Net change in fair value of derivatives	2,859	(1,895)
Net change in fair value of investment properties	(334,306)	(109,990)
Gain on divestment of investment properties	(1,422)	(1,487)
Deferred tax expense	53,897	23,360
Other adjustments	6,200	1,914
Net distribution adjustments	(253,642)	(72,164)

(1) The DPU relates to the distributions in respect of the relevant financial year. The distribution for the second half of the financial year will be made subsequent to the financial year end.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Note	Group 2020 S$'000	Group 2019 S$'000	Trust 2020 S$'000	Trust 2019 S$'000
Non-current assets					
Investment properties	10	6,352,240	3,204,557	–	–
Plant and equipment	11	282	–	–	–
Investment in subsidiaries	12	–	–	2,355,631	824,945
Loans to subsidiaries	13	–	–	1,925,039	1,667,071
Derivative assets	14	33,577	1,909	32,460	1,909
Deferred tax assets	19	323	–	–	–
		6,386,422	3,206,466	4,313,130	2,493,925
Current assets					
Cash and cash equivalents	15	168,652	115,753	36,949	42,925
Trade and other receivables	16	30,602	12,782	73,876	56,002
Derivative assets	14	330	1,866	322	1,866
Investment property held for sale	10	148,641	16,230	–	–
		348,225	146,631	111,147	100,793
Total assets		6,734,647	3,353,097	4,424,277	2,594,718
Current liabilities					
Trade and other payables	17	86,744	47,983	22,567	3,106
Loans and borrowings	18	677,256	185,952	309,472	101,549
Derivative liabilities	14	2,614	967	2,614	967
Current tax liabilities		18,336	9,403	147	130
		784,950	244,305	334,800	105,752
Non-current liabilities					
Trade and other payables	17	17,785	3,035	–	–
Loans and borrowings	18	1,943,550	928,288	962,243	586,898
Derivative liabilities	14	59,932	8,722	52,642	5,993
Deferred tax liabilities	19	121,753	56,441	–	–
		2,143,020	996,486	1,014,885	592,891
Total liabilities		2,927,970	1,240,791	1,349,685	698,643
Net assets		3,806,677	2,112,306	3,074,592	1,896,075
Represented by:					
Unitholders' funds		3,770,460	2,086,224	3,074,592	1,896,075
Non-controlling interests	20	36,217	26,082	–	–
		3,806,677	2,112,306	3,074,592	1,896,075
Units in issue and to be issued ('000)	21	3,424,069	2,258,878	3,424,069	2,258,878
Net asset value per Unit (S$)	22	1.10	0.92	0.90	0.84

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Attributable to Unitholders S$'000	Non-controlling interests S$'000	Total S$'000
Group				
At 1 October 2019		2,086,224	26,082	2,112,306
Operations				
Increase in net assets resulting from operations		454,722	4,036	458,758
Transactions with owners				
Issue of new Units:				
– Managers' management fees paid/payable in Units		27,232	–	27,232
– Managers' acquisition fees paid/payable in Units		13,097	–	13,097
– Units issued as partial satisfaction of the consideration for the merger with Frasers Commercial Trust ("FCOT")		1,118,889	–	1,118,889
Distributions paid to Unitholders	23	(153,027)	–	(153,027)
Net increase in net assets resulting from transactions with owners		1,006,191	–	1,006,191
Hedging reserve				
Effective portion of change in fair value of cash flow hedges		3,468	62	3,530
Increase in net assets resulting from hedging reserve		3,468	62	3,530
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries		138,269	2,854	141,123
Exchange differences on hedge of net investments in foreign operations		(74,320)	–	(74,320)
Exchange differences on monetary items forming part of net investments in foreign operations		155,906	–	155,906
Increase in net assets resulting from foreign currency translation reserve		219,855	2,854	222,709
Changes in ownership interests in subsidiaries				
Acquisition of subsidiaries with non-controlling interests		–	3,183	3,183
At 30 September 2020		3,770,460	36,217	3,806,677

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Contents

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Attributable to Unitholders S$'000	Non-controlling interests S$'000	Total S$'000
Group				
At 1 October 2018		1,735,105	17,010	1,752,115
Operations				
Increase in net assets resulting from operations		203,425	2,059	205,484
Transactions with owners				
Issue of new Units:				
– Private placement		247,345	–	247,345
– Managers' management fees paid/payable in Units		16,063	–	16,063
– Managers' acquisition fees paid/payable in Units		2,509	–	2,509
Unit issue costs		(3,946)	–	(3,946)
Distributions paid to Unitholders	23	(112,936)	–	(112,936)
Net increase in net assets resulting from transactions with owners		149,035	–	149,035
Hedging reserve				
Effective portion of change in fair value of cash flow hedges		(7,183)	(49)	(7,232)
Decrease in net assets resulting from hedging reserve		(7,183)	(49)	(7,232)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries		1,070	180	1,250
Exchange differences on hedge of net investments in foreign operations		129	–	129
Exchange differences on monetary items forming part of net investments in foreign operations		4,643	–	4,643
Increase in net assets resulting from foreign currency translation reserve		5,842	180	6,022
Changes in ownership interests in subsidiaries				
Acquisition of subsidiaries with non-controlling interests		–	6,882	6,882
At 30 September 2019		2,086,224	26,082	2,112,306

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 S$'000	2019 S$'000
Trust			
At 1 October		1,896,075	1,658,208
Operations			
Increase in net assets resulting from operations		172,535	95,128
Transactions with owners			
Issue of new Units:			
– Private placement		–	247,345
– Managers' management fees paid/payable in Units		27,232	16,063
– Managers' acquisition fees paid/payable in Units		13,097	2,509
– Units issued as partial satisfaction of the consideration for the merger with FCOT		1,118,889	–
Unit issue costs		–	(3,946)
Distributions paid to Unitholders	23	(153,027)	(112,936)
Net increase in net assets resulting from transactions with owners		1,006,191	149,035
Hedging reserve			
Effective portion of change in fair value of cash flow hedges		(209)	(6,296)
Decrease in net assets resulting from hedging reserve		(209)	(6,296)
At 30 September		3,074,592	1,896,075

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Group 2020 S$'000	Group 2019 S$'000
Cash flows from operating activities			
Total return before tax		530,477	245,635
Adjustments for:			
Straight-lining of rental adjustments		(5,366)	(3,100)
Effects of recognising lease incentives on a straight-line basis over the lease term		(223)	(1,046)
Managers' management fees paid/payable in Units		27,232	16,063
Depreciation of plant and equipment		40	–
Allowance for doubtful receivables		1,820	–
Unrealised exchange (gains)/losses (net)		(216)	816
Finance income	6	(277)	(1,046)
Finance costs	6	41,169	25,139
Net change in fair value of derivatives		2,859	(1,895)
Net change in fair value of investment properties	10	(334,306)	(109,990)
Gain on divestment of investment properties		(1,422)	(1,487)
Cash generated from operations before working capital changes		261,787	169,089
Changes in working capital:			
Trade and other receivables		(6,543)	2,218
Trade and other payables		(22,031)	(14,997)
Cash generated from operations		233,213	156,310
Tax paid		(18,353)	(14,302)
Net cash generated from operating activities		214,860	142,008
Cash flows from investing activities			
Acquisition of subsidiaries	32	(434,568)	(274,197)
Acquisition of investment properties (including acquisition costs)		(22,255)	(113,516)
Stamp duty incurred on acquisition of investment properties		(1,202)	(6,406)
Net proceeds from divestment of investment property		17,652	134,960
Capital expenditure on investment properties		(13,079)	(12,023)
Purchase of plant and equipment		(50)	–
Interest received		269	1,076
Net cash used in investing activities		(453,233)	(270,106)
Cash flows from financing activities			
Interest paid		(32,970)	(22,107)
Issuance of new Units		–	247,345
Unit issue costs		–	(3,946)
Proceeds from loans and borrowings		1,084,713	370,878
Repayment of loans and borrowings		(599,644)	(327,284)
Payment of upfront debt-related transaction costs		(2,707)	(4,480)
Payments for lease liabilities		(6,114)	–
Distributions paid to Unitholders		(153,027)	(112,936)
Net cash generated from financing activities		290,251	147,470
Net increase in cash and cash equivalents		51,878	19,372
Cash and cash equivalents at beginning of year		115,753	95,271
Effect of exchange rate changes on cash and cash equivalents		1,021	1,110
Cash and cash equivalents at end of year	15	168,652	115,753

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

SIGNIFICANT NON CASH TRANSACTIONS

During the year, there were the following significant non cash transactions:

- 1,130,191,302 Units, amounting to S$1,118,889,000 (2019: Nil), were issued as partial satisfaction of the consideration for the merger with FCOT.
- 20,232,085 (2019: 14,499,712) Units, amounting to S$21,649,000 (2019: S$14,536,000), were issued to the Managers as satisfaction of the management fees paid/payable to the Managers.
- 13,903,260 (2019: 475,615) Units, amounting to S$14,706,000 (2019: S$464,000), were issued to the Managers as satisfaction of the acquisition fees paid/payable to the Managers for the acquisition of certain subsidiaries and the merger with FCOT.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Logistics and industrial portfolio						
(A) Australia						
Melbourne, Victoria						
South East						
South Park Industrial Estate						
98-126 South Park Drive, Dandenong South	14 June 2016	Freehold	39,556	33,812	1.0	1.6
21-33 South Park Drive, Dandenong South	14 June 2016	Freehold	28,359	23,893	0.8	1.1
22-26 Bam Wine Court, Dandenong South	14 June 2016	Freehold	24,936	22,090	0.7	1.1
16-32 South Park Drive, Dandenong South	14 June 2016	Freehold	16,624	13,750	0.4	0.7
89-103 South Park Drive, Dandenong South	1 August 2017	Freehold	15,842	13,525	0.4	0.6
The Key Industrial Park						
17 Pacific Drive and 170-172 Atlantic Drive, Keysborough	14 June 2016	Freehold	43,223	38,320	1.1	1.8
150-168 Atlantic Drive, Keysborough	14 June 2016	Freehold	37,991	33,361	1.0	1.6
49-75 Pacific Drive, Keysborough	14 June 2016	Freehold	35,693	27,951	0.9	1.3
77 Atlantic Drive, Keysborough	14 June 2016	Freehold	24,056	19,115	0.6	0.9
78 & 88 Atlantic Drive, Keysborough	14 June 2016	Freehold	19,754	16,410	0.5	0.8
111 Indian Drive, Keysborough	31 August 2016	Freehold	40,094	34,713	1.1	1.7
29 Indian Drive, Keysborough	15 August 2017	Freehold	36,427	31,557	1.0	1.5
17 Hudson Court, Keysborough	12 September 2017	Freehold	35,742	30,926	1.0	1.5
8-28 Hudson Court, Keysborough	20 August 2019	Freehold	38,089	33,180	1.0	1.6
Clayton South & Mulgrave						
211A Wellington Road, Mulgrave	14 June 2016	Freehold	39,116	36,066	1.0	1.7
Braeside Industrial Estate						
75-79 Canterbury Road, Braeside	12 August 2020	Freehold	22,101	–	0.6	–
West						
West Park Industrial Estate						
468 Boundary Road, Derrimut	14 June 2016	Freehold	37,600	33,000	1.0	1.6
1 Doriemus Drive, Truganina	14 June 2016	Freehold	96,812	85,656	2.6	4.1
2-22 Efficient Drive, Truganina	14 June 2016	Freehold	45,472	41,926	1.2	2.0
1-13 and 15-27 Sunline Drive, Truganina	14 June 2016	Freehold	32,662	28,402	0.9	1.4
Balance carried forward			710,149	597,653	18.8	28.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			710,149	597,653	18.8	28.6
Melbourne, Victoria (cont'd)						
West *(cont'd)*						
West Park Industrial Estate (cont'd)						
42 Sunline Drive, Truganina	14 June 2016	Freehold	17,798	15,508	0.5	0.7
43 Efficient Drive, Truganina	1 August 2017	Freehold	26,892	23,352	0.7	1.1
Altona Industrial Park						
18-34 Aylesbury Drive, Altona	14 June 2016	Freehold	26,403	24,344	0.7	1.2
North						
Melbourne Airport Business Park						
38-52 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	42,691 [g]	25,246	1.1	1.2
96-106 Link Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	37,032 [g]	23,713	1.0	1.1
17-23 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	14,033 [g]	6,943	0.4	0.4
25-29 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	16,661 [g]	10,008	0.4	0.5
28-32 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	12,961 [g]	6,988	0.3	0.4
115-121 South Centre Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	8,091 [g]	4,779	0.2	0.2
City Fringe						
Port Melbourne						
2-46 Douglas Street, Port Melbourne	14 June 2016	37-year leasehold expiring on 30 March 2053	39,760 [g]	20,377	1.1	1.0
Balance carried forward			952,471	758,911	25.2	36.4

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			952,471	758,911	25.2	36.4
Sydney, New South Wales						
Outer Central West						
Eastern Creek						
4-8 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	89,967	77,000	2.4	3.7
21 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	71,876	65,369	1.9	3.1
17 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	47,184	42,648	1.2	2.0
7 Eucalyptus Place, Eastern Creek	14 June 2016	Freehold	32,271	29,574	0.9	1.4
2 Hanson Place, Eastern Creek	20 August 2019	Freehold	70,947	61,762	1.9	3.0
Pemulwuy						
8-8A Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	47,526	42,738	1.3	2.0
6 Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	45,619	38,139	1.2	1.8
Wetherill Park						
1 Burilda Close, Wetherill Park	30 November 2016	90-year leasehold expiring on 29 September 2106	97,120 [g]	63,566	2.6	3.0
Lot 1, 2 Burilda Close, Wetherill Park	1 August 2017	89-year leasehold expiring on 14 July 2106	38,394 [g]	23,713	1.0	1.1
3 Burilda Close, Wetherill Park	5 September 2018	89-year leasehold expiring on 15 May 2107	53,677 [g]	32,820	1.4	1.6
Outer North West						
Seven Hills						
8 Distribution Place, Seven Hills	14 June 2016	Freehold	25,719	23,713	0.7	1.2
99 Station Road, Seven Hills	14 June 2016	Freehold	21,025	18,303	0.6	0.9
10 Stanton Road, Seven Hills	14 June 2016	Freehold	14,962	12,172	0.4	0.6
8 Stanton Road, Seven Hills	1 August 2017	Freehold	18,678	17,221	0.5	0.8
Winston Hills						
11 Gibbon Road, Winston Hills	14 June 2016	Freehold	47,184	43,279	1.2	2.1
Port Kembla (Wollongong)						
Port Kembla (Wollongong)						
Lot 104 & 105 Springhill Road, Port Kembla	14 June 2016	33-year leasehold, expiring on 13 August 2049 [c] for Lot 104 and 20 August 2049 [c] for Lot 105	28,701 [g]	23,803	0.8	1.2
Balance carried forward			1,703,321	1,374,731	45.2	65.9

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			1,703,321	1,374,731	45.2	65.9
Brisbane, Queensland						
99 Sandstone Place, Parkinson	20 June 2016	Freehold	– [b]	121,721 [d]	–	5.8
350 Earnshaw Road, Northgate	20 June 2016	99-year leasehold expiring on 19 June 2115	59,652	53,016	1.6	2.5
286 Queensport Road, North Murarrie	20 June 2016	99-year leasehold expiring on 19 June 2115	40,192	36,066	1.1	1.7
57-71 Platinum Street, Crestmead	20 June 2016	99-year leasehold expiring on 19 June 2115	46,450	39,852	1.2	1.9
51 Stradbroke Street, Heathwood	20 June 2016	99-year leasehold expiring on 19 June 2115	28,555	24,705	0.8	1.2
30 Flint Street, Inala	20 June 2016	99-year leasehold expiring on 19 June 2115	25,914	23,893	0.7	1.1
99 Shettleston Street, Rocklea	20 June 2016	99-year leasehold expiring on 19 June 2115	23,470	20,828	0.6	1.0
55-59 Boundary Road, Carole Park	20 June 2016	99-year leasehold expiring on 19 June 2115	19,851	17,852	0.5	0.9
10 Siltstone Place, Berrinba	20 June 2016	99-year leasehold expiring on 19 June 2115	16,038	14,426	0.4	0.7
143 Pearson Road, Yatala	31 August 2016	99-year leasehold expiring on 30 August 2115	40,876	37,328	1.1	1.8
166 Pearson Road, Yatala	1 August 2017	Freehold	41,072	36,516	1.1	1.8
103-131 Wayne Goss Drive, Berrinba	5 September 2018	Freehold	32,271	29,574	0.9	1.4
29-51 Wayne Goss Drive, Berrinba	20 August 2019	Freehold	26,501	23,082	0.7	1.1
Adelaide, South Australia & Perth, Western Australia						
20-22 Butler Boulevard, Adelaide Airport	14 June 2016	81-year leasehold expiring on 27 May 2097 [e]	18,211 [g]	9,467	0.5	0.5
18-20 Butler Boulevard, Adelaide Airport	14 June 2016	81-year leasehold expiring on 27 May 2097 [e]	13,044 [g]	6,311	0.3	0.3
5 Butler Boulevard, Adelaide Airport	14 June 2016	81-year leasehold expiring on 27 May 2097 [e]	13,162 [g]	7,574	0.3	0.4
60 Paltridge Road, Perth Airport	14 June 2016	17-year leasehold expiring on 3 June 2033	11,637	11,045	0.3	0.5
Balance carried forward			2,160,217	1,887,987	57.3	90.5

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT
As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			2,160,217	1,887,987	57.3	90.5
(B) Germany						
Stuttgart – Mannheim						
Industriepark 309, Gottmadingen	25 May 2018	Freehold	77,935	70,011	2.1	3.4
Otto-Hahn-Straße 10, Vaihingen	25 May 2018	Freehold	88,017	74,366	2.3	3.6
Eiselauer Weg 2, Ulm	25 May 2018	Freehold	71,389	62,703	1.9	3.0
Murrer Straße 1, Freiberg	25 May 2018	Freehold	58,251	50,630	1.5	2.4
Ambros-Nehren-Straße 1, Achern	25 May 2018	Freehold	23,524	20,463	0.6	1.0
Bietigheimer Straße 50-52, Tamm	23 August 2019	Freehold	117,302	101,435	3.1	4.9
Am Bühlfeld 2-8, Herbrechtingen	3 September 2019	Freehold	55,370	47,940	1.5	2.3
Munich – Nuremberg						
Oberes Feld 2, 4, 6, 8, Moosthenning	25 May 2018	Freehold	110,741	101,171	2.9	4.8
Koperstraße 10, Nuremberg	25 May 2018	63-year leasehold expiring on 31 December 2080	104,872 [(g)]	66,181	2.8	3.2
Industriepark 1, Mamming	25 May 2018	Freehold	24,805	23,093	0.7	1.1
Jubatus-Allee 3, Ebermannsdorf	25 May 2018	Freehold	12,482	11,254	0.3	0.5
Dieselstraße 30, Garching	27 August 2019	Freehold	51,690	43,848	1.4	2.1
Hermesstraße 5, Graben, Augsburg	3 September 2019	Freehold	57,451	49,402	1.5	2.4
Hamburg – Bremen						
Am Krainhop 10, Isenbüttel	25 May 2018	Freehold	29,926	26,163	0.8	1.2
Am Autobahnkreuz 14, Rastede	25 May 2018	Freehold	28,805	27,039	0.8	1.3
Balance carried forward			3,072,777	2,663,686	81.5	127.7

