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Introduction

Fraser's Logistics & Commercial Trust ("FLCT" or the "Trust", formerly known as Fraser's Logistics & Industrial Trust) is a real estate investment trust established under a Trust Deed dated 30 November 2015 (as amended) entered into between Fraser's Logistics & Commercial Asset Management Pte. Ltd. (as manager of FLCT) ("FLCAM" or the "Manager", formerly known as Fraser's Logistics & Industrial Asset Management Pte. Ltd.) and Perpetual (Asia) Limited (in its capacity as trustee of FLCT) (the "Trustee").

As at 30 September 2019, FLCT's portfolio comprises 91¹ logistics and industrial properties located in Australia, Germany and the Netherlands. FLCT has now completed the divestment of the office and deck car park components at 610 Heatherton Road, Clayton South, Victoria (the "Lot 1 Heatherton Road Divestment") on 29 October 2019 and the remaining warehouse and hardstand components on 6 January 2020 (the "Lot 2 Heatherton Road Divestment") (collectively, the "Heatherton Road Divestment").

On 3 July 2019, FLCT announced the acquisition of nine freehold logistics properties located in Germany and three freehold logistics properties located in Australia. As at 30 September 2019, seven of the nine German properties and the three Australian properties acquisition was completed ("FY2019 Acquisitions"). On 28 November 2019 and 20 December 2019, FLCT completed the acquisition of equity interests in the remaining two property holding companies which hold interests in two freehold logistics properties located in Germany (the "German Properties Acquisition").

Following the above, FLCT's portfolio comprises 93 logistics and industrial properties located in Australia, Germany and the Netherlands.

As announced on 2 December 2019, the respective managers of FLCT and Fraser's Commercial Trust ("FCOT") jointly announced the merger of FLCT and FCOT ("Merger"). The Merger was effected by way of a trust scheme of arrangement ("Trust Scheme"), with the Trustee (in its capacity as trustee of FLCT) acquiring all FCOT units held by FCOT unitholders in exchange for a combination of cash and new units in FLCT. The FLCT Unitholders had on 11 March 2020 approved the Merger and the Trust Scheme, which was sanctioned by the High Court on 3 April 2020. The Trust Scheme became effective and binding in accordance with its terms on 15 April 2020. FCOT was delisted and removed from the Official List of the SGX-ST on 29 April 2020 and is now an unlisted sub-trust of FLCT.

Following the completion of the Merger and with effect from 29 April 2020, Fraser's Logistics & Industrial Trust has accordingly changed its name to Fraser's Logistics & Commercial Trust incorporating the identities of two well-established players in the commercial and industrial real estate space. Accordingly, the Manager has been renamed Fraser's Logistics & Commercial Asset Management Pte. Ltd. and has replaced Fraser's Commercial Asset Management Ltd. as manager of FCOT.

On 3 August 2020, FLCT announced the acquisition of interests in two properties in Australia and the United Kingdom and divestment of the remaining 50% interest in 99 Sandstone Place, Parkinson, Queensland, Australia ("Sandstone Place Divestment"). The acquisition of the two properties in Australia and the United Kingdom was completed on 12 August 2020 ("FY2020 Acquisitions").

Following the above, FLCT's portfolio comprises 93² logistics and industrial properties and 7 commercial properties located in Australia, Germany, the Netherlands, Singapore, and the United Kingdom.

¹ Excludes 610 Heatherton Road, Clayton South, Victoria.

² Excludes 99 Sandstone Place, Parkinson, Queensland.

Number of Properties
 Lettable Area (sq m)
 Occupancy
 WALE ⁽²⁾
 WALB ⁽²⁾

Industrial Portfolio as at 30/9/2020	Commerical Portfolio as at 30/9/2020	Overall Portfolio as at 30/9/2020
93 ⁽¹⁾	7	100
2,218,893	339,788	2,558,681
100.0%	94.3%	97.5%
5.5 years	4.2 years	4.9 years
5.5 years	3.7 years	4.7 years

FLCT's investment strategy is to invest directly or indirectly, in a diversified portfolio of income producing real estate assets (i) used for logistics or industrial purposes which may also include office components ancillary to the foregoing purposes, or (ii) used for commercial purposes (comprising primarily office space in a central Business District ("CBD office space") or business park purposes (comprising primarily non-CBD office space and/or research and development space) located in the Asia Pacific region or in Europe (including the United Kingdom).

⁽¹⁾ Excludes 99 Sandstone Place, Parkinson, Queensland.

⁽²⁾ The weighted average lease expiry or "WALE" is calculated on a gross rental income basis (excluding straight lining rental adjustments) with respect to the unexpired lease terms of the existing tenants.

Distribution Policy

FLCT will distribute at least 90% of its Distributable Income. Distributions will be made on a semi-annual basis for the six-month periods ending 31 March and 30 September. The actual level of distributions above 90% is to be determined at the REIT Manager's discretion.

Summary of Group Results

	Note	Group					
		1/4/2020 to 30/9/2020 2HFY20 S\$'000	1/4/2019 to 30/9/2019 2HFY19 S\$'000	Change %	1/10/2019 to 30/9/2020 FY20 S\$'000	1/10/2018 to 30/9/2019 FY19 S\$'000	Change %
Revenue		213,284	109,610	94.6	332,029	217,076	53.0
Adjusted net property income*		161,355	89,366	80.6	258,335	176,641	46.2
Total return for the period		390,501	147,789	164.2	458,758	205,484	123.3
Attributable to:							
- Unitholders of the Trust		387,296	146,295	164.7	454,722	203,425	123.5
- Non-controlling interests		3,205	1,494	114.5	4,036	2,059	96.0
Distributable Income	2	124,863	68,730	81.7	201,080	135,098	48.8
Distribution per Unit ("DPU")							
- Australian cents		N/A	3.64	N.M.	N/A	7.27	N.M.
- Singapore cents	2	3.65	3.46	5.5	7.12	7.00	1.7

* 2HFY20 and FY20 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. 2HFY19 and FY19 Adjusted NPI are calculated based on the actual net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases.

