

FRASERS LOGISTICS & COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant
to the Trust Deed dated 30 November 2015 (as amended))

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2023**

Frasers Logistics & Commercial Trust and its subsidiaries

Condensed Interim Financial Statements

For the six months period ended 31 March 2023

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A. Condensed Interim Consolidated Statement of Total Return

		Group		
	Note	1H2023	1H2022	Change
		S\$'000	S\$'000	%
Revenue	3	207,981	235,670	(11.7)
Property operating expenses	4	(50,058)	(52,073)	(3.9)
Net property income		157,923	183,597	(14.0)
Managers' management fee				
- Base fee		(14,153)	(15,738)	(10.1)
- Performance fee		(5,353)	(6,412)	(16.5)
Trustees' fees		(428)	(463)	(7.6)
Trust expenses		(2,303)	(3,069)	(25.0)
Exchange gains (net)		2,263	1,081	N.M.
Finance income		813	6	N.M.
Finance costs		(21,730)	(22,292)	(2.5)
Net finance costs	5	(20,917)	(22,286)	(6.1)
Net income		117,032	136,710	(14.4)
Net change in fair value of derivatives		(241)	(935)	(74.2)
Gain on divestment of investment properties		17,389	169,694	(89.8)
Total return for the period before tax		134,180	305,469	(56.1)
Tax expense	6	(14,878)	(18,029)	(17.5)
Total return for the period		119,302	287,440	(58.5)
Total return attributable to:				
Unitholders of the Trust		118,073	286,296	(58.8)
Non-controlling interests		1,229	1,144	7.4
		119,302	287,440	(58.5)
Earnings per Unit (Singapore cents)				
Basic	7	3.18	7.76	(59.0)
Diluted	7	3.17	7.75	(59.1)
For information:				
Adjusted NPI [#]		155,917	180,085	(13.4)

Adjusted net property income ("Adjusted NPI") are calculated based on the actual net property income excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets.

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B. Distribution Statement

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Distributable Income during the period		
Total return for the period attributable to Unitholders	118,073	286,296
Tax related and other adjustments (Note A)	3,133	(150,601)
Income available for distribution to Unitholders	121,206	135,695
Capital distribution (Note B)	9,576	6,413
Distributable Income	130,782	142,108
Amount available for distribution to Unitholders at beginning of the period	140,459	95,547
Distributable Income for the period	130,782	142,108
Amount available for distribution to Unitholders	271,241	237,655
Distributions to Unitholders:		
Distribution of 2.57 Singapore cents per Unit for the period from 3 June 2021 to 30 September 2021	-	(94,733)
Distribution of 3.77 Singapore cents per Unit for the period from 1 April 2022 to 30 September 2022	(139,928)	-
	(139,928)	(94,733)
Amount available for distribution to Unitholders at end of the period	131,313	142,922
Distribution per Unit (DPU) (Singapore cents)	3.52	3.85
Note A		
Tax related and other adjustments relate to the following items:		
Straight-lining of rental adjustments	439	(501)
Managers' management fee paid/payable in Units	19,506	13,876
Exchange gains (net)	(2,564)	(1,033)
Finance costs	1,526	1,966
Lease payments of right-of-use assets	(2,445)	(3,011)
Net change in fair value of derivatives	241	935
Gain on divestment of investment properties, net of capital gains tax	(17,389)	(169,694)
Deferred tax expense	3,720	6,665
Non-controlling interests' share of adjustments	(91)	(101)
Other adjustments	190	297
Net distribution adjustments	3,133	(150,601)
Note B		
Capital distribution relates to the following:		
Lease incentives ^(a)	1,313	1,716
Rental support ^(b)	1,446	1,833
Divestment gains	4,320	2,864
Coupon interest ^(c)	2,497	-
	9,576	6,413

(a) Reimbursements received from the vendors in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia and Europe in prior years.

(b) Rental support received from vendors in relation to the acquisition of certain properties in the United Kingdom ("UK").

(c) Coupon interest received from vendors in relation to the development of certain properties in the UK.

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C. Condensed Interim Statements of Financial Position

		Group		Trust	
	Note	31/3/2023	30/9/2022	31/3/2023	30/9/2022
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	8	6,978,204	6,931,752	-	-
Plant and equipment		101	130	-	-
Investment in subsidiaries		-	-	2,763,312	2,763,312
Loans to subsidiaries		-	-	1,895,561	1,811,636
Derivative assets		103,792	165,241	93,229	149,672
Total non-current assets		7,082,097	7,097,123	4,752,102	4,724,620
Current assets					
Cash and cash equivalents		151,476	220,728	19,621	98,230
Trade and other receivables		58,685	49,728	155,423	73,692
Derivative assets		2,249	3,870	1,417	939
Investment property held for sale	8	-	38,264	-	-
Total current assets		212,410	312,590	176,461	172,861
Total assets		7,294,507	7,409,713	4,928,563	4,897,481
Current liabilities					
Trade and other payables		69,444	77,322	66,001	128,243
Loans and borrowings	9	84,257	160,079	52,322	22,893
Derivative liabilities		306	-	306	-
Current tax liabilities		21,668	23,761	210	30
Liabilities directly associated with the investment property held for sale	8	-	18,280	-	-
Total current liabilities		175,675	279,442	118,839	151,166
Non-current liabilities					
Trade and other payables		8,799	9,787	-	-
Loans and borrowings	9	2,015,556	1,939,925	1,491,457	1,426,974
Derivative liabilities		3,389	451	3,389	451
Deferred tax liabilities		289,777	291,944	-	-
Total non-current liabilities		2,317,521	2,242,107	1,494,846	1,427,425
Total liabilities		2,493,196	2,521,549	1,613,685	1,578,591
Net assets attributable to Unitholders		4,801,311	4,888,164	3,314,878	3,318,890
Represented by:					
Unitholders' funds		4,750,901	4,838,844	3,314,878	3,318,890
Non-controlling interests		50,410	49,320	-	-
Total equity		4,801,311	4,888,164	3,314,878	3,318,890
Net asset value per Unit (S\$)	10	1.27	1.30	0.89	0.89

D. Condensed Interim Statements of Movements in Unitholders' Funds

	1H2023			1H2022		
	Attributable to Unitholders S\$'000	Non-controlling interests S\$'000	Total S\$'000	Attributable to Unitholders S\$'000	Non-controlling interests S\$'000	Total S\$'000
Group						
At 1 October	4,838,844	49,320	4,888,164	4,574,641	44,814	4,619,455
Operations						
Increase in net assets resulting from operations	118,073	1,229	119,302	286,296	1,144	287,440
Transactions with owners						
Units issued and to be issued:						
- Managers' management fees paid/payable in Units	19,506	-	19,506	13,876	-	13,876
Distributions paid to Unitholders	(139,928)	-	(139,928)	(94,733)	-	(94,733)
Dividends paid to non-controlling interests	-	(1,383)	(1,383)	-	-	-
Net decrease in net assets resulting from transactions with owners	(120,422)	(1,383)	(121,805)	(80,857)	-	(80,857)
Hedging reserve						
Effective portion of change in fair value of cash flow hedges	(44,872)	(12)	(44,884)	53,133	84	53,217
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	18,942	-	18,942	(11,162)	-	(11,162)
Net (decrease)/increase in net assets resulting from hedging reserve	(25,930)	(12)	(25,942)	41,971	84	42,055
Foreign currency translation reserve						
Translation differences relating to financial statements of foreign subsidiaries	(37,955)	1,256	(36,699)	26,469	(2,105)	24,364
Exchange differences on hedge of net investments in foreign operations	(18,922)	-	(18,922)	37,429	-	37,429
Exchange differences on monetary items forming part of net investment in foreign operations	(2,787)	-	(2,787)	(20,603)	-	(20,603)
Net (decrease)/increase in net assets resulting from foreign currency translation reserve	(59,664)	1,256	(58,408)	43,295	(2,105)	41,190
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests without a change in control	-	-	-	-	(41)	(41)
Total changes in ownership interests in subsidiaries	-	-	-	-	(41)	(41)
At 31 March	4,750,901	50,410	4,801,311	4,865,346	43,896	4,909,242