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			3,072,777	2,663,686	81.5	127.7
Dusseldorf – Cologne						
Saalhoffer Straße 211, Rheinberg	25 May 2018	Freehold	46,569	42,240	1.2	2.0
Elbestraße 1-3, Marl	25 May 2018	Freehold	23,044	21,047	0.6	1.0
Keffelker Straße 66, Brilon	25 May 2018	Freehold	15,843	14,763	0.4	0.7
Gustav-Stresemann-Weg 1, Münster	25 May 2018	Freehold	24,965	22,509	0.7	1.1
Walter-Gropius-Straße 19, Bergheim	23 August 2019	Freehold	32,086	28,246	0.9	1.4
An den Dieken 94, Ratingen	23 August 2019	Freehold	75,854	67,526	2.0	3.2
Leipzig – Chemnitz						
Johann-Esche-Straße 2, Chemnitz	25 May 2018	Freehold	26,885	24,554	0.7	1.2
Am Exer 9, Leipzig	25 May 2018	Freehold	22,244	20,316	0.6	1.0
Frankfurt						
Im Birkengrund 5-7, Obertshausen	23 August 2019	Freehold	50,249	43,263	1.3	2.1
Bielefeld						
Fuggerstraße 17, Bielefeld	28 November 2019	Freehold	42,408	–	1.1	–
Berlin						
Gewerbegebiet Etzin 1, Ketzin	20 December 2019	Freehold	69,293	–	1.8	–
(C) Netherlands						
Tilburg – Venlo						
Belle van Zuylenstraat 5, Tilburg; Mraga Klompeweg 7, Tilburg	25 May 2018	Freehold	26,085	22,464	0.7	1.1
Heierhoevenweg 17, Venlo	25 May 2018	Freehold	43,368	39,609	1.2	1.9
Utrecht – Zeewolde						
Brede Steeg 1, s-Heerenberg	25 May 2018	Freehold	104,820	97,050	2.8	4.6
Handelsweg 26, Zeewolde	25 May 2018	Freehold	70,253	59,282	1.9	2.8
Balance carried forward			3,746,743	3,166,555	99.4	151.8

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			3,746,743	3,166,555	99.4	151.8
Meppel						
Mandeveld 12, Meppel	31 October 2018	Freehold	44,488	38,002	1.2	1.8
Commercial portfolio						
(A) Singapore						
18, 20 & 22 Cross Street and 4 retail units at 181 South Bridge Road, Singapore 048423/2/1 and 058743	15 April 2020	76-year leasehold expiring 2 February 2096	643,000	–	17.1	–
Alexandra Technopark 438A, 438B & 438C Alexandra Road, Singapore 119967/8/76	15 April 2020	88-year leasehold expiring 25 August 2108	624,000	–	16.5	–
(B) Australia						
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park") [f]	15 April 2020	Freehold	307,061	–	8.1	–
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, ACT 2900 Australia ("Caroline Chisholm Centre")	15 April 2020	81-year leasehold expiring 25 June 2101	239,585	–	6.4	–
357 Collins Street, Melbourne, Victoria 3000 Australia ("357 Collins Street")	15 April 2020	Freehold	312,928	–	8.3	–
(C) The United Kingdom						
Farnborough Business Park, Farnborough, Thames Valley, United Kingdom	30 April 2020	Freehold	314,028	–	8.3	–
Maxis Business Park, Western Road, Bracknell, United Kingdom	12 August 2020	Freehold	120,407	–	3.2	–
Total investment properties			6,352,240	3,204,557	168.5	153.6
Balance carried forward			6,352,240	3,204,557	168.5	153.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2020

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2020 S$'000	Carrying amount 2019 S$'000	Percentage of net assets attributable to Unitholders 2020 %	Percentage of net assets attributable to Unitholders 2019 %
Balance brought forward			6,352,240	3,204,557	168.5	153.6
Investment property held for sale						
Logistics and industrial portfolio						
Australia						
Melbourne, Victoria						
South East						
Clayton South & Mulgrave						
610-638 Heatherton Road, Clayton South	14 June 2016	Freehold	–	16,230	–	0.8
Brisbane, Queensland						
99 Sandstone Place, Parkinson	20 June 2016	Freehold	148,641 [d]	–	3.9	–
Total investment properties and investment property held for sale			6,500,881	3,220,787	172.4	154.4
Other assets and liabilities (net)			(2,694,204)	(1,108,481)	(71.4)	(53.1)
Net assets of the Group			3,806,677	2,112,306	101.0	101.3
Net assets attributable to non-controlling interests			(36,217)	(26,082)	(1.0)	(1.3)
Unitholders' funds			3,770,460	2,086,224	100.0	100.0

(a) From the date of acquisition.
(b) Transferred to investment property held for sale.
(c) Includes an option for the Trust to renew the land lease for 5 further terms of 5 years upon expiry.
(d) The carrying amount represented the Group's 50% interest in the property.
(e) Includes an option for the Group to renew the land lease for a further term of 49 years upon expiry.
(f) The Group has an effective interest of 50% in the property.
(g) Includes right-of-use asset as at 30 September 2020.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 20 November 2020.

1. GENERAL

Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) (the "Trust") is a Singapore-domiciled unit trust constituted in Singapore pursuant to the Trust Deed dated 30 November 2015 (as amended) (the "Trust Deed") between Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.) (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 June 2016 (the "Listing Date").

The registered office of the Manager is at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

For financial reporting purposes, the Group is regarded as a subsidiary of Frasers Property Limited, a Singapore-domiciled company. The ultimate holding company is TCC Assets Limited, which is incorporated in the British Virgin Islands.

On 15 April 2020, the Trust completed its merger with Frasers Commercial Trust ("FCOT") by way of a trust scheme of arrangement ("the Merger"). Following the completion of the transaction, FCOT was delisted from the Official List of the SGX-ST on 29 April 2020 and became a wholly-owned unlisted sub-trust of the Trust. With effect from 29 April 2020, the Trust was renamed Frasers Logistics & Commercial Trust. Accordingly, the Manager has been renamed Frasers Logistics & Commercial Asset Management Pte. Ltd. and has replaced Frasers Commercial Asset Management Ltd. ("FCOT Manager") as manager of FCOT. The Trustee of FCOT is British and Malayan Trustees Limited (the "FCOT Trustee"). The Trustee, the FCOT Trustee and the HAUT Trustee (as defined in Note 1(d)) are hereinafter collectively referred to as "the Trustees".

The principal activity of the Group following the Merger is to invest directly or indirectly in a diversified portfolio of income producing real estate assets (i) used for logistics or industrial purposes which may also include office components ancillary to the foregoing purposes, or (ii) used for commercial purposes (comprising primarily office space in a Central Business District ("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).

The consolidated financial statements relate to the Trust and its subsidiaries. A list of significant subsidiaries is shown in Note 34.

The Group has entered into several service agreements in relation to the management of the Group and operations of its properties. The fee structures of these services are as follows:

(a)(i) Manager's management fees

Pursuant to the Trust Deed, the Manager is entitled to management fees comprising a base fee of 0.4% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the value of the Group's Deposited Property (as defined in the Trust Deed) and a performance fee of 5.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Distributable Income (as defined in the Trust Deed) of the Group in the relevant financial year (calculated before accounting for the Manager's performance fee but after accounting for the Manager's base fee and the HAUT Manager's base fee and performance fee (as defined in Note 1(b)(i)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL (CONT'D)

(a)(i) Manager's management fees (cont'd)

For the purpose of calculating the base fee, if the Trust holds only a partial interest in any Deposited Property, such Deposited Property shall be pro-rated in proportion to the partial interest held.

The Manager may elect to receive the base fee and performance fee in cash or Units, or a combination of cash and Units. Management fees payable in cash and in the form of Units shall be payable quarterly in arrears (in relation to the base fee) or annually in arrears (in relation to the performance fee).

As provided for in the Trust Deed, the price of a Unit issued shall be computed based on the volume weighted average price of a Unit for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days immediately preceding the relevant period in which the fees accrue.

Any increase in the rate or any change in the structure of the Manager's management fees must be approved by an extraordinary resolution at a meeting of the holders of Units of the Trust duly convened and held in accordance with the provisions of the Trust Deed.

The Manager's change in its election to receive cash or Units or a combination of cash and Units is not considered as a change in the structure of the Manager's management fees.

(a)(ii) Manager's acquisition fees

The Manager is entitled to:

- an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) the acquisition price of any real estate (excluding stamp duty) purchased by the Trust, whether directly or indirectly through one or more special purpose vehicles ("SPVs"), plus any other payments in addition to the acquisition price made by the Trust or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of the Trust's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by the Trust, whether directly or indirectly through one or more SPVs, plus any other payments made by the Trust or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of the Trust's interest); or

  (iii) the acquisition price of any investment purchased by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL (CONT'D)

(a)(ii) Manager's acquisition fees (cont'd)

- a divestment fee of 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) the sale price of any real estate sold or divested by the Trust, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the sale price received by the Trust or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated, if applicable, to the proportion of the Trust's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by the Trust, whether directly or indirectly through one or more SPVs, plus any other payments received by the Trust or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the Trust's interest); or

  (iii) the sale price of the investment sold or divested by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The Manager may elect to receive the acquisition fee and divestment fee in the form of cash and/or Units, provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee should be received in the form of Units.

In 2020, the Manager had elected to receive 95.4% (2019: 92.2%) of the base and performance fees in the form of Units.

(a)(iii) Development management fee payable to the Manager

The Manager is entitled to receive development management fee equivalent to 3.0% of the Total Project Costs (as defined in the Trust Deed) incurred in a development project undertaken by the Manager on behalf of the Trust.

When the estimated Total Project Costs is greater than S$200.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by its independent directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent directors of the Manager shall have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of the Trust.

No acquisition fee shall be paid when the Manager receives the development management fee for a Development Project. For the avoidance of doubt, the Manager shall be entitled to receive an acquisition fee on the land costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL (CONT'D)

(b)(i) Head Australian Trust Manager's management fees

The Trust has a subsidiary which is the head Australian trust in Australia, FLT Australia Trust ("HAUT"). HAUT has a manager ("HAUT Manager") to perform investment management services for it. Pursuant to the investment management agreement for HAUT, the HAUT Manager is entitled to a management fee comprising a base fee of 0.2% per annum (or such lower percentage as may be determined by the HAUT Manager in its absolute discretion) of the total value of HAUT's assets and a performance fee of 1.5% (or such lower percentage as may be determined by the HAUT Manager in its absolute discretion) of HAUT's net property income (after non-cash adjustments) in the relevant financial year.

(b)(ii) Acquisition fee and divestment fee payable to the HAUT Manager

In consideration for HAUT Manager providing services under the investment management agreement in connection with HAUT, the HAUT Manager will be entitled to:

- an acquisition fee of 0.4% for acquisitions from related parties and 0.8% for all other cases of:

  (i) the acquisition price of any real estate purchased by HAUT whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by HAUT or a SPV to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of HAUT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by HAUT whether directly or indirectly through one or more SPVs, plus any other payments made by HAUT or a SPV to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of HAUT's interest); or

  (iii) the acquisition price of any investment purchased by HAUT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

- a divestment fee of 0.4% of:

  (i) the sale price of any real estate sold or divested by HAUT whether directly or indirectly through one or more SPVs, plus any other payments in addition to the sale price received by HAUT or a SPV from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of HAUT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by HAUT, whether directly or indirectly through one or more SPVs, plus any other payments received by HAUT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the HAUT's interest); or

  (iii) the sale price of any investment sold or divested by HAUT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL (CONT'D)

(b)(ii) Acquisition fee and divestment fee payable to the HAUT Manager (cont'd)

The HAUT Manager will also be entitled to be reimbursed for certain expenses properly incurred in relation to performance of its role under the investment management agreement. The HAUT Manager's fees may be paid in the form of cash, or the Trust's Units, or by a combination of these sources as elected by the Manager.

The base fee, performance fee, acquisition fee and divestment fee payable to the Manager shall be reduced by the amount of the relevant fee payable to the HAUT Manager.

The Manager and HAUT Manager are hereinafter collectively referred to as "the Managers".

(c) Trustee's fee

Pursuant to the Trust Deed, the Trustee's fee is charged on a scaled basis of up to 0.015% per annum of the value of the Trust's Deposited Property (as defined in the Trust Deed), subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and goods and services tax ("GST"). The Trustee's fee is payable monthly, in arrears.

(d) HAUT Trustee's fee

Pursuant to the trust deed of HAUT, the trustee of the HAUT (the "HAUT Trustee") is entitled to a fee of 0.025% per annum of the total value of HAUT's assets excluding out-of-pocket expenses and GST. The HAUT Trustee's fee is payable quarterly, in arrears.

The HAUT Trustee will also be entitled to be reimbursed for certain expenses reasonably and properly incurred in the proper performance of its duties in relation to HAUT.

(e) FCOT Trustee's fees

Pursuant to the trust deed of FCOT, the FCOT Trustee's fee is charged on a scaled basis of up to 0.015% per annum of the gross asset value of FCOT and its subsidiaries, subject to a minimum of S$36,000 per annum, excluding out-of-pocket expenses and GST. The FCOT Trustee's fee is paid quarterly, in arrears.

(f) Property managers' fees

Fees payable to the property managers, which are companies controlled by a substantial Unitholder (except for the property managers of Central Park and Caroline Chisholm Centre in Australia, and certain property managers for the commercial properties in the United Kingdom), in relation to services provided, comprise:

(i) Property management fees

Logistics and industrial properties located in Australia

Pursuant to the Australian property management agreement, property management fees are payable as follows:

(I) a property management fee of 1.2% per annum of the Net Property Income (as defined in the Australian property management agreement) of each property; and

(II) where any property is not fully leased, A$1,000 per month per property in the event there is vacant lettable area in such property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL (CONT'D)

(f) Property managers' fees (cont'd)

(i) Property management fees (cont'd)

Logistics and industrial properties located in Germany and the Netherlands

In the event that the aggregate property management fees recovered by the property manager from the tenants under the relevant tenancy documents is more than the agreed property management fee, thereby amounting to an excess, no further amounts will be paid to the property manager. For the avoidance of doubt, the property manager will be entitled to retain for its own benefit such amounts recovered from the tenants which is excess of the agreed property management fee.

Pursuant to the master property management agreement, property management fees are payable as follows:

(I) a property management fee of up to 2.0% per annum of the Gross Revenue (as defined in the master property management agreement) of each property; and

(II) a lease management fee of up to 1.0% per annum of the Gross Revenue (as defined in the master property management agreement) of each property.

Commercial properties located in Singapore

Pursuant to the Singapore property management agreement for the Singapore commercial properties, a property management fee is payable at 3.0% per annum of the gross revenue of the properties and employee costs reimbursement.

The property manager may elect to be paid property management fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average price of Units for the ten business days preceding the end of the relevant periods in which the fees are accrued for. During the financial year, the relevant property managers had elected for 100% (2019: 100%) of the fees payable under the respective property management agreements to be settled in cash.

Commercial properties located in Australia

In Australia, the property manager of 357 Collins Street is entitled to fixed property management fees with annual increases and employee costs reimbursement.

(ii) Project management fee

Under the property management agreement, the property manager will be entitled to project management fee of up to 3% of the construction costs depending on the quantum of the construction costs, to be mutually agreed by the Manager and the property manager, except for the commercial properties in Singapore where the fee is to be mutually agreed between the Manager, the FCOT Trustee and the property manager.

(iii) Marketing services commission

Under the property management agreement, the property manager will be entitled to commissions for the marketing services of up to 3 months' Gross Revenue (as defined in the property management agreement) depending on the length of the new lease or renewed leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore (the "MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore ("FRSs").

This is the first set of the Group's annual financial statements in which FRS 116 *Leases* and the Amendments to FRS 109, FRS 39 and FRS 107 *Interest Rate Benchmark Reform* have been applied. The related changes to significant accounting policies are described in Note 2.2.

The financial statements are presented in Singapore dollars ("SGD"), which is the functional currency of the Trust and rounded to the nearest thousand (S$'000), unless otherwise stated, and have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The Trust changed its functional currency from Australian dollar to Singapore dollar with effect from 15 April 2020 (being the effective date of the Group's merger with FCOT). In prior years, the Trust's investment strategy was focussed on Australia and its income was mainly denominated in Australian dollars. The Trust's investments in Europe in recent years, together with the Merger and the adoption of a new investment mandate, would result in a dilution of the Trust's Australian dollar denominated income. Consequently, the functional currency of the Trust was changed to the Singapore dollar to reflect the current and prospective economic substance of the underlying transactions, events and conditions of the Trust. The effect of change in functional currency to Singapore dollar was applied prospectively in the financial statements.

Following the change in functional currency, the presentation currency was changed from Australian dollar to Singapore dollar. The comparative information in these financial statements has been translated from Australian dollar to Singapore dollar based on the exchange rate of A$1: S$0.90164, being the rate on 15 April 2020, the effective date of the Merger.

The accounting policies set out below have been applied by the Group consistently to the periods presented in these financial statements and have been applied consistently by the Group entities.

Significant accounting judgements and estimates

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in Note 2.10(d) – Property acquisitions and business combinations.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relates to valuation of investment properties as discussed below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Valuation of investment properties

The Group's investment properties are stated at their fair values, which are determined annually based on independent professional valuations undertaken. The fair values of investment properties are determined using the capitalisation method, discounted cash flow method and/or direct comparison method. These estimated fair values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the Managers' control, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant. The carrying amount of investment properties is disclosed in the statement of financial position and the portfolio statement.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the financial year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 10 – Investment properties

Note 29 – Fair values of financial instruments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies

New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRSs for the first time for the annual period beginning on 1 October 2019:

- FRS 116 *Leases*
- FRS INT 123 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to FRS 28)
- *Prepayment Features with Negative Compensation* (Amendments to FRS 109)
- *Previously Held Interest in a Joint Operation* (Amendments to FRS 103 and 111)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to FRS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to FRS 23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to FRS 19)

In addition to the above, the Group early adopted FRS 109 *Financial Instruments*, FRS 39 *Financial Instruments: Recognition and Measurement* and FRS 107 *Financial Instruments: Disclosures* on 1 October 2019 in relation to the project on interest rate benchmark reform. The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 1 October 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss accumulated in the cash flow hedging reserve in unitholders' funds that existed at 1 October 2019. The details of the accounting policies are disclosed in Notes 2.14(f) and 28(a)(ii) for related disclosures about the risks and hedge accounting.

