

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 AND FULL YEAR ENDED 30 SEPTEMBER 2022**

Frasers Logistics & Commercial Trust and its subsidiaries
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2022

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Frasers Logistics & Commercial Trust and its subsidiaries
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A. Condensed Interim Consolidated Statement of Total Return

Note	Group					
	2H2022	2H2021	Change	2022	2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	214,517	237,627	(9.7)	450,187	469,328	(4.1)
Property operating expenses	(49,293)	(50,810)	(3.0)	(101,366)	(102,668)	(1.3)
Net property income	165,224	186,817	(11.6)	348,821	366,660	(4.9)
Managers' management fee						
- Base fee	(14,015)	(14,044)	(0.2)	(29,753)	(27,040)	10.0
- Performance fee	(5,853)	(6,385)	(8.3)	(12,265)	(12,577)	(2.5)
Trustees' fees	(443)	(420)	5.5	(906)	(844)	7.3
Trust expenses	(1,638)	(4,138)	(60.4)	(4,707)	(7,136)	(34.0)
Exchange gains/(losses) (net)	1,043	(351)	N.M.	2,124	(346)	N.M.
Finance income	721	897	(19.6)	727	924	(21.3)
Finance costs	(19,303)	(22,271)	(13.3)	(41,595)	(45,687)	(9.0)
Net finance costs	(18,582)	(21,374)	(13.1)	(40,868)	(44,763)	(8.7)
Net income	125,736	140,105	(10.3)	262,446	273,954	(4.2)
Net change in fair value of derivatives	1,211	433	N.M.	276	1,400	(80.3)
Net change in fair value of investment properties	425,593	602,850	N.M.	425,593	602,850	N.M.
Gain on divestment of investment properties	-	-	N.M.	169,694	2,451	N.M.
Total return for the period before tax	552,540	743,388	(25.7)	858,009	880,655	(2.6)
Tax expense	(101,239)	(120,021)	(15.6)	(119,268)	(140,897)	(15.4)
Total return for the period	451,301	623,367	(27.6)	738,741	739,758	(0.1)
Total return attributable to:						
Unitholders of the Trust	442,349	615,562	(28.1)	728,645	731,106	(0.3)
Non-controlling interests	8,952	7,805	14.7	10,096	8,652	16.7
	451,301	623,367	(27.6)	738,741	739,758	(0.1)
Earnings per Unit (Singapore cents)						
Basic	11.98	17.15	(30.2)	19.74	20.84	(5.3)
Diluted	11.92	17.08	(30.2)	19.63	20.74	(5.3)
For information:						
Adjusted NPI [#]	162,053	181,271	(10.6)	342,138	355,161	(3.7)

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			
	2H2022	2H2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Distributable Income during the period				
Total return for the period attributable to Unitholders	442,349	615,562	728,645	731,106
Tax related and other adjustments (Note A)	(311,272)	(479,212)	(461,873)	(464,330)
Income available for distribution to Unitholders	131,077	136,350	266,772	266,776
Capital distribution (Note B)	8,568	3,299	14,981	3,299
Distributable Income	139,645	139,649	281,753	270,075
Amount available for distribution to Unitholders at beginning of the period	142,922	131,104	95,547	116,754
Distributable Income for the period	139,645	139,649	281,753	270,075
Amount available for distribution to Unitholders	282,567	270,753	377,300	386,829
Distributions to Unitholders:				
Distribution of 3.39 Singapore cents per Unit for the period from 15 April 2020 to 30 September 2020	-	-	-	(116,076)
Distribution of 3.80 Singapore cents per Unit for the period from 1 October 2020 to 31 March 2021	-	(130,290)	-	(130,290)
Distribution of 1.31 Singapore cents per Unit for the period from 1 April 2021 to 2 June 2021	-	(44,916)	-	(44,916)
Distribution of 2.57 Singapore cents per Unit for the period from 3 June 2021 to 30 September 2021	-	-	(94,733)	-
Distribution of 3.85 Singapore cents per Unit for the period from 1 October 2021 to 31 March 2022	(142,108)	-	(142,108)	-
	(142,108)	(175,206)	(236,841)	(291,282)
Amount available for distribution to Unitholders at end of the period	140,459	95,547	140,459	95,547
Distribution per Unit (DPU) (Singapore cents)	3.77	3.88	7.62	7.68
Note A				
Tax related and other adjustments relate to the following items:				
Straight-lining of rental adjustments	(207)	(2,511)	(708)	(5,032)
Managers' management fee paid/payable in Units	19,868	15,029	33,744	27,804
Exchange (gains)/losses (net)	(1,071)	312	(2,104)	329
Finance costs	1,898	2,077	3,864	4,900
Lease payments of right-of-use assets	(2,964)	(3,035)	(5,975)	(6,467)
Net change in fair value of derivatives	(1,211)	(433)	(276)	(1,400)
Net change in fair value of investment properties	(425,593)	(602,850)	(425,593)	(602,850)
Fair value gain on financial assets at fair value through profit or loss ("FVTPL")	(104)	(879)	(104)	(879)
Loss/(Gain) on divestment of investment properties, net of capital gains tax	2,844	-	(166,850)	5,181
Deferred tax expense	86,556	106,481	93,221	106,836
Non-controlling interests' share of adjustments	7,747	6,067	7,646	5,888
Other adjustments	965	530	1,262	1,360
Net distribution adjustments	(311,272)	(479,212)	(461,873)	(464,330)
Note B				
Capital distributions relate to the following:				
Lease incentives ^(a)	1,562	1,968	3,278	1,968
Rental support ^(b)	1,656	1,331	3,489	1,331
Divestment gains	5,350	-	8,214	-
	8,568	3,299	14,981	3,299

(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. The reimbursements received prior to 1 April 2021 were recognised as Revenue

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

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C. Condensed Interim Statements of Financial Position

		Group		Trust	
	Note	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Non-current assets					
Investment properties	8	6,931,752	7,482,282	-	-
Plant and equipment		130	209	-	-
Investment in subsidiaries		-	-	2,763,312	2,887,282
Loans to subsidiaries		-	-	1,811,636	1,843,727
Derivative assets		165,241	16,455	149,672	14,492
Total non-current assets		7,097,123	7,498,946	4,724,620	4,745,501
Current assets					
Cash and cash equivalents		220,728	140,367	98,230	13,597
Trade and other receivables		49,728	39,850	73,692	107,211
Derivative assets		3,870	1,015	939	1,015
Investment property held for sale	8	38,264	-	-	-
Total current assets		312,590	181,232	172,861	121,823
Total assets		7,409,713	7,680,178	4,897,481	4,867,324
Current liabilities					
Trade and other payables		77,322	96,589	128,243	83,554
Loans and borrowings	9	160,079	234,505	22,893	1,799
Derivative liabilities		-	2,535	-	493
Current tax liabilities		23,761	27,052	30	5
Liabilities directly associated with the investment property held for sale	8	18,280	-	-	-
Total current liabilities		279,442	360,681	151,166	85,851
Non-current liabilities					
Trade and other payables		9,787	14,313	-	-
Loans and borrowings	9	1,939,925	2,447,207	1,426,974	1,433,141
Derivative liabilities		451	15,025	451	13,128
Deferred tax liabilities		291,944	223,497	-	-
Total non-current liabilities		2,242,107	2,700,042	1,427,425	1,446,269
Total liabilities		2,521,549	3,060,723	1,578,591	1,532,120
Net assets attributable to Unitholders		4,888,164	4,619,455	3,318,890	3,335,204
Represented by:					
Unitholders' funds		4,838,844	4,574,641	3,318,890	3,335,204
Non-controlling interests		49,320	44,814	-	-
Total equity		4,888,164	4,619,455	3,318,890	3,335,204
Net asset value per Unit (S\$)	10	1.30	1.24	0.89	0.90