Notes:

- (1) FLCT has adopted S\$ as its functional currency with effect from 15 April 2020, being the effective date of the Merger. Unless otherwise stated, all comparative information presented has been translated from A\$ to S\$ based on the 15 April 2020 exchange rate of A\$1: S\$0.9016. The change in functional currency has no impact on distributable income.
- (2) 2HFY20 DPU is calculated based on 92.8% (2HFY19: 92.7%) of management fees to be taken in the form of units. 2HFY19 DPU had taken into consideration the foreign currency forward contracts entered into to hedge the currency risk on distributions to Unitholders at A\$1.00: S\$0.9524.

FY20 DPU is calculated based on 95.4% (FY19: 92.2%) of management fees to be taken in the form of units. FY19 DPU had taken into consideration the foreign currency forward contracts entered into to hedge the currency risk on distributions to Unitholders at A\$1.00: S\$0.9632.

1(a) Consolidated Statement of Total Return and Distribution Statement

		Group					
	Note	2HFY20	2HFY19	Change	FY20	FY19	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	213,284	109,610	94.6	332,029	217,076	53.0
Property operating expenses	2	(44,942)	(19,329)	132.5	(62,214)	(37,335)	66.6
Net property income		168,342	90,281	86.5	269,815	179,741	50.1
Managers' management fee							
- Base fee		(12,621)	(5,839)	116.2	(19,450)	(11,367)	71.1
- Performance fee		(5,632)	(2,985)	88.7	(9,101)	(6,063)	50.1
Trustees' fees		(409)	(222)	84.2	(636)	(412)	54.4
Trust expenses		(2,007)	(1,230)	63.2	(4,183)	(2,606)	60.5
Finance income		90	575	(84.3)	277	1,046	(73.5)
Finance costs	3	(27,513)	(11,839)	132.4	(41,169)	(25,139)	63.8
Exchange gains/(losses) (net)	4	692	(3,966)	N.M.	2,055	(2,937)	N.M.
Net income		120,942	64,775	86.7	197,608	132,263	49.4
Net change in fair value of derivatives	5	(3,424)	1,332	N.M.	(2,859)	1,895	N.M.
Net change in fair value of investment properties	6	334,306	109,893	204.2	334,306	109,990	203.9
Gain on divestment of investment property held for sale	7	-	1,487	N.M.	1,422	1,487	(4.4)
Total return for the period before tax		451,824	177,487	154.6	530,477	245,635	N.M.
Tax expenses	8	(61,323)	(29,698)	106.5	(71,719)	(40,151)	78.6
Total return for the period		390,501	147,789	164.2	458,758	205,484	N.M.
Attributable to:							
Unitholders of the Trust		387,296	146,295	164.7	454,722	203,425	123.5
Non-controlling interests		3,205	1,494	114.5	4,036	2,059	96.0
		390,501	147,789	164.2	458,758	205,484	N.M.
Distribution Statement							
Total return after tax		387,296	146,295	164.7	454,722	203,425	123.5
Tax related and other adjustments	9	(262,433)	(81,402)	222.4	(253,642)	(72,164)	251.5
Income available for distribution to Unitholders		124,863	64,893	92.4	201,080	131,261	53.2
Distribution from divestment gain	10	-	3,837	N.M.	-	3,837	N.M.
Distributable Income		124,863	68,730	81.7	201,080	135,098	48.8
For information:							
Adjusted NPI		161,355	89,366	80.6	258,335	176,641	46.2

1(a) Consolidated Statement of Total Return and Distribution Statement (cont'd)

Notes:

(1) Revenue comprises the following:

	Group					
	2HFY20	2HFY19	Change	FY20	FY19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Rental income	184,044	93,502	96.8	286,411	186,041	54.0
Incentives reimbursement	2,965	2,746	8.0	5,422	5,032	7.8
Recoverable outgoings	23,239	12,343	88.3	37,130	23,870	55.6
Others	3,036	1,019	197.9	3,066	2,133	43.7
	213,284	109,610	94.6	332,029	217,076	53.0

FY20 Other revenue relates mainly to the government grant income received by the Group in relation to property tax rebates on its Singapore properties. FY19 Other revenue relates to the early surrender fee received for 63-79 South Park Drive, Dandenong South, Victoria and make good income received for 63-79 South Park Drive, Dandenong South, Victoria and 610 Heatherton Road, Clayton South, Victoria.

(2) Property operating expenses comprise the following:

	Group					
	2HFY20	2HFY19	Change	FY20	FY19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Land and property tax	(9,420)	(4,088)	130.4	(14,745)	(8,002)	84.3
Ground lease expenses	-	(4,870)	N.M.	-	(9,485)	N.M.
Statutory expenses	(4,834)	(3,544)	36.4	(8,279)	(6,514)	27.1
Property management fee	(3,374)	(1,418)	137.9	(5,116)	(2,750)	86.0
Property maintenance and related expenses	(11,425)	(3,151)	262.6	(13,702)	(4,434)	209.0
Property related professional fees	(1,835)	(63)	N.M.	(1,902)	(114)	N.M.
Allowance for doubtful debt	(1,820)	-	N.M.	(1,820)	-	N.M.
Other property expenses	(12,234)	(2,195)	457.4	(16,650)	(6,036)	175.8
	(44,942)	(19,329)	132.5	(62,214)	(37,335)	66.6

Ground lease expenses include straight lining adjustments for annual increments in 2HFY19 and FY19. FRS 116 *Leases* ("FRS 116") is effective from 1 October 2019. The adoption of this standard changes the nature of the ground lease expenses as it is replaced by change in fair value of right-of-use assets (included as part of investment properties) and interest expense on lease liabilities.

Statutory expenses relate to council rates, utility charges and other government levies.