Other than FRS 116, the application of these amendments to standards and interpretations did not have a material effect on the financial statements.

FRS 116 *Leases*

FRS 116 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use ("ROU") assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in unitholders' funds at 1 October 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under FRS 17 *Leases* and related interpretations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed. Therefore, the definition of a lease under FRS 116 had been applied only to contracts entered into or after 1 October 2019.

As a lessee

Previously, the Group classified property leases as operating leases under FRS 17. These mainly include leases of land. These leases typically run for periods ranging from 15 years up to 90 years. Some leases include an option to renew the lease for an additional period after the end of the non-cancellable period. Some leases provide for additional rent payments based on changes in local price indices.

At transition, for leases classified as operating leases under FRS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 October 2019. ROU assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17:

- Applied the exemption not to recognise ROU assets and lease liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the ROU asset at the date of initial application.
- Used hindsight when determining the lease term.

As a lessor

The Group leases out its investment properties, including ROU assets. The Group has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor, except for a sub-lease.

The Group sub-leases some of its properties. Under FRS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to FRS 116, the right-of-use assets recognised from the head leases are presented in investment properties, and measured at fair value at that date. The Group assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that they are operating leases under FRS 116.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

Impact on financial statements

Impact on transition*

On transition to FRS 116, the Group recognised additional ROU assets, including investment properties and additional lease liabilities. The impact on transition as of 1 October 2019 is summarised below.

	1 October 2019 S$'000
Right-of-use assets presented in investment properties	161,801
Lease liabilities	161,801

* For the impact of FRS 116 on total return, see Note 24. For the impact of FRS 116 on segment information, see Note 27. For the details of accounting policies under FRS 116 and FRS 17, see Note 2.19.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 October 2019. The incremental borrowing rate applied ranges from 1.39% to 3.81%.

	1 October 2019 S$'000
Operating lease commitments at 30 September 2019 as disclosed under FRS 17 in the Group's financial statements	473,858
Discounted using the incremental borrowing rate as at 1 October 2019/ Lease liabilities recognised at 1 October 2019	161,801

2.3 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 October 2019 and earlier application is permitted. Except as disclosed in Note 2.2, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Several new FRSs, interpretations and amendments to FRSs are effective for annual periods beginning after 1 October 2019. The Group is in the process of assessing the impact of the new FRSs, interpretations and amendments to FRSs on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Revenue

Rental income from operating leases

Rental income from investment properties is recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which it is earned and the amount can be reliably measured.

Recoverable outgoings

Recoverable outgoings is recognised when the services are rendered.

2.5 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

2.6 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- amortisation of debt upfront costs; and
- interest expense.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in statement of total return using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financing reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Group has obtained certain tax rulings and confirmations from the Inland Revenue Authority of Singapore ("IRAS") and the Singapore Ministry of Finance ("MOF") in respect of the Singapore taxation on certain income from the properties located in Singapore and overseas (as the case may be).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Taxes (cont'd)

(a) Tax transparency treatment

The IRAS has granted tax transparency treatment on the Trust's taxable income ("Taxable Income") that is distributed to the Unitholders and approved sub-trust status to FCOT. Broadly, the Trust's Taxable Income includes distributions made by FCOT out of income from the letting of real estate properties in Singapore and incidental property related service income and income from management or holding of real estate properties ("Specified Income"). As an approved sub-trust, FCOT can enjoy tax transparency treatment on the part of its Specified Income that is distributed to the Trust in the same year the income is derived.

Subject to meeting the terms and conditions, for the tax transparency treatment, the Trust will not be assessed tax on the Taxable Income. Instead, the Trust will deduct income tax at the prevailing corporate tax rate, currently at 17.0% (2019: 17.0%), from the distributions made to Unitholders that are made out of the Taxable Income of the Trust, except:

(i) where the beneficial owners are individuals or qualifying Unitholders, who are not acting in the capacity of a trustee, the Trust will make the distributions to such Unitholders without deducting any income tax; and

(ii) where the beneficial owners are qualifying foreign non-individual investors or foreign funds, or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are qualifying foreign non-individual investors or foreign funds, the Trust will deduct/withhold tax at the reduced rate of 10.0% from the distribution made during the period from 18 February 2005 to 31 December 2025 (both dates inclusive).

A qualifying Unitholder is a Unitholder who is:

(i) a tax resident Singapore-incorporated company;

(ii) a body of persons (excluding companies or partnerships) incorporated or registered in Singapore, including charities registered under Charities Act (Cap. 37) or established by any written law, town councils, statutory boards, co-operative societies registered under the Co-operatives Societies Act (Cap. 62) or trade unions registered under the Trade Unions Act (Cap. 333);

(iii) a Singapore branch of a foreign company;

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145);

(v) real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment (in respect of distributions made on or before 31 December 2025);

(vi) an agent bank or Supplementary Retirement Scheme ("SRS") operator which acts as a nominee for individuals who have purchased Units under the CPF Investment Scheme or the SRS respectively; or

(vii) a nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (i) to (iv) above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Taxes (cont'd)

(a) Tax transparency treatment (cont'd)

A qualifying foreign non-individual Unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have any permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

A qualifying foreign fund is a fund which is not a resident of Singapore for income tax purposes and qualifies for tax exemption under Section 13CA, 13X or 13Y of the Singapore Income Tax Act, and:

(i) does not have any permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation in Singapore.

A Qualifying Non-resident Fund is a non-resident fund that qualifies for tax exemption under Section 13CA, 13X or 13Y of the Income Tax Act (Cap.134) and who:

- does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- carries on an operation through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used by that qualifying fund to acquire units of the Trust are not obtained from that operation.

Under the tax transparency treatment, the Trust will have to distribute at least 90.0% of its Taxable Income by a specific time. For the remaining amount of Taxable Income of the Trust not distributed, tax will be assessed on and collected from the Trust on such remaining amount (referred to as "Retained Taxable Income").

In the event where a distribution is subsequently made out of such Retained Taxable Income, the Trust will not have to make a further deduction of income tax from the distribution.

In the event that there are subsequent adjustments to the Taxable Income when the actual Taxable Income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the Taxable Income for the next distribution following the agreement with IRAS.

The above tax transparency treatment to the Trust and FCOT does not apply to gains from the sale of real estate properties in Singapore and other income not constituting Specified Income. Such gains, if determined by the IRAS to be trading gains, are assessable to tax on the trustee of the respective trust.

(b) Tax exemption on foreign sourced income

Pursuant to Section 13(12) of the Singapore Income Tax Act, the Trust and FCOT have obtained various confirmations from the IRAS and/or the MOF in respect of certain foreign sourced income (including foreign-sourced dividends, foreign-sourced interest income and foreign-sourced distributions) derived from its properties located overseas. Subject to satisfying certain conditions, such income is exempt from Singapore income tax and the Trust can distribute such income, after deduction of certain expenses, to Unitholders without tax deduction at source.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Earnings per Unit

The Group presents basic and diluted earnings per Unit. Basic earnings per Unit is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of Units outstanding during the financial year. Diluted earnings per Unit is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding adjusted for the effects of all dilutive potential Units.

2.9 Segment reporting

An operating segment is a component of the Group that engages in business activities from which they may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly trust expenses.

Segment capital expenditure is the total cost incurred during the year on investment properties.

2.10 Basis of consolidation and business combinations

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Consolidation

The financial year of the Group ends on 30 September unless otherwise stated. The consolidated financial statements incorporate the financial statements of the Group made up to 30 September. The financial statements of subsidiaries are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the Group's significant accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(c) Business combinations

Business combinations are accounted for by applying the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are recognised as expenses in the periods in which the costs are incurred and the services are received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Basis of consolidation and business combinations (cont'd)

(c) Business combinations (cont'd)

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is recognised as equity, it is not remeasured and settlement is accounted for within unitholders' funds. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

The Group elects for each individual business combination, whether non-controlling interest ("NCI") in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, at the date of acquisition. Other components of non-controlling interests are measured on their acquisition date at fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment. Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. When the excess is negative, a bargain purchase is recognised immediately in the statement of total return.

(d) Property acquisitions and business combinations

At the time of acquisition, the Group considers whether each acquisition represents an acquisition of business or an acquisition of an asset. An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes such as strategic management and operational processes, are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of business and accounted for as stated above. Where the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

(e) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(f) Subsidiaries in the separate financial statements

Investment in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of each entity at rates of exchange approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the rates ruling at the reporting date. The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are recorded using the exchange rates ruling at the date of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was measured. Foreign currency differences arising on the settlement of monetary assets and liabilities or translating monetary assets and liabilities are recognised in the statement of total return. However, foreign currency differences arising from the translation of the following items are recognised in unitholders' funds:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

- qualifying cash flow hedges to the extent the hedges are effective.

(b) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in the foreign currency translation reserve in unitholders' funds. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, joint control or significant influence is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss or the statement of total return (as the case may be) as part of the gain or loss on disposal. When only part of the interest in a subsidiary that includes a foreign operation is disposed of while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised directly in the foreign currency translation reserve in unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Investment properties

Investment properties are properties held to earn rental income and capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

Investment properties are measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Subsequent to initial recognition, investment properties are measured at fair value. Any gains or losses arising from changes in fair values of the investment properties are recognised in the statement of total return in the period in which they arise.

Fair value is determined at each reporting date in accordance with the Trust Deed. In addition, the investment properties are to be valued by independent professional valuers at least once a year, in accordance with the Code on Collective Investment Schemes ("CCIS") issued by MAS.

Investment properties are de-recognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in the statement of total return in the year of retirement or disposal.

Subsequent expenditure relating to the investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Property that is being constructed for future use as an investment property is accounted for at fair value.

2.13 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes directly attributable costs of bringing the asset to a working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for repair and maintenance are charged to the statement of total return.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of total return on a straight-line basis over the estimated useful lives of the plant and equipment. Depreciation is recognised from the date that the plant and equipment are installed and are ready for use. The estimated useful lives of the plant and equipment are as follows:

Furniture and fittings	5 years
Equipment	5 years
Computers	3 years

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments

(a) Non-derivative financial assets

At initial recognition

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of total return.

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income – debt investment;
- fair value through other comprehensive income – equity investment; or
- fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(a) Non-derivative financial assets (cont'd)

Financial assets: Business model assessment (cont'd)

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(c) Non-derivative financial liabilities

A financial liability is classified as fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in the statement of total return as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in the statement of total return.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(d) Derecognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of a derivative as a hedging instrument, the Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(f) Derivative financial instruments and hedge accounting (cont'd)

Applicable from 1 October 2019 for hedges directly affected by interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. A similar exception is also provided for a discontinued cash flow hedging relationship.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

(i) Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amounts accumulated in the hedging reserve is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in unitholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(f) Derivative financial instruments and hedge accounting (cont'd)

(ii) Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses, is recognised in unitholders' funds and presented in the translation reserve within unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in unitholders' funds is reclassified to the statement of total return on disposal of the foreign operation.

(g) Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12 months ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

<u>Simplified approach</u>

The Group applied the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

<u>General approach</u>

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

Contents

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(g) Impairment of financial assets (cont'd)

General approach (cont'd)

If credit has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to entity in accordance with the contract and the cashflows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(g) Impairment of financial assets (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.15 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Unitholders' funds

Unitholders' funds are classified as equity.

Expenses incurred in connection with the issuance of Units are deducted directly against unitholders' funds.

2.19 Leases

The Group has applied FRS 116 with effect from 1 October 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104 *Determining whether an Arrangement contains a Lease*. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 October 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 October 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of properties, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

Policy applicable from 1 October 2019 (cont'd)

(ii) As a lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

Leases – Policy applicable before 1 October 2019

For contracts entered into before 1 October 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

Contents

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

Leases – Policy applicable before 1 October 2019 (cont'd)

(i) As a lessee

In the comparative period, as a lessee, the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(ii) As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

2.20 Distribution policy

The Trust's distribution policy is to distribute at least 90% of the Distributable Income to the Unitholders. The actual level of distribution and payment of distributions will be at the sole discretion of the Board of Directors of the Manager.

Distributions are made 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. In accordance with the Trust Deed, the Manager is required to pay distributions within 90 days of the end of each distribution period.

3. REVENUE

	Group	
	2020 S$'000	2019 S$'000
Rental income	286,411	186,041
Incentives reimbursement	5,422	5,032
Recoverable outgoings	37,130	23,870
Other revenue	3,066	2,133
	332,029	217,076

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. PROPERTY OPERATING EXPENSES

	Group	
	2020 S$'000	2019 S$'000
Allowance for doubtful receivables	1,820	–
Ground lease expenses	–	9,485
Land and property tax	14,745	8,002
Property management fees	5,116	2,750
Property maintenance and related expenses	13,702	4,434
Property related professional fees	1,902	114
Statutory expenses	8,279	6,514
Other property expenses	16,650	6,036
	62,214	37,335

5. MANAGERS' MANAGEMENT FEES

	Group	
	2020 S$'000	2019 S$'000
Base fee	19,450	11,367
Performance fee	9,101	6,063
	28,551	17,430

During the financial year, an aggregate of 22,659,457 (2019: 14,491,971) Units were issued or will be issued to the Managers as satisfaction of the management fees incurred, at unit prices ranging from S$0.76 to S$1.42 (2019: S$1.03 to S$1.21) per Unit.

6. FINANCE INCOME AND FINANCE COSTS

	Group	
	2020 S$'000	2019 S$'000
Finance income		
Interest income	277	1,046
Finance costs		
Financial liabilities measured at amortised cost:		
– Amortisation of debt upfront costs	(3,277)	(2,306)
– Interest expense on bank loans and notes	(28,939)	(22,048)
– Interest expense on lease liabilities	(5,060)	–
– Others	(789)	(146)
	(38,065)	(24,500)
Derivatives measured at fair value		
– Interest expense	(3,104)	(639)
	(41,169)	(25,139)
Net finance costs	(40,892)	(24,093)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. TAX EXPENSE

Tax expense

The major components of tax expense for the financial year ended 30 September 2020 are:

	Note	Group 2020 S$'000	Group 2019 S$'000
Current tax expense			
– Current year income tax		7,467	3,425
– Over provision in respect of prior years		(9)	–
Deferred tax expense			
– Origination and reversal of temporary differences	19	53,897	23,360
Withholding tax expense		10,364	13,366
		71,719	40,151

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year is as follows:

	Group 2020 S$'000	Group 2019 S$'000
Total return for the year before tax	530,477	245,635
Tax using the Singapore tax rate of 17% (2019: 17%)	90,181	41,758
Effect of tax rates in foreign jurisdictions	7,373	(1,705)
Non-deductible expenses	7,546	6,072
Tax transparency	(3,196)	–
Income not subject to tax	(42,331)	(19,855)
Deferred tax assets not recognised	839	262
Withholding tax expense	10,364	13,366
Over provision in respect of prior years	(9)	–
Others	952	253
	71,719	40,151

8. TOTAL RETURN FOR THE YEAR

The following items have been included in arriving at total return for the year:

	Group 2020 S$'000	Group 2019 S$'000
Audit fees paid/payable to auditors of the Trust	311	170
Audit fees paid/payable to other auditors	618	576
Non-audit fees paid/payable to auditors of the Trust	71	31
Non-audit fees paid/payable to other auditors	48	–
Valuation fees	349	525

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. EARNINGS PER UNIT

Basic earnings per Unit

The calculation of basic earnings per Unit for the Group is based on the total return for the year attributable to Unitholders and weighted average number of Units during the year:

	Group	
	2020 S$'000	2019 S$'000
Total return for the year attributable to Unitholders	454,722	203,425
	'000	'000
Issued Units at the beginning of the year	2,248,893	2,013,918
Effect of issue of new Units:		
– Private placement	–	32,548
– In partial satisfaction of the consideration for the Merger	494,073	–
– In satisfaction of the Managers' management fees paid in Units	13,615	11,327
– In satisfaction of the Managers' acquisition fees paid in Units	6,824	671
Weighted average number of Units	2,763,405	2,058,464

Diluted earnings per Unit

The calculation of diluted earnings per Unit for the Group was based on the total return for the year attributable to Unitholders and the weighted average number of Units during the year after adjustment for the effects of all dilutive potential Units.

	Group	
	2020 S$'000	2019 S$'000
Total return for the year attributable to Unitholders	454,722	203,425
	'000	'000
Weighted average number of Units used in calculation of basic earnings per Unit	2,763,405	2,058,464
– Effect of the Managers' management fees payable in Units	16,961	11,090
– Effect of the Managers' acquisition fees payable in Units	7,585	1,872
Weighted average number of Units (diluted)	2,787,951	2,071,426

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. INVESTMENT PROPERTIES

	Note	S$'000
Group		
At 1 October 2018		2,685,268
Acquisition of investment properties through acquisition of subsidiaries (including acquisition costs)	32	413,845
Acquisition of investment properties (including acquisition costs)		120,568
Capital expenditure incurred		10,394
Transfer to investment property held for sale		(16,230)
Divestments		(133,423)
Capitalised leasing incentives, net of amortisation		2,315
Straight-lining of rental adjustments		3,102
Net change in fair value recognised in statement of total return		109,990
Translation differences		8,728
At 30 September 2019		3,204,557
At 1 October 2019		3,204,557
Recognition of right-of-use asset on initial application of FRS 116	2.2	161,801
Adjusted balance at 1 October 2019		3,366,358
Acquisition of investment properties through acquisition of subsidiaries (including acquisition costs)	32	2,386,648
Acquisition of investment properties (including acquisition costs)		23,479
Capital expenditure incurred		13,395
Transfer to investment property held for sale		(148,641)
Capitalised leasing incentives, net of amortisation		364
Straight-lining of rental adjustments		7,161
Net change in fair value recognised in statement of total return		334,306
Translation differences		369,170
At 30 September 2020		6,352,240

Investment properties comprise industrial properties in Australia, Germany and the Netherlands, and commercial properties and business parks in Singapore, Australia and the United Kingdom that are leased to third parties under operating leases (Note 24).

In 2020, the Group announced its proposed divestment of its remaining 50% interest in 99 Sandstone Place, Parkinson located in Queensland, Australia. Accordingly, the investment property has been reclassified to investment property held for sale as at 30 September 2020.

