FRASERS LOGISTICS & COMMERCIAL TRUST

(a real estate investment trust constituted on 30 November 2015 under the laws of the Republic of Singapore)

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 15 JANUARY 2025

Frasers Logistics & Commercial Asset Management Pte. Ltd., as manager of Frasers Logistics & Commercial Trust ("**FLCT**, and the manager of FLCT, the "**Manager**"), wishes to thank unitholders of FLCT (the "**Unitholders**") for the questions submitted in advance of the annual general meeting ("**AGM**") of FLCT to be held on Wednesday, 15 January 2025 at 3.00 p.m. at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966.

Please refer to the Annex A for the list of substantial and relevant questions received from Unitholders as of 3.00 p.m. on Friday, 3 January 2025, and the Manager's responses to these questions. Some questions have been edited or rephrased for clarity. For the avoidance of doubt, the editorial amendments do not change the meaning of the questions.

The Manager has received some questions from the Securities Investors Association (Singapore) ("**SIAS**") in relation to its annual report for the financial year ended 30 September 2024. Please refer to the SIAS website at https://sias.org.sg/qa-on-annual-reports, and Annex B below for the list of questions received from the SIAS, and the Manager's responses to these questions.

The Manager will respond to questions received after the submission deadline at the AGM itself.

BY ORDER OF THE BOARD

Frasers Logistics & Commercial Asset Management Pte. Ltd.
As manager of Frasers Logistics & Commercial Trust
Company Registration No. 201528178Z

Catherine Yeo
Company Secretary
9 January 2025

For further information, kindly contact:
Mr Ng Chung Keat
Vice President, Investor Relations & Sustainability
Frasers Logistics & Commercial Asset Management Pte. Ltd.
T +65 6276 4882
E ir_flct@frasersproperty.com

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, (including employee wages, benefits and training costs), 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 the units in FLCT ("**Units**") and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or Perpetual (Asia) Limited, as trustee of FLCT. 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.

The past performance of FLCT and the Manager is not necessarily indicative of the future performance of FLCT and the Manager.

This announcement is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for Units in the United States. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

ANNEX A: RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

Q1	From 1HFY20 to 1HFY24, while FLCT's distributable income rose significantly, the distribution per unit (DPU) only increased from 3.47 cents to 3.48 cents. This appears to be due to the increase in units (from 2.26 billion to 3.75 billion units), including new units issued for management fees and distributions. Given this context, could management explain the rationale for simultaneously seeking mandates for both unit buyback and new unit issuance?
	The increase in units over this period was primarily due to our strategic growth initiatives, which included the units issued to partially satisfy the consideration for the merger with Frasers Commercial Trust in 2020, units issued pursuant to equity fund raisings undertaken to fund acquisitions during the period (which collectively, amounted to approximately 1.37 billion units), and management fees units issued, in lieu of cash. The Manager is seeking for both mandates as they serve different strategic purposes – the unit buyback mandate will provide us with the flexibility to enhance unitholders' value when opportunities arise, particularly during periods of market dislocation, while the general mandate for issuance of units gives us the ability to respond quickly to growth opportunities that may require capital raising, at the right capital market conditions. Having both options available allows us to optimise our capital management strategy depending on the market conditions and growth opportunities.
Q2	Please explain the recent decline in unit price from its peak of $1.21 to below $1.00, when SGX has gone up significantly? Additionally, what factors have contributed to our trust's approximately 20% decrease in unit value, especially when comparing this performance to peer REITs, which have not experienced similar declines?
	Singapore REITs have faced broader market headwinds during this period. For the period from 1 January 2024 to 31 December 2024, the FTSE ST REIT Index has experienced a general downward trend, decreasing by 11.8%, while peers in the logistics & industrial-focused space have seen unit price decreases ranging from approximately 15.2% to 27.0%, reflecting sector-wide pressures primarily driven by factors that include the higher interest rate environment. The REIT sector continues to face headwinds from macroeconomic factors including rising interest rates, foreign exchange volatility, and tightening credit conditions. These external pressures have impacted property valuations and borrowing costs across the industry. Additionally, shifting market dynamics and investor sentiment have contributed to pricing volatility in the real estate sector.