(3) Included in 2HFY20 and FY20 finance costs were interest expense of S\$2,625,000 and S\$5,060,000 respectively recognised on the lease liabilities arising from the adoption of FRS 116.

(4) Net exchange gains relate mainly to the realised and unrealised exchange differences arising from the translation of the Group's foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts.

(5) Net change in fair value of derivatives relates to the change in fair value of foreign currency forward contracts entered into to hedge the currency risk on distributions to Unitholders.

Notes (cont'd):

- (6) Net change in fair value of investment properties for FY20 comprises mainly:
- (a) net fair value gain arising from revaluation of the Group's investment properties based on valuations performed by independent valuers as at 30 September 2020 of S\$93.7 million;
 - (b) accounting fair value gain arising from the Merger of S\$223.2 million due to the difference in the FLCT unit price as determined for the FCOT purchase consideration and the market price on the completion date and taking into consideration other acquisition adjustments; and
 - (c) fair value adjustments made based on independent valuations for the Sandstone Place Divestment of S\$15.3 million.
- (7) Gain on divestment of investment property held for sale related to the Heatherston Road Divestment.
- (8) Tax expenses comprise the following:

	Group					
	2HFY20	2HFY19	Change	FY20	FY19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax expense	(10,863)	(10,547)	3.0	(17,822)	(16,791)	6.1
Deferred tax expense	(50,460)	(19,151)	163.5	(53,897)	(23,360)	130.7
	(61,323)	(29,698)	106.5	(71,719)	(40,151)	78.6

Current tax expense comprises mainly the income tax on the Group's entities and 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. The increase in deferred tax expense is mainly due to the deferred tax liabilities recognised on the fair value gain on investment properties.

- (9) Tax related and other adjustments comprise the following:

	Group					
	2HFY20	2HFY19	Change	FY20	FY19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Straight-lining of rental adjustments*	(3,813)	(915)	316.7	(5,366)	(3,100)	73.1
Managers' management fee paid/payable in Units	16,934	8,183	106.9	27,232	16,063	69.5
Exchange (gains)/losses (net)	(342)	3,971	N.M.	(1,682)	2,971	N.M.
Interest expense on lease liabilities**	2,625	-	N.M.	5,060	-	N.M.
Lease payments of right-of-use assets**	(3,174)	-	N.M.	(6,114)	-	N.M.
Net change in fair value of derivatives	3,424	(1,331)	N.M.	2,859	(1,894)	N.M.
Net change in fair value of investment properties	(334,306)	(109,893)	204.2	(334,306)	(109,990)	203.9
Gain on divestment of investment property held for sale	-	(1,487)	N.M.	(1,422)	(1,487)	(4.4)
Deferred tax	50,460	19,152	163.5	53,897	23,360	130.7
Other adjustments	5,759	918	N.M.	6,200	1,913	224.1
Tax related and other adjustments	(262,433)	(81,402)	222.4	(253,642)	(72,164)	251.5

* Includes straight-lining adjustments for ground leases in 2HFY19 and FY19.

** Due to adoption of FRS 116. Please refer to paragraph 5 for more details.

- (10) FY19 relates to partial distribution of the gain on divestment of investment properties.

1(b) (i) Statements of Financial Position

	Note	Group		Trust	
		30/9/2020 S\$'000	30/9/2019 S\$'000	30/9/2020 S\$'000	30/9/2019 S\$'000
Non-current assets					
Investment properties	1	6,352,240	3,204,557	-	-
Investment in subsidiaries		-	-	2,355,631	824,945
Loans to subsidiaries		-	-	1,925,039	1,667,071
Derivative assets	2	33,577	1,909	32,460	1,909
Deferred tax asset		323	-	-	-
Plant and equipment		282	-	-	-
Total non-current assets		6,386,422	3,206,466	4,313,130	2,493,925
Current assets					
Cash and cash equivalents		168,652	115,753	36,949	42,925
Trade and other receivables		30,602	12,782	73,876	56,002
Derivative assets	2	330	1,866	322	1,866
Investment property held for sale	3	148,641	16,230	-	-
Total current assets		348,225	146,631	111,147	100,793
Total assets		6,734,647	3,353,097	4,424,277	2,594,718
Current liabilities					
Trade and other payables		86,744	47,983	22,567	3,106
Loans and borrowings	4	677,256	185,952	309,472	101,549
Derivative liabilities	2	2,614	967	2,614	967
Current tax liabilities		18,336	9,403	147	130
Total current liabilities		784,950	244,305	334,800	105,752
Non-current liabilities					
Trade and other payables		17,785	3,035	-	-
Loans and borrowings	4	1,943,550	928,288	962,243	586,898
Derivative liabilities	2	59,932	8,722	52,642	5,993
Deferred tax liabilities		121,753	56,441	-	-
Total non-current liabilities		2,143,020	996,486	1,014,885	592,891
Total liabilities		2,927,970	1,240,791	1,349,685	698,643
Net assets attributable to Unitholders		3,806,677	2,112,306	3,074,592	1,896,075
Represented by:					
Unitholders' funds		3,770,460	2,086,224	3,074,592	1,896,075
Non-controlling interests	5	36,217	26,082	-	-
Total equity		3,806,677	2,112,306	3,074,592	1,896,075

Notes:

- (1) Investment properties include fair value adjustments made (as detailed in Note 6 of Paragraph 1(a) on page 7). The increase in investment properties was due mainly to (a) completion of FY2020 Acquisitions; (b) completion of the Merger and acquisition of the remaining 50% interest in FBP; (c) completion of the German Properties Acquisition; (d) recognition of the existing operating lease arrangements as right-of-use assets upon the adoption of FRS 116 with effect from 1 October 2019; which was partially offset by (e) classification to investment property held for sale (as detailed in point (3) below).