D. Condensed Interim Statements of Movements in Unitholders' Funds

	2H2022			2H2021		
	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 April	4,865,346	43,896	4,909,242	3,903,314	35,611	3,938,925
Operations						
Increase in net assets resulting from operations	442,349	8,952	451,301	615,562	7,805	623,367
Transactions with owners						
Units issued and to be issued:						
- Private placement	-	-	-	335,760	-	335,760
- Managers' management fees and acquisition fees paid/payable in Units	19,868	-	19,868	19,331	-	19,331
Unit issue costs	-	-	-	(5,197)	-	(5,197)
Distributions paid to Unitholders	(142,108)	-	(142,108)	(175,206)	-	(175,206)
Dividends paid to non-controlling interests	-	(749)	(749)	-	(2,448)	(2,448)
Net (decrease)/increase in net assets resulting from transactions with owners	(122,240)	(749)	(122,989)	174,688	(2,448)	172,240
Hedging reserve						
Effective portion of change in fair value of cash flow hedges	30,526	112	30,638	4,334	34	4,368
Net increase in net assets resulting from hedging reserve	30,526	112	30,638	4,334	34	4,368
Foreign currency translation reserve						
Translation differences relating to financial statements of foreign subsidiaries	(341,705)	(3,069)	(344,774)	(100,935)	952	(99,983)
Exchange differences on hedge of net investments in foreign operations	112,115	-	112,115	21,270	-	21,270
Exchange differences on monetary items forming part of net investment in foreign operations	(147,547)	-	(147,547)	(43,592)	-	(43,592)
Net (decrease)/increase in net assets resulting from foreign currency translation reserve	(377,137)	(3,069)	(380,206)	(123,257)	952	(122,305)
Changes in ownership interests in subsidiaries						
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	2,860	2,860
Acquisition of non-controlling interests without a change in control	-	178	178	-	-	-
Total changes in ownership interests in subsidiaries	-	178	178	4,574,641	44,814	4,619,455
At 30 September	4,838,844	49,320	4,888,164	4,574,641	44,814	4,619,455

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

	2022			2021		
	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	4,574,641	44,814	4,619,455	3,770,460	36,217	3,806,677
Operations						
Increase in net assets resulting from operations	728,645	10,096	738,741	731,106	8,652	739,758
Transactions with owners						
Units issued and to be issued:						
- Private Placement	-	-	-	335,760	-	335,760
- Managers' management fees and acquisition fees paid/payable in Units	33,744	-	33,744	32,106	-	32,106
Unit issue costs	-	-	-	(5,197)	-	(5,197)
Distributions paid to Unitholders	(236,841)	-	(236,841)	(291,282)	-	(291,282)
Dividends paid to non-controlling interests	-	(749)	(749)	-	(2,448)	(2,448)
Net (decrease)/increase in net assets resulting from transactions with owners	(203,097)	(749)	(203,846)	71,387	(2,448)	68,939
Hedging reserve						
Effective portion of change in fair value of cash flow hedges	72,497	196	72,693	18,301	52	18,353
Net increase in net assets resulting from hedging reserve	72,497	196	72,693	18,301	52	18,353
Foreign currency translation reserve						
Translation differences relating to financial statements of foreign subsidiaries	(315,236)	(5,174)	(320,410)	(7,559)	(519)	(8,078)
Exchange differences on hedge of net investments in foreign operations	149,544	-	149,544	7,290	-	7,290
Exchange differences on monetary items forming part of net investment in foreign operations	(168,150)	-	(168,150)	(16,344)	-	(16,344)
Net decrease in net assets resulting from foreign currency translation reserve	(333,842)	(5,174)	(339,016)	(16,613)	(519)	(17,132)
Changes in ownership interests in subsidiaries						
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	2,860	2,860
Acquisition of non-controlling interests without a change in control	-	137	137	-	-	-
Total changes in ownership interests in subsidiaries	-	137	137	-	2,860	2,860
At 30 September	4,838,844	49,320	4,888,164	4,574,641	44,814	4,619,455

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

	2H2022	2H2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Trust				
At the beginning of the period	3,446,616	3,141,464	3,335,204	3,074,592
Operations				
(Decrease)/Increase in net assets resulting from operations	(30,055)	17,124	131,587	177,629
Transactions with owners				
Units issued and to be issued:				
- Private Placement	-	335,760	-	335,760
- Managers' management fees and acquisition fees paid/payable in Units	19,868	19,331	33,744	32,106
Unit issue costs	-	(5,197)	-	(5,197)
Distributions paid to Unitholders	(142,108)	(175,206)	(236,841)	(291,282)
Net (decrease)/increase in net assets resulting from transactions with owners	(122,240)	174,688	(203,097)	71,387
Hedging reserve				
Effective portion of change in fair value of cash flow hedges	24,569	1,928	55,196	11,596
Net increase in net assets resulting from hedging reserve	24,569	1,928	55,196	11,596
At the end of the period	3,318,890	3,335,204	3,318,890	3,335,204

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E. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group			
		2H2022 S\$'000	2H2021 S\$'000	2022 S\$'000	2021 S\$'000
Cash flow from operating activities					
Total return for the period before tax		552,540	743,388	858,009	880,655
Adjustments for:					
Straight-lining of rental adjustments		(207)	(2,511)	(708)	(5,032)
Effects of recognising leasing incentives on a straight-line basis over the lease term		3,213	2,475	5,765	5,162
Managers' management fee paid/payable in Units		19,868	15,029	33,744	27,804
Depreciation of plant and equipment		29	34	61	73
Loss on write-off of property, plant and equipment		-	-	18	-
Reversal of allowance for doubtful receivables		(128)	(1,072)	(107)	(326)
Unrealised exchange losses/(gains) (net)		5,079	(2,897)	6,346	(6,398)
Finance income		(721)	(897)	(727)	(924)
Finance costs		19,303	22,271	41,595	45,687
Net change in fair value of derivatives		(1,211)	(433)	(276)	(1,400)
Net change in fair value of investment properties		(425,593)	(602,850)	(425,593)	(602,850)
Gain on divestment of investment properties		-	-	(169,694)	(2,451)
Cash generated from operations before working capital changes		172,172	172,537	348,433	340,000
Changes in working capital:					
Trade and other receivables		(26,428)	(4,526)	(20,912)	(6,390)
Trade and other payables		17,083	4,401	6,168	(652)
Cash generated from operations		162,827	172,412	333,689	332,958
Taxes paid		(15,838)	(17,919)	(26,744)	(31,143)
Net cash generated from operating activities		146,989	154,493	306,945	301,815
Cash flows from investing activities					
Acquisition of subsidiaries	12	-	(147,246)	-	(147,246)
Acquisition of investment properties (including acquisition costs)		(133,843)	(309,739)	(143,084)	(309,739)
Stamp duty incurred on acquisition of investment properties		(8,485)	(15,216)	(9,032)	(15,216)
Net proceeds from divestment of investment properties		-	-	803,246	175,679
Capital and other expenditure on investment properties		(104,187)	(17,549)	(127,619)	(28,886)
Interest received		693	17	699	44
Net cash (used in)/generated from investing activities		(245,822)	(489,733)	524,210	(325,364)
Cash flows from financing activities					
Interest paid		(18,070)	(20,632)	(38,519)	(41,599)
Proceeds from loans and borrowings		-	587,972	51,393	858,559
Repayment of loans and borrowings		(504,948)	(412,904)	(511,703)	(853,815)
Payment of upfront debt-related transaction costs		-	(2,452)	-	(3,611)
Payment of lease liabilities		(639)	(536)	(1,270)	(1,153)
Issuance of new Units		-	335,760	-	335,760
Unit issue costs paid		-	(5,197)	-	(5,197)
Distributions paid to Unitholders		(142,108)	(175,206)	(236,841)	(291,282)
Dividends paid to non-controlling interests		(749)	(2,448)	(749)	(2,448)
Net cash (used in)/generated from financing activities		(666,514)	304,357	(737,689)	(4,786)
Net (decrease)/increase in cash and cash equivalents		(765,347)	(30,883)	93,466	(28,335)
Cash and cash equivalents at beginning of period		997,164	173,965	140,367	168,652
Effect of exchange rate changes on cash and cash equivalents		(11,089)	(2,715)	(13,105)	50
Cash and cash equivalents at end of period		220,728	140,367	220,728	140,367