In 2019, the Group announced its proposed divestment of 610 Heatherton Road, Clayton South located in Victoria, Australia. Accordingly, the investment property had been reclassified to investment property held for sale as at 30 September 2019. The proposed divestment was completed during the current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. INVESTMENT PROPERTIES (CONT'D)

Investment properties, including investment property held for sale, are stated at fair value at the reporting date. As at 30 September 2020, the fair values of the investment properties were based on independent valuations undertaken by the following property valuers:

Logistics and industrial portfolio

Properties in:	Property Valuer
Australia	CIVAS (VIC) Pty Ltd, Knight Frank NSW Valuations & Advisory Pte Ltd, Savills Valuation Pty Ltd and Urbis Valuations Pty Ltd (2019: CIVAS (VIC) Pty Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd, Savills Valuations Pty Ltd and Urbis Valuations Pty Ltd)
Germany and the Netherlands	CBRE Ltd, Jones Lang LaSalle SE and BNP Paribas and Savills Valuation (2019: CBRE Ltd, Colliers International Valuation UK LLP and Jones Lang LaSalle SE)

Commercial portfolio

Properties in:	Property Valuer
Australia	Jones Lang LaSalle Advisory Services Pty Ltd and Colliers International (2019: Not applicable)
Singapore	Jones Lang LaSalle Property Consultants Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd (2019: Not applicable)
United Kingdom	Jones Lang LaSalle Ltd and Knight Frank LLP (2019: Not applicable)

The independent valuers have the appropriate professional qualifications and experience in the location and category of the properties being valued.

The valuers for certain commercial properties in Singapore and Australia, namely Alexandra Technopark in Singapore and Central Park and 357 Collins Street in Australia, have highlighted in their valuation reports that the real estate market has been impacted by the uncertainty that the COVID-19 pandemic has caused, that the valuations were current at the date of valuation only and that the values may change significantly and unexpectedly over a relatively short period of time.

Included in the acquisition costs capitalised during the year are audit fees of S$241,000 (2019: S$75,000) paid to auditors of the Trust for services performed in relation to the Group's acquisition of certain properties during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. INVESTMENT PROPERTIES (CONT'D)

Security

As at 30 September 2020, investment properties with a carrying amount of S$1,057,920,000 (2019: S$1,098,257,000) are pledged as security to secure bank loans (see Note 18).

Measurement of fair value

(i) Fair value hierarchy

The fair values of the investment properties, including the investment property held for sale, were determined using the capitalisation method, discounted cash flow method and/or direct comparison method. The valuation methods involve making certain estimates including those relating to capitalisation rate, gross initial yield, net initial yield, discount rate, terminal yield and price per square foot ("psf").

The fair value measurement for all of the investment properties, including the investment property held for sale, has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. Details of the inputs used in the valuation techniques are disclosed in note (ii) below.

	2020 S$'000
Fair value of investment properties (based on valuation report)	6,177,317
Add: Carrying amount of lease liabilities	174,923
Carrying amount of investment properties	6,352,240

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair values of investment properties, including investment property held for sale, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Australia	Europe	Singapore	United Kingdom
Logistics and industrial	Capitalisation method	Capitalisation rate	5.00% – 16.22% (2019: 5.25% – 15.64%)	N.A.	N.A.	N.A.
		Gross initial yield [1]	N.A.	4.26% – 6.49% (2019: 4.56% – 6.51%)	N.A.	N.A.
		Net initial yield [2]	N.A.	3.85% – 5.62% (2019: 4.14% – 5.86%)	N.A.	N.A.
	Discounted cash flow method	Discount rate	6.00% – 8.50% (2019: 6.50% – 9.00%)	3.75% – 7.55% (2019: 5.50% – 7.50%)	N.A.	N.A.
		Terminal yield	5.00% – 59.07% (2019: 5.25% – 44.86%)	4.20% – 6.87% (2019: 4.50% – 6.50%)	N.A.	N.A.
Commercial	Capitalisation method	Capitalisation rate	4.88% – 7.00% (2019: N.A.)	N.A.	3.50% – 6.00% (2019: N.A.)	N.A.
		Gross initial yield [1]	N.A.	N.A.	N.A.	5.55% – 6.91% (2019: N.A.)
		Net initial yield [2]	N.A.	N.A.	N.A.	5.20% – 6.30% (2019: N.A.)
	Discounted cash flow method	Discount rate	6.25% – 6.75% (2019: N.A.)	N.A.	6.75% – 8.00% (2019: N.A.)	N.A.
		Terminal yield	5.13% – 7.50% (2019: N.A.)	N.A.	3.75% – 6.25% (2019: N.A.)	N.A.
	Direct comparison method	Price psf	N.A.	N.A.	$610 psf (2019: N.A.)	N.A.

N.A.: Not applicable

(1) Rent divided by net property value

(2) Rent net of non-recoverable expenses divided by gross property value

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(ii) Valuation techniques and significant unobservable inputs (cont'd)

Inter-relationship between key unobservable inputs and fair value measurements

The significant unobservable inputs used in the fair value measurement of investment properties, including the investment property held for sale, are capitalisation rate, gross initial yield, net initial yield, discount rate, terminal yield and price psf. An increase in capitalisation rate, gross initial yield, net initial yield, discount rate and terminal yield in isolation would result in a lower fair value. An increase in price psf would result in a higher fair value.

Key unobservable inputs relate to:

- Capitalisation rate corresponds to a rate of return on a property based on the income that the property is expected to generate.
- Gross initial yield corresponds to a rate of return on a property based on the current passing income.
- Net initial yield corresponds to a rate of return on a property based on the current passing income net of estimated non-recoverable expenses.
- Discount rate represents the required rate of return, adjusted for a risk premium that reflects the risks relevant to the asset.
- Terminal yield reflects the exit capitalisation rate applied to a projected terminal cash flow.
- Price psf represents the transacted price of comparable properties.

(iii) Valuation policies and procedures

The fair values of investment properties are determined annually by independent professional valuers. The appropriateness of the valuation methodologies and assumptions adopted are reviewed by the Manager along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, the independent professional valuers are required to recalibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary.

In accordance with the Group's reporting policies, the valuation process and the results of the independent valuations are reviewed once a year by the Audit, Risk and Compliance Committee before the results are presented to the Board of Directors for approval.

In relying on the valuation reports, the Manager had exercised its judgement and was satisfied that the independent valuers have the appropriate professional qualifications and experience in the location and category of the properties being valued and the valuation estimates were reflective of the current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. PLANT AND EQUIPMENT

	Furniture and fittings S$'000	Equipment S$'000	Computers S$'000	Total S$'000
Group				
Cost				
At 1 October 2019	–	–	–	–
Acquisition of subsidiaries	200	61	11	272
Additions	37	13	–	50
At 30 September 2020	237	74	11	322
Accumulated depreciation				
At 1 October 2019	–	–	–	–
Depreciation for the financial year	(29)	(7)	(4)	(40)
At 30 September 2020	(29)	(7)	(4)	(40)
Net carrying amounts				
At 30 September 2020	208	67	7	282
At 30 September 2019	–	–	–	–

12. INVESTMENT IN SUBSIDIARIES

	Trust	
	2020 S$'000	2019 S$'000
Equity investments, at cost	2,355,631	824,945

Details of the Group's significant subsidiaries are disclosed in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured. Included in loans to subsidiaries are amounts of S$986,381,000 (2019: S$907,339,000) which bear interest at 2.7% to 5.4% (2019: 3.9% to 5.4%) per annum and are repayable between 2024 to 2028 (2019: 2024 to 2028). The remaining loans to subsidiaries are interest-free and are repayable on demand. The loans form part of the Trust's net investments in its subsidiaries and settlement of such loans is neither planned nor likely to occur in the foreseeable future. There is no impairment loss on these loans as the expected credit loss on them is not material.

14. DERIVATIVE ASSETS/(LIABILITIES)

	Group		Trust	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Derivative assets				
Foreign currency forward contracts	330	1,866	322	1,866
Cross currency swaps	25,735	1,909	25,735	1,909
Cross currency interest rate swaps	7,842	–	6,725	–
	33,907	3,775	32,782	3,775
Classified as:				
– Non-current	33,577	1,909	32,460	1,909
– Current	330	1,866	322	1,866
	33,907	3,775	32,782	3,775
Derivative liabilities				
Interest rate swaps used for hedging	(11,991)	(8,415)	(4,701)	(5,686)
Foreign currency forward contracts	(1,209)	–	(1,209)	–
Cross currency swaps	(34,771)	(1,274)	(34,771)	(1,274)
Cross currency interest rate swaps	(14,575)	–	(14,575)	–
	(62,546)	(9,689)	(55,256)	(6,960)
Classified as:				
– Non-current	(59,932)	(8,722)	(52,642)	(5,993)
– Current	(2,614)	(967)	(2,614)	(967)
	(62,546)	(9,689)	(55,256)	(6,960)

	Group		Trust	
	2020 %	2019 %	2020 %	2019 %
Net derivative liabilities as a percentage of net assets	(0.75)	(0.28)	(0.73)	(0.17)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. DERIVATIVE ASSETS/(LIABILITIES) (CONT'D)

(a) Interest rate swaps used for hedging

Interest rate swaps are used by the Group to hedge its exposure to interest rate risk associated with movements in interest rates on the loans and borrowings of the Group.

As at the reporting date, the Group and the Trust have interest rate swap arrangements in place for the following amounts:

	Group Nominal amount		Trust Nominal amount	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Maturing:				
Within one year	136,906	144,262	136,906	144,262
Between one to five years	468,063	219,525	177,569	171,312
After five years	–	30,765	–	–
	604,969	394,552	314,475	315,574

At 30 September 2020, the fixed interest rates of the outstanding interest rate swap contracts ranged between 0.30% to 2.40% (2019: 0.30% to 2.40%) per annum.

All of the Group's interest rate swaps were designated as cash flow hedges to hedge the Group's interest rate risk arising from variable rate loans and borrowings.

(b) Foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps

Foreign currency forward contracts are used by the Group to hedge its foreign currency risk on distributions to Unitholders. Cross currency swaps and cross currency interest rate swaps are used by the Group to hedge its foreign currency exposure and net investments in foreign operations.

As at the reporting date, the Group and the Trust have foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps for the following amounts:

	Group Nominal amount		Trust Nominal amount	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Maturing:				
Within one year	83,021	71,827	81,257	71,827
Between one to five years	788,040	353,521	769,619	353,521
	871,061	425,348	850,876	425,348

Contents

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Cash at bank	168,652	106,566	36,949	33,738
Fixed deposits	–	9,187	–	9,187
	168,652	115,753	36,949	42,925

The Group's and the Trust's exposure to foreign currency risk on cash and cash equivalents are disclosed in Note 28(a).

16. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Trade receivables	10,371	762	–	–
Less: Allowance for doubtful receivables	(1,820)	–	–	–
Net trade receivables	8,551	762	–	–
Accrued receivables	2,099	2,316	–	–
GST/VAT receivables	3,474	1,209	1,864	513
Other receivables	5,892	3,465	30	575
Amounts due from subsidiaries (non-trade)	–	–	71,823	54,804
Amounts due from related parties (non-trade)	2,498	349	–	–
	22,514	8,101	73,717	55,892
Prepayments	8,088	4,681	159	110
	30,602	12,782	73,876	56,002

Trade receivables

Trade receivables comprise mainly rental receivables. These are secured by way of bankers' and corporate guarantees or security deposits held by the Group.

Other receivables

Other receivables of the Group mainly comprises security deposits received from tenants which are held by the third party property manager on behalf of the Group.

Amounts due from subsidiaries and related parties

Amounts due from subsidiaries and related parties are unsecured, interest-free and repayable on demand. There is no impairment loss on these outstanding balances as the expected credit loss is not material.

Credit risk

The Group's and the Trust's exposure to credit risk on trade receivables, are disclosed in Note 28(c).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

17. TRADE AND OTHER PAYABLES

	Group		Trust	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Current				
Trade payables	3,366	7,089	69	635
GST/VAT payables	7,332	2,888	–	–
Accrued expenses	49,516	22,359	18,350	1,989
Accrued capital expenditure for investment properties	4,679	745	–	–
Security deposits	3,752	–	–	–
Deferred income	320	295	–	–
Rental received in advance	10,581	2,357	–	–
Amounts due to subsidiaries (non-trade)	–	–	3,384	482
Amounts due to related parties (non-trade)	6,245	11,392	764	–
Amounts due to non-controlling interests (non-trade)	953	858	–	–
	86,744	47,983	22,567	3,106
Non-current				
Security deposits	16,637	1,682	–	–
Deferred income	1,148	1,353	–	–
	17,785	3,035	–	–
Total trade and other payables	104,529	51,018	22,567	3,106

Amounts due to subsidiaries and related parties are unsecured, interest-free and repayable on demand.

Amounts due to non-controlling interests are unsecured, bear interest at 6% (2019: 6%) and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. LOANS AND BORROWINGS

	Group		Trust	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Current				
Bank loans				
– unsecured	456,300	101,885	310,330	101,885
– secured	110,615	84,403	–	–
Fixed rate notes (unsecured)	110,000	–	–	–
Less: Unamortised transaction costs	(900)	(336)	(858)	(336)
	676,015	185,952	309,472	101,549
Lease liabilities	1,241	–	–	–
	677,256	185,952	309,472	101,549
Non-current				
Bank loans				
– unsecured	1,493,087	593,788	968,396	593,788
– secured	263,827	341,390	–	–
Fixed rate notes (unsecured)	19,250	–	–	–
Floating rate notes (unsecured)	1,250	–	–	–
Less: Unamortised transaction costs	(7,546)	(6,890)	(6,153)	(6,890)
	1,769,868	928,288	962,243	586,898
Lease liabilities	173,682	–	–	–
	1,943,550	928,288	962,243	586,898
Total loans and borrowings	2,620,806	1,114,240	1,271,715	688,447

Terms and debt repayment structure

	Interest rate range %	Year of maturity	Group Face value S$'000	Group Carrying amount S$'000	Trust Face value S$'000	Trust Carrying amount S$'000
2020						
AUD bank loans	1.2 to 1.6	2020 to 2025	885,416	880,413	719,109	714,352
Euro bank loans	0.3 to 2.6	2020 to 2036	469,810	469,559	95,378	95,127
SGD bank loans	0.9 to 1.4	2020 to 2025	918,500	915,387	416,607	414,603
GBP bank loans	1.0 to 1.1	2020	50,103	50,103	47,633	47,633
SGD fixed rate notes	2.8 to 3.2	2021 to 2023	129,250	129,173	–	–
SGD floating rate notes	1.5	2022	1,250	1,248	–	–
AUD lease liabilities	1.5 to 3.8	2024 to 2107	146,866	146,866	–	–
Euro lease liabilities	1.4	2080	28,057	28,057	–	–
			2,629,252	2,620,806	1,278,727	1,271,715
2019						
AUD bank loans	2.0 to 2.3	2020 to 2024	495,109	489,122	495,109	489,122
Euro bank loans	0.8 to 2.6	2019 to 2036	559,966	559,410	134,174	133,617
SGD bank loans	2.5	2024	66,391	65,708	66,391	65,708
			1,121,466	1,114,240	695,674	688,447

The interest rate range disclosed above excludes the effects of the related interest rate swaps, cross currency swaps, cross currency interest rate swaps and amortisation of borrowing costs.

The secured bank loans are secured on certain investment properties (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. LOANS AND BORROWINGS (CONT'D)

The reconciliation of liabilities arising from financing activities were as follows:

	Note	Other loans and borrowings S$'000	Lease liabilities S$'000	Total S$'000
Group				
Balance as at 1 October 2018		960,043	–	960,043
Financing cashflows*		39,114	–	39,114
Acquisition of subsidiaries	32	107,883	–	107,883
The effect of changes in foreign exchange rates		4,894	–	4,894
Other changes				
Amortisation of debt transaction costs		2,306	–	2,306
Total other changes		2,306	–	2,306
Balance as at 30 September 2019		1,114,240	–	1,114,240
Balance as at 1 October 2019		1,114,240	–	1,114,240
Recognition of right-of-use asset on initial application of FRS 116		–	161,801	161,801
Adjusted balance as at 1 October 2019		1,114,240	161,801	1,276,041
Financing cashflows*		482,362	(6,114)	476,248
Acquisition of subsidiaries	32	725,198	–	725,198
The effect of changes in foreign exchange rates		120,806	13,909	134,715
Other changes				
Additions to lease liabilities		–	267	267
Amortisation of debt transaction costs		3,277	–	3,277
Interest expense on lease liabilities		–	5,060	5,060
Total other changes		3,277	5,327	8,604
Balance as at 30 September 2020		2,445,883	174,923	2,620,806

* Cashflow from financing activities presented in the consolidated statement of cash flows include interest expense paid of S$32,970,000 (2019: S$22,107,000), which are included as part of Note 17 - Trade and other payables. There are no material non-cash changes associated with interest payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. DEFERRED TAX ASSETS/(LIABILITIES)

	At 1 October 2018 S$'000	Recognised in statement of total return (Note 7) S$'000	Translation differences S$'000	At 30 September 2019 S$'000	Acquisition of subsidiaries S$'000	Recognised in statement of total return (Note 7) S$'000	Translation differences S$'000	At 30 September 2020 S$'000
Group								
Deferred tax assets								
Provisions	–	–	–	–	298	–	25	323
Deferred tax liabilities								
Investment properties	(32,977)	(23,360)	(104)	(56,441)	–	(53,897)	(11,415)	(121,753)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2020 S$'000	Group 2019 S$'000
Deductible temporary differences	6,526	7,621

The deductible temporary differences do not expire under the current tax legislation.

Under FRS 12 *Income Taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. In 2020 and 2019, the Group's acquisition of subsidiaries were accounted for as acquisition of assets and not a business combination, and affected neither accounting nor taxable profit at the point of acquisition. Accordingly, the initial recognition exemption in FRS 12 applies. As at 30 September 2020, the Group has not recognised deferred tax liabilities of S$122.7 million (2019: S$40.3 million) relating to temporary differences on the initial recognition of assets and liabilities of subsidiaries acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

20. NON-CONTROLLING INTERESTS

The non-controlling interests ("NCI") relate to the following subsidiary:

Name	Principal place of business/ Country of incorporation	Effective interest held by NCI 2020 %	2019 %
FLT Europe B.V. and its subsidiaries	The Netherlands	5.1 to 9.9*	5.1 to 9.9*

* This represents the effective interest held by NCI in various subsidiaries of FLT Europe B.V. ("FLTE"). The NCI in the underlying subsidiaries of FLTE are individually immaterial.