Notes (cont'd):

- (2) Derivatives relate to fair values of interest rate swaps entered into to hedge the Group's interest rate risk in respect of its borrowings, and fair values of foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps. The movement is due to changes in fair value of derivatives.
- (3) Investment property held for sale relates to the Sandstone Place Divestment and is based on fair value of the property as assessed by independent valuers. Please refer to the SGX announcement made on 3 August 2020.
- (4) Total loans and borrowings increased due mainly to the additional debt drawn down to finance the German Properties Acquisition, the FY2020 Acquisitions, the existing debt from FCOT due to the Merger and the recognition of lease liabilities arising from the adoption of FRS 116 with effect from 1 October 2019.

The aggregate leverage as at 30 September 2020 is 37.4% (30 September 2019: 33.4%) and interest coverage ratio for the trailing 12 months ended 30 September 2020 was 6.4 times¹.

The Group is in compliance with all its financial covenants.

- (5) Non-controlling interests are attributable to minority interests held by various parties in the European companies acquired.
- (6) The Group is in a net current liability position at 30 September 2020 due to the short term borrowings of S\$676.0 million. The REIT Manager is in discussion with banks to refinance the various loans and the REIT Manager is confident that the Group would be able to refinance them and meet its current obligations as and when they fall due.

¹ Ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation, interest income), by the trailing 12 months borrowing costs (including interest expense on lease liabilities), as defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore on 16 April 2020 and clarified on 29 May 2020. Borrowing costs include effects of FRS 116.

1(b) (ii) Aggregate Amount of Loans and Borrowings

	30/9/2020 S\$'000	30/9/2019 S\$'000
<u>Amount repayable before one year¹</u>		
Secured	110,615	84,403
Unsecured	565,400	101,549
	676,015	185,952
Lease liabilities	1,241	-
	677,256	185,952
<u>Amount repayable after one year¹</u>		
Secured	263,827	341,390
Unsecured	1,506,041	586,898
	1,769,868	928,288
Lease liabilities	173,682	-
	1,943,550	928,288

Details of borrowings and collateral

FLCT had secured borrowings of S\$374.4 million (€234.0 million) as at 30 September 2020. The borrowings are secured against certain investment properties in the European portfolio.

In aggregate, 55% (FY19: 60%) of the interest rate risk on the total borrowings were at fixed rates.

¹ Gross borrowings net of upfront debt related expenses

1(c) Consolidated Statement of Cash Flows

	Group			
	2HFY20	2HFY19	FY20	FY19
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities				
Total return for the period before tax	451,824	177,487	530,477	245,635
Adjustments for:				
Straight-lining of rental adjustments	(3,813)	(915)	(5,366)	(3,100)
Effects of recognising leasing incentives on a straight line basis over the lease term	(250)	(647)	(223)	(1,046)
Managers' management fee paid/payable in Units	16,934	8,183	27,232	16,063
Depreciation of plant and equipment	40	-	40	-
Provision for doubtful debt	1,820	-	1,820	-
Unrealised exchange losses/(gains) (net)	3,320	1,958	(216)	816
Finance income	(90)	(575)	(277)	(1,046)
Finance costs	27,513	11,839	41,169	25,139
Net change in fair value of derivatives	3,424	(1,332)	2,859	(1,895)
Net change in fair value of investment properties	(334,306)	(109,893)	(334,306)	(109,990)
Gain on divestment of investment property held for sale	-	(1,487)	(1,422)	(1,487)
Cash generated from operations before working capital changes	166,416	84,618	261,787	169,089
Changes in working capital:				
Trade and other receivables	(334)	5,541	(6,543)	2,218
Trade and other payables	(20,868)	(9,300)	(22,031)	(14,997)
Cash generated from operations	145,214	80,859	233,213	156,310
Taxes paid	(8,721)	(4,699)	(18,353)	(14,302)
Net cash generated from operating activities	136,493	76,160	214,860	142,008
Cash flows from investing activities				
Acquisition of subsidiaries	(347,444)	(238,247)	(434,568)	(274,197)
Acquisition of investment properties (including acquisition costs)	(22,255)	(113,516)	(22,255)	(113,516)
Stamp duty incurred on acquisition of investment properties	(1,202)	(6,406)	(1,202)	(6,406)
Net proceeds from divestment of investment property	-	134,960	17,652	134,960
Purchase of plant and equipment	(50)	-	(50)	-
Capital expenditure on investment properties	(11,083)	(5,897)	(13,079)	(12,023)
Interest received	78	679	269	1,076
Net cash used in investing activities	(381,956)	(228,427)	(453,233)	(270,106)
Cash flows from financing activities				
Interest paid	(22,683)	(9,920)	(32,970)	(22,107)
Issuance of new units	-	247,345	-	247,345
Unit issue costs	-	(3,946)	-	(3,946)
Proceeds from borrowings	844,075	305,278	1,084,713	370,878
Repayment of borrowings	(456,373)	(290,598)	(599,644)	(327,284)
Lease payments of right-of-use assets ¹	(3,174)	-	(6,114)	-
Payment of debt-related transaction costs	(2,707)	(4,480)	(2,707)	(4,480)
Distributions paid to Unitholders	(84,369)	(66,419)	(153,027)	(112,936)
Net cash generated from financing activities	274,769	177,260	290,251	147,470
Net increase in cash and cash equivalents	29,306	24,993	51,878	19,372
Cash and cash equivalents at beginning of period	146,317	89,380	115,753	95,271
Effect of exchange rate changes on cash and cash equivalents	(6,971)	1,380	1,021	1,110
Cash and cash equivalents at end of period	168,652	115,753	168,652	115,753

¹ Please refer to Note 1(a)(9) for the interest expense on lease liabilities and paragraph 5 for more details on the impact arising from the adoption of FRS 116. In 2HFY19 and FY19, the payment of ground leases was included under "Changes in working capital".