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D. Condensed Interim Statements of Movements in Unitholders' Funds (cont'd)

	1H2023	1H2022
	S\$'000	S\$'000
Trust		
At 1 October	3,318,890	3,335,204
Operations		
Increase in net assets resulting from operations	137,764	161,642
Transactions with owners		
Units issued and to be issued:		
- Managers' management fees paid/payable in Units	19,506	13,876
Distributions paid to Unitholders	(139,928)	(94,733)
Net decrease in net assets resulting from transactions with owners	(120,422)	(80,857)
Hedging reserve		
Effective portion of change in fair value of cash flow hedges	(40,296)	41,789
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	18,942	(11,162)
Net (decrease)/increase in net assets resulting from hedging reserve	(21,354)	30,627
At 31 March	3,314,878	3,446,616

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E. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Cash flow from operating activities		
Total return for the period before tax	134,180	305,469
Adjustments for:		
Straight-lining of rental adjustments	439	(501)
Effects of recognising lease incentives on a straight-line basis over the lease term	4,978	2,552
Managers' management fee paid/payable in Units	19,506	13,876
Depreciation of plant and equipment	28	32
Loss on write-off of property, plant and equipment	-	18
(Reversal of)/Allowance for doubtful receivables	(81)	21
Unrealised exchange (gains)/losses (net)	(1,039)	1,267
Finance income	(813)	(6)
Finance costs	21,730	22,292
Net change in fair value of derivatives	241	935
Gain on divestment of investment properties	(17,389)	(169,694)
Cash generated from operations before working capital changes	161,780	176,261
Changes in working capital:		
Trade and other receivables	(9,638)	5,516
Trade and other payables	10,302	(10,915)
Cash generated from operations	162,444	170,862
Tax paid	(13,556)	(10,906)
Net cash generated from operating activities	148,888	159,956
Cash flows from investing activities		
Acquisition of investment properties (including acquisition costs)	-	(9,241)
Stamp duty incurred on acquisition of investment properties	-	(547)
Net proceeds from divestment of investment properties	31,234	803,246
Capital and other expenditure on investment properties	(104,823)	(23,432)
Interest received	917	6
Net cash (used in)/generated from investing activities	(72,672)	770,032
Cash flows from financing activities		
Interest paid	(20,154)	(20,449)
Proceeds from loans and borrowings	197,174	51,393
Repayment of loans and borrowings	(181,452)	(6,755)
Payment of upfront debt-related transaction costs	(330)	-
Payment of lease liabilities	(492)	(631)
Distributions paid to Unitholders	(139,928)	(94,733)
Dividends paid to non-controlling interests	(1,383)	-
Net cash used in financing activities	(146,565)	(71,175)
Net (decrease)/increase in cash and cash equivalents	(70,349)	858,813
Cash and cash equivalents at beginning of period	220,728	140,367
Effect of exchange rate changes on cash and cash equivalents	1,097	(2,016)
Cash and cash equivalents at end of period	151,476	997,164

E. Condensed Interim Consolidated Statement of Cash Flows (cont'd)

Significant non cash transactions

Other than the non cash items as set out above, there were the following additional significant non cash transactions during the following periods:

1H2023

- 21,647,222 Units, amounting to S\$26,665,000, were issued to the Managers as satisfaction of the management fees payable to the Managers.

1H2022

- 14,702,400 Units, amounting to S\$22,130,000, were issued to the Managers as satisfaction of the management fees payable to the Managers.

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F. Portfolio Statement
Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023	30/9/2022	31/3/2023	30/9/2022
			S\$'000	S\$'000	%	%
Completed investment properties						
<u>Logistics and industrial portfolio</u>						
A) Australia						
Melbourne, Victoria						
<u>South East</u>						
<u>South Park Industrial Estate</u>						
98-126 South Park Drive, Dandenong South	14 June 2016	Freehold	49,796	51,453	1.0	1.1
21-33 South Park Drive, Dandenong South	14 June 2016	Freehold	35,394	36,752	0.7	0.8
22-26 Bam Wine Court, Dandenong South	14 June 2016	Freehold	29,776	30,550	0.6	0.6
16-32 South Park Drive, Dandenong South	14 June 2016	Freehold	23,597	24,348	0.5	0.5
89-103 South Park Drive, Dandenong South	1 August 2017	Freehold	19,972	20,673	0.4	0.4
<u>The Key Industrial Park</u>						
17 Pacific Drive and 170-172 Atlantic Drive, Keysborough	14 June 2016	Freehold	50,374	51,453	1.1	1.1
150-168 Atlantic Drive, Keysborough	14 June 2016	Freehold	49,968	51,453	1.1	1.1
49-75 Pacific Drive, Keysborough	14 June 2016	Freehold	46,902	48,513	1.0	1.0
77 Atlantic Drive, Keysborough	14 June 2016	Freehold	31,136	32,158	0.7	0.6
78 & 88 Atlantic Drive, Keysborough	14 June 2016	Freehold	27,129	28,023	0.6	0.6
111 Indian Drive, Keysborough	31 August 2016	Freehold	48,532	50,075	1.0	1.0
29 Indian Drive, Keysborough	15 August 2017	Freehold	43,379	45,021	0.9	0.9
17 Hudson Court, Keysborough	12 September 2017	Freehold	43,367	45,021	0.9	0.9
8-28 Hudson Court, Keysborough	20 August 2019	Freehold	45,008	46,399	0.9	0.9
<u>Mulgrave</u>						
211A Wellington Road, Mulgrave	14 June 2016	Freehold	46,676	48,237	1.0	1.0
<u>Braeside Industrial Estate</u>						
75-79 Canterbury Road, Braeside	12 August 2020	Freehold	26,552	27,564	0.6	0.6
<u>West</u>						
<u>West Park Industrial Estate</u>						
468 Boundary Road, Derrimut	14 June 2016	Freehold	46,357	47,778	1.0	1.0
1 Doriemus Drive, Truganina	14 June 2016	Freehold	117,339	121,282	2.5	2.5
2-22 Efficient Drive, Truganina	14 June 2016	Freehold	63,940	65,855	1.3	1.4
1-13 and 15-27 Sunline Drive, Truganina	14 June 2016	Freehold	46,795	48,237	1.0	1.0
Balance carried forward			891,989	920,845	18.8	19.0