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 financing and investing transactions during the following periods:

2022

- 19,746,643 Units, amounting to S\$28,921,000, were issued to the Managers as satisfaction of the management fees payable to the Managers.

2021

- 19,619,486 Units, amounting to S\$27,859,000, were issued to the Managers as satisfaction of the management fees payable to the Managers.
- 3,580,450 Units, amounting to S\$5,020,000, were issued to the Managers as satisfaction of the acquisition fees payable to the Managers for the acquisition of certain subsidiaries and investment properties acquired.

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Completed investment properties						
<u>Logistics and industrial portfolio</u>						
A) Australia						
Melbourne, Victoria						
South East						
<u>South Park Industrial Estate</u>						
98-126 South Park Drive, Dandenong South	14 June 2016	Freehold	51,453	47,598	1.1	1.0
21-33 South Park Drive, Dandenong South	14 June 2016	Freehold	36,752	35,821	0.8	0.8
22-26 Bam Wine Court, Dandenong South	14 June 2016	Freehold	30,550	31,896	0.6	0.7
16-32 South Park Drive, Dandenong South	14 June 2016	Freehold	24,348	18,892	0.5	0.4
89-103 South Park Drive, Dandenong South	1 August 2017	Freehold	20,673	18,401	0.4	0.4
<u>The Key Industrial Park</u>						
17 Pacific Drive and 170-172 Atlantic Drive, Keysborough	14 June 2016	Freehold	51,453	50,542	1.1	1.1
150-168 Atlantic Drive, Keysborough	14 June 2016	Freehold	51,453	50,052	1.1	1.1
49-75 Pacific Drive, Keysborough	14 June 2016	Freehold	48,513	46,470	1.0	1.0
77 Atlantic Drive, Keysborough	14 June 2016	Freehold	32,158	31,405	0.6	0.7
78 & 88 Atlantic Drive, Keysborough	14 June 2016	Freehold	28,023	26,989	0.6	0.6
111 Indian Drive, Keysborough	31 August 2016	Freehold	50,075	48,580	1.0	1.1
29 Indian Drive, Keysborough	15 August 2017	Freehold	45,021	43,869	0.9	1.0
17 Hudson Court, Keysborough	12 September 2017	Freehold	45,021	44,163	0.9	1.0
8-28 Hudson Court, Keysborough	20 August 2019	Freehold	46,399	49,561	0.9	1.1
<u>Mulgrave</u>						
211A Wellington Road, Mulgrave	14 June 2016	Freehold	48,237	48,580	1.0	1.1
<u>Braeside Industrial Estate</u>						
75-79 Canterbury Road, Braeside	12 August 2020	Freehold	27,564	26,498	0.6	0.6
West						
<u>West Park Industrial Estate</u>						
468 Boundary Road, Derrimut	14 June 2016	Freehold	47,778	45,635	1.0	1.0
1 Doriemus Drive, Truganina	14 June 2016	Freehold	121,282	124,638	2.5	2.7
2-22 Efficient Drive, Truganina	14 June 2016	Freehold	65,855	62,123	1.4	1.3
1-13 and 15-27 Sunline Drive, Truganina	14 June 2016	Freehold	48,237	45,145	1.0	0.9
Balance carried forward			920,845	896,858	19.0	19.6

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Balance brought forward			920,845	896,858	19.0	19.6
Melbourne, Victoria (cont'd)						
West (cont'd)						
<u>West Park Industrial Estate (cont'd)</u>						
42 Sunline Drive, Truganina	14 June 2016	Freehold	26,645	25,026	0.6	0.5
43 Efficient Drive, Truganina	1 August 2017	Freehold	35,833	34,840	0.7	0.8
<u>West Industry Park</u>						
1 Magnesium Place, Truganina	27 June 2022	Freehold	22,235	-	0.4	-
11 Magnesium Place, Truganina	27 June 2022	Freehold	15,941	-	0.3	-
17 Magnesium Place, Truganina	27 June 2022	Freehold	17,871	-	0.4	-
<u>Altona Industrial Park</u>						
18-34 Aylesbury Drive, Altona	14 June 2016	Freehold	35,833	36,901	0.7	0.8
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	46,807 ^(c)	49,227 ^(c)	1.0	1.1
96-106 Link Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	36,168 ^(c)	38,767 ^(c)	0.7	0.8
17-23 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	13,269 ^(c)	14,635 ^(c)	0.3	0.3
25-29 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	18,374 ^(c)	19,208 ^(c)	0.4	0.4
28-32 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	13,583 ^(c)	15,598 ^(c)	0.3	0.4
115-121 South Centre Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	8,374 ^(c)	8,878 ^(c)	0.2	0.2
<u>Port Melbourne</u>						
2-46 Douglas Street, Port Melbourne	14 June 2016	37-year leasehold expiring on 30 March 2053	- ^(f)	40,527 ^(c)	-	0.9
Balance carried forward			1,211,778	1,180,465	25.0	25.8

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Balance brought forward			1,211,778	1,180,465	25.0	25.8
Sydney, New South Wales						
<i>Outer Central West</i>						
<i>Eastern Creek</i>						
4-8 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	113,012	106,973	2.3	2.3
21 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	92,064	88,326	1.9	1.9
17 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	64,316	60,749	1.3	1.3
7 Eucalyptus Place, Eastern Creek	14 June 2016	Freehold	47,778	44,163	1.0	1.0
2 Hanson Place, Eastern Creek	20 August 2019	Freehold	91,421	83,615	1.9	1.8
<i>Pemulwuy</i>						
8-8A Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	67,072	61,338	1.4	1.3
6 Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	60,641	54,713	1.3	1.2
<i>Wetherill Park</i>						
1 Burilda Close, Wetherill Park	30 November 2016	90-year leasehold expiring on 29 September 2106	118,079 ^(c)	117,877 ^(c)	2.4	2.6
Lot 1, 2 Burilda Close, Wetherill Park	1 August 2017	89-year leasehold expiring on 14 July 2106	47,214 ^(c)	43,964 ^(c)	1.0	1.0
3 Burilda Close, Wetherill Park	5 September 2018	89-year leasehold expiring on 15 May 2107	67,424 ^(c)	62,230 ^(c)	1.4	1.4
<i>Outer North West</i>						
<i>Seven Hills</i>						
8 Distribution Place, Seven Hills	14 June 2016	Freehold	34,914	32,730	0.7	0.7
99 Station Road, Seven Hills	14 June 2016	Freehold	30,504	28,755	0.6	0.6
10 Stanton Road, Seven Hills	14 June 2016	Freehold	19,984	19,039	0.4	0.4
8 Stanton Road, Seven Hills	1 August 2017	Freehold	30,780	26,645	0.7	0.6
<i>Winston Hills</i>						
11 Gibbon Road, Winston Hills	14 June 2016	Freehold	50,442	51,524	1.1	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	23,415 ^(c)	26,100 ^(c)	0.5	0.7
Balance carried forward			2,170,838	2,089,206	44.9	45.7