1(d) (i) Statements of Movements in Unitholders' Fund

	FY20			FY19		
	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	2,086,224	26,082	2,112,306	1,735,105	17,010	1,752,115
Operations						
Increase in net assets resulting from operations	454,722	4,036	458,758	203,426	2,062	205,488
Transactions with owners						
Issue of new Units:						
- Private Placement	-	-	-	247,345	-	247,345
- Managers' management fees/acquisition fees paid/payable in Units	40,329	-	40,329	18,572	-	18,572
- Units issued as partial satisfaction of the consideration for the acquisition of FCOT	1,118,889	-	1,118,889	-	-	-
Unit issue costs	-	-	-	(3,946)	-	(3,946)
Distributions paid to Unitholders	(153,027)	-	(153,027)	(112,936)	-	(112,936)
Net increase in net assets resulting from transactions with owners	1,006,191	-	1,006,191	149,035	-	149,035
Hedging reserve						
Effective portion of change in fair value of cash flow hedges	3,468	62	3,530	(7,183)	(49)	(7,232)
Net increase/(decrease) in net assets resulting from hedging reserve	3,468	62	3,530	(7,183)	(49)	(7,232)
Foreign currency translation reserve						
Translation differences relating to financial statements of foreign subsidiaries	138,269	2,854	141,123	1,069	177	1,246
Exchange differences on hedge of net investments in foreign operations	(74,320)	-	(74,320)	129	-	129
Exchange differences on monetary items forming part of net investment in foreign operations	155,906	-	155,906	4,643	-	4,643
Net increase in net assets resulting from foreign currency translation reserve	219,855	2,854	222,709	5,841	177	6,018
Changes in ownership interests in subsidiaries						
Acquisition of subsidiaries with non-controlling interests	-	3,183	3,183	-	6,882	6,882
At 30 September	3,770,460	36,217	3,806,677	2,086,224	26,082	2,112,306

1(d) (i) Statements of Movements in Unitholders' Funds (cont'd)

	2HFY20			2HFY19		
	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	2,140,675	33,337	2,174,012	1,744,563	17,412	1,761,975
Operations						
Increase in net assets resulting from operations	387,296	3,205	390,501	146,296	1,495	147,791
Transactions with owners						
Issue of new Units:						
- Private placement	-	-	-	247,345	-	247,345
- Managers' management fees/acquisition fees paid/payable in Units	29,586	-	29,586	10,509	-	10,509
- Units issued as partial satisfaction of the consideration for the acquisition of FCOT	1,118,889	-	1,118,889	-	-	-
Unit issue costs	-	-	-	(3,946)	-	(3,946)
Distributions paid to Unitholders	(84,369)	-	(84,369)	(66,419)	-	(66,419)
Net increase in net assets resulting from transactions with owners	1,064,106	-	1,064,106	187,489	-	187,489
Hedging reserve						
Effective portion of change in fair value of cash flow hedges	2,326	(2)	2,324	(3,433)	(49)	(3,482)
Net increase/(decrease) in net assets resulting from hedging reserve	2,326	(2)	2,324	(3,433)	(49)	(3,482)
Foreign currency translation reserve						
Translation differences relating to financial statements of foreign subsidiaries	122,845	(403)	122,442	1,706	342	2,048
Exchange differences on hedge of net investments in foreign operations	(11,072)	-	(11,072)	129	-	129
Exchange differences on monetary items forming part of net investment in foreign operations	64,284	-	64,284	9,474	-	9,474
Net increase/(decrease) in net assets resulting from foreign currency translation reserve	176,057	(403)	175,654	11,309	342	11,651
Changes in ownership interests in subsidiaries						
Acquisition of subsidiaries with non-controlling interests	-	80	80	-	6,882	6,882
At 30 September	3,770,460	36,217	3,806,677	2,086,224	26,082	2,112,306

1(d) (i) Statements of Movements in Unitholders' Funds (cont'd)

	2HFY20 S\$'000	2HFY19 S\$'000	FY20 S\$'000	FY19 S\$'000
Trust				
At the beginning of the period	1,898,123	1,651,111	1,896,075	1,658,208
Operations				
Increase in net assets resulting from operations	113,019	60,022	172,535	95,128
Transactions with owners				
Issue of new Units:				
- Private Placement	-	247,345	-	247,345
- Managers' management fees/acquisition fees paid/payable in Units	29,586	10,509	40,329	18,572
- Units issued as partial satisfaction of the consideration for the acquisition of FCOT	1,118,889	-	1,118,889	-
Unit issue costs	-	(3,946)	-	(3,946)
Distributions paid to Unitholders	(84,369)	(66,419)	(153,027)	(112,936)
Net increase in net assets resulting from transactions with owners	1,064,106	187,489	1,006,191	149,035
Hedging reserve				
Effective portion of change in fair value of cash flow hedges	(656)	(2,547)	(209)	(6,296)
Net decrease in net assets resulting from hedging reserve	(656)	(2,547)	(209)	(6,296)
At the end of the period	3,074,592	1,896,075	3,074,592	1,896,075

1(d) (ii) Details of Changes in Issued and Issuable Units

Group & Trust					
		2HFY20	2HFY19	FY20	FY19
		Units	Units	Units	Units
	Note				
Balance at beginning of the period		2,262,063,982	2,024,480,986	2,248,893,445	2,013,918,118
Issued Units					
Issuance of Units - Private Placement		-	220,000,000	-	220,000,000
Issuance of Consideration Units - FCOT		1,130,191,302	-	1,130,191,302	-
Issuance of Units - Base fee		9,520,222	4,412,459	14,924,975	9,438,190
Issuance of Units - Performance fee		-	-	5,307,110	5,061,522
Issuance of Units - Acquisition fee		11,444,586	-	13,903,260	475,615
Total issued units at end of period		3,413,220,092	2,248,893,445	3,413,220,092	2,248,893,445
Units to be issued					
Managers' management fee payable in Units					
- Base fee		4,029,861	2,609,385	4,029,861	2,609,385
- Performance fee	1	6,314,006	5,307,110	6,314,006	5,307,110
Managers' acquisition fee payable in Units	2	505,408	2,067,968	505,408	2,067,968
Total issued and issuable units at end of period		3,424,069,367	2,258,877,908	3,424,069,367	2,258,877,908

Notes:

(1) Pursuant to the Trust Deed, the performance fee is paid only once in each financial year and, if paid in Units, at an issue price determined based on the volume weighted average price of the Units for the last 10 business days (the "10-day VWAP") of the relevant financial year. The number of performance fee Units to be issued is computed using an issue price based on the 10-day VWAP for the year ended 30 September 2020.