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F. Portfolio Statement (cont'd)
Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023	30/9/2022	31/3/2023	30/9/2022
			S\$'000	S\$'000	%	%
Balance brought forward			891,989	920,845	18.8	19.0
Melbourne, Victoria (cont'd)						
West (cont'd)						
<u>West Park Industrial Estate (cont'd)</u>						
42 Sunline Drive, Truganina	14 June 2016	Freehold	25,839	26,645	0.5	0.6
43 Efficient Drive, Truganina	1 August 2017	Freehold	34,710	35,833	0.7	0.7
<u>West Industry Park</u>						
1 Magnesium Place, Truganina	27 June 2022	Freehold	17,385	22,235	0.4	0.4
11 Magnesium Place, Truganina	27 June 2022	Freehold	15,533	15,941	0.3	0.3
17 Magnesium Place, Truganina	27 June 2022	Freehold	21,563	17,871	0.5	0.4
<u>Altona Industrial Park</u>						
18-34 Aylesbury Drive, Altona	14 June 2016	Freehold	34,665	35,833	0.7	0.7
North						
<u>Melbourne Airport Business Park</u>						
38-52 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	46,014 ^(c)	46,807 ^(c)	1.0	1.0
96-106 Link Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	35,567 ^(c)	36,168 ^(c)	0.7	0.7
17-23 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	12,904 ^(c)	13,269 ^(c)	0.3	0.3
25-29 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	17,769 ^(c)	18,374 ^(c)	0.4	0.4
28-32 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	13,129 ^(c)	13,583 ^(c)	0.3	0.3
115-121 South Centre Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	8,100 ^(c)	8,374 ^(c)	0.1	0.2
Balance carried forward			1,175,167	1,211,778	24.7	25.0

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F. Portfolio Statement (cont'd)

Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023	30/9/2022	31/3/2023	30/9/2022
			S\$'000	S\$'000	%	%
Balance brought forward			1,175,167	1,211,778	24.7	25.0
Sydney, New South Wales						
<i>Outer Central West</i>						
<i>Eastern Creek</i>						
4-8 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	109,254	113,012	2.3	2.3
21 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	88,897	92,064	1.9	1.9
17 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	62,215	64,316	1.3	1.3
7 Eucalyptus Place, Eastern Creek	14 June 2016	Freehold	46,283	47,778	1.0	1.0
2 Hanson Place, Eastern Creek	20 August 2019	Freehold	88,380	91,421	1.9	1.9
<i>Pemulwuy</i>						
8-8A Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	64,882	67,072	1.4	1.4
6 Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	58,703	60,641	1.2	1.3
<i>Wetherill Park</i>						
1 Burilda Close, Wetherill Park	30 November 2016	90-year leasehold expiring on 29 September 2106	114,630 ^(c)	118,079 ^(c)	2.4	2.4
Lot 1, 2 Burilda Close, Wetherill Park	1 August 2017	89-year leasehold expiring on 14 July 2106	45,703 ^(c)	47,214 ^(c)	1.0	1.0
3 Burilda Close, Wetherill Park	5 September 2018	89-year leasehold expiring on 15 May 2107	65,413 ^(c)	67,424 ^(c)	1.4	1.4
<i>Outer North West</i>						
<i>Seven Hills</i>						
8 Distribution Place, Seven Hills	14 June 2016	Freehold	33,854	34,914	0.7	0.7
99 Station Road, Seven Hills	14 June 2016	Freehold	29,534	30,504	0.6	0.6
10 Stanton Road, Seven Hills	14 June 2016	Freehold	19,385	19,984	0.4	0.4
8 Stanton Road, Seven Hills	1 August 2017	Freehold	29,854	30,780	0.6	0.7
<i>Winston Hills</i>						
11 Gibbon Road, Winston Hills	14 June 2016	Freehold	48,814	50,442	1.0	1.1
<i>Wollongong</i>						
<i>Port Kembla</i>						
Lot 104 & 105 Springhill Road, Port Kembla	14 June 2016	33-year leasehold, expiring on 13 August 2049 ^(b) for Lot 104 and 20 August 2049 ^(b) for Lot 105	23,263 ^(c)	23,415 ^(c)	0.5	0.5
Balance carried forward			2,104,231	2,170,838	44.3	44.9

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F. Portfolio Statement (cont'd)

Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023 S\$'000	30/9/2022 S\$'000	31/3/2023 %	30/9/2022 %
Balance brought forward			2,104,231	2,170,838	44.3	44.9
Brisbane, Queensland						
Northern						
350 Earnshaw Road, Northgate	20 June 2016	99-year leasehold expiring on 19 June 2115	66,506	68,910	1.4	1.4
Trade Coast						
286 Queensport Road, North Murarrie	20 June 2016	99-year leasehold expiring on 19 June 2115	46,346	47,961	1.0	1.0
Southern						
57-71 Platinum Street, Crestmead	20 June 2016	99-year leasehold expiring on 19 June 2115	54,454	56,047	1.1	1.2
51 Stradbroke Street, Heathwood	20 June 2016	99-year leasehold expiring on 19 June 2115	33,832	34,914	0.7	0.7
30 Flint Street, Inala	20 June 2016	99-year leasehold expiring on 19 June 2115	25,987	26,829	0.5	0.6
99 Shettleston Street, Rocklea	20 June 2016	99-year leasehold expiring on 19 June 2115	19,435	19,754	0.4	0.4
55-59 Boundary Road, Carole Park	20 June 2016	99-year leasehold expiring on 19 June 2115	21,502	22,051	0.5	0.4
10 Siltstone Place, Berrinba	20 June 2016	99-year leasehold expiring on 19 June 2115	18,981	19,662	0.4	0.4
143 Pearson Road, Yatala	31 August 2016	99-year leasehold expiring on 30 August 2115	47,888	49,432	1.0	1.0
166 Pearson Road, Yatala	1 August 2017	Freehold	51,042	52,555	1.1	1.1
103-131 Wayne Goss Drive, Berrinba	5 September 2018	Freehold	36,738	37,671	0.8	0.8
29-51 Wayne Goss Drive, Berrinba	20 August 2019	Freehold	29,112	30,229	0.6	0.6
Perth, Western Australia						
60 Paltridge Road, Perth Airport	14 June 2016	17-year leasehold expiring on 3 June 2033	9,771	10,107	0.2	0.2
Balance carried forward			2,565,825	2,646,960	54.0	54.7

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F. Portfolio Statement (cont'd)

Group	Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
				31/3/2023	30/9/2022	31/3/2023	30/9/2022
				S\$'000	S\$'000	%	%
	Balance brought forward			2,565,825	2,646,960	54.0	54.7
B) Germany							
	Stuttgart – Mannheim						
	Industriepark 309, Gottmadingen	25 May 2018	Freehold	79,869	77,829	1.7	1.6
	Otto-Hahn-Straße 10, Vaihingen	25 May 2018	Freehold	90,549	88,244	1.9	1.8
	Eiselauer Weg 2, Ulm	25 May 2018	Freehold	77,146	75,155	1.6	1.6
	Murrer Straße 1, Freiberg am Neckar	25 May 2018	Freehold	59,320	57,844	1.2	1.2
	Ambros-Nehren-Straße 1, Achern	25 May 2018	Freehold	25,113	24,489	0.5	0.5
	Bietigheimer Straße 50-52, Tamm	23 August 2019	Freehold	126,148	123,007	2.7	2.5
	Am Bühlfeld 2-8, Herbrechtingen	3 September 2019	Freehold	65,159	63,755	1.4	1.3
	Buchäckerring 18, Bad Rappenau	4 June 2021	Freehold	65,526	63,896	1.4	1.3
	Am Römig 8, Frankenthal	4 June 2021	Freehold	48,354	47,148	1.0	1.0
	Munich – Nuremberg						
	Oberes Feld 2, 4, 6, 8, Moosthenning	25 May 2018	Freehold	127,108	123,992	2.7	2.6
	Koperstraße 10, Nuremberg	25 May 2018	63-year leasehold expiring on 31 December 2080	116,010 ^(c)	113,213 ^(c)	2.4	2.4
	Industriepark 1, Mamming	25 May 2018	Freehold	25,271	24,630	0.5	0.5
	Jubatus-Allee 3, Ebermannsdorf	25 May 2018	Freehold	16,294	15,904	0.4	0.3
	Dieselstraße 30, Garching	27 August 2019	Freehold	56,480	55,029	1.2	1.1
	Hermesstraße 5, Graben, Augsburg	3 September 2019	Freehold	65,970	64,318	1.4	1.3
	Hamburg – Bremen						
	Am Krainhop 10, Isenbüttel	25 May 2018	Freehold	29,155	28,429	0.6	0.6
	Am Autobahnkreuz 14, Rastede	25 May 2018	Freehold	28,144	27,444	0.6	0.6
	Balance carried forward			3,667,441	3,721,286	77.2	76.9