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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
			2022 S\$'000	2021 S\$'000	2022 %	2021 %
Balance brought forward			2,170,838	2,089,206	44.9	45.7
Brisbane, Queensland						
Northern						
350 Earnshaw Road, Northgate	20 June 2016	99-year leasehold expiring on 19 June 2115	68,910	69,679	1.4	1.5
Trade Coast						
286 Queensport Road, North Murarrie	20 June 2016	99-year leasehold expiring on 19 June 2115	47,961	49,070	1.0	1.1
Southern						
57-71 Platinum Street, Crestmead	20 June 2016	99-year leasehold expiring on 19 June 2115	56,047	55,940	1.2	1.2
51 Stradbroke Street, Heathwood	20 June 2016	99-year leasehold expiring on 19 June 2115	34,914	35,576	0.7	0.8
30 Flint Street, Inala	20 June 2016	99-year leasehold expiring on 19 June 2115	26,829	27,774	0.6	0.6
99 Shettleston Street, Rocklea	20 June 2016	99-year leasehold expiring on 19 June 2115	19,754	21,100	0.4	0.5
55-59 Boundary Road, Carole Park	20 June 2016	99-year leasehold expiring on 19 June 2115	22,051	23,112	0.4	0.5
10 Siltstone Place, Berrinba	20 June 2016	99-year leasehold expiring on 19 June 2115	19,662	18,892	0.4	0.4
143 Pearson Road, Yatala	31 August 2016	99-year leasehold expiring on 30 August 2115	49,432	49,953	1.0	1.1
166 Pearson Road, Yatala	1 August 2017	Freehold	52,555	51,818	1.1	1.1
103-131 Wayne Goss Drive, Berrinba	5 September 2018	Freehold	37,671	37,293	0.8	0.8
29-51 Wayne Goss Drive, Berrinba	20 August 2019	Freehold	30,229	31,699	0.6	0.7
Perth, Western Australia						
60 Paltridge Road, Perth Airport	14 June 2016	17-year leasehold expiring on 3 June 2033	10,107	11,188	0.2	0.2
Balance carried forward			2,646,960	2,572,300	54.7	56.2

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Balance brought forward			2,646,960	2,572,300	54.7	56.2
B) Germany						
Stuttgart – Mannheim						
Industriepark 309, Gottmadingen	25 May 2018	Freehold	77,829	80,816	1.6	1.8
Otto-Hahn-Straße 10, Vaihingen	25 May 2018	Freehold	88,244	91,508	1.8	2.0
Eiselauer Weg 2, Ulm	25 May 2018	Freehold	75,155	71,776	1.6	1.6
Murrer Straße 1, Freiberg am Neckar	25 May 2018	Freehold	57,844	60,219	1.2	1.3
Ambros-Nehren-Straße 1, Achern	25 May 2018	Freehold	24,489	24,214	0.5	0.5
Bietigheimer Straße 50-52, Tamm	23 August 2019	Freehold	123,007	126,256	2.5	2.8
Am Bühlfeld 2-8, Herbrechtingen	3 September 2019	Freehold	63,755	67,452	1.3	1.5
Buchäckerring 18, Bad Rappenau	4 June 2021	Freehold	63,896	64,936	1.3	1.4
Am Römig 8, Frankenthal	4 June 2021	Freehold	47,148	47,641	1.0	1.1
Munich – Nuremberg						
Oberes Feld 2, 4, 6, 8, Moosthenning	25 May 2018	Freehold	123,992	116,508	2.6	2.5
Koperstraße 10, Nuremberg	25 May 2018	63-year leasehold expiring on 31 December 2080	113,213 ^(c)	111,330 ^(c)	2.4	2.4
Industriepark 1, Mamming	25 May 2018	Freehold	24,630	24,843	0.5	0.5
Jubatus-Allee 3, Ebermannsdorf	25 May 2018	Freehold	15,904	13,522	0.3	0.3
Dieselstraße 30, Garching	27 August 2019	Freehold	55,029	54,087	1.1	1.2
Hermesstraße 5, Graben, Augsburg	3 September 2019	Freehold	64,318	66,666	1.3	1.5
Hamburg – Bremen						
Am Krainhop 10, Isenbüttel	25 May 2018	Freehold	28,429	29,559	0.6	0.6
Am Autobahnkreuz 14, Rastede	25 May 2018	Freehold	27,444	29,088	0.6	0.7
Balance carried forward			3,721,286	3,652,721	76.9	79.9

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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
			2022 S\$'000	2021 S\$'000	2022 %	2021 %
Balance brought forward			3,721,286	3,652,721	76.9	79.9
Dusseldorf – Cologne						
Saalhoffer Straße 211, Rheinberg	25 May 2018	Freehold	50,244	53,458	1.0	1.2
Elbestraße 1-3, Marl	25 May 2018	Freehold	23,588	24,591	0.5	0.5
Keffelker Straße 66, Brilon	25 May 2018	Freehold	16,607	18,553	0.3	0.4
Gustav-Stresemann-Weg 1, Münster	25 May 2018	Freehold	21,955	24,056	0.5	0.5
Walter-Gropius-Straße 19, Bergheim	23 August 2019	Freehold	34,763	36,006	0.7	0.8
An den Dieken 94, Ratingen	23 August 2019	Freehold	94,437	93,552	2.0	2.0
Leipzig – Chemnitz						
Johann-Esche-Straße 2, Chemnitz	25 May 2018	Freehold	27,022	26,729	0.6	0.6
Am Exer 9, Leipzig	25 May 2018	Freehold	22,096	23,270	0.5	0.5
Frankfurt						
Im Birkengrund 5-7, Obertshausen	23 August 2019	Freehold	60,237	58,175	1.2	1.3
Genfer Allee 6, Mainz	4 June 2021	Freehold	83,318	86,791	1.7	1.9
Bielefeld						
Fuggerstraße 17, Bielefeld	28 November 2019	Freehold	49,681	49,370	1.0	1.1
Berlin						
Gewerbegebiet Etzin 1, Berlin	20 December 2019	Freehold	67,274	68,395	1.4	1.5
Balance carried forward			4,272,508	4,215,667	88.3	92.2

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Balance brought forward			4,272,508	4,215,667	88.3	92.2
C) Netherlands						
Tilburg – Venlo						
Belle van Zuylenstraat 5, Tilburg	25 May 2018	Freehold	28,148	28,663	0.6	0.6
Heierhoevenweg 17, Venlo	25 May 2018	Freehold	49,118	47,012	1.0	1.0
Utrecht – Zeewolde						
Brede Steeg 1, s-Heerenberg	25 May 2018	Freehold	123,711	107,860	2.5	2.4
Handelsweg 26, Zeewolde	25 May 2018	Freehold	80,222	76,414	1.6	1.7
Trafostraat 190, Ede	30 June 2021	Freehold	37,859	33,805	0.8	0.7
Meppel						
Mandeveld 12, Meppel	31 October 2018	Freehold	49,822	45,330	1.0	1.0
D) The United Kingdom						
Connexion, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	70,563	78,028	1.5	1.7
Commercial portfolio						
A) Singapore						
18, 20 & 22 Cross Street and 4 retail units at 181 South Bridge Road	15 April 2020	76-year leasehold expiring 2 February 2096	-(d)	632,000	-	13.8
Alexandra Technopark 438A/438B/438C Alexandra Road	15 April 2020	88-year leasehold expiring 25 August 2108	662,000	657,000	13.7	14.3
Balance carried forward			5,373,951	5,921,779	111.0	129.4