(2) The acquisition fee payable relates to the FY2020 Acquisitions.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, there has been no change in the accounting policies and methods of computation adopted by the Trust and the Group for the current reporting period compared with the audited financial statements for the financial year ended 30 September 2019.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted various new FRSs and amendments to and interpretations to FRSs with effect from 1 October 2019. In addition, the Group has early adopted the Amendments to FRS 109, FRS 39 and FRS 107: *Interest Rate Benchmark Reform*. Except for FRS 116 *Leases*, the Group's adoption of the new standards and amendments did not have a material effect on its financial statements.

FRS 116 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use ("ROU") assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in unitholders' funds at 1 October 2019. Accordingly, the comparative information presented for 30 September 2019 has not been restated – i.e. it is presented, as previously reported, under FRS 17 *Leases* and related interpretations.

As at 1 October 2019, the Group recorded ROU assets in investment properties and corresponding lease liabilities of approximately S\$161.8 million. The Group also recognised interest costs on lease liabilities, instead of ground lease expenses. During the year ended 30 September 2020, the Group recognised interest costs of approximately S\$5.1 million from these leases. There is no impact on the total income available for distribution to Unitholders on the adoption of FRS 116.

6 Earnings per Unit (“EPU”) and distribution per Unit (“DPU”) for the financial year ended 30 September 2020

		Group			
		2HFY20	2HFY19	FY20	FY19
	Note				
Total return attributable to Unitholders of the Trust for the period (S\$'000)	1	387,296	146,295	454,722	203,425
<u>Basic EPU</u>					
Weighted average number of Units		3,266,263,069	2,093,354,035	2,763,404,537	2,058,463,716
Basic EPU (Singapore cents)	2	11.86	6.99	16.46	9.88
<u>Diluted EPU</u>					
Weighted average number of Units		3,282,023,466	2,103,795,941	2,787,950,765	2,071,425,853
Diluted EPU (Singapore cents)	3	11.80	6.95	16.31	9.82
Distributable Income (S\$'000)	1	124,863	68,730	201,080	135,098
<u>DPU</u>					
Number of issued and issuable Units entitled to distribution	4	3,424,069,367	2,258,877,908	3,424,069,367	2,258,877,908
DPU based on the total number of issued and issuable Units entitled to distribution					
- Australian cents		N/A	3.64	N/A	7.27
- Singapore cents	5	3.65	3.46	7.12	7.00

Notes:

- (1) As shown in 1(a) on page 5.
- (2) Basic EPU has been calculated by dividing the total return for the period by the weighted average number of Units during the period.
- (3) Diluted EPU has been calculated by dividing the total return for the period by the weighted average number of Units during the period, adjusted on the basis that the Managers’ management fee Units and Managers’ acquisition fee Units were issued at the beginning of the period.
- (4) The higher number of units in issue compared to 2HFY19 was due to the issuance of management fee units, consideration units for the Merger and Managers’ acquisition fees for the Merger and the FY2020 Acquisitions.
- (5) 2HFY19 DPU was calculated after taking into consideration the foreign currency forward contracts that FLCT had entered into to hedge the currency risk on distributions to Unitholders at A\$1.00: S\$0.9524.

7 Net Asset Value (“NAV”) and Net Tangible Asset (“NTA”) per Unit based on Units in issue and to be issued at the end of the period

	Group		Trust	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
Total issued and issuable Units at end of period	3,424,069,367	2,258,877,908	3,424,069,367	2,258,877,908
NAV/NTA per Unit (A\$)	N/A	1.02	N/A	0.93
NAV/NTA per Unit (S\$)	1.10	0.92	0.90	0.84

8 Review of performance

Review of Performance for the six months period from 1 April 2020 to 30 September 2020 ("2HFY20") vs 1 April 2019 to 30 September 2019 ("2HFY19")

Adjusted NPI for 2HFY20 of S\$161.4 million was S\$72.0 million (or 80.6%) higher than 2HFY19. The higher Adjusted NPI for 2HFY20 was mainly contributed by the Merger, the FY2019 Acquisitions, the German Properties Acquisition and the FY2020 Acquisitions. These were in part offset by the effect of the FY2019 Divestments¹, the Heatherton Road Divestment and the impact of the Covid-19 pandemic of approximately S\$5.7 million. These comprised mainly rental waivers for tenants under the Singapore and Australian government concession deeds and provision for doubtful debt.

Excluding the impact of the interest expense on lease liabilities recognised due to the adoption of FRS 116, 2HFY20 finance costs increased by S\$13.0 million as compared to 2HFY19. This was due mainly to higher borrowings due to the Merger and to finance the various acquisitions. The weighted average cost of debt for 2HFY20 was 1.9% per annum and 2.4% per annum for 2HFY19. At 30 September 2020, 55% (30 September 2019: 60%) of borrowings were at fixed rates.

The total return attributable to Unitholders of the Trust for 2HFY20 of S\$387.3 million was S\$241.0 million (or 164.7%) higher than 2HFY19 which included (a) net fair value gain on investment properties of S\$334.3 million (refer to Note 6 of Paragraph 1(a)) and (b) net exchange gains of S\$0.7 million which relate to translation of the Group's foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts, which was partially offset by (c) fair value loss on foreign currency forward contracts of S\$3.4 million to hedge the currency risk on distributions to Unitholders.

Tax expenses for 2HFY20 of S\$61.3 million were S\$31.6 million (or 106.5%) higher than 2HFY19. This was due mainly to higher deferred tax on the net fair value gain on investment properties.