The following summarised financial information of the above subsidiary is prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2020 S$'000	2019 S$'000
Revenue	88,129	58,881
Profit and total comprehensive income	75,170	36,725
Profit and total comprehensive income attributable to NCI	4,036	2,059
Non-current assets	1,631,017	1,316,568
Current assets	75,866	64,014
Non-current liabilities	(391,021)	(377,498)
Current liabilities	(736,677)	(612,603)
Net assets	579,185	390,481
Net assets attributable to NCI	36,217	26,082
Cash flows from operating activities	55,385	23,177
Cash flows used in investing activities	(89,425)	(273,472)
Cash flows from financing activities	43,259	276,517
Net increase in cash and cash equivalents	9,219	26,222

No dividend was paid to NCI for the years ended 30 September 2020 and 30 September 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust			
	2020		2019	
	Number of Units '000	S$'000	Number of Units '000	S$'000
Units issued				
At 1 October	2,248,893	1,919,350	2,013,918	1,657,005
Creation of new Units:				
– Private placement	–	–	220,000	247,345
– Managers' management fees paid in Units	20,233	21,649	14,500	14,536
– Managers' acquisition fees paid in Units	13,903	14,706	475	464
– Units issued as partial satisfaction of the consideration for the Merger	1,130,191	1,118,889	–	–
At 30 September	3,413,220	3,074,594	2,248,893	1,919,350
Units to be issued				
Managers' management fees payable in Units	10,344	14,722	7,917	9,112
Managers' acquisition fees payable in Units	505	718	2,068	2,327
Total issuable Units	10,849	15,440	9,985	11,439
Total issued and issuable Units	3,424,069	3,090,034	2,258,878	1,930,789

2020

During the year, the following new Units were issued:

- 1,130,191,302 Units were issued at S$0.99 per Unit, amounting to S$1,118,889,000 as partial satisfaction of the consideration for the Merger;
- 20,232,085 Units were issued at S$0.76 to S$1.22 per Unit, amounting to S$21,649,000, as satisfaction of the Managers' management fees payable in Units; and
- 13,903,260 Units were issued at S$1.04 to S$1.17 per Unit, amounting to S$14,706,000, as satisfaction of the Managers' acquisition fees payable in Units arising from certain subsidiaries acquired and the Merger.

2019

During the year, the following new Units were issued:

- 220,000,000 Units were issued at S$1.17 per Unit as part of a private placement undertaken by the Trust, amounting to S$247,345,000, for cash;
- 14,499,712 Units were issued at S$1.03 to S$1.21 per Unit, amounting to S$14,536,000, as satisfaction of the Managers' management fees payable in Units; and
- 475,615 Units were issued at S$1.03 to S$1.09 per Unit, amounting to S$464,000, as satisfaction of the Managers' acquisition fees payable in Units arising from certain investment properties acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

Each Unit in the Trust represents an undivided interest in the Trust.

A holder of the Units of the Trust has no equitable or proprietary interest in the underlying assets of the Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of the Group.

Under the Trust Deed, every Unit carries the same voting rights.

The holders of the Units are entitled to receive distributions as and when declared by the Trust.

The liability of a holder of the Units is limited to the amount paid for the Units.

All issued Units are fully paid.

22. NET ASSET VALUE PER UNIT

	Group		Trust	
	2020	2019	2020	2019
Net asset value per Unit is based on: Net assets attributable to Unitholders (S$'000)	3,770,460	2,086,224	3,074,592	1,896,075
Total issued and issuable Units at 30 September ('000) (Note 21)	3,424,069	2,258,878	3,424,069	2,258,878
Net asset value per unit (S$)	1.10	0.92	0.90	0.84

23. DISTRIBUTIONS PAID TO UNITHOLDERS

	Group and Trust	
	2020 S$'000	2019 S$'000
Distributions paid during the year:		
Distribution of 2.57 Singapore cents per Unit for the period from 21 May 2018 to 30 September 2018 and paid on 19 December 2018	–	46,517
Distribution of 3.54 Singapore cents per Unit for the period from 1 October 2018 to 31 March 2019 and paid on 26 June 2019	–	66,419
Distribution of 2.45 Singapore cents per Unit for the period from 1 April 2019 to 7 August 2019 and paid on 1 November 2019	47,108	–
Distribution of 1.01 Singapore cents per Unit for the period from 8 August 2019 to 30 September 2019 and paid on 16 December 2019	21,551	–
Distribution of 3.73 Singapore cents per Unit for the period from 1 October 2019 to 14 April 2020 and paid on 26 June 2020	84,368	–
	153,027	112,936

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. LEASES

(i) Leases as lessee (FRS 116)

The Group leases land. The leases typically run for periods ranging from 15 to 90 years, some with options to renew after the lease expiry dates. Some lease payments are subject to market review and renegotiated every five years to reflect market rentals and certain leases provide for additional rent payments that are based on changes in local price indices.

Previously, these leases were classified as operating leases under FRS 17.

Information about leases for which the Group is a lessee is presented below.

Amounts recognised in statement of total return

	Group S$'000
2020 – Leases under FRS 116	
Interest on lease liabilities	5,060
2019 – Operating leases under FRS 17	
Lease expense	9,485

Amounts recognised in statement of cash flows

	Group S$'000
2020	
Total cash outflow for leases	6,114

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The lease payments relating to lease extension periods for certain leasehold land leases had not been included in lease liabilities as the Group is not reasonably certain if the lease extension options will be exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. LEASES (CONT'D)

(ii) Leases as lessor

The Group leases out its investment properties consisting of its owned properties as well as leased properties (Note 10). All leases are classified as operating leases from a lessor perspective.

Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 10 sets out information about the operating leases of investment properties.

Rental income from investment properties during 2020 was S$286,411,000 (2019: S$186,041,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	S$'000
2020 – Operating leases under FRS 116	
Less than one year	384,586
One to two years	344,022
Two to three years	296,719
Three to four years	240,536
Four to five years	192,720
More than five years	619,159
Total	2,077,742
2019 – Operating leases under FRS 17	
Less than one year	201,524
Between one and five years	652,092
More than five years	563,339
Total	1,416,955

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the financial year at terms agreed between parties:

	Group	
	2020 S$'000	2019 S$'000
With related parties of the Managers:		
– Consideration for the FCOT units held by related parties pursuant to the Merger	(400,288)	–
– Acquisition of subsidiaries	(318,169)	(290,122)
– Acquisition of investment properties	(21,956)	(114,130)
– Insurance expense paid/payable	(1,166)	(857)
– Rental income and other income received/receivable	395	2,938*
– Lease incentive reimbursement received/receivable	5,480	5,031
– Reimbursements to	(693)	(1,161)
With the Managers:		
– Base management fees paid/payable	(19,021)	(11,367)
– Performance management fees paid/payable	(8,961)	(6,063)
– Acquisition fees paid/payable	(13,094)	(2,509)
– Divestment fees paid/payable	(92)	(683)
– Reimbursements to	(1,335)	(165)
With the FCOT Manager:		
– Base management fees paid/payable	(429)	–
– Performance management fees paid/payable	(140)	–
With the property managers who are related parties of the Manager:		
– Property management fees paid/payable	(5,145)	(2,747)
– Marketing services commission and other expenses paid/payable	(1,584)	(575)
– Leasing fees paid/payable	(457)	–
– Reimbursements to	(21)	–
With the Trustees:		
– Trustee fees paid/payable	(609)	(396)

* In relation to assignment of remaining lease term of 2 properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

26. COMMITMENTS

(a) Capital commitments

Capital and development expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2020 S$'000	2019 S$'000
Capital commitments in respect of:		
– Investment properties	10,855	912

(b) Guarantees

The Trust has provided unsecured corporate guarantees amounting to S$116,000,000 (2019: Nil) to banks for loans taken by certain subsidiaries.

27. OPERATING SEGMENTS

The Group has five reportable segments, which are Logistics and industrial – Australia and Europe, and Commercial – Australia, Singapore and United Kingdom (UK). Each segment is managed separately because of the differences in operating and regulatory environment. All the segments relate to properties used or predominantly used for logistics and industrial or commercial properties. For each of the reporting segments, the Board of Directors of the Manager reviews internal management reports on a regular basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the Manager. Segment net property income is used to measure performance as the Manager believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Logistics and industrial		Commercial			Total
	Australia	Europe	Australia	Singapore	UK	
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2020						
Revenue	159,739	88,143	30,537	39,785	13,825	332,029
Property operating expenses	(26,712)	(9,510)	(8,504)	(13,413)	(4,075)	(62,214)
Reportable segment net property income	133,027	78,633	22,033	26,372	9,750	269,815
Finance income						277
Finance costs						(41,169)
Unallocated items:						
– Expenses						(31,315)
Net income						197,608
Net change in fair value of investment properties	79,455	54,828	53,691	149,551	(3,219)	334,306
Net change in fair value of derivatives						(2,859)
Gain on divestment of investment properties	1,422	–	–	–	–	1,422
Tax expense						(71,719)
Total return for the year						458,758
Capital expenditure	3,680	1,111	5,995	2,609	–	13,395
Non-current assets [(1)]	2,160,214	1,631,017	859,574	1,267,282	434,435	6,352,522

	Logistics and industrial		Total
	Australia	Europe	
	S$'000	S$'000	S$'000
2019			
Revenue	158,195	58,881	217,076
Property operating expenses	(30,716)	(6,619)	(37,335)
Reportable segment net property income	127,479	52,262	179,741
Finance income	1,046	–	1,046
Finance costs	(16,801)	(8,338)	(25,139)
Unallocated items:			
- Expenses			(23,385)
Net income			132,263
Net change in fair value of investment properties	90,756	19,234	109,990
Net change in fair value of derivatives			1,895
Gain on divestment of investment properties	1,487	–	1,487
Tax expense			(40,151)
Total return for the year			205,484
Capital expenditure	10,235	159	10,394
Non-current assets [(1)]	1,887,989	1,316,568	3,204,557

(1) Excluding deferred tax assets and financial assets

There is no tenant that contributed more than 10% of the Group's total revenue in 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT

Risk management is integral to the business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit, Risk and Compliance Committee ("ARCC") of the Manager oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC. The ARCC then reports to the Board of Directors on any inadequacies, deficiencies or matters of concern of which the ARCC becomes aware or that it suspects, arising from its review of the Group's risk management policies and procedures.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's total return and unitholders' funds. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

The entities within the Group normally conduct their business in their respective functional currencies.

The Group's foreign currency risk relates mainly to cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings, that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Australian dollar (AUD), Euro (EUR), British Pound (GBP) and Singapore dollar (SGD). The Manager monitors the Group's foreign currency exposure on an ongoing basis and limits its exposure to fluctuations in foreign currency exchange rates by using derivative financial instruments or other suitable financial products, where appropriate.

It is the Manager's policy to hedge the Group's anticipated foreign currency exposure in respect of its distributions to Unitholders, net of anticipated payments required in the same currency at least six months forward by using foreign currency forward contracts.

The Group's net investments in foreign subsidiaries are hedged naturally to the extent that borrowings are taken up in their respective foreign currencies.

The Group uses cross currency swaps and cross currency interest rate swaps to hedge its currency risk. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount of their respective cash flows.

The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk *(cont'd)*

(i) Foreign currency risk *(cont'd)*

The exposure of the Group and the Trust to Australian dollar, Euro, British Pound and Singapore dollar in Singapore dollar equivalent is as follows:

	2020				2019	
	AUD S$'000	EUR S$'000	GBP S$'000	SGD S$'000	EUR S$'000	SGD S$'000
Group						
Cash and cash equivalents	32,799	4,423	3,609	–	214	10,213
Trade and other receivables	–	–	–	–	56	1,140
Trade and other payables	(15,716)	(515)	(25)	–	(728)	(828)
Loans and borrowings	(753,399)	(95,378)	(50,103)	(65,393)	(133,618)	(65,708)
Net statement of financial position exposure	(736,316)	(91,470)	(46,519)	(65,393)	(134,076)	(55,183)
Less: Cross currency swaps and cross currency interest rate swaps	426,683	–	–	65,393	–	65,601
Less: Borrowings designated for net investment hedge	326,716	95,378	47,633	–	–	–
Net currency exposure	17,083	3,908	1,114	–	(134,076)	10,418

	2020			2019	
	AUD S$'000	EUR S$'000	GBP S$'000	EUR S$'000	SGD S$'000
Trust					
Cash and cash equivalents	27,688	4,423	271	214	10,213
Trade and other receivables	65,618	394	–	350	1,191
Trade and other payables	(18,643)	(515)	(1,083)	(728)	(828)
Loans and borrowings	(719,109)	(95,378)	(47,633)	(133,618)	(65,708)
Net statement of financial position exposure	(644,446)	(91,076)	(48,445)	(133,782)	(55,132)
Less: Cross currency swaps and cross currency interest rate swaps	392,392	–	–	–	65,602
Net currency exposure	(252,054)	(91,076)	(48,445)	(133,782)	10,470

As at 30 September 2020, the Group and the Trust had outstanding foreign currency forward contracts with nominal amount of approximately S$83.0 million and S$81.3 million (2019: S$73.9 million and S$73.9 million) respectively to hedge future payments of distribution.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Market risk (cont'd)*

(i) *Foreign currency risk (cont'd)*

Sensitivity analysis

It is estimated that a one percentage point strengthening in foreign currencies against the Singapore dollar (2019: Australian dollar) would decrease the Group's total return by approximately S$1,051,000 (2019: increase by S$497,000). It is also estimated that a one percentage point strengthening in foreign currencies against the Singapore dollar (2019: Australian dollar) would increase the Trust's total return by S$3,103,000 (2019: decrease by S$2,386,000). A one percentage point weakening in foreign currencies against the Singapore dollar (2019: Australian dollar) would have an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

(ii) *Interest rate risk*

The Group adopts a policy of ensuring that at least 50% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps to hedge the variability in cash flows.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenures, repricing dates, maturities and the notional amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the critical terms of either the swaps or the loans and borrowings.

Managing interest rate benchmark reform and associated risks

Derivatives

The Group holds interest rate swaps and cross currency interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The cross currency interest rate swaps have floating legs that are indexed to Singapore Swap Offer Rates ("SOR"). The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association ("ISDA")'s master agreements. The Group is currently in discussions with counterparties of respective contracts. No derivative instruments have been modified as at 30 September 2020.

As at the reporting date, the Group and the Trust have outstanding interest rate swaps and cross currency interest rate swaps with a total nominal amount of S$937.4 million (2019: S$394.6 million) and S$564.0 million (2019: S$315.6 million) respectively to hedge interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by the IBOR reform as at 30 September 2020. Some of the Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rate which is SOR.

The Group's SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to FRS 109 issued to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

The Group's exposure to SOR designated in hedging relationships to hedge interest rate risk is S$352.4 million nominal amount at 30 September 2020, representing both the nominal amount of the hedging interest rate swaps and cross currency interest rate swaps.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group Nominal amount		Trust Nominal amount	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Fixed rate instruments				
Financial assets	–	–	986,381	907,339
Financial liabilities	(403,715)	(321,056)	–	–
Effect of interest rate swaps	(604,969)	(394,552)	(314,475)	(315,574)
Effect of cross currency interest rate swaps	(332,460)	–	(249,492)	–
	(1,341,144)	(715,608)	422,414	591,765
Variable rate instruments				
Financial assets	168,652	115,753	36,949	42,925
Financial liabilities	(2,050,614)	(800,410)	(1,278,727)	(695,674)
Effect of interest rate swaps	604,969	394,552	314,475	315,574
Effect of cross currency interest rate swaps	332,460	–	249,492	–
	(944,533)	(290,105)	(677,811)	(337,175)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Market risk (cont'd)*

(ii) *Interest rate risk (cont'd)*

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect total return.

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased/(decreased) total return and unitholders' funds (before any tax effect) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return		Unitholders' funds	
	1% increase S$'000	1% decrease S$'000	1% increase S$'000	1% decrease S$'000
Group				
2020				
Variable rate instruments not hedged	(9,445)	9,445	–	–
Interest rate swaps	–	–	14,472	(14,918)
Cross currency interest rate swaps	–	–	11,842	(12,693)
Cash flow sensitivity (net)	(9,445)	9,445	26,314	(27,611)
2019				
Variable rate instruments not hedged	(2,901)	2,901	–	–
Interest rate swaps	–	–	4,256	(9,608)
Cash flow sensitivity (net)	(2,901)	2,901	4,256	(9,608)
Trust				
2020				
Variable rate instruments not hedged	(6,778)	6,778	–	–
Interest rate swaps	–	–	7,300	(7,678)
Cross currency interest rate swaps	–	–	5,779	(5,961)
Cash flow sensitivity (net)	(6,778)	6,778	13,079	(13,639)
2019				
Variable rate instruments not hedged	(3,372)	3,372	–	–
Interest rate swaps	–	–	4,277	(4,410)
Cash flow sensitivity (net)	(3,272)	3,372	4,277	(4,410)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting*

(i) *Cash flow hedges*

At 30 September, the Group and the Trust held the following instruments to hedge exposures to changes in foreign currency and interest rates.

		Carrying amount		Changes in value used for calculating hedge ineffectiveness			
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item S$'000	Hedging instrument S$'000	Hedged item S$'000	Weighted average hedge rate	Maturity date
2020							
Cash flow hedges							
Group							
Interest rate risk							
– Interest rate swaps to hedge floating rate loans and borrowings	604,969	(11,991)	Derivative financial instruments	3,468	(3,468)	1.31%	2021 – 2025
Foreign exchange risk							
– Cross currency swaps to hedge foreign currency loans and borrowings	287,332	25,131	Derivative financial instruments	24,625	(24,625)	–	2024
Interest rate risk and foreign exchange risk							
– Cross currency interest rate swaps to hedge foreign currency floating rate loans and borrowings	324,402	3,221	Derivative financial instruments	3,221	(3,221)	–	2024 – 2025

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting (cont'd)*

(i) *Cash flow hedges (cont'd)*

	Carrying amount			Changes in value used for calculating hedge ineffectiveness			
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item S$'000	Hedging instrument S$'000	Hedged item S$'000	Weighted average hedge rate	Maturity date
2020							
Cash flow hedges							
Trust							
Interest rate risk							
– Interest rate swaps to hedge floating rate loans and borrowings	314,475	(4,701)	Derivative financial instruments	(209)	209	1.34%	2021 - 2025
Foreign exchange risk							
–Cross currency swaps to hedge foreign currency loans and borrowings	270,059	25,735	Derivative financial instruments	25,735	(25,735)	–	2024
Interest rate risk and foreign exchange risk							
– Cross currency interest rate swaps to hedge foreign currency floating rate loans and borrowings	241,733	3,702	Derivative financial instruments	3,702	(3,702)	–	2024 – 2025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting (cont'd)*

(i) *Cash flow hedges (cont'd)*

	Contractual notional amount S$'000	Carrying amount: Assets/ (Liabilities) S$'000	Carrying amount: Financial statement line item S$'000	Changes in value used for calculating hedge ineffectiveness: Hedging instrument S$'000	Changes in value used for calculating hedge ineffectiveness: Hedged item S$'000	Weighted average hedge rate	Maturity date
2019							
Cash flow hedges							
Group							
Interest rate risk							
– Interest rate swaps to hedge floating rate loans and borrowings	394,552	(8,415)	Derivative financial instruments	(7,183)	7,183	1.61%	2020 – 2025
Foreign exchange risk							
– Cross currency swaps to hedge foreign currency loans and borrowings	65,602	506	Derivative financial instruments	506	(506)	–	2024
Trust							
Interest rate risk							
– Interest rate swaps to hedge floating rate loans and borrowings	315,574	(5,686)	Derivative financial instruments	(6,296)	6,296	1.88%	2020 – 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Hedge accounting (cont'd)

(i) Cash flow hedges (cont'd)

The following table provides a reconciliation by risk category of components of unitholders' funds resulting from cash flow hedge accounting.

