A member of Frasers Property Group

FRASERS LOGISTICS & COMMERCIAL TRUST

SUSTAINING VALUE CREATION

Annual Report 2024

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SUSTAINING VALUE CREATION

At Frasers Logistics & Commercial Trust, we focus on creating long-term sustainable value for our stakeholders. Since our listing in 2016, we have built a resilient portfolio of logistics, industrial, and commercial assets across developed markets.

As we face macroeconomic uncertainties, the next phase of our journey is to deliver sustainable value creation. We work collaboratively to build greater resilience through active asset management and disciplined capital management.

Our Purpose – *Inspiring experiences, creating places for good.* – guides us in ensuring our decisions drive financial performance and benefit businesses, communities and the planet.

Ellesmere Port

GLOSSARY

For ease of reading, this glossary provides definitions of acronyms that are frequently used throughout this report.

3PL	Third-party logistics
ABS	Australian Bureau of Statistics
Adjusted NPI	Adjusted Net Property Income
AEI	Asset Enhancement Initiative
AGM	Annual General Meeting
ARCC	Audit, Risk and Compliance Committee
Australian Dollar, A$ or AUD	The official currency of Australia
BCA	Building and Construction Authority of Singapore
Board	Board of Directors of the REIT Manager
BREEAM	Building Research Establishment Environmental Assessment Method
British Pound, £ or GBP	The official currency of the United Kingdom
CAGR	Compound Annual Growth Rate
CBD	Central Business District
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPF	Central Provident Fund of Singapore
CPI	Consumer Price Index
DPU	Distribution per Unit
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
ERM	Enterprise Risk Management
Euro, € or EUR	The official currency of the European Union
Frasers Property/Sponsor/Group	Frasers Property Limited, the Sponsor of Frasers Logistics & Commercial Trust
FCOT	Frasers Commercial Trust
FLCT	Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust ("FLT"))
Freehold	A property with a freehold title can be held by its owner indefinitely
FRS	Singapore Financial Reporting Standards
FTSE EPRA/Nareit	A free-float adjusted, market capitalisation-weighted index designed to track the performance of listed real estate companies worldwide
FTSE ST Index	FTSE Straits Times Index, a capitalisation-weighted stock market index that is regarded as the benchmark for the Singapore stock market. It tracks the performance of the top 30 companies listed on the Singapore Exchange
FTSE ST REIT Index	A free-float, market capitalisation-weighted index that measures the performance of stocks operating within the REIT Sector
Functional Currency	The main currency used by FLCT for reporting purposes
FY	FLCT's financial year ending 30 September
FY2022	Financial Year 2022. Refers to the period from 1 October 2021 to 30 September 2022
FY2023	Financial Year 2023. Refers to the period from 1 October 2022 to 30 September 2023
FY2024	Financial Year 2024. Refers to the period from 1 October 2023 to 30 September 2024
GBCA	Green Building Council of Australia
GDP	Gross Domestic Product
GIY	Gross Initial Yield
Green Star	A sustainability rating system and certification trademark by the GBCA
Green Loans	Loans used specifically to finance green or sustainable projects
GPR	Global Property Research 250
GRESB	Leading global ESG benchmark for real estate and infrastructure investments
GRI	Gross Rental Income
GRI Standards	Global Reporting Initiative Standards
ICR	Interest Coverage Ratio
IPO	Initial Public Offering
IR	Investor Relations
IT	Information Technology
L&I	Logistics & Industrial

Leasehold	A property with a leasehold title reverts to the state upon expiry of the lease period. The period of ownership is fixed and determined
Lettable Area	Leasable area which is the amount of floor space available to be rented in a property
Leverage	Calculated by dividing total debt by total deposited property
Leverage Limit	The leverage limit of 50% stipulated by the CIS Code governed by the MAS
Listing	Refers to the listing of FLT on the SGX-ST in June 2016
MAS	Monetary Authority of Singapore
MTI	Ministry of Transport and Industry, Singapore
Merger	The merger of FLT and FCOT which was effective from 15 April 2020
MW	Megawatt
NABERS	National Australian Built Environment Rating System
NAV	Net Asset Value
NPI	Net Property Income
Property Funds Appendix	Appendix 6 of the CIS Code
Q-o-Q	Quarter-on-quarter
RAP 7	Recommended Accounting Practice 7 Reporting Framework for Investment Funds issued by the Institute of Singapore Chartered Accountants
REIT	Real Estate Investment Trust
REIT Manager or Manager or FLCAM	Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.) as the Manager of FLCT
REITAS	REIT Association of Singapore
ROFR	Right-of-First-Refusal
S&P	Standard & Poor’s
SGXNet	A web-based secure platform to enable our listed issuers to upload announcements on the company developments, news and corporate actions and also to request for their shareholders or bondholders reports
SGX-ST	Singapore Exchange Securities Trading Ltd
Singapore Dollar, $ or SGD	The official currency of Singapore and the functional currency of FLCT
Sqm	Square metre
Sqft	Square feet
S-REIT	Singapore-listed REIT
Sustainability-linked Financing	Loans and borrowings tied to the ESG-related performance of borrowers
TCFD	Task Force on Climate-Related Financial Disclosures
TOP 8	Refers to the major German logistics hubs (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig, Munich, Stuttgart)
Trust Deed	The Trust Deed constituting FLCT between the REIT Manager and the Trustee dated 30 November 2015 (as amended)
Trustee	Perpetual (Asia) Limited, as trustee of FLCT
UK	United Kingdom
Unit(s)	An undivided interest in FLCT as provided for in the Trust Deed
Unitholder(s)	The Depositor whose securities account with CDP is credited with Unit(s)
WALB	Weighted Average Lease to Break. The weighted average lease to break by headline rent based on the earlier of the next permissible break date(s) at the tenants election or the expiry of the lease
WALE	Weighted Average Lease to Expiry. The weighted average lease to expiry by headline rent based on the final termination date of the agreement
Y-o-Y	Year-on-year
YTD	Year-to-date

CORPORATE PROFILE

ABOUT FRASERS LOGISTICS & COMMERCIAL TRUST

Frasers Logistics & Commercial Trust ("FLCT") is a Singapore-listed real estate investment trust with a portfolio comprising 112 industrial and commercial properties, worth approximately $6.8 billion[1], diversified across five major developed markets – Australia, Germany, the United Kingdom, Singapore and the Netherlands. FLCT was listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 June 2016 as Frasers Logistics & Industrial Trust and was subsequently renamed Frasers Logistics & Commercial Trust on 29 April 2020 following the completion of a merger with Frasers Commercial Trust.

FLCT's investment strategy is to invest globally in a diversified portfolio of income-producing properties used predominantly for logistics or industrial purposes located globally, or commercial purposes (comprising primarily CBD office space, non-CBD office space and/or research and development business park space) located in the Asia-Pacific region or in Europe (including the United Kingdom).

$4.3 billion[2]
Market Capitalisation

Key Index Memberships

- FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index)
- Straits Times Index
- Global Property Research (GPR) 250

5-Star GRESB
rated portfolio

Strong Sustainability Credentials

ABOUT FRASERS PROPERTY LIMITED

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Frasers Property Group" or the "Group"), is a multinational investor-developer-manager of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and headquartered in Singapore, the Group has total assets of approximately S$39.6 billion as at 30 September 2024.

Frasers Property's multinational businesses operate across five asset classes, namely, commercial & business parks, hospitality, industrial & logistics, residential and retail. The Group has businesses in Southeast Asia, Australia, the EU, the UK and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("REITs") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties.

In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on LinkedIn.

1 Book value as at 30 September 2024. Includes 50% interest in Central Park, Perth. Excludes one property under development in Europe and right-of-use assets
2 Based on the closing price and number of issued units in FLCT ("Units") as at 30 September 2024

OUR MULTINATIONAL PRESENCE

A Predominantly Logistics-focused Portfolio Spanning Five Developed Countries

$6.8 billion
Portfolio Value[3]

2.8 million sqm
Total Lettable Area[4]

4.2 years
WALE[5]

94.5%
Occupancy Rate[5]

EUROPE

Germany
- 33 L&I Properties

The Netherlands
- 6 L&I Properties

United Kingdom
- 4 L&I Properties
- 3 Business Parks

ASIA PACIFIC

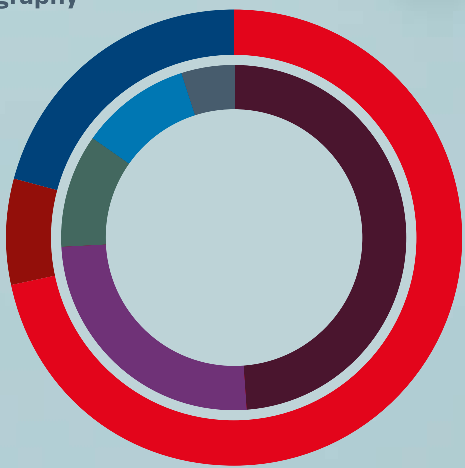
Australia
- 61 L&I Properties
- 2 CBD Offices
- 2 Suburban Office & Business Park

Singapore
- 1 Business Park

- Logistics & Industrial ("L&I")
- CBD Office
- Suburban Office & Business Park

Breakdown by Asset Type and Geography[3]

Logistics & Industrial	71.9%
CBD Office	7.3%
Suburban Office & Business Park	20.8%

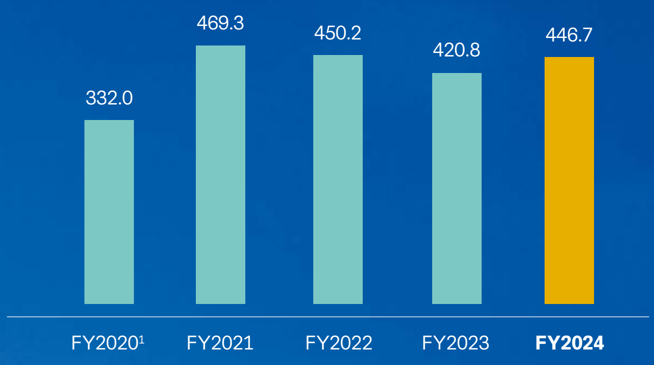


Australia	49.0%
Germany	25.2%
United Kingdom	10.7%
Singapore	10.3%
The Netherlands	4.8%

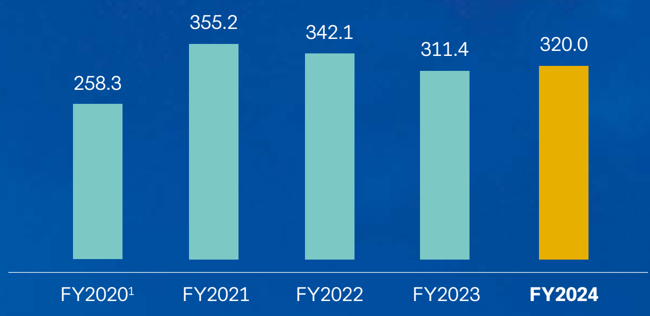
3 Book value as at 30 September 2024. Includes 50% interest in Central Park, Perth. Excludes one property under development in Europe, and right-of-use assets
4 Represents 100% of portfolio lettable area
5 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2024. Excludes straight-lining rental adjustments and includes committed leases

FINANCIAL HIGHLIGHTS

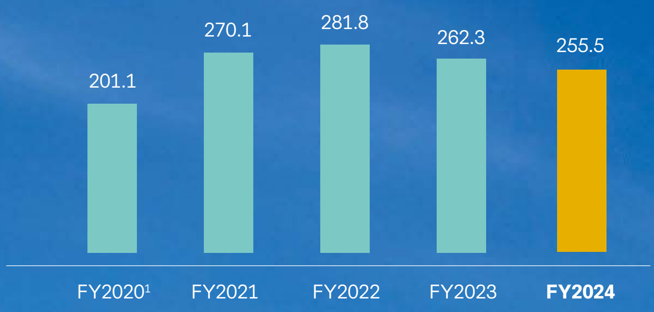
Revenue ($ million)



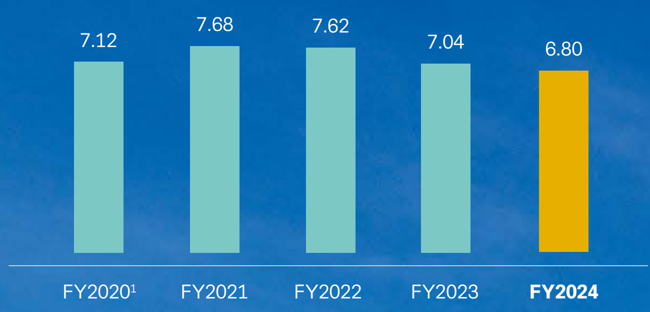
Adjusted net property income[2] ("Adjusted NPI") ($ million)



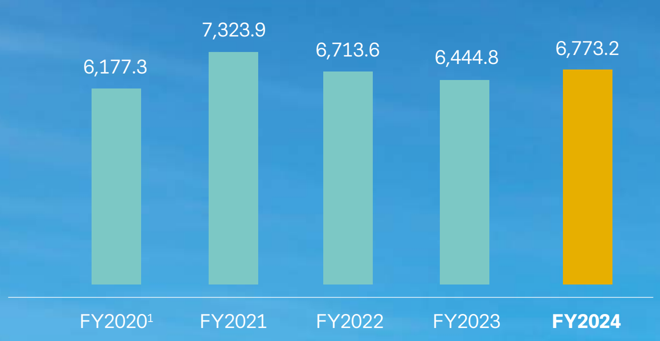
Distributable income ($ million)