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Balance brought forward			5,373,951	5,921,779	111.0	129.4
B) Australia						
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park") ^(e)	15 April 2020	Freehold	307,798	328,769	6.4	7.2
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, ACT 2900	15 April 2020	81-year leasehold expiring 25 June 2101	225,106	242,406	4.7	5.3
357 Collins Street, Melbourne, Victoria 3000	15 April 2020	Freehold	315,148	316,992	6.5	6.9
545 Blackburn Road, Mount Waverley, Victoria 3149	20 May 2022	Freehold	55,336	-	1.1	-
C) The United Kingdom						
Farnborough Business Park, Farnborough, Thames Valley	30 April 2020	Freehold	266,495	314,659	5.5	6.9
Maxis Business Park, 43 Western Road, Bracknell	12 August 2020	Freehold	91,010	121,625	1.9	2.7
Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	206,236	236,052	4.3	5.2
Total completed investment properties and balance carried forward			6,841,080	7,482,282	141.4	163.6

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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
			2022	2021	2022	2021
			S\$'000	S\$'000	%	%
Balance brought forward			6,841,080	7,482,282	141.4	163.6
Investment property held for sale						
<u>Logistics and industrial portfolio</u>						
Australia						
<i>Port Melbourne</i>						
2-46 Douglas Street, Port Melbourne	14 June 2016	37-year leasehold expiring on 30 March 2053	38,264 ^{(c), (f)}	-	0.8	-
Investment properties under development						
<u>Logistics and industrial portfolio</u>						
The United Kingdom						
Worcester, West Midlands	26 January 2022	Freehold	26,621	-	0.5	-
Connexion II, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	26,621	-	0.5	-
Ellesmere, Cheshire, North West England	14 July 2022	Freehold	37,430	-	0.8	-
Total investment properties under development			90,672	-	1.8	-
Total completed investment properties, investment property held for sale and investment properties under development			6,970,016	7,482,282	144.0	163.6
Other assets and liabilities (net)			(2,081,852)	(2,862,827)	(43.0)	(62.6)
Net assets of the Group			4,888,164	4,619,455	101.0	101.0
Net assets attributable to non-controlling interests			(49,320)	(44,814)	(1.0)	(1.0)
Unitholders' funds			4,838,844	4,574,641	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 property was divested on 31 March 2022.

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

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

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 11958.

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 30 September 2022 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 2021. 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.

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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 2021.

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 2021, except for adoption of *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to FRS 116)* for the first time for the annual period beginning on 1 October 2021.

The application of this amendment to standards 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 2021 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			
	2H2022	2H2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	177,985	198,035	371,188	391,458
Incentives reimbursement	-	-	-	2,309
Recoverable outgoings	34,096	32,621	72,498	65,693
Other revenue	2,436	6,971	6,501	9,868
	214,517	237,627	450,187	469,328

Other revenue in 2022 relates mainly to the early surrender fee received from a tenant of Farnborough Business Park, Farnborough, Thames Valley, make good income received from various tenants of 357 Collins Street, Melbourne, Victoria and Central Park, 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. Other revenue in 2021 relates mainly to the early surrender fee received from various tenants 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.

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4. Property operating expenses

Property operating expenses comprise the following:

	Group			
	2H2022	2H2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Land and property tax	10,054	11,410	21,470	23,383
Property management fees	7,472	7,379	16,259	14,746
Property maintenance and related expenses	16,023	16,375	32,480	30,647
Property related professional fees	360	199	618	591
Reversal of allowance for doubtful receivables	(128)	(1,072)	(107)	(326)
Statutory expenses	6,034	5,413	11,421	10,608
Other property expenses	9,478	11,106	19,225	23,019
	<u>49,293</u>	<u>50,810</u>	<u>101,366</u>	<u>102,668</u>

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			
	2H2022	2H2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Finance income				
Interest income	617	18	623	45
Fair value gain on financial assets at FVTPL	104	879	104	879
	<u>721</u>	<u>897</u>	<u>727</u>	<u>924</u>
Finance costs				
Financial liabilities measured at amortised cost:				
- Amortisation of debt upfront costs	(1,802)	(1,601)	(3,229)	(3,527)
- Interest expense on bank loans and notes	(22,498)	(15,987)	(39,962)	(34,682)
- Interest expense on lease liabilities	(2,324)	(2,491)	(4,709)	(5,314)
- Others	(128)	(345)	(711)	(804)
	<u>(26,752)</u>	<u>(20,424)</u>	<u>(48,611)</u>	<u>(44,327)</u>
Derivatives measured at fair value				
- Interest income/(expense)	7,449	(1,847)	7,016	(1,360)
	<u>(19,303)</u>	<u>(22,271)</u>	<u>(41,595)</u>	<u>(45,687)</u>
Net finance costs	<u>(18,582)</u>	<u>(21,374)</u>	<u>(40,868)</u>	<u>(44,763)</u>

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6. Tax expense

The major components of tax expense are:

	Group			
	2H2022 S\$'000	2H2021 S\$'000	2022 S\$'000	2021 S\$'000
Current tax expense				
- Current year	5,539	7,231	11,191	14,804
- Under provision in respect of prior years	1,029	904	419	807
	6,568	8,135	11,610	15,611
Withholding tax expense	8,115	5,405	14,437	18,450
Deferred tax expense				
- Origination and reversal of temporary differences	86,556	106,481	93,221	106,836
	101,239	120,021	119,268	140,897

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:

	Group			
	2H2022 S\$'000	2H2021 S\$'000	2022 S\$'000	2021 S\$'000
Total return for the period attributable to Unitholders	442,349	615,562	728,645	731,106
Issued Units at the beginning of the period	3,691,122	3,428,684	3,676,420	3,413,220
Effect of issue of new Units:				
- Private placement	-	157,377	-	78,904
- In satisfaction of the Managers' management fees paid in Units	2,648	2,422	14,784	15,022
- In satisfaction of the Managers' acquisition fees paid in Units	-	1,563	-	1,289
Weighted average number of Units	3,693,770	3,590,046	3,691,204	3,508,435

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7. Earnings per Unit (cont'd)

Diluted earnings per Unit

The calculation of diluted earnings per Unit for the Group was 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.

	Group			
	2H2022	2H2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Total return for the period attributable to Unitholders	442,349	615,562	728,645	731,106
	'000	'000	'000	'000
Weighted average number of Units used in calculation of basic earnings per Unit	3,693,770	3,590,046	3,691,204	3,508,435
- Effect of the Managers' management fees payable in Units	17,835	11,945	20,401	14,303
- Effect of the Managers' acquisition fees payable in Units	-	1,512	-	2,292
Weighted average number of Units (diluted)	<u>3,711,605</u>	<u>3,603,503</u>	<u>3,711,605</u>	<u>3,525,030</u>

8. Investment properties

	Note	Completed Investment properties S\$'000	Investment properties under development S\$'000	Total S\$'000
At 1 October 2020		6,352,240	-	6,352,240
Acquisition of investment properties through acquisition of subsidiaries (including acquisition costs)	12	234,293	-	234,293
Acquisition of investment properties (including acquisition costs)		328,151	-	328,151
Capital expenditure incurred		32,747	-	32,747
Disposal of investment properties		(45,962)	-	(45,962)
Capitalisation of leasing incentives, net of amortisation		1,810	-	1,810
Straight-lining of rental and other adjustments		4,242	-	4,242
Net change in fair value recognised in statement of total return		602,850	-	602,850
Translation differences		(28,089)	-	(28,089)
At 30 September 2021		<u>7,482,282</u>	<u>-</u>	<u>7,482,282</u>

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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 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	(552,611)	(8,064)	(560,675)
At 30 September 2022	6,841,080	90,672	6,931,752

Completed investment properties ("IP") comprise industrial properties in Australia, Germany, 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 30 September 2022. The Group completed the divestment on 24 October 2022 (Note 16).