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F. Portfolio Statement (cont'd)

Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023 S\$'000	30/9/2022 S\$'000	31/3/2023 %	30/9/2022 %
Balance brought forward			3,667,441	3,721,286	77.2	76.9
Dusseldorf – Cologne						
Saalhoffer Straße 211, Rheinberg	25 May 2018	Freehold	51,560	50,244	1.1	1.0
Elbestraße 1-3, Marl	25 May 2018	Freehold	24,187	23,588	0.5	0.5
Keffelker Straße 66, Brilon	25 May 2018	Freehold	17,023	16,607	0.4	0.3
Gustav-Stresemann-Weg 1, Münster	25 May 2018	Freehold	22,515	21,955	0.5	0.5
Walter-Gropius-Straße 19, Bergheim	23 August 2019	Freehold	35,655	34,763	0.8	0.7
An den Dieken 94, Ratingen	23 August 2019	Freehold	96,758	94,437	2.0	2.0
Leipzig – Chemnitz						
Johann-Esche-Straße 2, Chemnitz	25 May 2018	Freehold	27,703	27,022	0.6	0.6
Am Exer 9, Leipzig	25 May 2018	Freehold	22,900	22,096	0.5	0.5
Frankfurt						
Im Birkengrund 5-7, Obertshausen	23 August 2019	Freehold	61,767	60,237	1.3	1.2
Genfer Allee 6, Mainz	4 June 2021	Freehold	85,443	83,318	1.8	1.7
Bielefeld						
Fuggerstraße 17, Bielefeld	28 November 2019	Freehold	50,948	49,681	1.1	1.0
Berlin						
Gewerbegebiet Etzin 1, Berlin	20 December 2019	Freehold	69,011	67,274	1.3	1.4
Balance carried forward			4,232,911	4,272,508	89.1	88.3

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F. Portfolio Statement (cont'd)

Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023 S\$'000	30/9/2022 S\$'000	31/3/2023 %	30/9/2022 %
Balance brought forward			4,232,911	4,272,508	89.1	88.3
C) Netherlands						
Tilburg – Venlo						
Belle van Zuylenstraat 5, Tilburg	25 May 2018	Freehold	28,819	28,148	0.6	0.6
Heierhoevenweg 17, Venlo	25 May 2018	Freehold	50,360	49,118	1.0	1.0
Utrecht – Zeewolde						
Brede Steeg 1, s-Heerenberg	25 May 2018	Freehold	126,648	123,711	2.7	2.5
Handelsweg 26, Zeewolde	25 May 2018	Freehold	82,234	80,222	1.7	1.6
Innovatielaan 6, De Klomp	30 June 2021	Freehold	38,817	37,859	0.8	0.8
Meppel						
Mandeveld 12, Meppel	31 October 2018	Freehold	51,098	49,822	1.1	1.0
D) The United Kingdom						
Connexion, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	72,242	70,563	1.5	1.5
Connexion II, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	34,366	-	0.9	-
Worcester, West Midlands	26 January 2022	Freehold	44,900	-	0.7	-
Commercial portfolio						
A) Singapore						
Alexandra Technopark 438A/438B/438C Alexandra Road	15 April 2020	88-year leasehold expiring 25 August 2108	662,065	662,000	14.0	13.7
Balance carried forward			5,424,460	5,373,951	114.2	111.0

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F. Portfolio Statement (cont'd)

Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023 S\$'000	30/9/2022 S\$'000	31/3/2023 %	30/9/2022 %
Balance brought forward			5,424,460	5,373,951	114.2	111.0
B) Australia						
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park") ^(d)	15 April 2020	Freehold	301,359	307,798	6.3	6.4
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, ACT 2900	15 April 2020	81-year leasehold expiring 25 June 2101	218,010	225,106	4.6	4.7
357 Collins Street, Melbourne, Victoria 3000	15 April 2020	Freehold	313,517	315,148	6.6	6.5
545 Blackburn Road, Mount Waverley, Victoria 3149	20 May 2022	Freehold	53,806	55,336	1.1	1.1
C) The United Kingdom						
Farnborough Business Park, Farnborough, Thames Valley	30 April 2020	Freehold	279,125	266,495	5.9	5.5
Maxis Business Park, 43 Western Road, Bracknell	12 August 2020	Freehold	93,444	91,010	2.0	1.9
Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	213,815	206,236	4.5	4.3
Total completed investment properties and balance carried forward			6,897,536	6,841,080	145.2	141.4

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F. Portfolio Statement (cont'd)

Group

Location of property	Acquisition date	Tenure ^(a)	Carrying amount	Carrying amount	Percentage of net assets attributable to Unitholders	Percentage of net assets attributable to Unitholders
			31/3/2023 S\$'000	30/9/2022 S\$'000	31/3/2023 %	30/9/2022 %
Balance brought forward			6,897,536	6,841,080	145.2	141.4
Investment property held for sale						
<u>Logistics and industrial portfolio</u>						
Australia						
<u>Port Melbourne</u>						
2-46 Douglas Street, Port Melbourne	14 June 2016	37-year leasehold expiring on 30 March 2053	-(e)	38,264 ^{(c), (f)}	-	0.8
Investment properties under development						
<u>Logistics and industrial portfolio</u>						
The United Kingdom						
Connexion II, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	-(g)	26,621	-	0.5
Worcester, West Midlands	26 January 2022	Freehold	-(g)	26,621	-	0.5
Ellesmere, Cheshire, North West England	14 July 2022	Freehold	80,668	37,430	1.7	0.8
Total investment properties under development			80,668	90,672	1.7	1.8
Total completed investment properties, investment property held for sale and investment properties under development			6,978,204	6,970,016	146.9	144.0
Other assets and liabilities (net)			(2,176,893)	(2,081,852)	(45.8)	(43.0)
Net assets of the Group			4,801,311	4,888,164	101.1	101.0
Net assets attributable to non-controlling interests			(50,410)	(49,320)	(1.1)	(1.0)
Unitholders' funds			4,750,901	4,838,844	100.0	100.0

(a) From the date of acquisition.

(b) Includes an option for the Group to renew the land lease for 5 further terms of 5 years upon expiry.

(c) Includes right-of-use asset.

(d) The Group has an effective interest of 50% in the property.

(e) The property was divested on 24 October 2022.

(f) The property has been reclassified as investment property held for sale.

(g) The property has been reclassified as completed investment property.

G. Notes to Condensed Interim Consolidated Financial Statements

1. General

Frasers Logistics & Commercial Trust (the “Trust” or “FLCT”) 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. (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.