ANNEX B: RESPONSES TO QUESTIONS FROM SIAS

<table>
<tr><td>Q1</td><td>As at 30 September 2024, the REIT reported an occupancy rate of 98.8% in the logistics & industrial (L&I) segment while the commercial portfolio achieved an occupancy rate of 87.5%.

(i) Can the manager provide additional insights into the strength of leasing market in the L&I segment? How does it see the market dynamics in the L&I segment, including any potential headwinds, such as oversupply risks stemming from significant capital inflows since the pandemic?

(ii) What is the marketing strategy to lease out the space vacated/soon-to-be vacated by Google Asia Pacific Pte Ltd at Alexandra Technopark? The first tranche involved 151,000 square feet (February 2024) while the second tranche involved 218,000 square feet (by end December 2024).

On 14 November 2024, S&P Global Ratings affirmed the REIT's 'BBB+' rating but revised the outlook to negative from stable. S&P noted that the negative outlook reflects the risk of a downgrade over the next 18-24 months owing to the company's elevated leverage profile following recent acquisitions amid elevated interest rates, and weaker leasing conditions in the commercial segment and currency volatility. Fitch Ratings has maintained its stable outlook for the REIT.

What is the projected impact of the returned space in Alexandra Technopark under various backfill scenarios? Can the manager provide a sensitivity analysis illustrating the potential effects on revenue and distributable income, especially in light of the revised outlook from S&P Global Ratings?</td></tr>
<tr><td></td><td>The logistics and industrial sector continues to demonstrate resilience, underpinned by sustained tenant demand for prime and established locations. While we acknowledge potential market headwinds including new supply expected to come online, a substantial portion of the new supply has been pre-committed. Our portfolio's continued high occupancy rate reflects the quality of our assets and strong tenant relationships. Our properties are well-positioned in established logistics & industrial precincts with good specifications and high sustainability credentials that continue to attract quality tenants and benefit from long-term trends including population growth and an ongoing increase in online retail sales.

Regarding Alexandra Technopark, we have implemented a proactive marketing strategy focusing on both single and multi-tenancy opportunities. The property's location, coupled with its campus-style environment, positions it well to attract tenants from diverse sectors. We are actively engaging with potential tenants and remain confident in the property's value proposition. As at the end of the financial year ended 30 September 2024, we have secured new tenants, representing approximately 25% of the space that was returned by Google in the aforementioned first tranche; and approximately 17% for the second tranche, which has been returned as of 31 December 2024.

On the S&P outlook revision, we maintain a prudent approach to capital management and continue to focus on maintaining a strong balance sheet. We have a well-spread debt maturity profile and continue to maintain strong banking relationships by leveraging on the banking</td></tr>
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	relationships with the group. While the commercial portfolio faces near-term challenges, we are focusing on active asset management strategies to maintain portfolio resilience.
Q2	The title of the 2024 annual report is "*Sustaining value creation*". However, the Group reported net losses in the fair value of investment properties of $359.0 million in FY2023 and $40.8 million in FY2024. The net asset value and distribution per unit have both declined since FY2022. Valuations for L&I properties remained resilient, increasing by 1.2% as at 30 September 2024 (2023: down 2.8%). However, there were declines in specific markets: - Germany and The Netherlands: down 0.4% - UK: down 1.6% (2023: down 13.8%) Commercial property valuations faced steeper declines, decreasing by 5.1% in FY2024, following an 8.8% drop in FY2023. Region-specific changes include: - Australia: down 10.2% (2023: down 9.2%) - Singapore: up 3.0% (2023: up 2.4%) - UK: down 7.6% (2023: down 20.6%) As highlighted in the annual report, the REIT is prioritising an increase in the proportion of L&I assets within its portfolio. (i) With already 72% of its portfolio in the L&I segment, what is the target weightage for this segment? Will the REIT be divesting the commercial properties in due course? (ii) In addition, can the manager provide unitholders with its updated view on the REIT's allocation strategy with regard to geographical diversification, i.e. UK, Germany, The Netherlands, Australia and Singapore? Have the REIT's investments in the UK delivered long-term value for unitholders, and does the UK remain an attractive market despite recent valuation declines? (iii) Has the acquisition of Frasers Commercial Trust in 2020 created measurable and sustainable value for unitholders as suggested by the title of the annual report? For the benefit of unitholders, can the manager provide a comprehensive analysis of the performance of the acquired assets since 2020? What specific criteria does the REIT prioritise for future acquisitions in terms of asset size, location, land tenure, and asset class or operational profile?
	Our focus on the logistics and industrial sector reflects our view of the sector's strong fundamentals and longer-term growth potential. While we continue to evaluate opportunities to increase our exposure to this segment, we maintain a balanced approach to portfolio management. In terms of our commercial properties, we regularly review the performance of each asset and may consider strategic divestments where appropriate. Any changes to our portfolio composition will be executed strategically and in line with our focus on creating sustainable value for unitholders. Regarding geographical diversification, we maintain a positive long-term view across our geographical markets, with each market offering unique advantages that contribute to