The Group divested Cross Street Exchange, Singapore ("CSE Divestment") on 31 March 2022.

Investment properties, including investment property held for sale, are stated at fair value at the reporting date. As at 30 September 2022, 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, CIVAS (NSW) Pty Ltd, Jones Lang LaSalle Advisory Services Pty Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd, Knight Frank Valuation & Advisory Victoria and Savills Valuations Pty Ltd (2021: CIVAS (VIC) Pty Ltd, CIVAS (NSW) Pty Ltd, Jones Lang LaSalle Advisory Services Pty Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd and Savills Valuations Pty Ltd)
Germany and the Netherlands	Jones Lang LaSalle SE, BNP Paribas Real Estate Consult GmbH and CBRE GmbH (2021: Jones Lang LaSalle SE, BNP Paribas Real Estate Consult GmbH and Savills PLC)
United Kingdom	CBRE Limited (2021: Knight Frank LLP)

8. Investment properties (cont'd)

Commercial portfolio

Properties in:	Property Valuer
Australia	CIVAS (VIC) Pty Ltd, Knight Frank Valuation & Advisory Canberra and Cushman & Wakefield (Valuations) Pty Ltd (2021: CIVAS (VIC) Pty Ltd, Knight Frank Australia Pty Ltd and Knight Frank Valuation & Advisory Canberra)
Singapore	CBRE Pte. Ltd. (2021: CBRE Pte. Ltd.)
United Kingdom	CBRE Limited (2021: Knight Frank LLP)

Measurement of fair value

In 2022, the fair values of the completed investment properties, including the investment property held for sale, were determined using the capitalisation method and/or discounted cash flow method (2021: capitalisation method and/or discounted cash flow method). The fair values of the investment properties under development ("IPUD") were determined using the residual approach (2021: not applicable). 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 (2021: capitalisation rate, gross initial yield, net initial yield, discount rate and terminal yield).

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.

	2022	2021
	S\$'000	S\$'000
Fair value of completed IP and IPUD (based on valuation reports)	6,804,308	7,323,891
Add: Carrying amount of lease liabilities	127,444	158,391
Carrying amount of completed IP and IPUD	6,931,752	7,482,282

	2022
	S\$'000
Fair value of investment property held for sale (based on valuation report)	19,984
Add: Carrying amount of lease liability	18,280
Carrying amount of investment property held for sale	38,264

The fair values of investment properties are determined annually by independent professional valuers. Certain valuers have recommended that the value of the properties are to be kept under regular review given (i) the current market conditions including inflationary pressures, rising interest rates and ongoing war in Ukraine, and (ii) the impact of COVID-19.

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.

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8. Investment properties (cont'd)

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.

9. Loans and borrowings

	Group		Trust	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Bank loans				
- unsecured	22,970	210,310	22,970	1,800
- secured	116,990	21,852	-	-
Fixed rate notes - unsecured	19,250	-	-	-
Floating rate notes - unsecured	-	1,250	-	-
Less: Unamortised transaction costs	(83)	(167)	(77)	(1)
	159,127	233,245	22,893	1,799
Lease liabilities	952	1,260	-	-
	<u>160,079</u>	<u>234,505</u>	<u>22,893</u>	<u>1,799</u>
Non-current				
Bank loans				
- unsecured	1,509,228	1,820,432	1,281,228	1,439,432
- secured	159,150	308,494	-	-
Fixed rate notes - unsecured	150,000	169,250	-	-
Loan from a subsidiary - unsecured	-	-	150,000	-
Less: Unamortised transaction costs	(4,945)	(8,100)	(4,254)	(6,291)
	1,813,433	2,290,076	1,426,974	1,433,141
Lease liabilities	126,492	157,131	-	-
	<u>1,939,925</u>	<u>2,447,207</u>	<u>1,426,974</u>	<u>1,433,141</u>
Total loans and borrowings	<u>2,100,004</u>	<u>2,681,712</u>	<u>1,449,867</u>	<u>1,434,940</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	
	2022	2021	2022	2021
Net asset value ("NAV") per Unit is based on: Net assets attributable to Unitholders (S\$'000)	4,838,844	4,574,641	3,318,890	3,335,204
Total issued and issuable Units at 30 September ('000) (Note 11)	3,711,605	3,686,126	3,711,605	3,686,126
NAV/Net tangible asset per Unit (S\$)	1.30	1.24	0.89	0.90

11. Units in issue and to be issued

	Group and Trust			
	30 September 2022		30 September 2021	
	Number of Units '000	S\$'000	Number of Units '000	S\$'000
Units issued				
At 1 October	3,676,420	3,443,233	3,413,220	3,074,594
Creation of new Units:				
- Private placement	-	-	240,000	335,760
- Managers' management fees paid in Units	19,747	28,921	19,620	27,859
- Managers' acquisition fees paid in Units	-	-	3,580	5,020
At 30 September	3,696,167	3,472,154	3,676,420	3,443,233
Units to be issued				
Managers' management fees payable in Units	15,438	19,488	9,706	14,666
Total issued and issuable Units	3,711,605	3,491,642	3,686,126	3,457,899

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.

30 September 2021

During the year, the following new Units were issued:

- 240,000,000 Units were issued at S\$1.40 per Unit, amounting to S\$335,760,000, in a private placement undertaken by the Trust, for cash;
- 19,619,486 Units were issued at S\$1.41 to S\$1.43 per Unit, amounting to S\$27,859,000, as satisfaction of the Managers' management fees payable in Units; and
- 3,580,450 Units were issued at S\$1.40 to S\$1.42 per Unit, amounting to S\$5,020,000, as satisfaction of the Managers' acquisition fees payable in Units arising from certain subsidiaries acquired.

12. Acquisition of subsidiaries

There was no acquisition of subsidiaries in 2022. In 2021, the Group acquired equity interests in four property holding companies which held interests in four freehold logistics and industrial properties located in Germany and the Netherlands for a total consideration of S\$151.3 million (€93.6 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 for the subsidiaries acquired in 2021.

	2021 S\$'000
Investment properties	231,849
Trade and other receivables	3,677
Cash at bank	5,410
Trade and other payables	(12,240)
Loans and borrowings	(74,518)
Shareholders' loans	(90,686)
Total identifiable net assets	63,492
Less: Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	(2,860)
Identifiable net assets acquired	60,632

Consideration transferred

Cash paid	151,318
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Effect of the acquisition on cash flows

Consideration for equity interest	60,632
Add: Shareholders' loans assumed	90,686
	151,318
Add: Acquisition costs incurred	2,444
Less: Acquisition fee paid in Units	(1,106)
Less: Cash at bank of subsidiaries acquired	(5,410)
Net cash outflow	147,246

13. Capital commitments

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

	Group	
	2022	2021
	S\$'000	S\$'000
Capital commitments in respect of investment properties (including investment properties under development)	190,555	43,096

14. Segment information

The Group has six reportable segments, which are logistics and industrial – Australia, Europe and UK, and commercial – Australia, Singapore and 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.