The principal activity of the Group is to invest directly or indirectly in a diversified portfolio of income producing real estate assets (i) used for logistics or industrial purposes and located globally 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).

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.

The condensed interim consolidated financial statements relate to the Trust and its subsidiaries.

2. Basis of preparation

The financial statements for the six months ended 31 March 2023 have been prepared in accordance with the provisions relevant to interim financial information in the Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 September 2022. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles under the Financial Reporting Standards in Singapore (“FRSs”).

The financial statements do not contain all of the information required for full annual financial statements.

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).

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.

2. Basis of preparation (cont'd)

In preparing the financial statements, significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 September 2022.

The accounting policies applied by the Group in these financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 September 2022, except for adoption of the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 October 2022:

- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The application of these amendments to standards and interpretations did not have a material impact on the financial statements.

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 October 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements. The Group is in the process of assessing the impact of the new standards, interpretations and amendments to standards on its financial statements.

3. Revenue

Revenue comprises the following:

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Rental income	172,507	193,203
Recoverable outgoings	35,266	38,402
Other revenue	208	4,065
	<u>207,981</u>	<u>235,670</u>

Other revenue in 1H2023 relates mainly to government grant income received by the Group in relation to subsidies on certain properties in the European portfolio. Other revenue in 1H2022 relates mainly to the early surrender fee received from a tenant of Farnborough Business Park, Farnborough, Thames Valley, and government grant income received by the Group in relation to property tax rebates on its Singapore properties and subsidies on certain properties in the European portfolio.

Frasers Logistics & Commercial Trust and its subsidiaries

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4. Property operating expenses

Property operating expenses comprise the following:

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Land and property tax	11,054	11,416
Property management fees	7,891	8,787
Property maintenance and related expenses	16,556	16,457
Property related professional fees	698	258
(Reversal of)/Allowance for doubtful receivables	(81)	21
Statutory expenses	4,820	5,387
Other property expenses	9,120	9,747
	50,058	52,073
	50,058	52,073

Statutory expenses relate to council rates, utility charges and other government levies. Other property expenses relate to insurance premiums, amortisation of leasing fee and government grant expenses incurred by the Group.

5. Net finance costs

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Finance income		
Interest income	813	6
	813	6
Finance costs		
Financial liabilities measured at amortised cost:		
- Amortisation of debt upfront costs	(1,157)	(1,427)
- Interest expense on bank loans and notes	(38,424)	(17,464)
- Interest expense on lease liabilities	(1,526)	(2,385)
- Others	(193)	(583)
	(41,300)	(21,859)
Derivatives measured at fair value		
- Interest income/(expense)	19,570	(433)
	(21,730)	(22,292)
	(20,917)	(22,286)
Net finance costs	(20,917)	(22,286)

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6. Tax expense

The major components of tax expense are:

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Current tax expense		
- Current year	5,540	5,652
- Overprovision in respect of prior years	(137)	(610)
	<u>5,403</u>	<u>5,042</u>
Withholding tax expense	5,755	6,322
Deferred tax expense		
- Origination and reversal of temporary differences	3,720	6,665
	<u>14,878</u>	<u>18,029</u>

Current tax expense comprises mainly the income tax on the Group's entities. Withholding tax expense relates to withholding tax on the taxable distributable income and interest income from the Group's Australian entities. Deferred tax is provided on the temporary differences between the tax bases of investment properties and their carrying amounts at the reporting date.

7. 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 period attributable to Unitholders and weighted average number of Units during the period:

	1H2023	1H2022
	S\$'000	S\$'000
Total return for the period attributable to Unitholders	<u>118,073</u>	<u>286,296</u>
	'000	'000
Issued Units at the beginning of the period	3,696,167	3,676,420
Effect of issue of new Units:		
- In satisfaction of the Managers' management fees paid in Units	18,572	12,204
Weighted average number of Units	<u>3,714,739</u>	<u>3,688,624</u>

Frasers Logistics & Commercial Trust and its subsidiaries

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7. Earnings per Unit (cont'd)

Diluted earnings per Unit

The calculation of diluted earnings per Unit for the Group is based on the total return for the period attributable to Unitholders and the weighted average number of Units during the period after adjustment for the effects of all dilutive potential Units.

	1H2023	1H2022
	S\$'000	S\$'000
Total return for the period attributable to Unitholders	<u>118,073</u>	<u>286,296</u>
	'000	'000
Weighted average number of Units used in calculation of basic earnings per Unit	3,714,739	3,688,624
- Effect of the Managers' management fees payable in Units	<u>12,689</u>	<u>6,918</u>
Weighted average number of Units (diluted)	<u>3,727,428</u>	<u>3,695,542</u>

8. Investment properties

	Completed Investment properties S\$'000	Investment properties under development S\$'000	Total S\$'000
At 1 October 2021	7,482,282	-	7,482,282
Acquisition of investment properties (including acquisition costs)	127,913	24,203	152,116
Capital expenditure incurred	34,997	71,601	106,598
Transfer to investment property held for sale	(38,264)	-	(38,264)
Transfer	(9,255)	9,255	-
Disposal of investment property	(633,552)	-	(633,552)
Capitalisation of leasing incentives, net of amortisation	852	-	852
Straight-lining of rental and other adjustments	(3,198)	-	(3,198)
Net change in fair value recognised in statement of total return	431,916	(6,323)	425,593
Translation differences	<u>(552,611)</u>	<u>(8,064)</u>	<u>(560,675)</u>
At 30 September 2022	<u>6,841,080</u>	<u>90,672</u>	<u>6,931,752</u>

Frasers Logistics & Commercial Trust and its subsidiaries

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8. Investment properties (cont'd)

	Completed Investment properties S\$'000	Investment properties under development S\$'000	Total S\$'000
At 1 October 2022	6,841,080	90,672	6,931,752
Capital expenditure incurred	19,280	62,979	82,259
Transfer	75,046	(75,046)	-
Capitalisation of leasing incentives, net of amortisation	9,047	-	9,047
Straight-lining of rental and other adjustments	(1,732)	-	(1,732)
Translation differences	(45,185)	2,063	(43,122)
At 31 March 2023	<u>6,897,536</u>	<u>80,668</u>	<u>6,978,204</u>

Completed investment properties comprise industrial properties in Australia, Germany and the Netherlands, and the United Kingdom and commercial properties and business parks in Singapore, Australia and the United Kingdom that are leased to third parties under operating leases.

In December 2021, the Group announced its proposed divestment of a leasehold property at 2-46 Douglas Street, Port Melbourne, Victoria, Australia ("Port Melbourne Divestment"). Accordingly, the investment property, including the corresponding right-of-use assets, was reclassified to investment property held for sale and the corresponding lease liabilities was reclassified to liabilities directly associated with the investment property held for sale as at 31 March 2022. The Group completed the divestment on 24 October 2022.

The carrying amounts of the completed investment properties as at 31 March 2023 were based on independent valuations undertaken by CIVAS (VIC) Pty Ltd, CIVAS (NSW) Pty Ltd, Jones Lang LaSalle Advisory Services Pty Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd, Knight Frank Valuation & Advisory Victoria, Savills Valuations Pty Ltd, Jones Lang LaSalle SE, BNP Paribas Real Estate Consult GmbH, CBRE GmbH, CBRE Limited, Knight Frank Valuation & Advisory Canberra, Cushman & Wakefield (Valuations) Pty Ltd and CBRE Pte. Ltd. as at 30 September 2022, adjusted for capital expenditure incurred subsequent to the valuation date, straight-lining adjustments, capitalisation of leasing incentives, net of amortisation, and translation differences. The Group has assessed that the carrying amounts of the investment properties as at 31 March 2023 approximate their fair values.