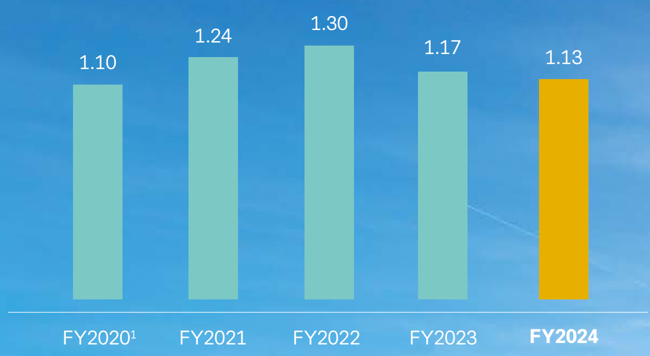
Distribution per Unit ("DPU") (cents)



Portfolio value ($ million)[a]



Net asset value ("NAV") per unit ($)



a Excludes investment properties held for sale, investment properties under development (where relevant) and right-of-use assets

		FY2020	FY2021	FY2022	FY2023	**FY2024**
Selected balance sheet data						
Total assets	$ million	6,734.6	7,680.2	7,409.7	6,937.7	7,136.9
Total gross borrowings	$ million	2,454.3	2,531.6	1,977.6	2,037.9	2,284.5
Unitholders' funds	$ million	3,770.5	4,574.6	4,838.8	4,379.7	4,269.5
Market capitalisation[3]	$ million	4,744.4	5,588.2	4,546.3	4,006.7	4,321.5
Key financial indicators						
Aggregate leverage[4]	%	37.4	33.7	27.4	30.2	33.0
Average weighted debt maturity	years	3.0	3.4	2.7	2.2	2.4
Average cost of borrowings[5]	% per annum	1.9	1.6	1.6	2.2	2.8

Notes:
FLCT has adopted the Singapore Dollar as its functional currency with effect from 15 April 2020 following its merger with FCOT.
1 Includes FCOT with effect from 15 April 2020 following the merger with FCOT
2 Adjusted NPI comprises the actual NPI excluding straight-lining adjustments for rental income and adding lease payments of right-of-use assets
3 Based on the closing price and number of issued units in FLCT ("Units") as at the last trading day of the respective financial year. Source: Bloomberg
4 The impact of FRS 116 Leases and non-controlling interests have been excluded for the purpose of computing the aggregate leverage ratio
5 Based on trailing 12 months borrowing cost (including FCOT from 15 April 2020, being the date of merger completion)

KEY TRENDS & DEVELOPMENTS

The Manager closely monitors key developments and emerging trends shaping our industry, enabling us to remain agile and well-prepared for opportunities and challenges in an ever-evolving real estate landscape. We outline the global trends and themes that are key in defining the future of logistics and commercial real estate.

KEY THEMES IN FY2024

Sustained Demand for Quality & Core Properties

Occupiers continue to prefer locations that are strategic to their business operations and modern functional facilities, which enhance supply-chain efficiencies

Observed increased focus on properties with strong sustainability credentials

Geopolitical Considerations

Prioritisation of supply-chain resilience, maintaining higher inventory levels and the adoption of "just-in-case" operations

Together with nearshoring, such trends are expected to support warehouse demand as logistics operators build resilience in their supply chains to mitigate risks from geopolitical tensions

FLCT'S APPROACH

Sustained Demand for Quality & Core Properties

- Pursue acquisition opportunities of assets in strategic locations
- Committed to selecting properties with strong sustainability credentials and enhancing existing assets to support the transition to a low-carbon future

Geopolitical Considerations

- Investing and maintaining a portfolio of 'best-in-class', modern logistics and industrial properties, located on key infrastructure networks and close to the consumer base, which suit the storage and distribution needs of our customers
- Diversifying our portfolio across different geographies to mitigate regional risks

Digitalisation & AI

Companies are leveraging digital platforms, artificial intelligence ("AI"), and robotics to streamline their operations and improve efficiency, including the adoption of data-driven supply chain management systems

- Maintaining a modern portfolio of properties capable of supporting tenants' technological and operational developments
- Collaborating with tenants to understand their evolving needs in the face of technological advancements

Inflation and Interest Rate Outlook

Inflation and recessionary considerations continue to impact business and financial performances

- Enhancing portfolio income security through structuring long-term leases with high-quality tenants and diversified across geographies and assets. Leases, where possible, are structured to capture higher inflation through CPI-linked rental indexation or fixed annual rental increases
- Optimising our capital structure by maintaining a prudent loan-to-value limit, while retaining a well-spread debt expiry profile with diverse funding sources
- Managing interest rate volatility by hedging 50% to 80% of FLCT's borrowings at fixed rates

Forex Volatility

Potential shifts in foreign, trade, monetary and fiscal policies continue to support the strength of foreign exchange rates

- Implementing hedging strategies to mitigate the impact of currency fluctuations on our global portfolio
- Diversifying our investments across multiple currencies to balance exposure and potentially benefit from forex movements

OUR STRATEGY FOR VALUE CREATION

Our strategy for value creation is underpinned by our ability to distinguish FLCT from our competitors and remain competitive with our portfolio and service offerings. We will continue to leverage the strengths of our portfolio to deliver stable and regular distributions to our Unitholders.

OUR COMPETITIVE ADVANTAGE

Well-Diversified Quality Portfolio

Our $6.8 billion portfolio comprises 112 strategically located and diversified logistics and commercial properties across five developed markets

Built for Stability

With high occupancy rates, stable lease structures with long WALE and a quality tenant base, our portfolio continues to deliver stability through market cycles

Strong Financials

Our well-managed capital structure provides us with ample debt headroom and financial flexibility to tap the capital markets for our future growth

PROVEN GROWTH STRATEGIES

Acquisition Growth

- Focus on well-located modern L&I properties
- Access to Sponsor's ROFR
- Pursue third-party acquisitions

Active Asset Management

- Optimise income, and quality tenant base
- Leverage AEIs and development to unlock value
- Focus on greening our properties

VALUE CREATED IN FY2024

Resilient Financial Performance

- Revenue: $446.7 million; up 6.2% Y-o-Y
- Distributable Income: $255.5 million
- DPU: 6.8 cents
- DPU Yield: 5.9%[1]

Purpose-Driven Asset Management

- Portfolio Value: $6.8 billion
- Occupancy: 94.5%
- WALE: 4.2 years
- New Leases and Renewals: 421,000 sqm
- Top 10 tenants as % GRI: 23.6%

Value-Driven Acquisition

- Acquired portfolio of four L&I properties in Germany
- Completed a forward funding L&I project in Ellesmere Port, the UK
- Acquired a forward funding logistics project in Maastricht, the Netherlands

1 Based on FY2024 DPU of 6.80 Singapore cents and the closing price of $1.15 per unit on 30 September 2024

Track Record of Value Creation

Continued value creation through portfolio optimisation, undertaking accretive acquisitions and portfolio recycling

Effective Leadership

We are anchored by our strong and committed Sponsor, Frasers Property, and an experienced and proficient REIT management team

Focus on Business Sustainability

We continue to enhance our ESG credentials, providing FLCT with greater access to an increasingly ESG-focused investor and tenant community

Capital & Risk Management

- Prudent capital management for financial flexibility
- Well-spread debt expiry profile to minimise risk
- Hedging strategies to reduce volatility

Selective Development

- Redevelopment of existing assets whilst minimising downtime
- Potentially tap on Sponsor's development pipeline
- Incorporate sustainability initiatives

Prudent Capital Management

- Aggregate Leverage: 33.0%
- Interest Coverage Ratio: 5.0 times
- Trailing 12-month Cost of Borrowings: 2.8%
- Debt Headroom to 40% Aggregate Leverage: $801 million

Sustainability & Governance Performance

- GRESB: Global Listed Sector Leader 2024 (Diversified - Office/Industrial); and maintained 5-Star rating for the eighth consecutive year
- Maintained 'A' MSCI ESG Ratings by MSCI ESG Research
- Best Annual Report (Bronze) at the Singapore Corporate Awards 2024

LETTER TO UNITHOLDERS

Dear Unitholders,

On behalf of the Board of Directors, I am pleased to present Frasers Logistics and Commercial Trust's Annual Report for the financial year ended 30 September 2024 ("FY2024").

As we reflect on the past year, it is evident that the global economic landscape continues to present significant challenges. Geopolitical tensions and market volatility persist, creating an environment of uncertainty that has impacted both consumer sentiment and business confidence. In addition, interest rates have remained elevated for a large part of the year under review. Amidst evolving market conditions, the Board and Management remained focused on optimising FLCT's portfolio for resilience and sustainable returns.

In this letter, I will share our operational performance and outline the strategies that will guide our journey ahead: proactive asset management, disciplined investment management, and prudent capital management. These elements have been crucial in positioning FLCT as a leading logistics and industrial-focused S-REIT since its inception.

FINANCIAL PERFORMANCE

In FY2024, we reported revenue of $446.7 million, a 6.2% increase from $420.8 million in FY2023. Adjusted Net Property Income was $320.0 million, an increase of 2.7% from $311.4 million in the preceding 12-month period. The year-on-year increases were mainly due to contributions from the new development at Ellesmere Port, as well as full year contributions from Connexion II and Worcester, and contributions from the acquisition of interests in four German logistics properties in March 2024. This was partially offset by higher vacancies in Alexandra Technopark and 357 Collins Street, and higher property operating expenses mainly due to higher non-recoverable land taxes in Australia. Finance costs were also higher mainly due to the increase in interest rates and additional borrowings drawn for capital expenditure, fund through developments and acquisitions.

As a result, FY2024 DPU was 6.80 Singapore cents, from 7.04 Singapore cents in FY2023. Based on the closing price of FLCT units at the end of the period[1], this translates to a DPU yield of 5.9% for FY2024.

BUILDING A STABLE, RESILIENT PORTFOLIO

We ended the year with a resilient portfolio of 112 properties with a combined value of $6.8 billion, an increase from 107 properties in the preceding financial year. Our properties are strategically located in five developed countries: Australia, Singapore, Germany, the United Kingdom and the Netherlands.

Strong Momentum In L&I Driving Resilient Performance

Our L&I portfolio closed the year with a high occupancy rate of 98.8%. The resilience of our L&I portfolio buoyed our overall portfolio performance amidst a challenging office market. At the end of FY2024, our overall portfolio occupancy was 94.5%, compared to 96.0% in the preceding year.

As part of our proactive approach to asset management, we engaged new and existing tenants to close 89 leasing transactions comprising approximately 421,000 sqm of lettable area and maintained a WALE of 4.2 years. We achieved a portfolio average rental reversion of 12.8% on an incoming rent vs. outgoing rent basis, and 23.6% based on the average rent of new leases as compared to the average rent of preceding leases.

While there was a marginal uptick in supply in the L&I sector, healthy demand for well-located quality L&I spaces continued to drive strong market rental growth, enabling our L&I portfolio to record healthy positive reversions of 22.7% and 38.8% on an incoming rent vs. outgoing rent basis and on an average rent vs. average rent basis respectively.

Despite the ongoing challenges in the commercial property sector, stemming from the continued adoption of remote and hybrid work models, our active asset management efforts have yielded positive results. Notwithstanding the occupancy impact arising from Google Asia Pacific Pte. Ltd's ("Google Asia") partial lease surrender at Alexandra Technopark in Singapore, we successfully maintained a resilient 87.5% average occupancy in our commercial portfolio. This underscores the quality of our assets and the effectiveness of our management approach in the soft office and business park markets.

Our primary focus remains on keeping our properties well-leased across all markets. We are working to secure new tenants and renewals, with a particular emphasis on backfilling significant vacant spaces, such as the area previously leased to Google Asia. While the current market conditions present challenges in securing large tenants, our team, working closely with the Sponsor's strong property team, is committed to proactive leasing strategies and property enhancements to drive income optimisation.

1 Based on the closing price of $1.15 per unit on 30 September 2024

"The strong performance of our L&I portfolio continued to bolster our overall portfolio results amidst a challenging office market."

LETTER TO UNITHOLDERS

Building Portfolio Resilience with Quality Acquisitions

Our near-term strategy focuses on increasing the proportion of L&I assets in our portfolio. This approach allows us to capitalise on the resilient L&I environment, riding the wave of the growth of new economy real estate, contributing to value creation and capital appreciation.

To this end, we completed the acquisition of interests in four L&I properties located in Germany from our Sponsor during the year. Acquired for €129.5 million, the transaction was DPU accretive and added 72,422 sqm of quality space to our portfolio. The transaction strengthened our foothold in Germany's attractive freight and logistics market, which continues to record low vacancy rates in a limited supply environment.

Our second forward funding project, Ellesmere Port, a state-of-the-art logistics freehold property was completed in early FY2024. The property is located within UK's North West logistics & industrial market at Hooton Business Park which benefits from exceptional road, rail and sea connectivity. The 61,984 sqm prime property has been leased to Peugeot Motor Company Plc on a 15-year lease term.