	portfolio resilience. Our UK assets, despite recent valuation pressures, are well-located in established markets with good underlying fundamentals. The merger with Frasers Commercial Trust has also enhanced our portfolio diversity and scale, providing us with a broader platform for growth and the higher liquidity also provided us with more capital market opportunities. Looking ahead, our acquisition strategy remains focused on logistics and industrial properties that meet our key criteria of location quality, tenant profile, building specifications, as well as potential for value and DPU creation. We take a disciplined approach to evaluating opportunities across our target markets, ensuring they align with our long-term strategic objectives and returns requirements.
Q3	At the annual general meeting on 15 January 2025, the manager is seeking unitholders' approval for two resolutions: (a) the supplement to the trust deed concerning the unit buy-back mandate (extraordinary resolution 1) and (b) the unit buy-back mandate itself (ordinary resolution 4). The circular to unitholders dated 23 December 2024 provides further details and can be accessed here: https://links.sgx.com/FileOpen/FLCT_Notice%20of%20AGM.ashx?App=Announcement&FileID=828593 (i) What is the board's decision-making framework for evaluating the trade-offs between unit buy-backs and asset acquisitions, particularly regarding long-term yield accretion and portfolio optimisation? (ii) In executing a unit buy-back, how does the manager plan to determine the repurchase price to ensure it maximises value for unitholders while considering net asset value (NAV), cost of capital, and prevailing market conditions? Paragraph 3.11 of the circular mentions a restriction on unit ownership exceeding 9.9% to maintain the Australian trust's "managed investment trust" (MIT) status for tax benefits. Can the manager elaborate on the operational and compliance implications of this restriction? Specifically, is Frasers Property Limited exempted from this rule, and what safeguards are in place to ensure compliance?
	The Board evaluates capital allocation opportunities through a comprehensive framework that considers multiple factors including market conditions, cost of capital, and strategic fit. Any decision between unit buy-backs and acquisitions will be assessed based on their respective potential to create long-term value for unitholders, while maintaining our prudent approach to capital management. The Manager will take into consideration various factors when executing unit buy-backs, such as prevailing market conditions, working capital requirements, and investment and growth strategies of FLCT. We will exercise this mandate judiciously, ensuring that any buy-back is carried out only when it is value-accretive to unitholders.

	For Australia MIT's closely held test, no foreign resident individual is allowed to hold 10% or more participation interest (including indirect interest) in the Australia MIT. None of the FLCT unitholders, including FPL and its shareholders, is exempted from this requirement. To safeguard FLCT's MIT status, a forfeiture mechanism is provided in FLCT's subscription agreement. Where there is going to be a breach above the 9.9% threshold, the excess units in FLCT resulting in the said breach will be forfeited and sold. For this reason, the manager has to monitor the interest held by substantial individual stakeholders. This is part of our ongoing commitment to maintaining tax efficiency for the benefit of all unitholders.