The carrying amount of the investment property under development as at 31 March 2023 was stated at its "As Is" fair value based on independent valuations undertaken by CBRE Limited as at 30 September 2022, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The "As Is" fair value is determined using the residual approach. Under this approach, a property under development is valued by estimating the gross development value of the completed property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of the valuation, which is determined using the capitalisation and discounted cash flow methods. The Group has assessed that the carrying amount of the investment property under development as at 31 March 2023 approximates its fair value.

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8. Investment properties (cont'd)

Measurement of fair value

The fair values of the investment properties (2022: including the investment property held for sale) were determined using the capitalisation method and/or discounted cash flow method. The fair value of the investment property under development was determined using the residual approach. The valuation methods involve making certain estimates including those relating to capitalisation rate, gross initial yield, net initial yield, discount rate, terminal yield, gross development value and estimated costs to complete.

The fair value measurement for all of the investment properties (2022: 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.

As at 31 March 2023, completed investment properties include right-of-use assets of S\$124,900,000 (30 September 2022: S\$127,444,000).

9. Loans and borrowings

	Group		Trust	
	31/3/2023	30/9/2022	31/3/2023	30/9/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Bank loans				
- unsecured	52,322	22,970	52,322	22,970
- secured	30,934	116,990	-	-
Fixed rate notes (unsecured)	-	19,250	-	-
Less: Unamortised transaction costs	-	(83)	-	(77)
	<u>83,256</u>	<u>159,127</u>	<u>52,322</u>	<u>22,893</u>
Lease liabilities	1,001	952	-	-
	<u>84,257</u>	<u>160,079</u>	<u>52,322</u>	<u>22,893</u>
Non-current				
Bank loans				
- unsecured	1,588,081	1,509,228	1,345,082	1,281,228
- secured	158,235	159,150	-	-
Fixed rate notes (unsecured)	150,000	150,000	-	-
Loan from a subsidiary (unsecured)	-	-	150,000	150,000
Less: Unamortised transaction costs	(4,202)	(4,945)	(3,625)	(4,254)
	<u>1,892,114</u>	<u>1,813,433</u>	<u>1,491,457</u>	<u>1,426,974</u>
Lease liabilities	123,442	126,492	-	-
	<u>2,015,556</u>	<u>1,939,925</u>	<u>1,491,457</u>	<u>1,426,974</u>
Total loans and borrowings	<u>2,099,813</u>	<u>2,100,004</u>	<u>1,543,779</u>	<u>1,449,867</u>

The borrowings are secured against certain investment properties in the European portfolio.

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10. Net asset value/Net tangible asset per Unit

	Group		Trust	
	31/3/2023	30/9/2022	31/3/2023	30/9/2022
Net asset value ("NAV") per Unit is based on: Net assets attributable to Unitholders (S\$'000)	4,750,901	4,838,844	3,314,878	3,318,890
Total issued and issuable Units at the end of the period ('000) (Note 11)	3,727,428	3,711,605	3,727,428	3,711,605
NAV/Net tangible asset per Unit (S\$)	1.27	1.30	0.89	0.89

11. Units in issue and to be issued

	Group and Trust			
	31/03/2023		30/9/2022	
	Number of Units		Number of Units	
	'000	S\$'000	'000	S\$'000
Units issued				
At the beginning of the financial period/year	3,696,167	3,472,154	3,676,420	3,443,233
Creation of new Units:				
- Managers' management fees paid in Units	21,647	26,665	19,747	28,921
At the end of the financial period/year	3,717,814	3,498,819	3,696,167	3,472,154
Units to be issued				
Managers' management fees payable in Units	9,614	12,329	15,438	19,488
Total issued and issuable Units	3,727,428	3,511,148	3,711,605	3,491,642

31 March 2023

During the period, 21,647,222 Units were issued at S\$1.16 to S\$1.26 per Unit, amounting to S\$26,665,000, as satisfaction of the Managers' management fees payable in Units.

30 September 2022

During the year, 19,746,643 Units were issued at S\$1.35 to S\$1.51 per Unit, amounting to S\$28,921,000, as satisfaction of the Managers' management fees payable in Units.

12. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	31/3/2023	30/9/2022
	S\$'000	S\$'000
Capital commitments in respect of investment properties (including investment properties under development)	111,288	190,555

13. Financial ratios

	1H2023	1H2022
	%	%
Expenses to weighted average net assets ⁽¹⁾		
- with performance fee of Managers	0.47	0.55
- without performance fee of Managers	0.36	0.41
Expense to net asset value ⁽²⁾	1.51	1.58
Portfolio turnover rate ⁽³⁾	-	0.21

- (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 period.
- (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.

14. Subsequent event

There was the following significant event subsequent to the reporting date:

- On 4 May 2023, the Manager declared a distribution of 3.52 Singapore cents per Unit to Unitholders in respect of the period from 1 October 2022 to 31 March 2023.

H. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of the Group and consolidated portfolio statement of the Group and the condensed interim statement of financial position of the Trust as at 31 March 2023, the condensed interim consolidated statement of total return, consolidated interim distribution statement, condensed interim consolidated statement of movements in unitholders' funds and condensed interim consolidated statement of cash flows of the Group and the condensed interim statement of movements in unitholders' funds of the Trust for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance

(i) Statement of Total Return

Review of Performance for the six months period from 1 October 2022 to 31 March 2023 ("1H2023") vs 1 October 2021 to 31 March 2022 ("1H2022")

Adjusted NPI for 1H2023 of S\$155.9 million was S\$24.2 million (or 13.4%) lower than 1H2022. The lower Adjusted NPI for 1H2023 was due mainly to the divestment of Cross Street Exchange, Singapore in 1H2022, the early surrender fee received from a tenant of Farnborough Business Park, Farnborough, Thames Valley in 1H2022 and the weaker exchange rates as compared to 1H2022.

Excluding the impact of the interest expense on lease liabilities, 1H2023 finance costs increased by S\$0.3 million as compared to 1H2022. This was due mainly to higher interest costs on borrowings in 1H2023. At 31 March 2023, 76% (31 March 2022: 71%) of borrowings were at fixed rates.

Tax expense for 1H2023 of S\$14.9 million was S\$3.2 million (or 17.5%) lower than 1H2022. The lower deferred tax expense in 1H2023 was due mainly to the reduction in temporary differences between the tax bases of investment properties and their carrying amounts at the reporting date.

Excluding the gain on divestment of investment properties, the total return for the period for 1H2023 of S\$101.9 million was S\$15.8 million (or 13.4%) lower than 1H2022.

The REIT Manager has elected to receive 100% of the 1H2023 management fee in the form of units (1H2022: 62.6%).

Income available for distribution to Unitholders was S\$121.2 million, a decrease of S\$14.4 million over 1H2022. The REIT Manager has declared a capital distribution of S\$9.6 million during the period (1H2022: S\$6.4 million). Together with the capital distribution, the Distributable Income for 1H2023 was S\$130.8 million, a decrease of S\$11.3 million over 1H2022.

2. Review of performance (cont'd)

(ii) Statement of financial position

The carrying value of completed investment properties was based on independent valuations as at 30 September 2022, adjusted for capital expenditure incurred subsequent to the valuation date, straight-lining adjustments, capitalisation of leasing incentives, net of amortisation and translation differences.