In early FY2024, we acquired on a forward funded basis a freehold logistics facility near Maastricht Airport in the Netherlands, which is fully committed on a 10-year term. Located in Aviation Valley, the country's second largest air cargo hub, it enjoys easy access to major national and international logistics routes to Germany, Belgium, and throughout the Netherlands. The forward funded development was completed and lease commenced in October 2024.

It remains our core strategy to pursue L&I opportunities to further grow the portfolio through acquisitions, AEIs and forward funding acquisitions.

PRUDENT CAPITAL MANAGEMENT

During the year, we continued to adopt a proactive and prudent approach to capital management, focusing on optimising our balance sheet to address the impact of a high interest rate environment. Our efforts have provided FLCT with ample liquidity and financial flexibility to support our growth and asset enhancement aspirations.

At the end of FY2024, our aggregate leverage was 33.0%, one of the lowest amongst S-REITs. This provided us with a debt headroom of approximately $801 million before reaching our internal aggregate leverage cap of 40%.

FLCT has a well-spread debt maturity profile with no more than 26.4% of borrowings maturing in any given year. We will continue to minimise our refinancing risk engaging banks early. Considering various funding options and extending the debt tenor to refinance borrowings by engaging with our banks ahead of their maturities.

FLCT remains well-positioned with a healthy interest coverage ratio of 5.0 times as at 30 September 2024.

LEADING IN SUSTAINABILITY AND GOVERNANCE

Our journey to attain Net Zero Carbon status by the year 2050 is in progress, and we continue to provide updates to our stakeholders through a comprehensive annual Environment Sustainability & Governance (ESG) Report.

We are delighted to share that our portfolio has been named the Global Listed Sector Leader under the Diversified – Office/Industrial category in the 2024 Global Real Estate Sustainability Benchmark ("GRESB") assessment, while maintaining our 5-Star rating for the eighth-consecutive year. These achievements underscore our unwavering commitment to sustainability leadership and excellence in environmental stewardship.

As we continue on our ESG journey, we benefit from strong alignment with our Sponsor, Frasers Property, whose established sustainability framework and experience further strengthen our capabilities.

OUTLOOK

Economic forecasts continue to project a challenging global landscape, with growth expectations tempered by the ongoing effects of monetary policies, credit constraints, subdued trade and investment activities and political uncertainty. In this evolving economic environment, we remain vigilant, carefully monitoring both current and emerging trends that could impact the L&I sector.

Our strategic vision for FLCT's portfolio remains clear and purposeful. At our core, we remain committed to delivering regular and stable distributions to Unitholders while achieving long-term growth in DPU and NAV per Unit. In pursuit of these objectives, we continue to see significant potential in the L&I space, driven by secular trends that include e-commerce and supply chain reconfiguration. As such, we will seek to methodically enhance our presence in this asset class.

A WORD OF APPRECIATION

I would like to extend our heartfelt appreciation to two esteemed members of our Board who retired during the year. Mr Chia Khong Shoong, who served as Non-Executive and Non-Independent Director, retired on 1 March 2024, and our Chairman, Mr Ho Hon Cheong, completed his tenure on 30 September 2024. Both individuals have made invaluable contributions to FLCT. In particular, Mr Ho's leadership and unwavering commitment since the listing of the REIT in 2016 have been instrumental in guiding us through significant milestones and challenges. On behalf of the Board and management team, I thank them for their years of dedicated service and the lasting impact they have made. We wish them the very best in their future endeavours. Additionally, our Chief Financial Officer, Ms Tricia Yeo, will be stepping down from her role to take a leave of absence. We would like to thank Ms Yeo for being an integral part of our leadership team and wish her all the best.

I must also express our heartfelt gratitude to our Unitholders, tenants, and business partners for their loyalty and unwavering support over the past year. To our management team, thank you for your professionalism and dedication in effectively executing our strategies and plans as we move forward to create sustained growth and value.

Mr Phang Sin Min
Chairman and Independent
Non-Executive Director

IN CONVERSATION WITH THE CEO

Ms Anthea Lee Meng Hoon is Chief Executive Officer of FLCAM, the Manager of FLCT. We speak to Anthea for her views on the events that defined FLCT's performance in FY2024 and the Manager's long-term strategy for sustainable growth.

Q What were your key focus areas in your first full year as the CEO of FLCT?

I am pleased to report that FLCT delivered a resilient performance in FY2024, despite facing macroeconomic uncertainties and a challenging operating environment. The team's strong work ethics and commitment to our value creation strategies were instrumental in maintaining our market position and resilience in an increasingly competitive landscape.

Our proactive approach to asset and lease management has yielded strong results amidst a competitive market. The overall portfolio occupancy rate remained healthy at 94.5%, underpinned by our resilient L&I portfolio, which held a high 98.8% occupancy rate. Recognising evolving workplace trends, including remote and hybrid work models, as well as business consolidation initiatives by corporates, we proactively engaged with existing and prospective tenants to address any changing space requirements. As a result of our proactive efforts, the occupancy rate for the commercial portfolio as at 30 September 2024 was at 87.5%.

Despite a challenging investment landscape characterised by market uncertainties, we remained selective and opportunistic in our acquisition strategy. With this approach, we acquired from our Sponsor, their interests in four German L&I properties, at an agreed property purchase price of €129.5 million, a transaction that is DPU-accretive and further augments FLCT's foothold in a key existing market. Further strengthening our European L&I presence, we saw the completion of two forward funding projects. In December 2023, Ellesmere Port, a state-of-the-art logistics freehold property in the UK, which we had acquired via a forward funding transaction in FY2022, reached practical completion. Additionally, we entered into a forward funding agreement for a freehold logistics development near Maastricht airport in the Netherlands, with practical completion achieved in October 2024.

These targeted moves align with our strategy to increase the proportion of L&I assets in FLCT's portfolio, and have expanded our asset portfolio to 112 modern, well-located properties spanning five developed markets – Australia, Singapore, Germany, the UK and the Netherlands as at the end of FY2024.

On the financial front, our disciplined capital management approach has fortified FLCT's position. We maintained a healthy aggregate leverage of 33.0%, with a weighted average debt maturity of 2.4 years and high interest coverage ratio of 5.0 times. With 73.3% of our debt at fixed rates, our cost of borrowings on a trailing 12-month basis was 2.8% per annum.

Looking ahead, we remain committed to navigating market uncertainties while pursuing growth and portfolio rebalancing opportunities that align with our strategic vision. Our focus will be on leveraging our strengths in the L&I space to optimise our diverse portfolio and maintaining financial flexibility to create sustainable value for our unitholders.

Q Are you considering any new markets as part of your acquisition growth strategy?

Our current portfolio provides us with a strong foothold in developed markets – Australia, Singapore, Germany, the UK and the Netherlands. Over the years, these markets have consistently demonstrated robust fundamentals, characterised by strong domestic consumption, skilled labour forces, and well-established manufacturing and trade sectors.

Moving forward, our acquisition strategy will continue to prioritise L&I opportunities within developed markets in regions with strong demand. We are targeting high-quality L&I assets that offer stable, predictable cash flows, aiming to further enhance our portfolio's resilience and strengthen our competitive position.

Our growth strategy leverages both third-party acquisitions and our right of first refusal pipeline from the Sponsor, generating substantial value for our Unitholders and underscoring the strength of our REIT-Sponsor relationship.

Underpinning our growth aspirations is FLCT's robust financial position. With one of the lowest gearing ratios among S-REITs at 33.0%, we have a significant debt headroom of more than $801 million[1] for potential acquisitions. With an interest coverage ratio of 5.0 times, we have the means and capacity to manage our financial obligations effectively while pursuing growth opportunities.

We remain committed to maintain our disciplined and selective approach to investments, always with the goal of enhancing the resilience and value of our asset portfolio for our Unitholders.

Q Could you provide an update on the performance of the portfolio?

Our portfolio maintained a high overall occupancy rate in FY2024, supported by its strategic diversification across robust geographic markets and asset classes. This is further enhanced by the quality of our assets and the strength of our tenant base.

1 Assuming aggregate leverage level of 40%

IN CONVERSATION WITH THE CEO

The performance of our L&I segment, comprising 104 properties across Australia, Germany, the UK and the Netherlands, has been particularly strong. These assets continue to benefit from robust occupier demand, driving positive rental growth. As a result, our L&I portfolio closed FY2024 with an occupancy rate of 98.8%.

The commercial sector, however, faces ongoing challenges due to the global shift towards remote and hybrid work models. We have observed an accelerated 'flight to quality' trend in the post-COVID era, reflecting changing tenant preferences for workplaces planned around meetings and collaboration spaces. These flexible working arrangements are translating into smaller footprints and improved floor space usage efficiencies.

To address these challenges, we have implemented a multi-faceted strategy. This includes working closely with leasing agents, flexible leasing strategies to accommodate diverse requirements, enhanced tenant engagement to improve retention, and focused marketing efforts towards resilient sectors. While market conditions remain challenging, we believe this strategic approach positions us well to navigate the current landscape effectively.

In Singapore, we are actively addressing the space vacated by Google Asia Pacific Pte Ltd at Alexandra Technopark. The first tranche of 151,000 sq ft was handed back in February 2024, with the remaining 218,000 sq ft set to be returned by end December 2024. Despite challenging market conditions due to the high islandwide business park vacancy and new supply, backfilling this space remains a top priority. By the end of FY2024, we successfully closed four leases, representing approximately 75,000 sq ft or 20% of the aforementioned space.

We are also delighted to share that, subsequent to our financial year-end, we successfully renewed our lease with the Commonwealth of Australia at Caroline Chisholm Centre in Canberra for a term of 12 years. The lease renewal by the largest tenant in our portfolio underscores our commitment to retaining high-quality tenants, further de-risking our portfolio and ensuring long-term income stability.

Q Can you provide an update on the ESG progress made in FY2024?

Our sustainability goals are closely aligned with our Sponsor's commitment to achieving net-zero carbon by 2050. We continue to embed sustainable practices into our overall strategy, ensuring long-term, direct, and tangible benefits for our stakeholders. I am proud to share that our efforts to green our portfolio have earned us accolades from globally-recognised sustainability accreditation agencies. Since 2017, we have consistently maintained a 5-Star GRESB rating, and our industrial portfolio in Australia continues to hold the highest Green Star Performance rating from the Green Building Council of Australia.

FY2024 also saw advancements in our renewable energy adoption efforts. As at end-FY2024, the solar installations across our portfolio has a power generation capacity exceeding 12MW at peak.

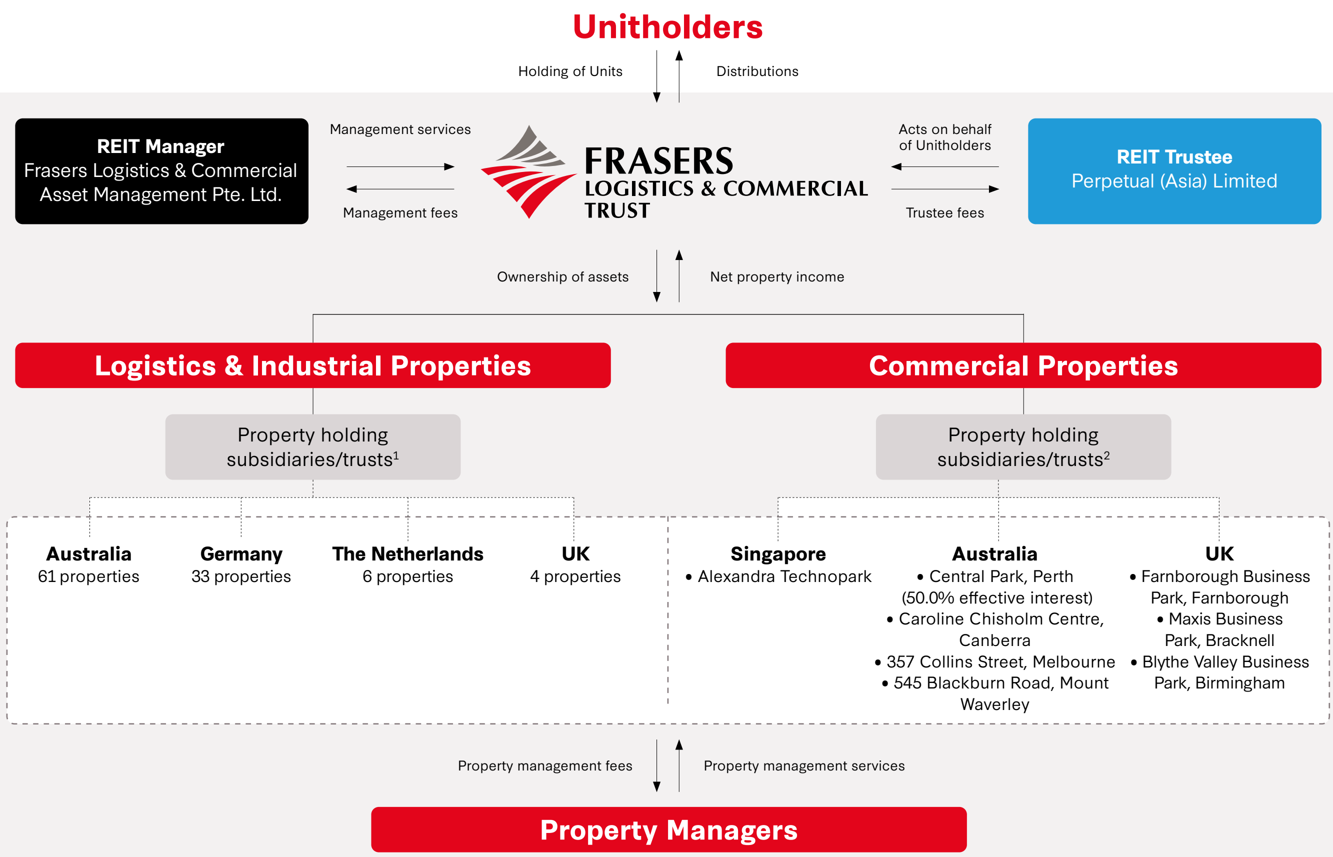
Our dedication to integrating ESG at every level of our business is exemplified by waste management practices implemented into the three-year facade replacement project for Central Park in Perth, Australia. Through these practices, we ensured that 100% of the building waste material is recycled, including 7,700 aluminium panels and 265 tonnes of temporary steel.