	Group		Trust	
	2020	2019	2020	2019
	Hedging reserve		Hedging reserve	
	S$'000	S$'000	S$'000	S$'000
Group				
Balance as at 1 October	(6,540)	643	(5,653)	643
Cash flow hedges				
Change in fair value Interest rate risk	3,468	(7,183)	(209)	(6,296)
Balance as at 30 September	(3,072)	(6,540)	(5,862)	(5,653)

(ii) Net investment hedge

A foreign currency exposure arises from the Group's net investments in its subsidiaries in Australia, Europe and the United Kingdom ("UK") that have Australian dollar, Euro and British Pound as their functional currencies, respectively. The risk arises from the fluctuation in spot exchange rates between the Australian dollar, Euro and British Pound (2019: Euro) against the Singapore dollar (2019: Australian dollar), which causes the amount of the net investments to vary.

The hedged risk in the net investment hedge is the risk of a weakening Australian dollar, Euro and British Pound (2019: Euro) against the Singapore dollar (2019: Australian dollar) that will result in a reduction in the carrying amount of the Group's net investments in its subsidiaries in Australia, Europe and the UK (2019: Europe).

Part of the Group's net investment in foreign operations are hedged through the use of cross currency swaps and cross currency interest rate swaps. The Group entered into cross currency swaps and cross currency interest rate swaps to swap floating rate Singapore dollar obligations for floating rate Australian dollar, Euro and British Pound obligations. No ineffectiveness was recognised on the net investment hedges.

At the end of the financial year, the Group has designated a portion of the net investments in the subsidiaries, with a carrying amount of S$1,157.8 million (2019: S$287.9 million) as net investment hedges, which mitigate the currency risk arising from certain subsidiaries' net assets. As at 30 September 2020, a cumulative net foreign exchange loss of S$74,191,000 (2019: gain of S$129,000) in respect of the Group's net investment hedges remained in unitholders' funds.

To assess hedge effectiveness, the Group determines the economic relationship between the hedge instrument and the hedge item by adopting the critical term match method. Critical term match method would be applied to assess qualitatively the economic relationship between the hedging instrument and the hedged item. The hedged item and the hedging instrument are expected to move in opposite directions as a result of a change in the hedged risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations with the Group, as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Trade receivables

The Manager monitors the amounts owing by lessees on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the lessees. Credit risk is also mitigated by the bankers' and corporate guarantees or security deposits held for each lessee.

At 30 September 2020 and 30 September 2019, there was no significant concentration of credit risk. The Group's maximum exposure to credit risk is represented by the carrying amounts of financial assets in the statement of financial position, before taking into account security deposits held as collateral.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by operating segment was as follows:

	Group	
	2020 S$'000	2019 S$'000
Logistics and industrial		
– Australia	443	511
– Europe	371	251
Commercial		
– Australia	1,492	–
– Singapore	3,132	–
– United Kingdom	3,113	–
	8,551	762

Expected credit loss assessment for individual tenants

In measuring the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk* (*cont'd*)

Expected credit loss assessment for individual tenants (*cont'd*)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 September:

	Group	
	Gross carrying amount S$'000	Impairment loss allowance S$'000
2020		
Current (not past due)	2,978	(173)
1 – 30 days past due	3,690	(78)
31 – 60 days past due	772	(106)
61 – 90 days past due	345	(70)
More than 90 days past due	2,586	(1,393)
	10,371	(1,820)
2019		
Current (not past due)	467	–
1 – 30 days past due	88	–
31 – 60 days past due	58	–
61 – 90 days past due	36	–
More than 90 days past due	113	–
	762	–

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that have been adversely impacted by the COVID-19 pandemic and have defaulted on payments.

The allowance for impairment losses of receivables is made based on management's assessment of the amount that is expected to be recoverable.

The Manager believes that no allowance for impairment is necessary in respect of the remaining trade receivables as they relate mainly to tenants that have a good record with the Group or have provided bankers' and corporate guarantees or sufficient security deposits as collateral, and hence ECL is negligible.

The movement in the allowance for impairment loss in respect for trade receivables during the year was as follows:

	2020 S$'000	2019 S$'000
Group		
At 1 October	–	–
Impairment loss recognised	1,826	–
Amount written off	(13)	–
Translation differences	7	–
At 30 September	1,820	–

Contents

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties who have sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Derivatives

Derivative financial instruments are only entered into with banks and financial counterparties with sound credit ratings. The credit risk related to derivative financial instruments arises from the potential failure of counterparties to meet their obligations under the contracts. It is the Group's policy to enter into derivative financial instrument transactions with credit worthy counterparties.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds. The Manager maintains a level of cash and cash equivalents and has unutilised committed and uncommitted facilities for drawdown deemed adequate to finance the Group's operations for a reasonable period, including the servicing of financing obligations, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the CCIS issued by the MAS concerning limits on total borrowings.

As at the end of the financial year, the Group maintains several unutilised lines of credit.

The Group has contractual commitments to incur capital expenditure on its investment properties (Note 26).

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

	Carrying amount S$'000	Contractual cash flows S$'000	Cash flows Within one year S$'000	 Between one and five years S$'000	 More than five years S$'000
Group					
2020					
Non-derivative financial liabilities					
Trade and other payables*	92,480	(92,480)	(75,843)	(12,101)	(4,536)
Loans and borrowings	2,620,806	(2,752,072)	(712,297)	(1,764,949)	(274,826)
Balance carried forward	2,713,286	(2,844,552)	(788,140)	(1,777,050)	(279,362)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	11,991	(12,072)	(6,538)	(5,534)	–
Foreign currency forward contracts (gross-settled)	879				
– outflow		(83,021)	(83,021)	–	–
– inflow		82,190	82,190	–	–
Cross currency swaps used for hedging (gross-settled)	9,036				
– outflow		(464,098)	(1,437)	(462,661)	–
– inflow		454,849	5,148	449,701	–
Cross currency interest rate swaps used for hedging (gross-settled)	6,733				
– outflow		(383,153)	(5,181)	(377,972)	–
– inflow		376,275	4,682	371,593	–
	28,639	(29,030)	(4,157)	(24,873)	–
	2,741,925	(2,873,582)	(792,297)	(1,801,923)	(279,362)
2019					
Non-derivative financial liabilities					
Trade and other payables*	47,013	(47,013)	(45,331)	–	(1,682)
Loans and borrowings	1,114,240	(1,187,818)	(205,202)	(807,548)	(175,068)
	1,161,253	(1,234,831)	(250,533)	(807,548)	(176,750)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	8,415	(7,411)	(3,367)	(3,975)	(69)
Foreign currency forward contracts (gross-settled)	(1,866)				
– outflow		(72,137)	(72,137)	–	–
– inflow		73,956	73,956	–	–
Cross currency swaps used for hedging (gross-settled)	(635)				
– outflow		(384,560)	(1,573)	(382,987)	–
– inflow		384,575	5,453	379,122	–
	5,914	(5,577)	2,332	(7,840)	(69)
	1,167,167	(1,240,408)	(248,201)	(815,388)	(176,819)

* Excluding deferred income and rental received in advance

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

	Carrying amount S$'000	Contractual cash flows S$'000	Cash flows: Within one year S$'000	Cash flows: Between one and five years S$'000
Trust				
2020				
Non-derivative financial liabilities				
Trade and other payables	22,567	(22,567)	(22,567)	–
Loans and borrowings	1,271,715	(1,321,747)	(323,829)	(997,918)
	1,294,282	(1,344,314)	(346,396)	(997,918)
Derivative financial instruments				
Interest rate swaps used for hedging (net-settled)	4,701	(4,713)	(2,934)	(1,779)
Foreign currency forward contracts (gross-settled)	887			
– outflow		(81,257)	(81,257)	–
– inflow		80,418	80,418	–
Cross currency swaps used for hedging (gross-settled)	9,036			
– outflow		(464,098)	(1,437)	(462,661)
– inflow		454,849	5,148	449,701
Cross currency interest rate swaps used for hedging (gross-settled)	7,850			
– outflow		(363,542)	(4,747)	(358,795)
– inflow		355,545	4,119	351,426
	22,474	(22,798)	(690)	(22,108)
	1,316,756	(1,367,112)	(347,086)	(1,020,026)
2019				
Non-derivative financial liabilities				
Trade and other payables	3,106	(3,106)	(3,106)	–
Loans and borrowings	688,447	(733,849)	(113,267)	(620,582)
	691,553	(736,955)	(116,373)	(620,582)
Derivative financial instruments				
Interest rate swaps used for hedging (net-settled)	5,686	(5,747)	(3,066)	(2,681)
Foreign currency forward contracts (gross-settled)	(1,866)			
– outflow		(72,137)	(72,137)	–
– inflow		73,956	73,956	–
Cross currency swaps used for hedging (gross-settled)	(635)			
– outflow		(384,560)	(1,573)	(382,987)
– inflow		384,575	5,453	379,122
	3,185	(3,913)	2,633	(6,546)
	694,738	(740,868)	(113,740)	(627,128)

* Excluding deferred income and rental received in advance

The maturity analyses above show the contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity. Derivative financial instruments held are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement. The interest payments on floating rate loans and borrowings in the table above reflect market forward interest rates at the year end and these amounts may change as market interest rates changes. The future cash flows on derivative instruments may be different from the amounts in the above table as interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analyses could occur significantly earlier, or at significantly different amounts.

29. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) *Classifications and fair values*

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2020										
Financial assets measured at fair value										
Foreign currency forward contracts	14	–	330	–	–	330	–	330	–	330
Cross currency swaps	14	–	–	25,735	–	25,735	–	25,735	–	25,735
Cross currency interest rate swaps	14	–	–	7,842	–	7,842	–	7,842	–	7,842
		–	330	33,577	–	33,907				
Financial assets not measured at fair value										
Cash and cash equivalents	15	168,652	–	–	–	168,652				
Trade and other receivables*	16	22,514	–	–	–	22,514				
		191,166	–	–	–	191,166				

* Excluding prepayments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2020										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(11,991)	–	(11,991)	–	(11,991)	–	(11,991)
Foreign currency forward contracts	14	–	(1,209)	–	–	(1,209)	–	(1,209)	–	(1,209)
Cross currency swaps	14	–	–	(34,771)	–	(34,771)	–	(34,771)	–	(34,771)
Cross currency interest rate swaps	14	–	–	(14,575)	–	(14,575)	–	(14,575)	–	(14,575)
		–	(1,209)	(61,337)	–	(62,546)				
Financial liabilities not measured at fair value										
Trade and other payables**	17	–	–	–	(92,480)	(92,480)				
Loans and borrowings***	18	–	–	–	(2,445,883)	(2,445,883)	–	–	(2,471,656)	(2,471,656)
		–	–	–	(2,538,363)	(2,538,363)				

** Excluding deferred income and rental received in advance

*** Excluding lease liabilities

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2019										
Financial assets measured at fair value										
Foreign currency forward contracts	14	–	1,866	–	–	1,866	–	1,866	–	1,866
Cross currency swaps	14	–	574	1,335	–	1,909	–	1,909	–	1,909
		–	2,440	1,335	–	3,775				
Financial assets not measured at fair value										
Cash and cash equivalents	15	115,753	–	–	–	115,753				
Trade and other receivables*	16	8,101	–	–	–	8,101				
		123,854	–	–	–	123,854				

* Excluding prepayments

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2019										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(8,415)	–	(8,415)	–	(8,415)	–	(8,415)
Cross currency swaps	14	–	(69)	(1,205)	–	(1,274)	–	(1,274)	–	(1,274)
		–	(69)	(9,620)	–	(9,689)				
Financial liabilities not measured at fair value										
Trade and other payables**	17	–	–	–	(47,013)	(47,013)				
Loans and borrowings	18	–	–	–	(1,114,240)	(1,114,240)	–	–	(1,151,940)	(1,151,940)
		–	–	–	(1,161,253)	(1,161,253)				

** Excluding deferred income and rental received in advance

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2020										
Financial assets measured at fair value										
Foreign currency forward contracts	14	–	322	–	–	322	–	322	–	322
Cross currency swaps	14	–	–	25,735	–	25,735	–	25,735	–	25,735
Cross currency interest rate swaps	14	–	526	6,199	–	6,725	–	6,725	–	6,725
		–	848	31,934	–	32,782				
Financial assets not measured at fair value										
Loans to subsidiaries		1,925,039	–	–	–	1,925,039	–	–	2,057,120	2,057,120
Cash and cash equivalents	15	36,949	–	–	–	36,949				
Trade and other receivables*	16	73,717	–	–	–	73,717				
		2,035,705	–	–	–	2,035,705				

* Excluding prepayments

Contents

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2020										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(4,701)	–	(4,701)	–	(4,701)	–	(4,701)
Foreign currency forward contracts	14	–	(1,209)	–	–	(1,209)	–	(1,209)	–	(1,209)
Cross currency swaps	14	–	(34,771)	–	–	(34,771)	–	(34,771)	–	(34,771)
Cross currency interest rate swaps	14	–	(12,078)	(2,497)	–	(14,575)	–	(14,575)	–	(14,575)
		–	(48,058)	(7,198)	–	(55,256)				
Financial liabilities not measured at fair value										
Trade and other payables	17	–	–	–	(22,567)	(22,567)				
Loans and borrowings	18	–	–	–	(1,271,715)	(1,271,715)				
		–	–	–	(1,294,282)	(1,294,282)				

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2019										
Financial assets measured at fair value										
Foreign currency forward contracts	14	–	1,866	–	–	1,866	–	1,866	–	1,866
Cross currency swaps	14	–	1,909	–	–	1,909	–	1,909	–	1,909
		–	3,775	–	–	3,775				
Financial assets not measured at fair value										
Loans to subsidiaries		1,667,071	–	–	–	1,667,071	–	–	1,747,702	1,747,702
Cash and cash equivalents	15	42,925	–	–	–	42,925				
Trade and other receivables*	16	55,892	–	–	–	55,892				
		1,765,888	–	–	–	1,765,888				

* Excluding prepayments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2019										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(5,686)	–	(5,686)	–	(5,686)	–	(5,686)
Cross currency swaps	14	–	(1,274)	–	–	(1,274)	–	(1,274)	–	(1,274)
		–	(1,274)	(5,686)	–	(6,960)				
Financial liabilities not measured at fair value										
Trade and other payables	17	–	–	–	(3,106)	(3,106)				
Loans and borrowings	18	–	–	–	(688,447)	(688,447)				
		–	–	–	(691,553)	(691,553)				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values.

Type	Valuation techniques
Financial instruments measured at fair value	
Group and Trust	
Interest rate swaps, foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.
Financial instruments not measured at fair value	
Group	
Loans and borrowings	*Discounted cash flows:* The fair values are based on the present value of future payments, discounted at the market interest rate at the measurement date.
Trust	
Loans to subsidiaries	*Discounted cash flows:* The fair values are based on the present value of future receipts, discounted at the market rate of interest at the measurement date.

There were no transfers between the levels of the fair value hierarchy during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

30. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure to support the business and maximise Unitholders' value.

The aggregate leverage ratio is calculated as gross borrowings divided by total assets, based on the latest valuations.

	Group	
	2020	**2019**
Total loans and borrowings (gross) (Note 18) (S$'000)	2,454,329	1,121,466
Total assets (S$'000)	6,559,724	3,353,096
Aggregate leverage (%) [1]	37.4	33.4

On 16 April 2020, the MAS announced that the aggregate leverage limit for Singapore real estate investment trusts will be raised from 45% to 50% with immediate effect. In its public consultation last year, the MAS had proposed for S-REITs to have a new minimum interest coverage ratio ("ICR") of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%). However, the MAS has deferred the new ICR requirement to 1 January 2022 in light of the current COVID-19 pandemic situation. As at 30 September 2020, the Group had an ICR [2] of 6.4 times.

The Group was in compliance with all externally imposed capital requirements for the financial years ended 30 September 2020 and 30 September 2019.

There were no substantial changes in the Group's and the Trust's approach to capital management during the year.

(1) The impact of FRS 116 *Leases* (adopted with effect from 1 October 2019) has been excluded for the purpose of computing the Aggregate Leverage Ratio.

(2) Ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation and interest income), by the trailing 12 months borrowing costs (including interest expense on lease liabilities), as defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore on 16 April 2020 and clarified on 29 May 2020. Borrowing costs include effects of FRS 116.

31. FINANCIAL RATIOS

	2020	**2019**
	%	**%**
Expense to weighted average net assets [1]		
– with performance fee of Managers	1.16	1.14
– without performance fee of Managers	0.85	0.81
Expense to net asset value [2]	2.51	2.74
Portfolio turnover ratio [3]	0.56	7.24

(1) The expense ratios are computed in accordance with the guidelines of the Investment Manager Association of Singapore. The expenses used in the computation relate to the expenses of the Group, excluding property expenses, interest expense, foreign exchange gains and losses and tax expense of the Group.

(2) The expense ratio is computed based on total operating expense, including property expenses and all fees and charges paid/payable to the Managers and the interested parties as a percentage of net asset value as at the end of the financial year.

(3) The portfolio turnover ratios are computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

32. ACQUISITION OF SUBSIDIARIES

In 2020, there were the following acquisitions of subsidiaries:

(a) In April 2020, the Group completed the merger with FCOT by way of a trust scheme of arrangement. FCOT owns a portfolio of six properties.

The purchase consideration of S$1,257.3 million was settled by a cash consideration of S$138.4 million and issuance of 1,130.2 million new Units, amounting to S$1,118.9 million.