Investment properties under development ("IPUD") relates mainly to (a) the land acquisition of a prime freehold logistics development in Cheshire, United Kingdom and (b) the development costs incurred.

Investment property held for sale as at 31 March 2022 relates to the Port Melbourne Divestment and was based on fair value of the property as assessed by independent valuers as at 30 September 2022 and the corresponding right-of-use assets. The decrease was due to the completion of the Port Melbourne Divestment on 24 October 2022.

Derivatives related to fair values of interest rates swaps, cross currency interest rates swaps, cross currency swaps to hedge the Group's interest rate risk and foreign exchange risk in respect of its borrowings; and fair value of foreign currency forward contracts to hedge the Group's foreign denominated income. The movement is due to changes in fair value of derivatives.

Total loans and borrowings decreased due mainly to the repayment of Australian loans. The aggregate leverage as at 31 March 2023 is 27.8% (31 March 2022: 33.1%) and interest coverage ratio¹ and adjusted interest coverage ratio¹ for the trailing 12 months ended 31 March 2023 was 8.4 times (31 March 2022: 12.5 times). In aggregate, 76% (31 March 2022: 71%) of the interest rate risk on the total borrowings were at fixed rates as at 31 March 2023. The Group is in compliance with all its financial covenants.

The decrease in Unitholders' funds was due mainly to the distributions paid to Unitholders in 1H2023, fair value loss on derivatives, and a lower foreign currency translation reserve due to the effects of the weaker AUD as at 31 March 2023 compared to 30 September 2022 on the net assets attributable to the Australian operations. The decrease was partially offset by the total return for 1H2023 and payment of management fees in Units.

Non-controlling interests are attributable to minority interests held by various parties in certain European companies.

3. Variance from Forecast Statement

Not applicable.

¹ 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 and 28 December 2021. Computed as trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months borrowing costs and for the purpose of adjusted interest coverage ratio, distribution on hybrid securities. Borrowing costs exclude interest expense on lease liabilities (effective from 28 December 2021).

4. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

According to the Australian Bureau of Statistics, Australia's GDP grew 0.5% in the December 2022 quarter, following a rise of 0.7% in September. The consumer price index over the 12-months to March 2023 came in lower at 7.0%. However, the Reserve Bank of Australia has decided to increase the cash rate target by 25 basis points to 3.85% in May 2023 as it seeks to return inflation to target. According to the Reserve Bank of Australia in February 2023, the country's GDP is forecast to grow by around 1.5% over both 2023 and 2024.

The leasing market in the Australian logistics and industrial sector remains healthy with low vacancy rates and strong market rental growth over the past 12-18 months. The Melbourne office sector remains a relatively challenging sector hampered by lower physical occupancy rates, elevated incentives and vacancy rates, whilst the Perth market has seen improvements in the prime grade office sector. The rising interest rate environment is expected to push capitalisation rates higher across both the commercial and industrial asset classes.

Based on Germany's Federal Office of Statistics, the German economy contracted by 0.2% in the fourth quarter of 2022, while the official Dutch statistics office, CBS, reported a 0.6% growth rate for the Netherlands over the same period. Annual inflation in Germany and The Netherlands in March 2023 was 7.4% and 4.4% respectively.

For the UK, its GDP came in at 0.1% in the fourth quarter of 2022, a marginal increase of 0.2 percentage points from the previous quarter. The Bank of England's Monetary Policy Committee (MPC) has also continued to vote for higher interest rate increases, with the MPC voting to increase the Bank Rate by a further 0.25 percentage points to 4.25% in March 2023. CPI also remained high, with CPI for the 12-month period falling from 10.5% in December 2022 to 10.1% in January 2023, but subsequently rising back to 10.4% in February 2023.

On outlook expectations, the latest World Economic Outlook report released by the International Monetary Fund in April 2023 said that it expects real 2023 GDP for Germany and The Netherlands to be -0.1% and +1.0% respectively.

Russia's ongoing war against Ukraine also continues to have profound impacts on Europe's economic health and in particular, the automotive industry in Europe. Vehicle production has been impacted, hampered by disruptions in the supply of auto-manufacturing components from Ukraine, though we have not observed any significant impacts to FLCT's automotive tenants in Germany and the Netherlands. The application of economic and financial sanctions on Russia has also caused significant economic pressure, with Russia being a major exporter of gas and oil.

The German and Dutch logistics and industrial occupancy markets remain healthy with positive take up and continued market rental growth. Conditions have softened in the UK logistics sector with lower levels of take up and increased vacancies. The UK business park sector has continued to experience lower levels of physical occupation, elevated vacancy levels and many occupiers are consolidating into smaller but higher quality tenancies. Similar to Australia, given higher levels of inflation and rising interest rates, capitalisation rates are expected to expand over the short to medium terms.

For Singapore, the latest advanced estimates published by Singapore's Ministry of Trade and Industry in April 2023 reported a +0.1% on-year growth in the first quarter of 2023. Based on the latest estimate published by the Monetary Authority of Singapore in April 2023, Singapore's GDP growth is projected to step down to 0.5% - 2.5% in 2023.

4. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (cont'd)

The overall economic and business outlook remains uncertain amid elevated levels of inflation, interest rate hikes, and turmoil in the financial sector. Further, while the COVID-19 pandemic-induced disruptions to global economic activity have subsided, the risk remains of a resurgence of the virus through the evolution of a new variant, while the emerging future of work practices may translate into changes to workspace requirements.

The REIT Manager is also closely monitoring emerging trends and behavioural activity, including deglobalisation, as well as onshoring trends and its implications on the logistics and industrial space. FLCT remains focused on managing any financial implications arising from global developments, foreign exchange risks and inflationary pressures. There continues to be no material impact to the FLCT portfolio to-date, although the situation remains dynamic.

Capital and liquidity management also remains a key strategic priority. FLCT's resilient portfolio, strong balance sheet and financial flexibility well positions the REIT to face the current challenging global environment. Looking ahead, the REIT Manager will continue to focus on proactive asset and lease management strategies, and to evaluate and pursue growth opportunities by way of asset enhancements and/or acquisitions, to generate sustainable long-term value for FLCT unitholders.

5. Distributions

(a) Current financial period

Any distributions declared for the current period? Yes

Name of Distribution Distribution for the financial period from 1 October 2022 to 31 March 2023

		Singapore cents
Distribution type / rate	Tax-exempt distribution component (per Unit)	2.69
	Taxable income distribution component (per Unit)	0.43
	Capital distribution component (per Unit)	0.32
	Capital gains distribution component (per Unit)	0.08
	Total (per Unit)	3.52

Tax rate Tax-exempt income distribution component
The tax-exempt income distribution component is exempt from Singapore income tax in the hands of all unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

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

Capital distribution component
The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

Capital gains distribution component
Capital gains distribution is not taxable in the hands of all unitholders. No tax will be deducted from such component.

5. Distributions (cont'd)

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes

Name of Distribution	Distribution for the financial period from 1 October 2021 to 31 March 2022	Singapore cents
Distribution type / rate	Tax-exempt distribution component (per Unit)	2.60
	Taxable income distribution component (per Unit)	0.56
	Capital distribution component (per Unit)	0.69
	Total (per Unit)	<u>3.85</u>

Tax rate

Tax-exempt income distribution component
The tax-exempt income distribution component is exempt from Singapore income tax in the hands of all unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

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

Capital distribution component
The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

(c) Date payable

15 June 2023

(d) Record date

12 May 2023

6. Interested Person Transactions

FLCT Group has not obtained a general mandate from Unitholders for any Interested Person Transactions.