To enhance transparency and engage our growing socially responsible audience, we published our first ESG Databook. This comprehensive document showcases our commitment to action and provides detailed information, including our key ESG disclosures, additional Scope 3 reporting, and an assurance statement from an independent external auditor. I encourage you to access the ESG Databook on FLCT's website for more in-depth information on our sustainability initiatives and performance.

As we conclude FY2024, I would like to take this opportunity to express my sincere gratitude to our unitholders, tenants, board members, business partners and the wider investing community for their continued trust and support during my first year in leadership. I also extend my deepest appreciation to our dedicated global team from both the Sponsor and REIT Manager for their perseverance in executing FLCT's strategy and objectives. Together, we have navigated challenges, seized opportunities, and laid a strong foundation for future growth and we are committed to pursue the strategic vision outlined in this report.

Ms Anthea Lee Meng Hoon
Chief Executive Officer

ORGANISATION STRUCTURE

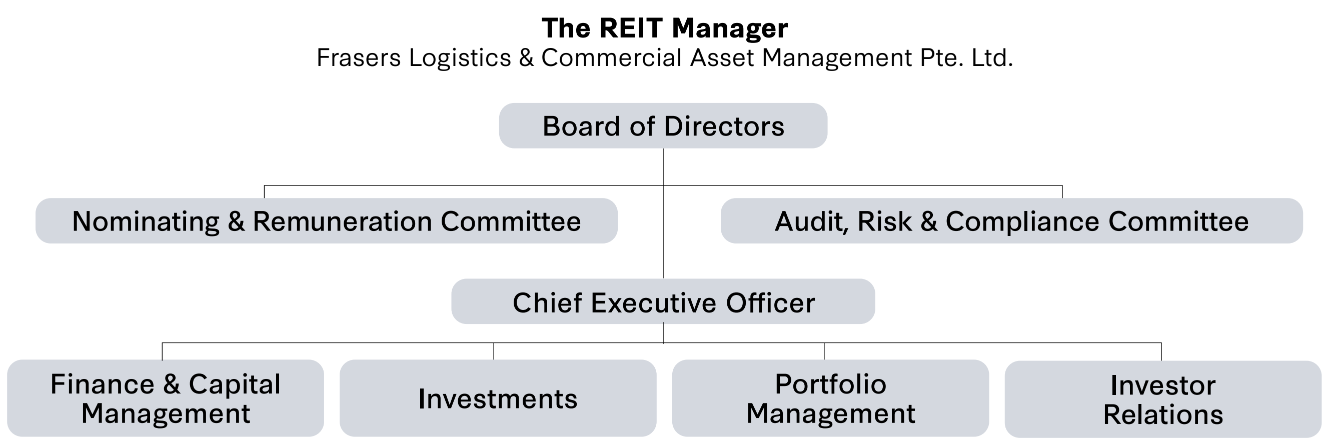


The above presents a simplified trust structure for FLCT as of 30 September 2024. The industrial and commercial properties owned by FLCT are held through various intermediate entities comprising subsidiaries/trusts/sub-trusts.

1 Industrial properties located in Australia are held through a wholly-owned subsidiary and trust/sub-trusts of FLCT. Industrial properties located in Germany, the Netherlands and the United Kingdom are held through majority-held subsidiaries of FLCT. On 28 November 2024, effective interest in 28 of FLCT's German properties has each been reduced to 89.9%

2 Alexandra Technopark in Singapore, Central Park, Caroline Chisholm Centre and 357 Collins Street in Australia, as well as Farnborough Business Park in the UK are held through FCOT, a wholly-owned sub-trust of FLCT. The trustee of FCOT is British and Malayan Trustees Limited. Maxis Business Park and Blythe Valley Business Park in the UK, as well as 545 Blackburn Road in Australia are held through wholly-owned subsidiaries and trusts/sub-trusts of FLCT

CORPORATE STRUCTURE



BOARD OF DIRECTORS

As at 30 September 2024

Mr Ho Hon Cheong, 70
Chairman, Non-Executive and Independent Director

Date of Appointment:
26 May 2016

Length of service as Director (as at 30 September 2024):
8 years 4 months

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

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

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- PT Chandra Asri Petrochemical Tbk in Indonesia

Listed REITS/ Trusts
- Nil

Others
- Nil

Major Appointments (other than Directorships):
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Nil

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

Others:
- Nil

Mr Phang Sin Min, 67
Non-Executive and Independent Director

Date of Appointment:
31 January 2022

Length of service as Director (as at 30 September 2024):
2 years 8 months

Board Committees served on:
- Audit, Risk & Compliance Committee

Academic & Professional Qualification(s):
- Bachelor of Commerce from the University of Canterbury in New Zealand
- Master of Business Administration from the University of New South Wales in Australia
- Advanced Management Program - Harvard Business School
- Chartered Financial Analyst, CFA Institute
- Associate Chartered Accountant, Australia & New Zealand

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- Nil

Listed REITS/ Trusts
- PARAGON REIT Management Pte. Ltd., Manager of PARAGON REIT

Others
- DCG Value Funds VCC

Major Appointments (other than Directorships):
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Nil

Past Major Appointments:
- Managing Director, GIC Pte. Ltd. (Head of Research & Strategic Planning, Real Estate)
- Managing Director, GIC Pte. Ltd (Head of Investments, Europe)
- Executive Committee Member, Urban Land Institute

Others:
- Nil

Mr Kyle Lee Khai Fatt, 72

Non-Executive and Independent Director

Date of Appointment:
1 September 2022

Length of service as Director (as at 30 September 2024):
2 years 1 month

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

Academic & Professional Qualification(s):
- Bachelor of Arts (Honours) in Business Studies, Council for National Academic Awards, Polytechnic of South Bank, London
- Master of Business Administration, Imperial College of Science, Technology and Medicine, University of London
- Master of Science (Distinction) in International Management, The School of Oriental and African Studies, University of London
- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Institute of Singapore Chartered Accountants
- Fellow of the Singapore Institute of Directors

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- Nil

Listed REITS/ Trusts
- Nil

Others
- Nil

Major Appointments (other than Directorships):
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Great Eastern Holdings Limited
- ComfortDelgro Corporation Limited
- CapitaLand Integrated Commercial Trust Management Limited, Manager of CapitaLand Integrated Commercial Trust

Past Major Appointments:
- Partner, Price Waterhouse and PricewaterhouseCoopers LLP

Others:
- Great Eastern Life Assurance Company Limited

Mr Goh Yong Chian, 80

Non-Executive and Independent Director

Date of Appointment:
26 May 2016

Length of service as Director (as at 30 September 2024):
8 years 4 months

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

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

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- Nil

Listed REITs/ Trusts
- Nil

Others
- Nil

Major Appointments (other than Directorships):
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Nil

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

Others:
- Nil

BOARD OF DIRECTORS

As at 30 September 2024

Ms Soh Onn Cheng Margaret Jane, 68

Non-Executive and Independent Director

Date of Appointment:
29 April 2020

Length of service as Director (as at 30 September 2024):
4 years 5 months

Board Committee(s) served on:
- Nil

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

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- Nil

Listed REITS/ Trusts
- Nil

Others
- Nil

Major Appointments (other than Directorships):
- Exco Member, Milk & Diapers Programme, SSVP Ltd. (an affiliate of the Society of St Vincent de Paul)

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Prime US REIT Management Pte Ltd, Manager of Prime US REIT

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

Others:
- Nil

Mr Panote Sirivadhanabhakdi, 46

Non-Executive and Non-Independent Director

Date of Appointment:
26 May 2016

Length of service as Director (as at 30 September 2024):
8 years 4 months

Board Committee(s) served on:
- Nominating & Remuneration Committee

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

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

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

Others
- Adelfos Company Limited
- Asian Capital Company Limited
- Athimart Company Limited (Vice-Chairman)
- Beer Thip Brewery (1991) Company Limited
- Baanboung Vetchakji Company Limited
- Blairmhor Distillers Limited
- Blairmhor Limited
- Chiva-Som International Health Resort Company Limited
- Cristalla Company Limited
- F and B International Company Limited
- Frasers Assets Company Limited
- Frasers Property (UK) Limited
- Frasers Property Corporate Services (Thailand) Company Limited
- Frasers Property Holdings (Thailand) Company Limited
- Golden Land Property Development Public Company Limited
- International Beverage Holdings (China) Limited
- International Beverage Holdings (UK) Limited
- International Beverage Holdings Limited
- Kankwan Company Limited (Vice-Chairman)
- Kasem Subsiri Company Limited
- Kasemsubbhakdi Company Limited
- Lakeview Golf and Yatch Club Hotel Company Limited
- InterBev (Singapore) Limited
- Must Be Company Limited
- Namjai Thaibev (Social Enterprise) Company Limited
- N.C.C. Exhibition Organizer Company Limited
- N.C.C. Image Company Limited
- N.C.C. Management and Development Company Limited
- Norm Company Limited
- NY Property Development Company Limited
- One Bangkok Company Limited
- Plantheon Company Limited
- Quantum Innovation Company Limited
- Quantum Trading Company Limited
- S.S. Karnsura Company Limited (Vice-Chairman)
- Siribhakditham Company Limited
- Sirivadhanabhakdi Company Limited
- SMJC Development Company Limited
- Sura Bangyikhan Company Limited (Vice-Chairman)
- T Fertilizer Corporation Company Limited
- TCC Assets (Thailand) Company Limited
- T.C.C. Exhibition and Convention Centre Company Limited
- T.C.C. Technology Company Limited
- TCC X Company Limited
- Thaibev Company Limited
- The Cha-Am Yacht Club Hotel Company Limited
- Theparunothai Company Limited (Vice-Chairman)
- TRA Land Development Company Limited
- Vadhanabhakdi Company Limited

Major Appointments (other than Directorships):
- Group Chief Executive Officer of Frasers Property Limited
- Director/Board of Trustees of Singapore Management University
- Board Member of National Gallery Singapore

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Nil

Past Major Appointments:
- Chief Executive Officer of Univentures Public Company Limited
- Management Committee of Real Estate Developers' Association of Singapore (REDAS)

Others:
- Nil

Mr Reinfried Helmut Otter (Reini Otter), 54

Non-Executive and
Non-Independent Director

Date of Appointment:
30 July 2020

Length of service as Director (as at 30 September 2024):
4 years 2 months

Board Committees served on:
- Nil

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

Present Directorships in other companies (as at 30 September 2024):

Listed companies
- Nil

Listed REITS/ Trusts
- Nil

Others
- Healthy Heads in Trucks & Sheds Foundation Limited

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

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024):
- Nil

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

Others:
- Nil

Notes:
1 The members of the Board of Directors are shown as at 30 September 2024
2 Mr Chia Khong Shoong retired as a non-executive and non-independent director with effect from 1 March 2024
3 Mr Ho Hon Cheong retired as the Chairman and a non-executive and independent director of the Board of Directors with effect from 1 October 2024
4 Mr Phang Sin Min was appointed as the Chairman of the Board of Directors with effect from 1 October 2024
5 For changes to the composition of the Board after 30 September 2024, please refer to the SGX announcement dated 27 September 2024

MANAGEMENT TEAM

Anthea Lee Meng Hoon
Chief Executive Officer

Ms Lee is responsible for overseeing the overall management and strategic direction of FLCAM, ensuring that all operations align with FLCT's long-term goals and objectives. She is responsible for the execution of Board-approved strategies and policies, collaborating with the management team to ensure the effective implementation of FLCT's business plans.

Ms Lee brings over 25 years of experience in REIT management and real estate development. Her experience spans multiple geographies in Asia Pacific and Europe, and across a range of asset classes including industrial, logistics, business parks, commercial and data centres. Over this period, Ms Lee served in various leadership roles overseeing property investments and divestments, as well as formulating and executing business strategies to maximise income and portfolio asset value. Prior to joining FLCAM in 2023, Ms Lee was the CEO of a SGX-listed REIT, where she led teams responsible for REIT strategies and operations. Before moving into REIT management, she spent close to a decade developing and managing industrial properties with government-linked and private sector organisations.

Ms Lee graduated with a Bachelor of Science (Estate Management), Honours from the National University of Singapore and a Master of Science (International Construction Management) from the Nanyang Technological University.

Tricia Yeo Whay Teng
Chief Financial Officer

Ms Yeo leads the finance team and is responsible for all aspects of the finance and treasury functions, including financial reporting, strategic capital management, financial risk management, taxation and compliance for FLCT. Her team works closely with the investment and portfolio management teams to support the REIT's strategic activities and initiatives.