In April 2020, concurrent with the Merger, the Group acquired the remaining 50% interest in Farnborough Business Park Ltd ("FBPL") which owns Farnborough Business Park for a purchase consideration of S$158.7 million (approximately £89.3 million). The acquisition of this 50% interest in FBPL (the "FBPL Acquisition"), together with the 50% equity interest in FBPL held by FCOT, resulted in FBPL being a wholly owned subsidiary of the Group.

The Merger and FBPL Acquisition are collectively referred to as the "FCOT Acquisition".

The net assets of FCOT include the undistributed capital gains available for distribution of S$132.9 million. This relates to the net gain on disposal of 55 Market Street in August 2018.

(b) In August 2020, the Group acquired 100% equity interest in Maxis Business Park Limited which owns Maxis Business Park (the "Maxis Acquisition"), comprising two office buildings, in the UK, for a consideration of S$67.7 million (approximately £37.7 million).

(c) In November 2019 and December 2019, the Group acquired equity interests in two property holding companies which hold interests in two freehold logistics properties located in Germany for a total consideration of S$91.3 million (approximately €62.3 million) (the "Europe Acquisition").

All the acquisitions were accounted for as acquisition of assets.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

32. ACQUISITION OF SUBSIDIARIES (CONT'D)

	FCOT Acquisition S$'000	Maxis Acquisition S$'000	Europe Acquisition S$'000	Total 2020 S$'000
Investment properties	2,134,632	121,131	94,625	2,350,388
Plant and equipment	272	–	–	272
Trade and other receivables	12,152	2,175	789	15,116
Cash at bank	40,169	1,725	3,019	44,913
Derivative assets and liabilities	(3,922)	–	–	(3,922)
Trade and other payables	(96,062)	(3,290)	(3,939)	(103,291)
Loans and borrowings	(671,206)	(53,992)	–	(725,198)
Shareholders' loans	(79,258)	(34,406)	(39,145)	(152,809)
Total identifiable net assets	1,336,777	33,343	55,349	1,425,469
Less: Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	–	–	(3,183)	(3,183)
Identifiable net assets acquired	1,336,777	33,343	52,166	1,422,286
Consideration transferred				
Consideration paid in cash	297,146	67,749	91,311	456,206
Consideration paid in units	1,118,889	–	–	1,118,889
	1,416,035	67,749	91,311	1,575,095
Effect of the acquisition on cash flows				
Consideration for equity interest	1,336,777	33,343	52,166	1,422,286
Add: Shareholders' loans assumed	79,258	34,406	39,145	152,809
	1,416,035	67,749	91,311	1,575,095
Add: Acquisition costs incurred	34,090	1,038	1,132	36,260
	1,450,125	68,787	92,443	1,611,355
Less: Consideration paid in units	(1,118,889)	–	–	(1,118,889)
Less: Acquisition fee paid in units	(11,933)	(606)	(446)	(12,985)
Less: Cash at bank of subsidiaries acquired	(40,169)	(1,725)	(3,019)	(44,913)
Net cash outflow	279,134	66,456	88,978	434,568

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

32. ACQUISITION OF SUBSIDIARIES (CONT'D)

In 2019, the Group acquired equity interests in nine property holding companies which held interests in eight freehold logistics properties located in Germany for a total consideration of S$290.1 million (€198.8 million).

The acquisitions were accounted for as acquisition of assets.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2019 S$'000
Investment properties	413,845
Trade and other receivables	1,602
Cash at bank	16,808
Trade and other payables	(27,368)
Borrowings	(107,883)
Shareholders' loans	(163,366)
Total identifiable net assets	133,638
Less: Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	(6,882)
Identifiable net assets acquired	126,756
Consideration transferred	
Cash paid	290,122
Effect of the acquisition on cash flows	
Consideration for equity interest	126,756
Add: Shareholders' loans assumed	163,366
	290,122
Add: Acquisition costs incurred	883
Less: Cash at bank of subsidiaries acquired	(16,808)
Net cash outflow	274,197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

33. SUBSEQUENT EVENTS

There were the following significant events subsequent to the reporting date:

- On 5 October 2020, 505,408 Units were issued at an issue price of S$1.417 per Unit as payment of acquisition fees in respect of the Group's acquisition of (i) a Australian property, and (ii) interests in a UK property, during the year ended 30 September 2020.

- On 6 November 2020, the Manager declared a distribution of 3.39 Singapore cents per Unit to Unitholders in respect of the period from 15 April 2020 to 30 September 2020.

- On 12 November 2020, the following Units were issued:

In payment of	Period to which the fees relate to	Issue price per Unit	Number of Units issued '000
Managers' management fees			
– Base fee	1 July 2020 to 30 September 2020	S$1.4205	4,030
– Performance fee	1 October 2019 to 30 September 2020	S$1.4205	6,314
			10,344

- The Manager has been closely monitoring the COVID-19 outbreak since early 2020, given the disruptions and uncertainty that it has on global economic and operational prospects. The Manager has assessed, and continues to actively monitor, the inherent risk of the outbreak and put in place mitigating measures including those directed by the respective authorities.

  As at the date of this report, the Manager has considered, to the best of its knowledge, all available information in its assessment of the impact of COVID-19 on the Group, including policy responses by the authorities of the countries and states in which the Group operates in. Such policy responses may include relief measures introduced for businesses and individuals who are unable to fulfil their contractual obligations due to COVID-19, such as the waiver and/or deferment of rental payments, as well as moratoriums on eviction or foreclosures during the COVID-19 pandemic. However, as COVID-19 remains an evolving situation, the Manager is unable to ascertain the full impact of COVID-19 to the Group in the medium-to-longer term.

  The Manager will continue to monitor the situation and take the appropriate measures to manage the implications of COVID-19 in accordance with the guidelines, regulations and legislations provided by the authorities in the respective countries that the Group operates in and will take the necessary actions to ensure the long-term sustainability of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

34. LIST OF SIGNIFICANT SUBSIDIARIES

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2020 %	2019 %
Direct subsidiaries					
FLT Australia Pte. Ltd [1]	Investment holding	Singapore	Singapore	100.0	100.0
FLT Treasury Pte. Ltd [1]	Provision of treasury service	Singapore	Singapore	100.0	100.0
FLT Europe Pte. Ltd. [1]	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe Treasury Pte. Ltd. [1]	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe 1 Pte. Ltd. [1]	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe 2 Pte. Ltd. [1]	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe 3 Pte. Ltd. [1]	Investment holding	Singapore	Singapore	100.0	100.0
FLCT UK Pte. Ltd	Investment holding	Singapore	Singapore	100.0	–
FLT Australia Trust [2][3]	Investment holding	Australia	Australia	100.0	100.0
Frasers Commercial Trust [1]	Property investment and investment holding	Singapore	Singapore	100.0	–
Indirect subsidiaries					
Atlantic Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Atlantic Drive Trust C	Property investment	Australia	Australia	100.0	100.0
Atlantic Drive Trust D	Property investment	Australia	Australia	100.0	100.0
Aylesbury Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Bam Wine Court Trust A	Property investment	Australia	Australia	100.0	100.0
Boundary Road Trust A	Property investment	Australia	Australia	100.0	100.0
Boundary Road Trust B	Property investment	Australia	Australia	100.0	100.0
Butler Boulevard Trust A	Property investment	Australia	Australia	100.0	100.0
Butler Boulevard Trust B	Property investment	Australia	Australia	100.0	100.0
Butler Boulevard Trust C	Property investment	Australia	Australia	100.0	100.0
Canterbury Road Trust A	Property investment	Australia	Australia	100.0	–
Distribution Place Trust A	Property investment	Australia	Australia	100.0	100.0
Doriemus Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Douglas Street Trust A	Property investment	Australia	Australia	100.0	100.0
Earnshaw Road Trust A	Property investment	Australia	Australia	100.0	100.0
Efficient Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Efficient Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Eucalyptus Place Trust A	Property investment	Australia	Australia	100.0	100.0
Flint Street Trust A	Property investment	Australia	Australia	100.0	100.0
Gibbon Road Trust A	Property investment	Australia	Australia	100.0	100.0
Hanson Place Trust A	Property investment	Australia	Australia	100.0	100.0
Horsley Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Horsley Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Horsley Drive Trust C	Property investment	Australia	Australia	100.0	100.0
Hudson Court Trust A	Property investment	Australia	Australia	100.0	100.0
Hudson Court Trust B	Property investment	Australia	Australia	100.0	100.0
Indian Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Indian Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Jets Court Trust A	Property investment	Australia	Australia	100.0	100.0
Jets Court Trust B	Property investment	Australia	Australia	100.0	100.0
Kangaroo Avenue Trust A	Property investment	Australia	Australia	100.0	100.0
Kangaroo Avenue Trust B	Property investment	Australia	Australia	100.0	100.0
Kangaroo Avenue Trust C	Property investment	Australia	Australia	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

34. LIST OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2020 %	2019 %
Indirect subsidiaries (cont'd)					
Link Road Trust A	Property investment	Australia	Australia	100.0	100.0
Pacific Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Pacific & Atlantic Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Paltridge Road Trust A	Property investment	Australia	Australia	100.0	100.0
Pearson Road Trust A	Property investment	Australia	Australia	100.0	100.0
Pearson Road Trust B	Property investment	Australia	Australia	100.0	100.0
Platinum Street Trust A	Property investment	Australia	Australia	100.0	100.0
Queensport Road Trust A	Property investment	Australia	Australia	100.0	100.0
Reconciliation Rise Trust A	Property investment	Australia	Australia	100.0	100.0
Reconciliation Rise Trust B	Property investment	Australia	Australia	100.0	100.0
Sandstone Place Trust A	Property investment	Australia	Australia	100.0	100.0
Shettleston Street Trust A	Property investment	Australia	Australia	100.0	100.0
Siltstone Place Trust A	Property investment	Australia	Australia	100.0	100.0
Sky Road East Trust A	Property investment	Australia	Australia	100.0	100.0
Sky Road East Trust B	Property investment	Australia	Australia	100.0	100.0
South Centre Road Trust A	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust A	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust C	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust D	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust E	Property investment	Australia	Australia	100.0	100.0
Springhill Road Trust A	Property investment	Australia	Australia	100.0	100.0
Stanton Road Trust A	Property investment	Australia	Australia	100.0	100.0
Stanton Road Trust B	Property investment	Australia	Australia	100.0	100.0
Station Road Trust A	Property investment	Australia	Australia	100.0	100.0
Stradbroke Street Trust A	Property investment	Australia	Australia	100.0	100.0
Sunline Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Sunline Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Wayne Goss Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Wayne Goss Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Wellington Road Trust A	Property investment	Australia	Australia	100.0	100.0
FLT Europe B.V. (2)	Investment holding	The Netherlands	The Netherlands	100.0	100.0
AI Gewerbepark Obertshausen GmbH	Property investment	Luxembourg	The Netherlands	94.0	94.0
AI Gewerbepark Ratingen GmbH	Property investment	Luxembourg	The Netherlands	94.0	94.0
AI Gewerbepark Tamm GmbH	Property investment	Luxembourg	The Netherlands	94.0	94.0
BV Maschinen GmbH	Investment holding	Luxembourg	The Netherlands	100.0	100.0
CCP IV Garching S.à.r.l.	Property investment	Luxembourg	The Netherlands	94.0	94.0
FLT Achern GmbH	Property investment	Germany	The Netherlands	94.0	94.0
FLT INV 1 B.V.	Investment holding	The Netherlands	The Netherlands	94.9	94.9
FLT INV 2 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 3 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 4 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 5 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 6 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 7 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 8 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

34. LIST OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2020 %	2019 %
Indirect subsidiaries (cont'd)					
FLT INV 9 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 10 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 11 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 12 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 13 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 14 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 15 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 16 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 17 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 18 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 19 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 20 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 21 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 22 B.V.	Property investment	The Netherlands	The Netherlands	94.9	–
FLT INV 23 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 24 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT Marl GmbH	Investment holding	Germany	The Netherlands	94.9	94.9
FLT Marl GmbH & Co. KG	Property investment	Germany	The Netherlands	94.9	94.9
FLT Moosthenning 1 GmbH	Property investment	Germany	The Netherlands	94.8	94.8
FLT Moosthenning 2 GmbH	Property investment	Germany	The Netherlands	94.8	94.8
FLT Moosthenning (SP) GmbH	Property investment	Germany	The Netherlands	100.0	100.0
FLT Nuremberg GmbH	Property investment	Germany	The Netherlands	94.0	94.0
FLT Rheinberg GmbH	Property investment	Germany	The Netherlands	94.9	94.9
FLT Vaihingen GmbH	Property investment	Germany	The Netherlands	94.0	94.0
Gewerbepark Bergheim GmbH	Property investment	Luxembourg	The Netherlands	94.0	94.0
FLT Freiberg GmbH (formerly known as Greenfield Logistikpark Freiberg GmbH)	Property investment	Germany	The Netherlands	94.8	94.8
FLT Isenbuttel GmbH (formerly known as LogProject Isenbuttel GmbH)	Property investment	Germany	The Netherlands	94.8	94.8
FLT Gottmadingen GmBH (formerly known as SMR2 Verwaltungs GmbH)	Property investment	Germany	The Netherlands	90.1	90.1
GUMES Verwaltung Objekt Bielefeld-Sennestadt GmbH	Property investment	Germany	The Netherlands	93.1	–
Frasers Commercial Sub No. 1 Pte. Ltd. [(1)]	Investment holding	Singapore	Singapore	100.0	–
Frasers Commercial Sub No. 2 Pte. Ltd. [(1)]	Investment holding	Singapore	Singapore	100.0	–
Frasers Commercial Sub No. 3 Pte. Ltd. [(1)]	Investment holding	Singapore	Singapore	100.0	–
Frasers Commercial Sub No. 4 Pte. Ltd. [(1)]	Investment holding	Singapore	Singapore	100.0	–
FCOT Treasury Pte. Ltd. [(1)]	Provision of treasury services	Singapore	Singapore	100.0	–
Frasers Commercial (UK) Sub. 1 Pte. Ltd. [(1)]	Investment holding	Singapore	Singapore	100.0	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

34. LIST OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2020 %	2019 %
Indirect subsidiaries (cont'd)					
Frasers Commercial Investments No. 1 Pte. Ltd. [1]	Investment holding	Singapore	Singapore	100.0	–
Frasers Commercial Investments No. 3 Pty Ltd	Investment holding	Cayman Islands	Cayman Islands	100.0	–
Frasers Commercial Investments No. 4 Pty Ltd	Investment holding	Cayman Islands	Cayman Islands	100.0	–
Central Park Landholding Trust	Property investment	Australia	Australia	100.0	–
Collins Street Landholding Trust	Property investment	Australia	Australia	100.0	–
Athllon Drive Landholding Trust	Property investment	Australia	Australia	100.0	–
ARC Trust	Investment holding	Australia	Australia	100.0	–
Farnborough Business Park Ltd	Property investment	Jersey	United Kingdom	100.0	–
Maxis Business Park Limited	Property investment	Jersey	United Kingdom	100.0	–

(1) Audited by KPMG LLP, Singapore.

(2) Audited by other member firms of KPMG International.

(3) Held by the Trust and FLT Australia Pte. Ltd. with equity interest of 50% each.

UNITHOLDERS' STATISTICS

AS AT 26 NOVEMBER 2020

ISSUED AND FULLY-PAID-UP UNITS

As at 26 November 2020

3,424,069,367 Units (voting rights: one vote per Unit)
Market Capitalisation S$4,690,975,033 (based on closing price of S$1.37 per Unit on 26 November 2020)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	430	1.85	18,648	0.00
100 – 1,000	2,260	9.73	1,585,370	0.05
1,001 – 10,000	12,006	51.69	58,468,172	1.71
10,001 – 1,000,000	8,483	36.53	349,436,946	10.20
1,000,001 and above	46	0.20	3,014,560,231	88.04
Total	**23,225**	**100.00**	**3,424,069,367**	**100.00**

TOP 20 UNITHOLDERS

As at 26 November 2020
As shown in the Register of Unitholders

No.	Name	No. of Units	%
1	Frasers Property Industrial Trust Holdings Pte. Ltd.	750,020,543	21.90
2	Citibank Nominees Singapore Pte Ltd	607,685,826	17.75
3	DBS Nominees (Private) Limited	491,826,772	14.36
4	DBSN Services Pte. Ltd.	259,907,692	7.59
5	HSBC (Singapore) Nominees Pte Ltd	254,305,238	7.43
6	DB Nominees (Singapore) Pte Ltd	140,130,079	4.09
7	Raffles Nominees (Pte.) Limited	133,999,193	3.91
8	RHB Bank Nominees Pte Ltd	100,000,000	2.92
9	BPSS Nominees Singapore (Pte.) Ltd.	61,138,286	1.79
10	Maybank Nominees (Singapore) Private Limited	42,626,000	1.24
11	Frasers Logistics & Commercial Asset Management Pte. Ltd.	20,153,781	0.59
12	United Overseas Bank Nominees (Private) Limited	18,422,614	0.54
13	UOB Kay Hian Private Limited	12,506,998	0.37
14	OCBC Securities Private Limited	12,145,843	0.35
15	Phillip Securities Pte Ltd	11,908,229	0.35
16	CGS-CIMB Securities (Singapore) Pte. Ltd.	10,633,294	0.31
17	OCBC Nominees Singapore Private Limited	9,261,439	0.27
18	Maybank Kim Eng Securities Pte. Ltd.	6,109,991	0.18
19	ABN Amro Clearing Bank N.V.	5,630,338	0.16
20	Merrill Lynch (Singapore) Pte. Ltd.	5,412,021	0.16
	Total	**2,953,824,177**	**86.26**

UNITHOLDERS' STATISTICS

AS AT 26 NOVEMBER 2020

SUBSTANTIAL UNITHOLDERS

As at 26 November 2020

	Direct Interest		Deemed Interest			
	No. of Units held	%	No. of Units held	%	Total No. of Units held	%
Frasers Property Industrial Trust Holdings Pte. Ltd. (formerly known as FCL Investments (Industrial) Pte. Ltd.	750,020,543	21.90	–	–	750,020,543	21.90
Frasers Property Limited (formerly known as Frasers Centrepoint Limited) (1)	–	–	770,174,324	22.49	770,174,324	22.49
Thai Beverage Public Company Limited (2)	–	–	770,174,324	22.49	770,174,324	22.49
International Beverage Holdings Limited (3)	–	–	770,174,324	22.49	770,174,324	22.49
InterBev Investment Limited (4)	–	–	770,174,324	22.49	770,174,324	22.49
Siriwana Co., Ltd (5)	–	–	770,174,324	22.49	770,174,324	22.49
Maxtop Management Corp. (6)	–	–	770,174,324	22.49	770,174,324	22.49
Risen Mark Enterprise Ltd. (6)	–	–	770,174,324	22.49	770,174,324	22.49
Golden Capital (Singapore) Limited (6)	–	–	770,174,324	22.49	770,174,324	22.49
MM Group Limited (7)	–	–	770,174,324	22.49	770,174,324	22.49
TCC Assets Limited (8)	–	–	770,174,324	22.49	770,174,324	22.49
Charoen Sirivadhanabhakdi (9)	–	–	770,174,324	22.49	770,174,324	22.49
Khunying Wanna Sirivadhanabhakdi (10)	–	–	770,174,324	22.49	770,174,324	22.49

Notes:

(1) Frasers Property Limited (formerly known as Frasers Centrepoint Limited) ("**FPL**") holds a 100% direct interest in each of Frasers Logistics & Commercial Asset Management Pte. Ltd. ("**FLCAM**") and Frasers Property Industrial Trust Holdings Pte. Ltd. (formerly known as FCL Investments (Industrial) Pte. Ltd. ("**FPITH**"). Each of FLCAM and FPITH directly holds units in FLCT. FPL therefore has a deemed interest in the units in FLCT in which each of FLCAM and FPITH has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**").