7. Additional information – Foreign Investment Regime of Australia

Refer to Appendix 1.

8. Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

Frasers Logistics & Commercial Asset Management Pte. Ltd. (“FLCAM”), the Manager of FLCT confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

9. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of FLCAM (as Manager of FLCT) which may render these interim financial results to be false or misleading, in any material aspect.

For and on behalf of the Board of Directors of

Frasers Logistics & Commercial Asset Management Pte. Ltd.

Ho Hon Cheong

Chairman

Kyle Lee Khai Fatt

Director

By Order of the Board of Directors of
Frasers Logistics & Commercial Asset Management Pte. Ltd.
(Company registration no. 201528178Z)
As manager of Frasers Logistics & Commercial Trust

Catherine Yeo
Company Secretary
4 May 2023

Additional information – Foreign Investment Regime of Australia

Australia's foreign investment regime is set out in the Australian *Foreign Acquisitions and Takeovers Act 1975* ("FATA") and associated regulations and the Australian Government's Foreign Investment Policy.

Notifiable actions (i.e. mandatory notification) for Australian Land Trusts

A "foreign person"¹ that acquires Units is required under the FATA to notify and receive a prior no objection notification ("FIRB Approval") in respect of its investment in FLCT from the Australian Treasurer through the Foreign Investment Review Board ("FIRB") if any of the circumstances set out below apply at the time the Units are acquired:

- (a) if FLCT is considered to be an "Australian Land Trust"² ("ALT") at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);
- (b) if FLCT is not an ALT, but has gross Australian assets that meet a specified threshold prescribed under FATA or the consideration value meets the specified threshold (as at the date of this Announcement, the threshold prescribed under FATA is A\$310 million³) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a substantial interest (20% or more held solely or together with associates) in FLCT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or

¹ A "foreign person" is broadly defined in the FATA and includes:

- (a) an individual not ordinarily resident in Australia; or
- (b) a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- (c) a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- (d) the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- (e) the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings);
- (f) a foreign government; or
- (g) any other person, or any other person that meets the conditions, prescribed by the regulations.

² An ALT is a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

³ Where the investor is from certain free trade agreement partners (Chile, China, Hong Kong, Japan, New Zealand, Peru, Singapore, South Korea, the United States, and any other country for which the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), done at Santiago on 8 March 2018, is in force (including Canada, Mexico, Malaysia and Vietnam)) a higher threshold of A\$1,339 million applies.

Additional information – Foreign Investment Regime of Australia (cont'd)

- (c) any investor that is a Foreign Government Investor⁴ acquiring a “direct interest”⁵ in FLCT will require FIRB Approval prior to acquisition, regardless of whether FLCT is considered to be an ALT or whether FLCT has gross Australian assets in excess of the applicable threshold; or
- (d) if FLCT is a national security business⁶ (or if it carries on a national security business) any investor acquiring a direct interest in FLCT will require FIRB Approval at the time of acquisition of a “direct interest”, regardless of the value of the interest; or
- (e) if FLCT is an ALT and holds any interests in national security land⁷, any investor acquiring a direct interest in FLCT will require FIRB Approval at the time of acquisition of a “direct interest”, regardless of the value of the interest.

⁴ A “foreign government investor” means an entity that is:

- (a) a foreign government or separate government entity; or
- (b) a corporation, or trustee of a trust, or general partner of an unincorporated limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
 - foreign governments or separate government entities of more than one country (or parts of more than one foreign country), together with any one or more associates, hold an interest of at least 40%;
- (c) a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.

The FATA deems foreign government related entities from the same country to be associated. The effect is that an entity will be a foreign government investor where one or more foreign government related entities from the same country have in aggregate a 20% or more interest in the subject entity.

⁵ A “direct interest” is defined to mean:

- (a) an interest of at least 10% in the entity or business, or
- (b) an interest of at least 5% in the entity or business if the person who acquires the interest has entered a legal arrangement relating to the businesses of the person and the entity or business, or
- (c) an interest of any percentage in the entity or business if the person who acquired the interest is in a position to:
 - participate in or influence the central management and control of the entity or business; or
 - influence, participate in or determine the policy of the entity or business.

⁶ A business is a ‘national security business’ if:

- (a) the business is carried on wholly or partly in Australia whether or not in anticipation of profit or gain; and
- (b) it is publicly known, or could be known upon the making of reasonable inquiries, that the business is of a kind referred to below:
 - a responsible entity (within the meaning of the *Security of Critical Infrastructure Act 2018* (Cth) (**‘the SOCI Act’**)) for an asset;
 - an entity that is a direct interest holder in relation to a critical infrastructure asset (within the meaning of those terms in the SOCI Act);
 - a carrier or nominated carriage service provider to which the *Telecommunications Act 1997* (Cth) applies;
 - develops, manufactures or supplies critical goods or critical technology that are, or are intended to be, for a military use, or an intelligence use, by defence and intelligence personnel, the defence force of another country, or a foreign intelligence agency;
 - provides, or intends to provide, critical services to defence and intelligence personnel, the defence force of another country, or a foreign intelligence agency;
 - stores or has access to information that has a security classification;
 - stores or maintains personal information of defence and intelligence personnel collected by the Australian Defence Force, the Defence Department or an agency in the national intelligence community which, if accessed, could compromise Australia’s national security;
 - collects, as part of an arrangement with the Australian Defence Force, the Defence Department or an agency in the national intelligence community, personal information on defence and intelligence personnel which, if disclosed, could compromise Australia’s national security; or
 - stores, maintains or has access to personal information on defence and intelligence personnel that has been collected as part of an arrangement with the Australian Defence Force, the Defence Department or an agency within the national intelligence community, which, if disclosed, could compromise Australia’s national security.

⁷ ‘National security land’ is currently defined as:

- Defence premises – land owned or occupied by Defence; or
- Land in which an agency in the national intelligence community has an interest (if this interest is publicly known or could be known after making reasonable inquiries).

Additional information – Foreign Investment Regime of Australia (cont'd)

Exemptions from ALT requirements

There are two relevant exemptions from the requirement to obtain FIRB Approval under the FATA that would otherwise apply if FLCT was considered to be an ALT:

- (a) where the relevant person is not a foreign government investor and the relevant person's interest in FLCT would not be valued in excess of a specified threshold prescribed under the FATA (at the date of this announcement, the threshold prescribed under the FATA is A\$310 million⁸, unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$67 million)⁹; and
- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLCT and will not be in a position to influence or participate in the central management and control of FLCT or to influence, participate in or determine the policy of FLCT.¹⁰

Significant actions

As at 31 March 2023, the value of the Australian land assets comprised in FLCT's portfolio is 47.3% of the total asset value of FLCT. Consequently, FLCT is not considered to be an ALT. As at 31 March 2023, FLCT had gross Australian assets of approximately S\$3,452.5 million, which is above the general A\$310 million threshold applicable to trusts that are not ALTs.

Any investor that is a "foreign person" acquiring Units on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

⁸ See footnote 3 above.

⁹ This applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). It is the value of the interest being acquired, rather than the value of the underlying land that is in the usual course determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes transport logistics facilities, mines, telecommunication structures and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

¹⁰ This applies where an ALT is listed on an official stock exchange (whether in Australia or not).

Important Notice

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

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 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 Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FLCT and the Manager is not necessarily indicative of the future performance of FLCT and the Manager.