The REIT Manager has elected to receive 92.8% of the 2HFY20 management fee in the form of units (2HFY19: 92.7%).

Income available for distribution to Unitholders was S\$124.9 million, an increase of S\$60.0 million (or 92.4%) over 2HFY19.

¹ FLCT completed the divestment of 63-79 South Park Drive, Dandenong South, Victoria on 9 May 2019 and 50% interest in 99 Sandstone Place, Parkinson, Queensland on 24 July 2019 (collectively, the "FY2019 Divestments").

8 Review of performance (cont'd)

Review of Performance for the period from 1 October 2019 to 30 September 2020 ("FY20") vs 1 October 2018 to 30 September 2019 ("FY19")

Adjusted NPI for FY20 of S\$258.3 million was S\$81.7 million (or 46.2%) higher than FY19. The higher Adjusted NPI for FY20 was contributed by the Merger and the various acquisitions in FY19 and FY20. These were in part offset by the effect of the FY2019 Divestments¹, the Heatherton Road Divestment and the impact of the Covid-19 pandemic of approximately S\$5.7 million. These comprised mainly rental waivers for tenants under the Singapore and Australian government concession deeds and provision for doubtful debt.

Excluding the impact of the interest expense in lease liabilities recognised due to the adoption of FRS 116, FY20 finance costs increased by S\$11.0 million as compared to FY19. This was due mainly to higher borrowings due to the Merger and also to finance the various acquisitions. The weighted average cost of debt for FY20 was 1.9% per annum and 2.4% per annum for FY19. At 30 September 2020, 55% (30 September 2019: 60%) of borrowings were at fixed rates.

The total return attributable to Unitholders of the Trust for FY20 of S\$454.7 million was S\$251.3 million (or 123.5%) higher than FY19 which included (a) net fair value gain on investment properties of S\$334.3 million (refer to Note 6 of Paragraph 1(a)), (b) gain on the Heatherton Road Divestment of S\$1.4 million and (c) net exchange gains 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, which was partially offset by (d) fair value loss on foreign currency forward contracts of S\$2.9 million to hedge the currency risk on distributions to Unitholders.

Tax expenses for FY20 of S\$71.7 million were S\$31.6 million (or 78.6%) higher than FY19. This was due mainly to higher deferred tax on the net fair value gain on investment properties.

The REIT Manager has elected to receive 95.4% of the FY20 management fee in the form of units (FY19: 92.2%).

Income available for distribution to Unitholders was S\$201.1 million, an increase of S\$69.8 million (or 53.2%) over FY19.

9 Variance from Forecast Statement

Not applicable.

10 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 global spread of COVID-19 continues to disrupt the business environment and operating conditions across global markets. There remains significant uncertainty on the duration and extent of the spread of the pandemic, which impacts how long the shut-down and containment measures implemented by governments must last, especially in view of recent infection resurgences. Accordingly, the operating environment is expected to remain challenging in the months ahead.

In Australia, even as the number of COVID-19 cases has continued to decline as a result of stringent mitigation strategies, COVID-19 remains a major public health issue and is having significant effects on the domestic economy and financial system. There are also concerns relating to the deterioration of relationships between both the Australian and Chinese governments and any implications that may arise as a result of any trade restrictions implemented by China. In October 2020, the Australian Government reported a record 7.0% decline in GDP for the June quarter, and anticipates national GDP growth for the September quarter to remain subdued. According to Reserve Bank of Australia in August 2020, the full-year 2020 GDP is expected to contract by around 6.0% given the resurgent outbreak of the virus in the state of Victoria in July 2020 and the associated reintroduction of restrictions on activity, as well as the impact that uncertainty and diminished confidence have on household spending and business hiring and investment plans.

In Singapore, the COVID-19 outbreak has progressively come under control and the authorities are gradually easing containment restrictions, including allowing more people to return to workplaces since end-September 2020, subject to meeting social distancing conditions. The Singapore economy contracted by 7.0% on a year-on-year (“y-o-y”) basis in the third quarter of 2020, an improvement from the 13.3% y-o-y contraction in the previous quarter, according to the Ministry of Trade and Industry (“MTI”). The improved performance came on the back of the phased re-opening of the economy following the Circuit Breaker restrictions that were implemented between 7 April and 1 June 2020. MTI announced on 11 August 2020 that it expects 2020 GDP contraction of -7.0% to -5.0%.

In Germany, the United Kingdom and the Netherlands, following a surge in infection cases across Europe, the respective authorities have tightened their COVID-19 restrictions to contain the spread of virus. Accordingly, the pandemic is expected to have significant adverse effects on the German, British and Dutch economies. According to the World Bank, the German, British and Dutch economies may contract by 6.0%, 5.4% and 9.8% respectively in 2020.

As we continue to navigate through this period of global uncertainty, FLCT will continue to remain focused on managing any financial implications arising from COVID-19 and will continue to work closely with our tenant community to overcome this trying period together.

There has been no material impact to the FLCT portfolio to-date, although the situation remains dynamic with continued uncertainties. Capital and liquidity management 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 to generate sustainable long-term value for FLCT unitholders.