(2) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in International Beverage Holdings Limited ("**IBHL**");
- IBHL holds a 100% direct interest in InterBev Investment Limited ("**IBIL**");
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

ThaiBev therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(3) IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

IBHL therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of section 4 of the SFA.

(4) IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

IBIL therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of section 4 of the SFA.

(5) Siriwana Co., Ltd. ("**SCL**") holds a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

SCL therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(6) Maxtop Management Corp. ("**MMC**") together with Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**") collectively hold a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

MMC, RM and GC each therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDERS' STATISTICS

AS AT 26 NOVEMBER 2020

SUBSTANTIAL UNITHOLDERS (CONT'D)

As at 26 November 2020

(7) MM Group Limited ("**MM**") holds a 100% direct interest in each of MMC, RM and GC;
- MMC, RM and GC collectively hold a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

MM therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(8) TCC Assets Limited ("**TCCA**") holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

TCCC therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(9) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(10) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in FLCAM and FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 October 2020

Directors	Direct Interest No. of Units held	Deemed Interest No. of Units held
Mr Ho Hon Cheong	–	1,123,100
Mr Goh Yong Chian	800,000	–
Mr Paul Gilbert Say	–	165,000
Mr Chin Yoke Choong	136,082	100,000
Ms Soh Onn Cheng Margaret Jane	–	18,495
Mr Panote Sirivadhanabhakdi	–	118,559,700
Mr Chia Khong Shoong	–	220,000
Mr Rodney Vaughan Fehring	–	132,000
Mr Reinfried Helmut Otter	–	–

FREE FLOAT

Based on information available to the Manager as at 26 November 2020, approximately 74% of the Units are held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

INTERESTED PERSON TRANSACTIONS

NAME OF INTERESTED PERSONS	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY20 $'000
Frasers Logistics & Commercial Asset Management Pte. Ltd. ("FLCAM")	TCC Assets Limited is the ultimate holding company of the Group. The other named interested persons are its subsidiaries.	
– Manager's base management fees paid/payable		(14,994)
– Manager's performance management fees paid/payable		(7,090)
– Manager's acquisition fees paid/payable		(13,007)
– Manager's divestment management fees paid/payable		(18)
– Reimbursement of expenses		(1,335)
FLT Australia Management Pty Ltd ("HAUT Manager")		
– Manager's base management fees paid/payable		(4,027)
– Manager's performance management fees paid/payable		(1,871)
– Manager's acquisition fees paid/payable		(87)
– Manager's divestment management fees paid/payable		(74)
Frasers Commercial Asset Management Ltd. ("FCOAM")		
– Manager's base management fees paid/payable		(429)
– Manager's performance management fees paid/payable		(140)
Frasers Property Management Services Pty Limited		
– Property management fees paid/payable		(2,309)
– Marketing services commissions and other payroll-related expenses paid/payable		(262)
– Management office rental		20
– Estimated property management fees and related expenses (3 year contract)		(2,759)
– Estimated management office rental (3 year contract)		134
Frasers Property Australia Pty Limited and its subsidiaries ("FPA Group")		
– Incentives reimbursement		5,162
– Settlement adjustments		146
– Acquisition of completed investment properties		(22,102)
– Make good and surrender payment		13
– Reimbursement of expenses		(693)
– Rental income		104
Frasers Property Funds Management Limited (in its capacity as trustee of FLT Australia Trust)		
– Trustee fees payable		(67)
Southeast Insurance Public Company Limited ("Southeast")		
– Insurance expense paid/payable		(1,166)
Perpetual (Asia) Limited	FLCT Trustee	
– Trustee fees paid/payable		(407)
– Disbursements/out-of-pocket expenses paid		(5)

INTERESTED PERSON TRANSACTIONS

NAME OF INTERESTED PERSONS	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY20 $'000
Frasers Property Limited and its subsidiaries ("FPL Group")	TCC Assets Limited is the ultimate holding company of the Group. The other named interested persons are its subsidiaries.	
– Consideration for the FCOT units held pursuant to the merger		(400,288)
FPE Advisory B.V.		
– Property management fees paid/payable		(1,687)
– Leasing fees		(445)
Frasers Property Investments (Holland) B.V.		
– Settlement adjustment in relation to acquisition of 9 properties		(1,140)
– Purchase consideration for Berlin		(57,604)
– Purchase consideration for Bielefeld		(32,386)
– Incentives reimbursement		318
Frasers Property HoldCo (Jersey) 2 Limited		
– Purchase consideration for Maxis Business Park		(67,749)
British and Malayan Trustees Limited	FCOT Trustee	
– Trustee fees paid/payable		(135)
Frasers Property HoldCo (Jersey) Limited	TCC Assets Limited is the ultimate holding company of the Group. The other named interested persons are its subsidiaries.	
– Purchase consideration for remaining 50% interest of Farnborough Business Park		(159,291)
Frasers Property Commercial Management Pte Ltd		
– Property management fees paid/payable		(1,149)
– Marketing services commissions paid/payable and other payroll-related expenses		(1,322)
Frasers Hospitality China Square Trustee Pte Ltd (in its capacity as trustee-manager of Frasers Hospitality China Square Trust)		
– Rental and other property income		239
– Carpark charges and other expenses		(19)

Save as disclosed above, there were no other interested person transactions (excluding transactions of less than $100,000 each) entered into during the financial year under review nor any material contracts entered into by the Trust that involved the interests of the CEO, any Director or any controlling unitholder of the Trust.

NOTICE OF ANNUAL GENERAL MEETING

FRASERS LOGISTICS & COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 30 November 2015 (as amended, restated and supplemented))

NOTICE IS HEREBY GIVEN that the 4th Annual General Meeting ("**AGM**") of the unitholders of FRASERS LOGISTICS & COMMERCIAL TRUST ("**FLCT**", and the unitholders of FLCT, "**Unitholders**") will be held by way of electronic means on Wednesday, 20 January 2021 at 2:00 p.m. for the following purposes:

(A) ROUTINE BUSINESS

Ordinary Resolution (1)

1. To receive and adopt the Report of the Trustee of FLCT issued by Perpetual (Asia) Limited, the trustee of FLCT (the "**Trustee**"), the Statement by the Manager issued by Frasers Logistics & Commercial Asset Management Pte. Ltd., the manager of FLCT (the "**REIT Manager**"), the Audited Financial Statements of FLCT for the financial year ended 30 September 2020 and the Auditors' Report thereon.

Ordinary Resolution (2)

2. To re-appoint KPMG LLP ("**KPMG**") as Auditors of FLCT to hold office until the conclusion of the next AGM of FLCT, and to authorise the REIT Manager to fix their remuneration.

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, Ordinary Resolution (3) which is proposed as an Ordinary Resolution:

Ordinary Resolution (3)

3. That authority be and is hereby given to the REIT Manager, to:

(a) (i) issue units in FLCT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the REIT Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

 (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

 (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the REIT Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting FLCT (as amended, restated and supplemented) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM or (ii) the date by which the next AGM is required by the applicable law or regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the REIT Manager, any director of the REIT Manager ("**Director**") and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interest of FLCT to give effect to the authority conferred by this Resolution.

Frasers Logistics & Commercial Asset Management Pte. Ltd.
(Company Registration No: 201528178Z)
as manager of Frasers Logistics & Commercial Trust

Catherine Yeo
Company Secretary

Singapore
18 December 2020

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

(1) The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will sent to Unitholders and will also be made available via publication on FLCT's website at the URL www.frasersproperty.com/reits/flct and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

(2) **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person**. Alternative arrangements relating to the attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audiovisual webcast or live audio-only streaming), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are as set out below.

(3) Unitholders will be able to observe and/or listen to the AGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must preregister at FLCT's pre-registration website at the URL www.frasersproperty.com/reits/flct from now till 2.00 p.m. on 17 January 2021 to enable the REIT Manager to verify their status as Unitholders.

Following the verification, authenticated Unitholders will each receive an email, which will contain a user ID and password details as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the AGM proceedings, by 2.00 p.m. on 19 January 2021. Unitholders who do not receive an email by 2.00 p.m. on 19 January 2021 but have registered by 2.00 p.m. on 17 January 2021 should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or by email to flctagm2021@boardroomlimited.com.

(4) Unitholders may also submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM. In order to do so, their questions must be submitted in the following manner by 2.00 p.m. on 17 January 2021:

(a) via FLCT's pre-registration website at www.frasersproperty.com/reits/flct; or

(b) via email to the REIT Manager, at ir_flct@frasersproperty.com; or

(c) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Unitholders who submit questions by email or by post must provide the following information:

(a) the Unitholder's full name;

(b) the Unitholder's address; and

(c) the manner in which the Unitholders holds Units in FLCT (e.g., via CDP, CPF or SRS).

The REIT Manager will address all substantial and relevant questions received at least 72 hours before the AGM prior to or during the AGM. The REIT Manager will publish the responses to the substantial and relevant questions which the REIT Manager is unable to address during the AGM, on FLCT's website and on SGXNET prior to the AGM. The REIT Manager will publish the minutes of the AGM on FLCT's website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM. Unitholders will not be able to ask questions at the AGM live during the audio-visual webcast or audio-stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(5) If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In addition to the printed copies of the Proxy Form for the AGM which will be sent to Unitholders, the Proxy Form is available on FLCT's website and at the website of SGX-ST at the URLs www.frasersproperty.com/reits/flct and https://www.sgx.com/securities/company-announcements, respectively. Additional printed copies of the Proxy Form, if required, can be requested from Boardroom Corporate & Advisory Services Pte. Ltd. by calling +65 6536 5355. Requests for printed copies of the Proxy Form should be made by 8 January 2021.

In appointing the Chairman of the AGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

(6) The Proxy Form must be submitted to the REIT Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

(a) if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

(b) if submitted electronically, be submitted via email to the Unit Registrar at flctagm2021@boardroomlimited.com,

in either case, by 2.00 p.m. on 17 January 2021, being 72 hours before the time fixed for the AGM.

A Unitholder who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

(7) Persons who hold Units through relevant intermediaries (as defined below), and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM. For the avoidance of doubt, CPF and SRS Investors who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream and/or (b) submitting questions in advance of the AGM should refer to paragraphs 3 and 4 above respectively. However, CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 8 January 2021, being seven (7) working days before the date of the AGM.

"**relevant intermediary**" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

(8) The Chairman of the AGM, as proxy, need not be a Unitholder of FLCT.

(9) The Annual Report for the financial year ended 30 September 2020 may be accessed at FLCT's website at the URL https://flct.frasersproperty.com/publications.html.

(10) Due to the constantly evolving COVID-19 situation in Singapore, the REIT Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check FLCT's website at the URL www.frasersproperty.com/reits/flct for the latest updates on the status of the AGM.

EXPLANATORY NOTE:

Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the REIT Manager from the date of this AGM until the earliest of (i) the conclusion of the next AGM of FLCT or (ii) the date by which the next AGM of FLCT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), with a sub-limit of 20% for issues other than on a *pro rata* basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time Ordinary Resolution 3 above is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the REIT Manager will then obtain the approval of Unitholders accordingly.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the REIT Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the REIT Manager and the Trustee (or their agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the REIT Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

IMPORTANT NOTICE

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the REIT Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the REIT Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FLCT is not necessarily indicative of the future performance of FLCT.

FRASERS LOGISTICS & COMMERCIAL TRUST

(Constituted in the Republic Of Singapore
Pursuant to a Trust Deed dated 30 November 2015
(as Amended, Restated and Supplemented))

PROXY FORM

ANNUAL GENERAL MEETING

Note: This Proxy Form may be accessed at Frasers Logistics & Commercial Trust's website at www.frasersproperty.com/reits/flct, and will be made available on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements.

Additional printed copies of the Proxy Form, if required, can be requested from Boardroom Corporate & Advisory Services Pte. Ltd. by calling +65 6536 5355. Requests for printed copies of the Proxy Form should be made by 8 January 2020.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM (as defined below) as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 18 December 2020.

IMPORTANT:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. In addition to the printed copies of the Notice of AGM dated 18 December 2020 which will be sent to Unitholders, the Notice of AGM will also be available through electronic means via publication on Frasers Logistics & Commercial Trust's website at www.frasersproperty.com/reits/flct, and will also be made available on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM.
3. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.**
4. If a CPF or SRS investor wishes to appoint the Chairman of the AGM as proxy, he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by 5.00 p.m. on 8 January 2021, being 7 working days before the date of the AGM.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We ______________________ (Name) ______________________ (NRIC No. / Passport No., where applicable) of ______________________________ (Address) being a holder/s of units in Frasers Logistics & Commercial Trust ("**FLCT**", the units of FLCT, the "**Units**", and the holder/s of units, the "**Unitholder**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy to attend and to vote for me/us on my/our behalf at the AGM to be held by electronic means on Wednesday, 20 January 2021 at 2:00 p.m., and any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*	No. of Votes to Abstain*
	ROUTINE BUSINESS			
1.	To receive and adopt the Trustee's Report, the Statement by the Manager, the Audited Financial Statements of FLCT for the financial year ended 30 September 2020 and the Auditor's Report thereon			
2.	To re-appoint KPMG LLP as Auditors of FLCT to hold office until the conclusion of the next Annual General Meeting, and to authorise the REIT Manager to fix their remuneration			
	SPECIAL BUSINESS			
3.	To authorise the REIT Manager to issue Units and to make or grant convertible instruments			

* Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate a "√" in the space provided under "Abstain". Alternatively, please indicate the number of Units that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this ______________ day of ______________ 2020/2021 (delete as appropriate)

Total number of Units held (Note 4)

____
Signature(s) of Unitholder(s)/Common Seal

Email Address of Unitholder(s) (optional): ______________________

IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM

Apply glue here

Apply glue here

Fold here Do not staple. Glue all sides firmly.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes:

1. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person**. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. This Proxy Form is available on FLCT's website and at the website of SGX-ST at the URLs www.frasersproperty.com/reits/flct and https://www.sgx.com/securities/company-announcements, respectively. In appointing the Chairman of the AGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
2. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 8 January 2021, being 7 working days before the date of the AGM.
3. The Chairman of the AGM, as proxy, need not be a Unitholder of FLCT.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of FLCT, the Unitholder should insert that number of Units. If the Unitholder has Units entered against the Unitholder's name in the said Depository Register and registered in the Unitholder's name in the Register of Unitholders of FLCT, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5. The Proxy Form must be submitted to the REIT Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to the Unit Registrar at flctagm2021@boardroomlimited.com,

   in either case, by 2.00 p.m. on 17 January 2021, being 72 hours before the time fixed for the AGM.

   A Unitholder who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the REIT Manager) be lodged with the Proxy Form; or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Any reference to a time of day is made by reference to Singapore time.

General

The REIT Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the REIT Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the REIT Manager.

fold here

FRASERS
LOGISTICS & COMMERCIAL
TRUST

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE PERMIT
NO. 09470

The Company Secretary
Frasers Logistics & Commercial Asset Management Pte. Ltd.
(as manager of Frasers Logistics & Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Mr Ho Hon Cheong
Chairman and
Independent Non-Executive Director

Mr Chin Yoke Choong
Independent Non-Executive Director

Mr Goh Yong Chian
Independent Non-Executive Director

Mr Paul Gilbert Say
Independent Non-Executive Director

Ms Soh Onn Cheng Margaret Jane
Independent Non-Executive Director

Mr Panote Sirivadhanabhakdi
Non-Executive and Non-Independent Director

Mr Chia Khong Shoong
Non-Executive and Non-Independent Director

Mr Rodney Vaughan Fehring
Non-Executive and Non-Independent Director

Mr Reinfried Helmut Otter (Reini Otter)
Non-Executive and Non-Independent Director

AUDIT, RISK AND COMPLIANCE COMMITTEE

Mr Chin Yoke Choong
Chairman

Mr Ho Hon Cheong
Member

Mr Goh Yong Chian
Member

Mr Paul Gilbert Say
Member

NOMINATING AND REMUNERATION COMMITTEE

Mr Ho Hon Cheong
Chairman

Mr Chin Yoke Choong
Member

Mr Goh Yong Chian
Member

Mr Panote Sirivadhanabhakdi
Member

THE MANAGER

Frasers Logistics & Commercial Asset Management Pte. Ltd.
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
Phone: +65 6813 0588
Fax: +65 6813 0578

REGISTERED ADDRESS

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

www.frasersproperty.com/reits/flct

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01 Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6536 1360

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Phone: +65 6213 3388
Fax: +65 6225 0984
Partner in charge: Lo Mun Wai
Appointed since financial period ended 30 September 2017

COMPANY SECRETARY OF THE MANAGER

Ms Catherine Yeo

TRUSTEE

Perpetual (Asia) Limited
16 Collyer Quay #07-01
Singapore 049318
Phone: +65 6908 8203
Fax: +65 6438 0255

BANKERS

Bank of China Limited, Singapore Branch

Cathay United Bank

Citibank N.A., Singapore Branch

Commonwealth Bank of Australia, Singapore Branch

DBS Bank Ltd.

Deutsche Genossenschafts-Hypothekenbank Aktiengesellschaft

ING Bank N.V.

Oversea-Chinese Banking Corporation Limited

UniCredit Bank AG

United Overseas Bank Limited

FRASERS LOGISTICS & COMMERCIAL TRUST
Managed by Frasers Logistics & Commercial Asset Management Pte. Ltd.
Company Registration Number: 201528178Z

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

Phone: +65 6813 0588
Fax: +65 6813 0578

https://www.frasersproperty.com/reits/flct

MIX
Paper from
responsible sources
FSC™ C001507
FSC
www.fsc.org