She has more than 20 years of experience in the finance industry including audit, advisory and banking. She started her career as an auditor with PricewaterhouseCoopers LLP, and subsequently moved into real estate investment banking with various international banks. Prior to the merger of FLT and FCOT, Ms Yeo was the CFO of FCOT's manager. Before joining FCOT in May 2017, she headed the real estate sector coverage at the investment banking arm of an Asian regional bank.

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

Jonathan James Spong
Head of Portfolio Management

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

Prior to joining the REIT Manager, Mr Spong was Asset Manager, Investment Property at Frasers Property Australia from January 2015, managing a high-quality logistics and industrial asset portfolio located in New South Wales and Queensland.

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

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

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

Jacob Toh
Deputy Head of Investment

Mr Toh drives the development and execution of FLCT's investment strategies within the REIT's investment mandate. The investment team led by Mr Toh sources and evaluates opportunities for new acquisitions and divestments to support the growth of FLCT.

Prior to joining the REIT Manager, Mr Toh was the Fund Director at Prologis, Inc., managing private equity funds that invest in logistics, and was involved in overseeing all fund level investment underwriting and financial modelling. He was also actively involved in structuring, due diligence as well as evaluating investment opportunities in the region. Mr Toh has also held various positions at CapitaLand and Keppel REIT previously where he was involved in investment, structuring, capital raising and fund management.

Mr Toh holds a double degree comprising a Bachelor of Business Administration and a Bachelor of Science (Real Estate) from the National University of Singapore.

Ng Chung Keat
Vice President, Investor Relations & Sustainability

Mr Ng leads the investor relations function at FLCAM, overseeing strategic communication with the investment and research communities, and provides market intelligence as well as strategic counsel to senior management. Additionally, he drives the sustainability reporting efforts for FLCT.

With over 17 years of experience in investor relations, sustainability and strategic communications, Mr Ng brings valuable expertise to his role. Prior to his current appointment, he was part of Frasers Property Limited's Group Sustainability team, collaborating closely with the Group Head of Sustainability to identify, design, develop, and execute key sustainability objectives. Preceding that, Mr Ng helmed the Investor Relations function at FLCAM from December 2016 to September 2023.

Before joining FLCAM, Mr Ng worked at a global strategic and financial communications consultancy, from August 2011. There, he provided media and investor relations counsel to public companies and was involved in multiple transactions and special situations, including mergers and acquisitions, spin-offs, issue management, and initial and secondary public offerings. Prior to that, Mr Ng was with a specialist consultancy firm, implementing investor relations and crisis communication programmes.

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

Note:
1 Ms Tricia Yeo Whay Teng's appointment as the Chief Financial Officer of the REIT Manager will cease with effect from 1 January 2025

FINANCIAL REVIEW

Statement of Total Return	FY2024 $'000	FY2023 $'000	Variance %
Revenue	446,674	420,782	6.2
Property operating expenses	(124,700)	(105,781)	17.9
Net property income	**321,974**	**315,001**	**2.2**
Managers' management fee	(37,594)	(38,549)	(2.5)
Trustees' fees	(845)	(870)	(2.9)
Trust expenses	(4,690)	(5,340)	(12.2)
Exchange gains (net)	117	5,019	(97.7)
Finance income	1,948	1,620	20.2
Finance costs	(65,658)	(46,763)	40.4
Net income	**215,252**	**230,118**	**(6.5)**
Net change in fair value of derivatives	(122)	(473)	(74.2)
Net change in fair value of investment properties	(40,753)	(358,956)	(88.6)
Gain on divestment of investment properties	-	17,389	N.M.
Total return/(loss) before tax	**174,377**	**(111,922)**	**N.M.**
Tax (expense)/credit	(23,700)	6,581	N.M.
Total return/(loss) for the year	**150,677**	**(105,341)**	**N.M.**
Total return/(loss) attributable to:			
Non-controlling interests	(3,152)	2,307	N.M.
Total return/(loss) attributable to Unitholders	**147,525**	**(103,034)**	**N.M.**
Tax related and other adjustments	62,812	340,306	(81.5)
Income available for distribution to Unitholders	**210,337**	**237,272**	**(11.4)**
Capital distribution[1]	45,178	25,067	80.2
Distributable income	**255,515**	**262,339**	**(2.6)**
Distribution per Unit (Singapore cents)	6.80	7.04	(3.4)
For information:			
Adjusted NPI[2]	**320,005**	**311,442**	**2.7**

Notes:
1 Capital distribution relates to (i) reimbursements received from the vendors in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia, Europe and the United Kingdom ("UK") in prior years; (ii) rental support received from vendors in relation to the acquisition of certain properties in the UK; (iii) coupon interest received from vendors in relation to the development of certain properties in the UK and Europe, and (iv) distribution of divestment gains. The capital distribution in FY2024 translated to a DPU equivalent of approximately 1.20 Singapore cents (FY2023: 0.67 Singapore cents), of which rental support translated to a DPU equivalent of Nil (FY2023: 0.05 Singapore cents)
2 Adjusted NPI comprises the actual NPI excluding straight-lining adjustments for rental income and adding lease payments of right-of-use assets

FY2024 FINANCIAL PERFORMANCE

FLCT reported revenues of $446.7 million for the financial year ended 30 September 2024 ("FY2024"), an increase of 6.2% or $25.9 million from $420.8 million in FY2023. Adjusted NPI was $320.0 million, representing an increase of 2.7% or $8.6 million from $311.4 million in FY2023. The increase was mainly due to full year effect of the contributions from Worcester and Connexion II, partial-year contributions from Ellesmere Port, which achieved practical completion in December 2023, and from the acquisition of interests in four German logistics properties on 27 March 2024. These were partially offset by higher vacancies in Alexandra Technopark and 357 Collins Street, as well as higher property operating expenses. The increase in property operating expenses were mainly due to higher non-recoverable land taxes in Australia.

Total return attributable to Unitholders in FY2024 was $147.5 million, compared to a loss of $103.0 million in FY2023. The difference was primarily attributed to a lower fair value loss of investment properties as compared to FY2023.

Income available for distribution to Unitholders in FY2024 was $210.3 million, compared to $237.3 million in FY2023.

FY2024 DPU was 6.80 Singapore cents, compared to FY2023 DPU of 7.04 Singapore cents. Based on FLCT's closing price of $1.15 per Unit on 30 September 2024, FY2024 DPU represents a distribution yield of 5.9% per annum.

STRONG BALANCE SHEET

As at 30 September 2024, our aggregate leverage was 33.0%, higher compared to 30.2% as at 30 September 2023. This was primarily due to additional borrowings drawn for capital expenditure, fund through developments and acquisitions. Total gross borrowings as at 30 September 2024 was $2,284.5 million, 12.1% higher compared to $2,037.9 million recorded on 30 September 2023.

The weighted average cost of debt for FY2024 (on a 12 month trailing basis) was 2.8% per annum. A significant 73.3% of our borrowings were at fixed interest rates with interest coverage ratio at a healthy 5.0 times at the end of the financial period. FLCT has sufficient internal funds and facilities to meet our debt obligations due within the next 12 months.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the recommendations of 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 FLCT's Trust Deed.

RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore.

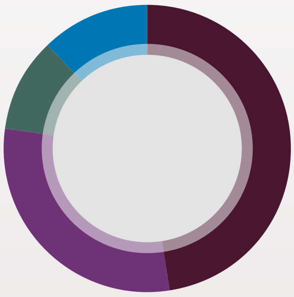
Revenue by Geography

	%
Australia	48.9
Europe	25.3
Singapore	11.7
The UK	14.1

Revenue by Asset Class

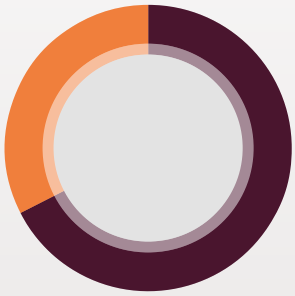
	%
Logistics and Industrial	
– Australia	34.5
– Europe	25.3
– The UK	2.9
Commercial	
– Australia	14.4
– Singapore	11.7
– The UK	11.2

Net Property Income by Geography



	%
Australia	47.7
Europe	29.6
Singapore	10.7
The UK	12.0

Net Property Income by Asset Class



	%
Logistics and Industrial	
– Australia	34.4
– Europe	29.6
– The UK	3.6
Commercial	
– Australia	13.3
– Singapore	10.7
– The UK	8.4

CAPITAL MANAGEMENT

In an elevated interest rate environment, we remain committed to a prudent and disciplined approach to capital management, focusing on optimising the balance sheet to drive sustainable growth. Our proactive capital management strategy equips FLCT with ample liquidity and financial flexibility to pursue strategic growth opportunities and execute asset enhancement initiatives effectively.

Key Financial Indicators	As at 30 Sep 2024	As at 30 Sep 2023
Total gross borrowings ($ million)	2,284.5	2,037.9
Aggregate leverage (total gross borrowings as a % of total assets) (%)[a]	33.0	30.2
Average cost of debt (%)[b]	2.8	2.2
Average weighted debt maturity (years)	2.4	2.2
Interest coverage ratio (ICR) and adjusted ICR (times)[c]	5.0	7.1
Debt headroom ($ million)		
- To 40% aggregate leverage[d]	801.1	1,102.3
- To 50% aggregate leverage[e]	2,340.5	2,668.9

Notes:
a The impact of FRS 116 Leases, and the gross borrowings and total assets attributable to non-controlling interests have been excluded for the purpose of computing the aggregate leverage ratio
b Based on the trailing 12 months borrowing costs
c 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 EBITDA (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 ICR, distribution on hybrid securities. EBITDA includes gain on divestment of investment properties. Borrowing costs exclude interest expense on lease liabilities (effective from 28 December 2021)
d On the basis of an aggregate leverage of 40%
e On the basis of an aggregate leverage limit of 50% (with a minimum adjusted interest coverage ratio of 2.5 times) pursuant to the Property Funds Appendix

PROACTIVE APPROACH CAPITAL MANAGEMENT

FLCT closed FY2024 with total borrowings of $2,284.5 million, an increase of 12.1% from $2,037.9 million at the end of FY2023. The increase was primarily driven by FLCT's strategic expansion in the L&I segment and continued asset enhancement efforts, including financing new L&I acquisitions, fund-through developments and asset enhancement initiatives.

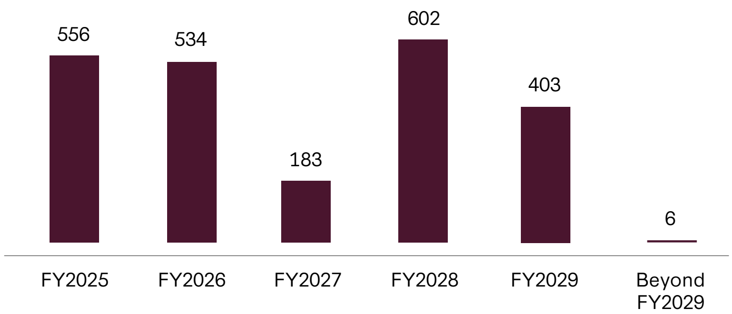
In March 2024, we issued $175.0 million of fixed-rate medium-term notes due in March 2029 at 3.83% per annum under FLCT's $1 billion Multicurrency Debt Issuance Programme. The proceeds from the issuance were mainly swapped into Euros to finance our acquisition of interests in four logistics properties in Germany.

At the end of FY2024, our aggregate leverage was 33.0%, higher compared to 30.2% as at the end of FY2023. Notwithstanding the increase, our aggregate leverage remains one of the lowest amongst S-REITs, providing FLCT with enhanced financial flexibility and an attractive debt headroom of $2,340.5 million[1] to deliver its growth and value creation initiatives.

Our interest coverage ratio remained at a healthy 5.0 times as at 30 September 2024. Despite the higher interest rate environment, our average cost of debt increased to 2.8% as at 30 September 2024, representing a 0.6 percentage point increased over a year ago, given our high hedged fixed rate borrowings ratio of 73.3%.

In November 2024, FLCT's credit ratings were updated, with Fitch Ratings assigning a first-time long-term Issuer Default Rating of BBB+ with stable outlook, and S&P Global Ratings affirming its 'BBB+' long-term issuer credit rating, revising its outlook to negative.

Debt Maturity Profile (Total Gross Borrowing: $2,284 million)
(As at 30 September 2024) (in $ millions)



1 On the basis of an aggregate leverage limit of 50% (with a minimum adjusted interest coverage ratio of 2.5 times) pursuant to the Property Funds Appendix

By proactively managing FLCT's capital structure, the REIT ended the year with a well-spread debt maturity profile, and a weighted average debt tenor of 2.4 years. Our hedged fixed-rate borrowing weighted average debt tenor tracked closely at 2.3 years. No more than a third of borrowings will mature in any given year, minimising refinancing risk.

We will continue to maintain a well-staggered debt maturity profile for FLCT, extending the debt tenor as we explore options to refinance borrowings ahead of their maturities.

HEDGING STRATEGIES

With 112 properties located across five countries, we derive our revenue in four major currencies: Australian Dollar, Singapore Dollar, Euro and British Pound. This diversification exposes us to foreign exchange and interest rate risks, which could impact our financial performance in an unpredictable and volatile market.