11 Distributions

(a) Current financial period

Any distributions declared for the current period?	Yes								
Name of Distribution	Distribution for the financial period from 15 April 2020 to 30 September 2020								
Distribution type / rate	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">Singapore cents</td> </tr> <tr> <td>Tax-exempt distribution component (per Unit)</td> <td style="text-align: right;">1.70</td> </tr> <tr> <td>Capital distribution component (per Unit)</td> <td style="text-align: right;">1.69</td> </tr> <tr> <td>Total (per Unit)</td> <td style="text-align: right;"><u>3.39</u>¹</td> </tr> </table>		Singapore cents	Tax-exempt distribution component (per Unit)	1.70	Capital distribution component (per Unit)	1.69	Total (per Unit)	<u>3.39</u>¹
	Singapore cents								
Tax-exempt distribution component (per Unit)	1.70								
Capital distribution component (per Unit)	1.69								
Total (per Unit)	<u>3.39</u>¹								
Tax rate	<p><u>Tax-exempt income distribution component</u> 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.</p> <p><u>Capital distribution component</u> 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.</p>								

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period?	Yes
Name of Distribution	Distribution for the financial period from 8 August 2018 to 30 September 2019
Distribution type / rate	Tax-exempt distribution component (per Unit) 1.01 Singapore cents ²
Tax rate	<p><u>Tax-exempt income distribution component</u> 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.</p>
Tax rate	<p><u>Capital distribution component</u> 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.</p>

⁽¹⁾ Together with the advanced distribution of 0.26 Singapore cents per unit as announced on 30 April 2020 and paid on 26 June 2020 for the period from 1 October 2019 to 14 April 2020, FLCT's total distribution for the period from 1 April 2020 to 30 September 2020 amounted to 3.65 Singapore cents per unit.

⁽²⁾ Together with the Advanced Distribution of 2.45 Singapore cents per unit as announced on 24 October 2019 and paid on 1 November 2019 for the period from 1 April 2019 to 7 August 2019, FLT's total distribution for the period from 1 April 2019 to 30 September 2019 amounted to 3.46 Singapore cents per unit.

11 Distributions (cont'd)

(c) Date payable

17 December 2020

(d) Record date

16 November 2020

12 If no distributions has been declared / recommended, a statement to that effect

Refer to paragraph 11.

13 If the Group has obtained a general mandate from Unitholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

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

14 Segment Revenue and Results

	FY20	FY19	Change
	S\$'000	S\$'000	%
<u>Revenue</u>			
Industrial (Australia)	159,739	158,195	1.0
Industrial (Europe)	88,143	58,881	49.7
Commercial (Australia)	30,537	-	N.M.
Commercial (Singapore)	39,785	-	N.M.
Commercial (United Kingdom)	13,825	-	N.M.
Total revenue	332,029	217,076	53.0
<u>Net property income</u>			
Industrial (Australia)	133,027	127,479	4.4
Industrial (Europe)	78,633	52,262	50.5
Commercial (Australia)	22,033	-	N.M.
Commercial (Singapore)	26,372	-	N.M.
Commercial (United Kingdom)	9,750	-	N.M.
Total net property income	269,815	179,741	50.1

The revenue and net property income for FY20 includes the contribution from the Merger from 15 April 2020.

15 Breakdown of Revenue

	FY20	FY19	Change
	S\$'000	S\$'000	%
Revenue for first half year	118,745	107,466	10.5
Revenue for second half year	213,284	109,610	94.6
Total revenue	332,029	217,076	53.0
Total return for first half year	68,257	57,695	18.3
Total return for second half year	390,501	147,789	164.2
Total return	458,758	205,484	123.3

The revenue for the second half of FY20 is 79.6% higher than the first half of FY20 due mainly to the contribution from the Merger from 15 April 2020.

The total return for the second half of FY20 included net change in fair value of investment properties of S\$334.3 million. Please refer to Note 6 of Paragraph 1(a).

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the businesses or geographical segments.

Refer to Paragraph 8.

17 Breakdown of Total Distribution Paid

	FY20	FY19
	S\$'000	S\$'000
21 May 2018 to 30 Sep 2018	-	46,517
1 Oct 2018 to 31 Mar 2019	-	66,419
1 Apr 2019 to 7 Aug 2019 ⁽¹⁾	47,108	-
8 Aug 2019 to 30 Sep 2019	21,551	-
1 Oct 2019 to 14 Apr 2020 ⁽²⁾	84,368	-
	153,027	112,936

Note:

(1) Please refer to the “Details of Advanced Distribution” announcement dated 23 October 2019 for further details.

(2) Please refer to the “Clean-Up Distribution” announcement dated 30 April 2020 for further details.

18 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 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 objections 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 in excess of a specified threshold prescribed under FATA (as at the date of this Announcement, the threshold prescribed under FATA is temporarily reduced to A\$0 and will rise to A\$275.0 million when the temporary changes are lifted) 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

Excludes 99 Sandstone Place, Parkinson, Queensland.
d includes:

- an individual not ordinarily resident in Australia; or
- 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
- 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
- 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
- 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); or
- a foreign government.

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.

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

- (c) any investor that is a Foreign Government Investor³ acquiring a “direct interest”⁴ in FLCT will require FIRB Approval at the time of acquisition, regardless of whether FLCT is considered to be an ALT or whether FLCT has gross Australian assets in excess of the applicable threshold.

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\$0, unless the ALT has ‘sensitive’ land holdings, in which case the threshold is A\$0)⁵; 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.⁶

Significant actions

As at 30 September 2020, the value of the Australian land assets comprised in FLCT's portfolio is 44.8% of the total asset value of FLCT. Consequently, FLCT is not considered to be an ALT. As at 30 September 2020, FLCT had gross Australian assets of approximately S\$3,019.8 million, which is above the A\$0 threshold.

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.

³ A “foreign government investor” means an entity that is:

- foreign government or separate government entity; or
- a corporation, or trustee of a trust, or general partner of a 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%;
- 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.

⁴ A “direct interest” is defined to mean:

- an interest of at least 10% in the entity or business, or
- 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
- an interest of any percentage in the entity or business if the person who has acquired the interest is in a position to:
 - participate or influence the central management and control of the entity or business; or
 - influence, participate or determine the policy of the entity or business.

⁵ Outside of the temporary changes, 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 and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

⁶ This applies where an ALT is listed on an official stock exchange (whether in Australia or not).

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

Fraser's 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.

20 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

Fraser's Logistics & Commercial Asset Management Pte. Ltd.

Ho Hon Cheong
Chairman

Bobby Chin Yoke Choong
Director

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

Catherine Yeo
Company Secretary
6 November 2020

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.