Information about reportable segments

	<-----Logistics and industrial----->			<-----Commercial----->			Total S\$'000
	Australia S\$'000	Europe S\$'000	UK S\$'000	Australia S\$'000	Singapore S\$'000	UK S\$'000	
2022							
Revenue	153,164	101,650	3,204	69,937	70,498	51,734	450,187
Property operating expenses	(30,467)	(15,094)	(366)	(19,134)	(19,659)	(16,646)	(101,366)
Reportable segment net property income	122,697	86,556	2,838	50,803	50,839	35,088	348,821
Finance income							727
Finance costs							(41,595)
Unallocated items:							
- Expenses							(45,507)
Net income							262,446
Net change in fair value of derivatives							276
Net change in fair value of investment properties	228,349	227,697	(3,954)	(2,529)	6,764	(30,734)	425,593
Gain on divestment of investment properties	-	-	-	-	169,694	-	169,694
Tax expense							(119,268)
Total return for the year							738,741
Capital expenditure	5,433	3,029	71,601	17,377	608	8,550	106,598
Non-current assets ⁽¹⁾	2,646,950	1,994,420	161,236	1,080,673	484,864	563,739	6,931,882

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14. Segment information (cont'd)

	<-----Logistics and industrial----->			<-----Commercial----->			Total
	Australia S\$'000	Europe S\$'000	UK S\$'000	Australia S\$'000	Singapore S\$'000	UK S\$'000	S\$'000
2021							
Revenue	165,921	98,742	1,061	66,932	88,025	48,647	469,328
Property operating expenses	(31,329)	(12,911)	(88)	(19,442)	(27,087)	(11,811)	(102,668)
Reportable segment net property income	134,592	85,831	973	47,490	60,938	36,836	366,660
Finance income							924
Finance costs							(45,687)
Unallocated items:							
- Expenses							(47,943)
Net income							273,954
Net change in fair value of derivatives							1,400
Net change in fair value of investment properties	450,943	152,100	3,450	13,946	9,973	(27,562)	602,850
Gain on divestment of investment properties	2,451	-	-	-	-	-	2,451
Tax expense							(140,897)
Total return for the year							739,758
Capital expenditure	8,375	3,849	-	8,779	10,260	1,484	32,747
Non-current assets ⁽¹⁾	2,572,297	1,982,452	78,028	1,073,554	1,103,824	672,336	7,482,491

⁽¹⁾ Excluding financial assets

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15. Financial ratios

	2022	2021
	%	%
Expenses to weighted average net assets ⁽¹⁾		
- with performance fee of Managers	1.01	1.16
- without performance fee of Managers	0.76	0.86
Expense to net asset value ⁽²⁾	3.05	3.25
Portfolio turnover rate ⁽³⁾	3.20	4.69

- (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.

16. Subsequent events

There were the following significant events subsequent to the reporting date:

- On 24 October 2022, the Group completed the Port Melbourne Divestment at a consideration of A\$41.5 million (approximately S\$38.2 million), of which, payment of A\$6.5 million (approximately S\$6.0 million) has been deferred to 11 December 2023.
- On 10 November 2022, the Manager declared a distribution of 3.77 Singapore cents per Unit to Unitholders in respect of the period from 1 April 2022 to 30 September 2022.

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 30 September 2022, 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 April 2022 to 30 September 2022 ("2H2022") vs 1 April 2021 to 30 September 2021 ("2H2021")

Adjusted NPI for 2H2022 of S\$162.1 million was S\$19.2 million (or 10.6%) lower than 2H2021. The lower Adjusted NPI for 2H2022 was due mainly to the CSE divestment and the weaker exchange rates as compared to 2H2021. These were in part offset by the full six-month effect of the acquisition of interests in six properties in Germany, the Netherlands and the United Kingdom in 2H2021 ("2021 Acquisitions"), and the effect of the acquisition of four properties in Australia in 2H2022 ("2022 Acquisitions").

Excluding the impact of the interest expense on lease liabilities, 2H2022 finance costs decreased by S\$2.8 million as compared to 2H2021. This was due mainly to the impact of interest reduction from repayment of loans of S\$504.9 million from the proceeds of the CSE Divestment in 2H2022. At 30 September 2022, 81.7% (30 September 2021: 72.8%) of borrowings were at fixed rates.

The total return attributable to Unitholders of the Trust for 2H2022 of S\$442.3 million was S\$173.2 million (or 28.1%) lower than 2H2021 which included (a) net fair value gain on investment properties of S\$425.6 million which was S\$177.3 million lower than 2H2021, (b) fair value gain on foreign currency forward contracts of S\$1.2 million to hedge the currency risk on distributions to Unitholders, and (c) net exchange gain of S\$1.0 million which relate to translation of the Group's foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts.

Tax expenses for 2H2022 of S\$101.2 million were S\$18.8 million (or 15.6%) lower than 2H2021. This was mainly due to the lower deferred tax on the net fair value gain on investment properties in 2H2022. This is partially offset by the higher withholding tax expense in 2H2022 due mainly to the capital gains tax from divestment of investment properties.

The REIT Manager has elected to receive 100% of the 2H2022 management fee in the form of units (2H2021: 73.6%).

Income available for distribution to Unitholders was S\$131.1 million, a decrease of S\$5.3 million over 2H2021. The REIT Manager has declared a capital distribution of S\$8.5 million during the period (2H2021: S\$3.3 million). Together with the capital distribution, the Distributable Income for 2H2022 and 2H2021 was S\$139.6 million.

2. Review of performance (cont'd)

(i) Statement of Total Return (cont'd)

Review of Performance for the period from 1 October 2021 to 30 September 2022 ("2022") vs 1 October 2020 to 30 September 2021 ("2021")

Adjusted NPI for 2022 of S\$342.1 million was S\$13.0 million (or 3.7%) lower than 2021. The lower Adjusted NPI for 2022 was due mainly to the CSE Divestment and the weaker exchange rates as compared to 2021. These were in part offset by the full year effect of the 2021 Acquisitions and the effect of the 2022 Acquisitions.

Excluding the impact of the interest expense in lease liabilities, 2022 finance costs decreased by S\$3.5 million as compared to 2021. This was due mainly to the impact of interest reduction from repayment of loans of S\$511.7 million from the proceeds of the CSE Divestment in 2022. The weighted average cost of debt for 2022 and 2021 was 1.6% per annum. At 30 September 2022, 81.7% (30 September 2021: 72.8%) of borrowings were at fixed rates.

The total return attributable to Unitholders of the Trust for 2022 of S\$728.6 million was S\$2.5 million (or 0.3%) lower than 2021 which included (a) net fair value gain on investment properties of S\$425.6 million which was S\$177.3 million lower than 2021, (b) gain on divestment of investment properties of S\$169.7 million, and (c) net exchange gain of S\$2.1 million which relate to translation of the Group's foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts.

Tax expenses for 2022 of S\$119.3 million were S\$21.6 million (or 15.4%) lower than 2021. This was due mainly to lower deferred tax on the net fair value gain on investment properties in 2022 and the lower withholding tax expense in 2022 was due mainly to the higher capital gains tax from divestment of investment properties in 2021.

The REIT Manager has elected to receive 80.3% of the 2022 management fee in the form of units (2021: 70.2%).

Income available for distribution to Unitholders was S\$266.8 million in 2022 and 2021. The REIT Manager has declared a capital distribution of S\$15.0 million during the year (2021: S\$3.3 million). Together with the capital distribution, the Distributable Income for 2022 was S\$281.8 million, an increase of S\$11.7 million over 2021.