We employ hedging strategies to reduce exposure to foreign exchange and interest rate risks. These include using foreign currency borrowings to match the underlying assets, cross currency swaps to allow for a natural currency hedge, and currency forward contracts to address foreign exchange volatility. A significant portion of FLCT's distributable income (net of anticipated local currency requirements) is hedged to meet distribution payments on a six-to-twelve months rolling basis. We will continue to closely monitor the foreign exchange market and where appropriate, hedge foreign-sourced distributions beyond six months.

Our exposure to interest rate volatilities is managed by maintaining a balanced mix of fixed-rate and floating-rate borrowings. At the end of FY2024, 73.3% of total borrowings were at fixed rates or hedged to fixed rates through interest rate swaps or cross currency interest rate swaps. This balanced approach limits our exposure to interest rate fluctuations, while allowing us to benefit from any rate declines.

Based on FLCT's debt profile as at 30 September 2024, the Manager estimates that for every 50bps increase in interest rates on variable-rate borrowings, the impact on DPU is approximately 0.08 Singapore cents.

Debt Profile by Currency[a]
(As at 30 September 2024)

	$ million	As % of Total
Australian Dollar	196.9	8.6
British Pound	295.6	12.9
Singapore Dollar	598.1	26.2
Euro	1,193.9	52.3
Total Debt	2,284.5	100.0

Interest Rate Profile
(As at 30 September 2024)

Fixed Rate	73.3%
Variable Rate	26.7%

Euro	14.8%
Singapore Dollar	7.1%
Australian Dollar	2.5%
British Pound	2.3%

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

OPERATIONAL REVIEW

A RESILIENT PORTFOLIO OF 112 QUALITY PROPERTIES DIVERSIFIED ACROSS 5 COUNTRIES

$6.8 billion
Portfolio Value

4.2
WALE (years)

2.8 million
Lettable Area (sqm)

94.5%
Occupancy Rate

Logistics & Industrial

104
L&I Properties

98.8%
L&I Occupancy Rate

Commercial

8
Commercial Properties

87.5%
Commercial Occupancy Rate

OPERATIONAL REVIEW

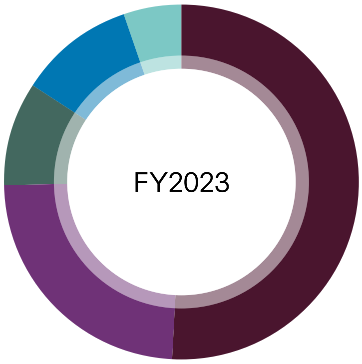
OPERATIONAL REVIEW

We closed the year with a portfolio of 112 modern logistics and industrial, suburban office & business parks, and CBD Office properties across five markets: Australia, Singapore, Germany, the UK and the Netherlands. Our portfolio was valued at $6.8 billion as at 30 September 2024.

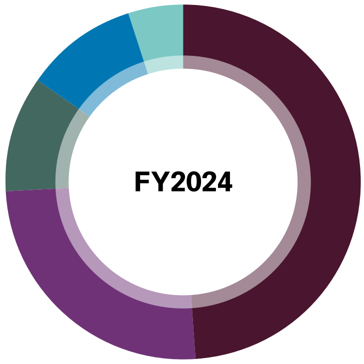
Our team of professional managers has a strong track record of value creation and success in the real estate industry. We continue to apply our knowledge, experience and innovative abilities to improve the quality of our asset portfolio and optimise its operational performance for enhanced returns.

During the year, we continued to rebalance our portfolio through strategic acquisitions and forward funding developments, increasing the share of L&I properties to 71.9% as at 30 September 2024. We acquired interests in four properties located in Germany on a DPU-accretive basis from our Sponsor[1]. A significant milestone was reached in December 2023 with the practical completion of Ellesmere Port, a forward funded state-of-the-art freehold logistics property in the UK. Further extending our logistics footprint, we entered into a forward funded agreement for a freehold development near Maastricht airport in the Netherlands. This project achieved practical completion in October 2024.

Portfolio Value by Geography

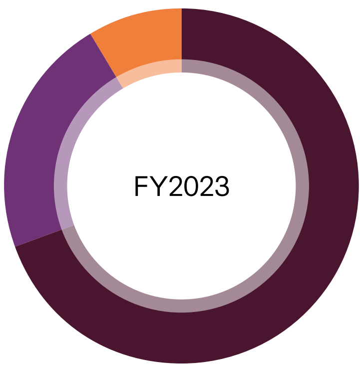


Australia	50.9%
Germany	23.9%
The UK	9.5%
Singapore	10.5%
The Netherlands	5.2%

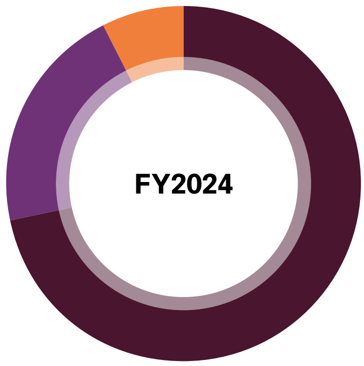


Australia	49.0%
Germany	25.2%
The UK	10.7%
Singapore	10.3%
The Netherlands	4.8%

Portfolio Value by Asset Type



Logistics & Industrial	69.6%
Suburban Office & Business Parks	21.9%
CBD Office	8.5%



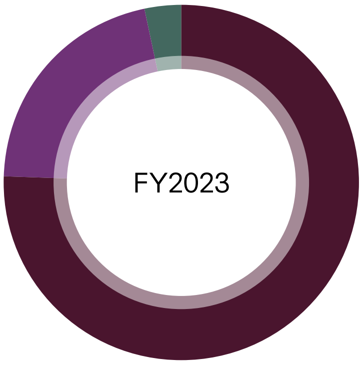
Logistics & Industrial	71.9%
Suburban Office & Business Parks	20.8%
CBD Office	7.3%

1 Valued by CBRE GmbH and Colliers International Valuation GmbH at €130.9 million and €136.7 million respectively

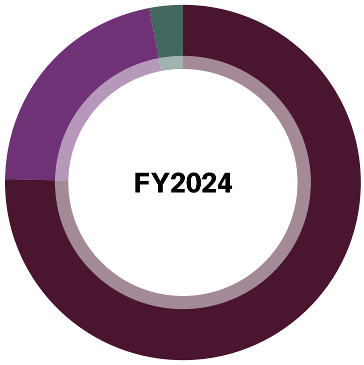
OUR RESILIENCE IS BUILT ON A PRIMARILY FREEHOLD PORTFOLIO

We closed the year with a resilient portfolio constituting 75.3% of freehold and long leasehold properties by value. Properties with a leasehold tenure of more than 75 years comprised 21.8% of our portfolio by value, while other leasehold properties made up the remaining 2.9%.

Portfolio Land Tenure by Value



Freehold	**75.7%**
> 75-year leasehold	**21.2%**
Other leasehold	**3.1%**



Freehold	**75.3%**
> 75-year leasehold	**21.8%**
Other leasehold	**2.9%**

RESILIENCE BOLSTERED THROUGH TENANT DIVERSIFICATION

As an experienced REIT Manager, we are cognisant that the diversity and strength of our tenant base is a key contributor to the resilience of our portfolio.

In FY2024, we continued to maintain a well-diversified base of 321 high-quality and well-established tenants across five countries. Top 10 tenants accounted for 23.6% of our portfolio's GRI with no single tenant accounting for more than 4.5%.

On a segmental basis, Top 10 L&I tenants accounted for 18.1% of our portfolio's GRI with a weighted average lease expiry of 5.3 years.

Our Top 10 Commercial tenants accounted for 14.9% of our portfolio's GRI with a weighted average lease expiry of 2.0 years.

Top 10 L&I Tenants of FLCT by GRI

Reduced Concentration Risk with Top 10 L&I Tenants Accounting for only 18.1% of GRI
(As at 30 September 2024)

Tenant	Country	Type of Business	% of GRI[1]	WALE (years)[1]
Hermes	Germany	3PL/Distribution	3.6%	8.4
CEVA Logistics	Australia	3PL/Distribution	2.7%	1.9
BMW	Germany	Automotive	2.0%	4.1
FDM Warehousing	Australia	3PL/Distribution	1.8%	3.2
Mainfreight	The Netherlands	3PL/Distribution	1.5%	6.4
Schenker	Australia/Germany	3PL/Distribution	1.4%	1.3
Peugeot Motors	The United Kingdom	Automotive	1.4%	14.3
Bosch	Germany	Engineering	1.3%	3.8
Constellium	Germany	Manufacturing	1.3%	2.7
Bakker Logistics	The Netherlands	3PL/Distribution	1.2%	6.1

1 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2024. Excludes straight lining rental adjustments and include committed leases

OPERATIONAL REVIEW

Top 10 Commercial Tenants of FLCT by GRI

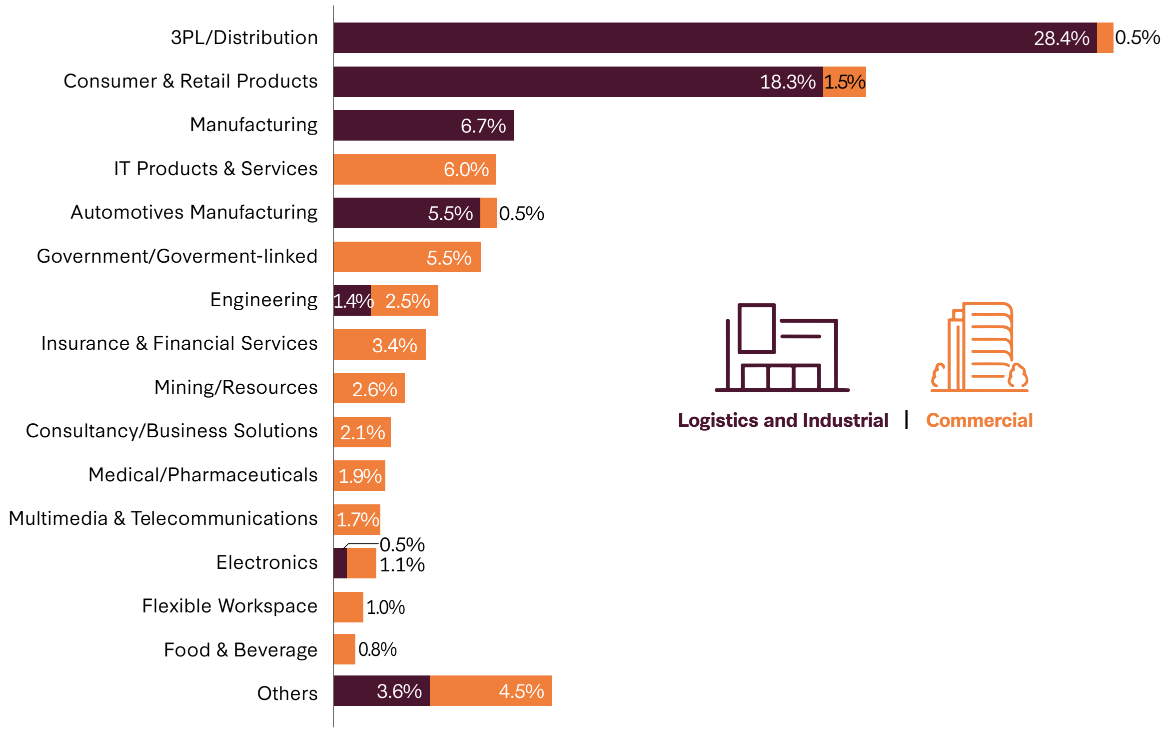
Reduced Concentration Risk with Top 10 Commercial Tenants Accounting for only 14.9% of GRI
(As at 30 September 2024)

Tenant	Country	Type of Business	% of GRI[1]	WALE (years)[1]
Services Australia, Commonwealth of Australia	Australia	Government	4.5%	0.8[2]
Google Asia Pacific	Singapore	Information Technology	2.3%	0.3
Rio Tinto	Australia	Resources	2.2%	5.8
Commonwealth Bank of Australia	Australia	Banking	1.6%	2.3
Service Stream	Australia	Engineering Services	0.9%	0.2
Fluor	The United Kingdom	Engineering Services	0.8%	2.2
Syneos Health	The United Kingdom	Medical/ Pharmaceuticals	0.8%	3.3
Worley	Singapore	Engineering Services	0.7%	0.6
Gymshark	The United Kingdom	Consumer & Retail Products	0.6%	5.3
Olympus	Singapore	Electronics	0.5%	3.2

1 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2024. Excludes straight lining rental adjustments and include committed leases
2 The lease with Commonwealth of Australia was renewed subsequent to 30 September 2024. The adjusted WALE is 12.8 years

Portfolio Tenant Sector Breakdown by GRI

Well-diversified Tenant Base with Positive Exposure to 3PL, Retail and Consumer Sectors
(As at 30 September 2024)



MAINTAINING STABILITY THROUGH PROACTIVE LEASING

Our proactive approach to asset management allows us to minimise tenant related risks and maintain stability of income for FLCT. To realise this, we engage tenants on forward lease renewals to minimise any downtime between lease expiries and new lease commencement dates and to vary lease expiries such that our portfolio lease expiry profile is evenly distributed.

We closed FY2024 with a well-spread lease expiry profile that ensures no more than 15.6% of GRI expires in any given year. As at 30 September 2024, our portfolio had a WALE of 4.2 years and a WALB of 3.9 years.

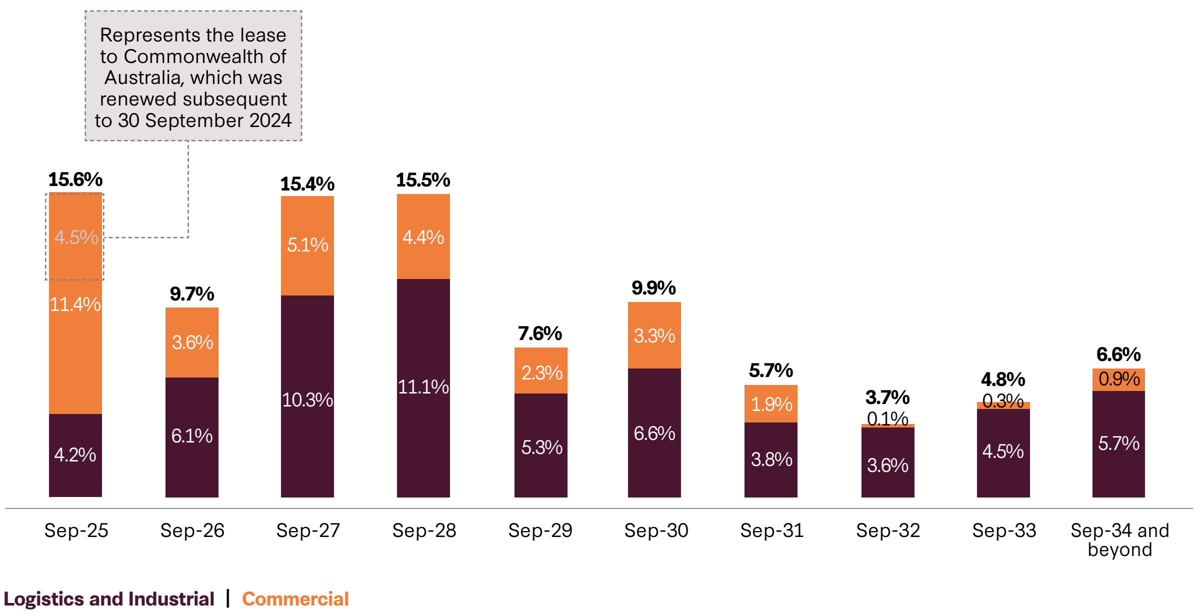
We seek to incorporate step-up rent structures in our leases to provide FLCT with rental growth. These step-up rent structures include periodic fixed rent increments, inflation linked rent adjustments and market reviews. Leases for logistics and industrial assets in Australia generally have fixed annual increments averaging 3.1% while the majority of our leases in Europe incorporate CPI-linked indexation as the rent adjustment mechanism.

During the year, we secured and closed 89 lease renewals and new leases with existing and new tenants during the year. In aggregate, the lease renewals and new leases accounted for approximately 421,000 sqm or 15.1% of our portfolio lettable area.

For the year, we achieved a portfolio average rental reversion of 12.8% on an incoming rent vs. outgoing rent basis, and 23.6% for the average rent of new leases as compared to the average rent of preceding leases basis.

Our overall portfolio occupancy level was 94.5% as at 30 September 2024. By asset class, our L&I portfolio remained near full occupancy at 98.8%, while our commercial portfolio remained relatively stable at 87.5%. The L&I portfolio experienced strong positive rent reversions, reflecting continued robust market rental growth. This growth was particularly evident in land-constrained markets located close to key infrastructure networks and consumer bases, underscoring the strategic value of our asset locations.

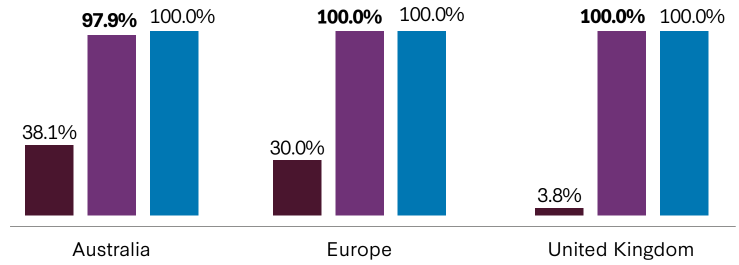
Portfolio Lease Expiry Profile
(As at 30 September 2024)



OPERATIONAL REVIEW

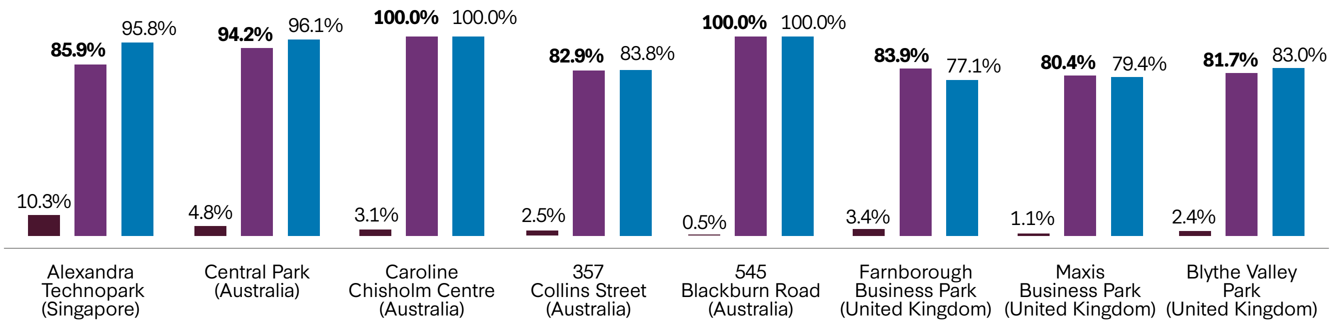
Occupancy Across All Asset Types

Logistics & Industrial Portfolio



% of Portfolio Value | As at 30 Sep 24 | As at 30 Sep 23

Commercial Portfolio



% of Portfolio Value | As at 30 Sep 24 | As at 30 Sep 23

ACTIVE ASSET MANAGEMENT

During the year, the forward funded Ellesmere Port facility in the UK was completed, along with the successful completion of a major façade enhancement project for Central Park in Perth, Australia.

Ellesmere Port is a freehold logistics & industrial development located in UK's North West logistics & industrial market at Hooton Business Park which benefits from exceptional road, rail and sea connectivity. Ellesmere Port has been developed to high building and sustainability specifications and meets BREEAM Outstanding rating and EPC rating of "A". The 61,984 sqm prime property is leased to Peugeot Motor Company Plc on a 15-year lease term.

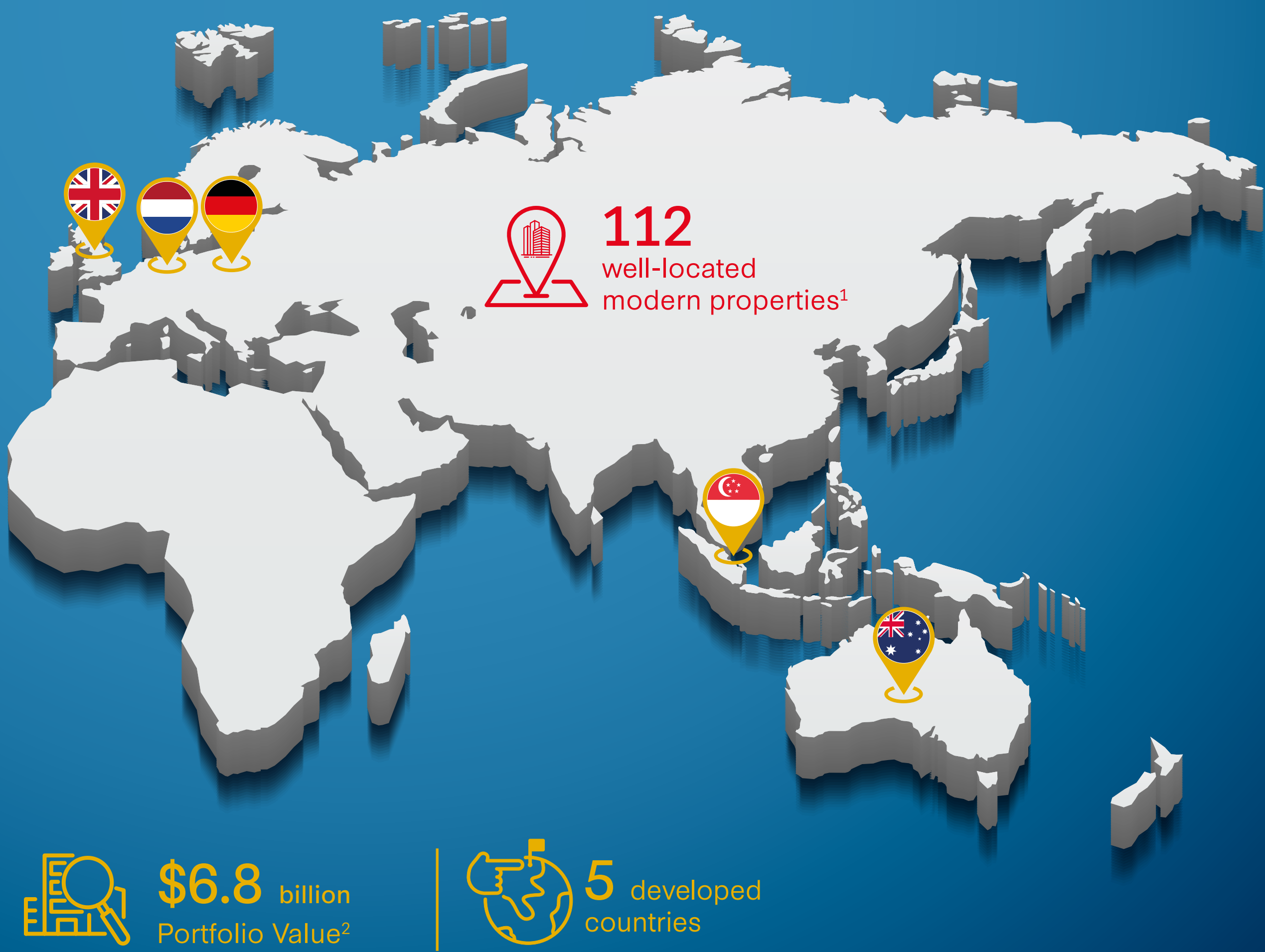
Our 50%-owned, 66,046 sqm commercial building, Central Park, located in the heart of Perth Central Business District underwent a significant transformation with the completion of its façade enhancement project in August 2024. This 3-year project involved the replacement of 7,700 façade panels, enhanced the appeal of Central Park, with the building's occupancy rate increasing from 82.9% as at 31 December 2020 (prior to the commencement of the façade replacement) to 94.2% as at 30 September 2024.

During the year, we also acquired a freehold forward funded logistics development in Maastricht, located in Aviation Valley next to Maastricht Airport, the country's second largest cargo hub. Aviation Valley provides easy access to major national and international logistics routes to Germany, Belgium and throughout the Netherlands. This development is designed to meet BREEAM "Very Good" certification and has been fully-leased on a 10-year lease term . The development was completed subsequent to the year-end in October 2024.

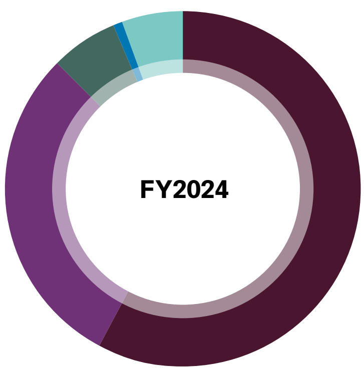
Developments			
Property Location	Ellesmere Port, Cheshire, North West England, United Kingdom	Maastricht-Airport, Limburg, The Netherlands	Central Park, 152-158 St Georges Terrace, Perth, Australia
Development Status	Completed	Ongoing as at 30 September 2024	Completed
Asset Type	Logistics & Industrial	Logistics & Industrial	CBD Office
Net Lettable Area (sqm)	61,984	12,960	66,046
Land Tenure	Freehold	Freehold	Freehold
Tenant(s)	Peugeot Motor Company Plc	Maastricht Logistics Service	Rio Tinto Synergy WeWork
Tenant(s) Trade Sector	Automotive	Shipping/Freight	Resource Flexible Business space
Occupancy as at 30 September 2024	100%	N.A.	94.2%
Valuation as at 30 September 2024	£68.0 million	€15.4 million	A$365.3 million[1]
Development Completion Date	December 2023	October 2024	August 2024

1 Based on 50.0% interest in the property

PORTFOLIO OVERVIEW

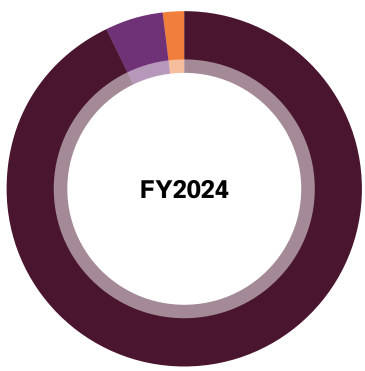


Portfolio Properties by Geography



	No. of Properties
Australia	65
Germany	33
The UK	7
Singapore	1
The Netherlands	6

Portfolio Properties by Asset Type



	No. of Properties
Logistics & Industrial	104
Suburban Office & Business Parks	6
CBD Office	2

1 Excludes the property under development in Europe
2 Excludes the property under development in Europe and right-of-use assets

AUSTRALIA

Portfolio:	Lettable Area:	Valuation:
65 properties	**1,459,912 sqm**	**$3.3 billion**

Australia is the world's 13th largest economy with a GDP of approximately US$1.79 trillion and a population of 26.7 million[1], continuing its trend of strong population growth. In its August 2024 statement, the country's Central Bank, the Reserve Bank of Australia, reported that economic outlook is uncertain and recent data have demonstrated that the process of returning inflation to its 2%-3% target has been slower than expected[2]. Australia's economic activity continues to be weak as reflected in its slow GDP growth, a rise in the unemployment rate and reports that many businesses are under pressure. Despite these broader economic headwinds, the logistics sector has demonstrated resilience, supported by robust e-commerce growth and limited new supply in core markets. Looking ahead, the Central Bank projects GDP growth to pick-up from mid-2024 as growth in household consumption and public demand support activity[3].