2. Review of performance (cont'd)

(ii) Statement of financial position

Investment properties include fair value adjustments made based on independent valuations as at 30 September 2022. The decrease in completed investment properties was due mainly to the completion of CSE Divestment and the weaker exchange rates as compared to 2021. This was partially offset by the fair value gains on revaluation and the 2022 Acquisitions.

Investment properties under development relate mainly to (a) the land acquisition for the development of a prime warehouse in Worcester, United Kingdom, (b) reclassification of the land acquisition for the development of Connexion II at Blythe Valley Business Park, United Kingdom, (c) the land acquisition of a prime freehold logistics development in Cheshire, United Kingdom and (d) the development costs incurred.

Investment property held for sale as at 30 September 2022 relates to the Port Melbourne Divestment and was based on fair value of the property as assessed by independent valuers.

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 loans from the proceeds of the CSE Divestment in 2022. The aggregate leverage as at 30 September 2022 is 27.4% (30 September 2021: 33.7%) and interest coverage ratio¹ and adjusted interest coverage ratio¹ for the trailing 12 months ended 30 September 2022 was 13.0 times (30 September 2021: 7.3 times). In aggregate, 81.7% (30 September 2021: 72.8%) of the interest rate risk on the total borrowings were at fixed rates as at 30 September 2022. The Group is in compliance with all its financial covenants. In 2022, the Group and the Trust has repaid S\$511.7 million and S\$130.8 million of borrowings respectively, comprising both current and non-current borrowings.

The increase in Unitholders' funds was due mainly to the total return for 2022, payment of management fees in Units and fair value gain on derivatives. The increase was partially offset by distributions paid to Unitholders in 2022 and lower foreign currency translation reserve due to the effects of the weaker exchange rates as at 30 September 2022 compared to 30 September 2021 on the net assets attributable to the foreign operations.

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

Overview

The impact of the COVID-19 pandemic, which has plagued the world for over two years, together with disruptions from the Russia-Ukraine conflict, has continued to hamper economic growth. Rising energy costs, high levels of inflation and the consequential interest rate hikes, together with supply chain issues formed some of the biggest global challenges, exacerbating the risk of a global recession.

An overview of the countries in which FLCT has a presence is provided below:

Australia

According to the Australian Bureau of Statistics, Australia's GDP grew 0.9% in the June 2022 quarter, following a rise of 0.7% in March. The consumer price index over the 12-months to September 2022 remained high at 7.3% and the Reserve Bank of Australia has opted to increase the cash rate target by 25 basis points to 2.85 per cent in November 2022 with a view towards returning inflation to the 2-3 per cent range over time. According to the latest statement from the Reserve Bank of Australia in August 2022, the country's GDP is forecast to grow by around 3.25% over 2022, 1.75% in 2023 and 2024.

Germany, Netherlands, and the UK

Based on Germany's Federal Office of Statistics, the German economy saw marginal GDP growth of 0.1% in the second quarter of 2022, while the official Dutch statistics office, CBS, reported a 2.6% growth rate for the Netherlands over the same period. Annual inflation in the Euro area was high at 10.0% in September 2022, with German and Dutch inflation at 10.0% and 14.5% respectively.

For the UK, the Bank of England's Monetary Policy Committee voted to increase Bank Rate by 0.75 percentage points to 3.0%. It also said that GDP is expected to decline by around 0.75% over the second half of 2022, in part reflecting the squeeze on real incomes from higher global energy and tradable goods prices, while CPI for the 12-month period to September 2022 rose by 8.8%. There has also been a continued slowdown in the underlying quarter on quarter growth, where GDP also fell by 0.3% in the three months to August compared with the three months to May 2022.

On outlook expectations, the latest World Economic Outlook report released by the International Monetary Fund in October 2022 said that it expects real GDP for the German and Dutch economies to grow by 1.5% and 4.5% respectively in 2022.

Russia's ongoing war against Ukraine also continues to have profound impacts on Europe's overall economic health and the automotive industry in Europe. Vehicle production has been impacted, hampered by disruptions in the supply of auto-manufacturing components from Ukraine. 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.

Singapore

For Singapore, the latest advanced estimates published by Singapore's Ministry of Trade and Industry in October 2022 reported a 1.5% on-year growth in the third quarter of 2022. Based on the latest estimate published by the Monetary Authority of Singapore in August 2022, Singapore's GDP growth is projected to come in between 3 – 4% in 2022.

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)

Outlook

The global business environment is expected to remain challenging due to ongoing geopolitical and inflationary pressures. Major Central Banks are also expected to further tighten monetary policies as a lever to slow the persisting elevated levels of inflation. The Monetary Authority of Singapore's use of exchange rate as its main policy tool to manage inflation, rather than through the interest rate, may see further appreciation of the Singapore dollar. Further, while the COVID-19 pandemic-induced disruptions to global economic activity has subsided, the risk of a resurgence of the virus through the evolution of a new variant remains.

The REIT Manager is closely monitoring emerging trends and behavioural activity, including deglobalisation and onshoring trends and its implications on the logistics and industrial space, the future of work office practices after COVID-19 and any consequential changes to workspace requirements.

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 April 2022 to 30 September 2022

		Singapore cents
Distribution type / rate	Tax-exempt distribution component (per Unit)	1.64
	Taxable income distribution component (per Unit)	0.49
	Capital distribution component (per Unit)	1.50
	Capital gains distribution component (per Unit)	0.14
	Total (per Unit)	3.77

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.

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5. Distributions (cont'd)

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the current period? Yes

Name of Distribution Distribution for the financial period from 3 June 2021 to 30 September 2021

		Singapore
		cents
Distribution type / rate	Tax-exempt distribution component (per Unit)	1.12
	Taxable income distribution component (per Unit)	0.59
	Capital distribution component (per Unit)	0.86
	Total (per Unit)	<u><u>2.57¹</u></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.

(1) Together with the Advanced Distribution of 1.31 Singapore cents per unit as announced on 5 August 2021 and paid on 24 August 2021 for the period from 1 April 2021 to 2 June 2021, FLCT's total distribution for the period from 1 April 2021 to 30 September 2021 amounted to 3.88 Singapore cents per unit.

(c) Date payable

15 December 2022

(d) Record date

18 November 2022

6. Interested Person Transactions

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

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7. Breakdown of Revenue

	2022 S\$'000	2021 S\$'000	Change %
Revenue for first half year	235,670	231,701	1.7
Revenue for second half year	214,517	237,627	(9.7)
Total revenue	450,187	469,328	(4.1)
Total return for first half year	287,440	116,391	N.M.
Total return for second half year	451,301	623,367	(27.6)
Total return	738,741	739,758	(0.1)

8. Review of performance of the Group – turnover and earnings

Refer to Note 2.

9. Additional information – Foreign Investment Regime of Australia

Refer to Appendix 1.

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10. 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.

11. Confirmation pursuant to Rule 704(13) of the SGX-ST Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, FLCAM confirms that there is no person occupying a managerial position in FLCAM or in any of the principal subsidiaries of FLCAM or FLCT who is a relative of a director, chief executive officer, or substantial shareholder of FLCAM or substantial unitholder of FLCT.

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
10 November 2022

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\$289 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) a higher threshold of A\$1,250 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\$289 million⁸, unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$63 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 30 September 2022, the value of the Australian land assets comprised in FLCT's portfolio is 49.4% of the total asset value of FLCT. Consequently, FLCT is not considered to be an ALT. As at 30 September 2022, FLCT had gross Australian assets of approximately S\$3,662.0 million, which is above the general A\$289 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).

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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.