FLCT has a strong presence in Australia's major markets located along the eastern and western seaboard. Its portfolio comprises 65 well-located and modern properties, covering Logistics & Industrial, CBD Office and, Suburban Office and Business Park properties, supporting over 140 local and multinational tenants.

For more information, please refer to the Independent Market Report on page 67 of this report.

	No. of Properties
Melbourne	34
Sydney	16
Brisbane	12
Perth	2
Canberra	1

	Logistics and Industrial		Suburban Office and Business Parks		CBD Office		Total	
City (State/Territory)	Properties	Lettable Area (sqm)	Properties	Lettable Area (sqm)	Properties	Lettable Area (sqm)	Properties	Lettable Area (sqm)
Melbourne (Victoria)	32	667,427	1	7,311	1	31,780	34	706,518
Sydney (New South Wales)	16	397,153	-	-	-	-	16	397,153
Brisbane (Queensland)	12	229,808	-	-	-	-	12	229,808
Perth (Western Australia)	1	20,143	-	-	1	66,046	2	86,189
Canberra (Australian Capital Territory)	-	-	1	40,244	-	-	1	40,244
Total	61	1,314,531	2	47,555	2	97,826	65	1,459,912

	Logistics and Industrial		Suburban Office and Business Parks		CBD Office		Total	
City (State/Territory)	Valuation ($ million)	% FLCT Valuation	Valuation ($ million)	% FLCT Valuation	Valuation ($ million)	% FLCT Valuation	Valuation ($ million)	% FLCT Valuation
Melbourne (Victoria)	1,149.7	17.0%	34.6	0.5%	169.7	2.5%	1,354.0	20.0%
Sydney (New South Wales)	984.7	14.5%	-	-	-	-	984.7	14.5%
Brisbane (Queensland)	435.9	6.4%	-	-	-	-	435.9	6.4%
Perth (Western Australia)	9.9	0.2%	-	-	324.5	4.8%	334.4	5.0%
Canberra (Australian Capital Territory)	-	-	210.6	3.1%	-	-	210.6	3.1%
Total	2,580.2	38.1%	245.2	3.6%	494.2	7.3%	3,319.6	49.0%

1 Based on IMF 2024 data. https://worldpopulationreview.com/countries/by-gdp
2 https://www.rba.gov.au/media-releases/2024/mr-24-15.html
3 https://www.rba.gov.au/publications/smp/2024/aug/outlook.html

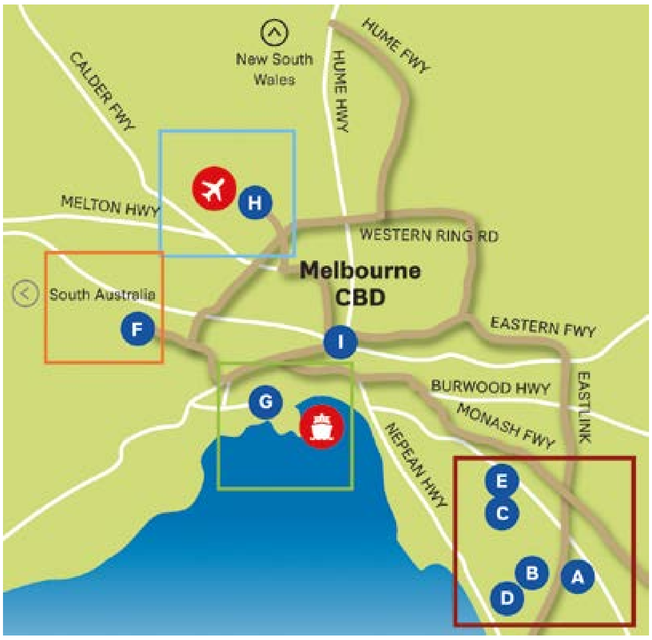
PORTFOLIO OVERVIEW

MELBOURNE, VICTORIA

Portfolio:	Lettable Area:	Valuation:
34 properties	**706,518 sqm**	**$1.4 billion**

Melbourne is the capital of the Australian state of Victoria, and the second-most populous city in Australia with over 5.2 million residents[4]. The city is one of the fastest growing regions in Australia and a significant contributor to the Australian economy with a Gross Regional Product of A$115.7 billion[5].

FLCT's Melbourne portfolio comprises 32 Logistics & Industrial properties, one CBD Office property and one Suburban Office & Business Park property. Our Logistics & Industrial properties are predominantly located in the southeast and west industrial precincts of Melbourne, while our office properties are located in the CBD and south-eastern commercial precinct.



Precinct	Location	Map	Properties	Precinct Characteristics
South East				
	South Park Industrial Estate	A	5	• Good access to the large residential population base through M1 (Monash Freeway) and M3 (Eastlink) • Scarcity of land suitable for developments in the Southeast sub-markets
	The Key Industrial Park	B	9	
	Mulgrave	C	1	
	Braeside Industrial Estate	D	1	
West				
	West Melbourne	F	9	• Access to key freeways, including the Tullamarine Freeway, Citylink Tollway and Western Ring Road, together with the Tullamarine Airport • Accessible to Sydney via the Hume Highway
	Altona Industrial Park	G	1	
North				
	Melbourne Airport Business Park	H	6	• Suitable for logistics, distribution, aerospace, and e-commerce industries, leveraging proximity to air freight facilities and major road networks for time-sensitive operations, including aircraft maintenance and rapid goods transport • Close to the shipping port and access to the M1, Geelong Road, and M80 Western Ring Road
CBD				
	Central Business District	I	1	• Offers a diverse and dynamic office market with options ranging from premium grade towers to creative heritage spaces, catering to a wide spectrum of industries
Suburban Office & Business Park				
	Mount Waverley	E	1	• Located in the heart of City of Monash, one of the most populated municipalities in Victoria.

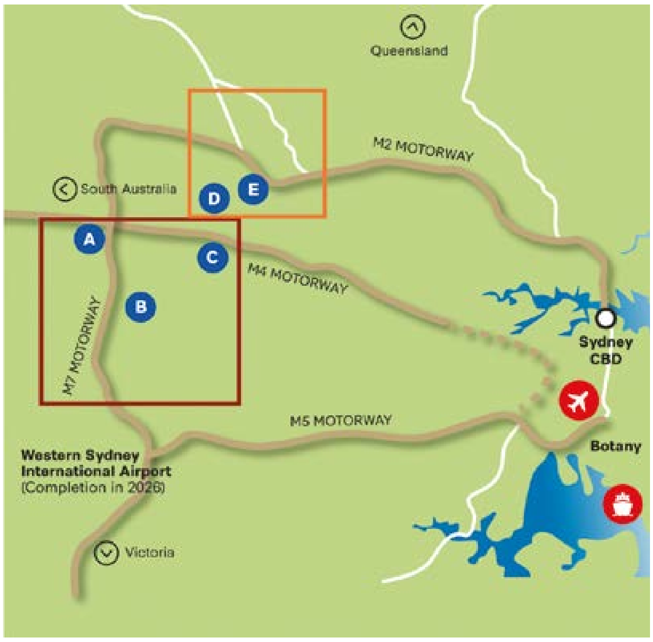
4 https://www.abs.gov.au/statistics/people/population/regional-population/latest-release (As at June 2023)
5 https://www.economy.id.com.au/melbourne/gross-regional-product (For the year 2022/2023)

SYDNEY, NEW SOUTH WALES

Portfolio:	Lettable Area:	Valuation:
16 properties	**397,153 sqm**	**$1.0 billion**

Sydney is the capital city of the state of New South Wales, and the most populous city in Australia with almost 5.4 million residents[6]. With a Gross Regional Product of A$141.7 billion[7], Sydney's economy is primarily driven by industries such as financial and professional services, information technology, health, education and research[8].

Our Sydney portfolio comprises 16 modern Logistics and Industrial properties which are well-located along or nearby major freeways. In general, these properties have excellent connectivity to Sydney's CBD, shipping port and airports.



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

6 https://www.abs.gov.au/statistics/people/population/regional-population/latest-release (As at June 2023)
7 https://www.economy.id.com.au/sydney/gross-product (For the year 2022/2023)
8 https://businessevents.australia.com/en/destinations/sydney/industry-sectors.html

PORTFOLIO OVERVIEW

BRISBANE, QUEENSLAND

Portfolio:	Lettable Area:	Valuation:
12 properties	**229,808 sqm**	**$0.4 billion**

Brisbane is the capital and most populous city of the Australian state of Queensland, and Australia's third most populous city with over 2.7 million residents[9]. The city is one of the major business hubs in Australia, driven by industries such as mining, banking, insurance, transportation, information technology, and real estate. Brisbane's Gross Regional Product was A$153.4 billion for the year 2022/2023[10].

FLCT's Brisbane portfolio comprises 12 Logistics & Industrial properties located primarily in the southern sub-market. This area is well-connected to northern, western and southern Brisbane via a network of accessible roads and motorways.

Precinct	Location	Map	Properties	Precinct Characteristics
Southern				
	Shettlestone Street	A	1	• Largest geographical industrial precinct that has good road linkages to the north, west and south, as well as to the residential population bases in the Gold Coast • Strong demand due to scarcity of land
	Flint Street	B	1	
	Boundary Road	C	1	
	Stradbroke Street	D	1	
	Siltstone Place	E	1	
	Wayne Goss Drive	F	2	
	Platinum Street	G	1	
	Pearson Road	H	2	
Trade Coast				
	Queensport Road	I	1	• Close to key infrastructure, including Port of Brisbane and Brisbane Airport • Access to the north and south via the M1 • Supply is constrained
Northern				
	Earnshaw Road	J	1	• Services the population to the North of Brisbane via Gympie Road, Bruce Highway and Houghton Highway • Limited availability of development land • Government studying to enhance the North-West Transport Network including a A$9.5 billion a six-lane tunnel which would connect with Airport Link

9 https://www.abs.gov.au/statistics/people/population/regional-population/latest-release (As at June 2023)
10 https://www.economy.id.com.au/brisbane/gross-product (For the year 2022/2023)

PERTH, WESTERN AUSTRALIA

Portfolio:	Lettable Area:	Valuation:
2 properties	**86,189 sqm**	**$0.3 billion**

The city of Perth is the fourth largest city in Australia with approximately 2.3 million residents[11]. The capital of Western Australia has an economy which is largely driven by three industries: Mining; Professional, Scientific and Technical Services; and Finance and Insurance.

FLCT's Perth portfolio comprises one Logistics & Industrial property and one CBD Office property. Both properties enjoy strong connectivity to the city's airport and shipping port.

Location	Properties	Precinct Characteristics
Perth Airport	1	• Close to key infrastructure, including Perth Airport and Freemantle Port • Easy access to, or in Perth's CBD • Perth Airport Masterplan 2020 includes a A$2.5 billion upgrade to meet expected air freight demand of 383,000 tonnes by 2040
Perth CBD	1	

CANBERRA, AUSTRALIAN CAPITAL TERRITORY

Portfolio:	Lettable Area:	Valuation:
1 property	**40,244 sqm**	**$0.2 billion**

Canberra is the capital of Australia and home to approximately 0.5 million residents[12]. The city is also home to a number of government related organisations and several technology related industries such as defence, cybersecurity, agri-tech, renewable energy and space. The city also has a vibrant education and tourism sector.

FLCT has a Suburban Office property located in Tuggeranong Town Centre.

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

11 https://www.abs.gov.au/statistics/people/population/regional-population/latest-release (As at June 2023)
12 https://www.abs.gov.au/statistics/people/population/regional-population/latest-release (As at June 2023)

PORTFOLIO OVERVIEW

GERMANY

Portfolio:	Lettable Area:	Valuation:
33 properties	**771,735 sqm**	**$1.7 billion**

In August 2024, Deutsche Bundesbank reported that the weakness of the German economy, which dates back more than two years, continues to face headwinds. The economy continues to be weighed down by weaker industrial and construction activity, partially offset by healthy consumer spending and a buoyant services sector[13]. Central Bank reported that Germany continues to experience a slowing rate of inflation[14], with headline inflation declining from 2.7% in 1Q2024 to 2.6% in 2Q2024. With this backdrop, GDP is forecast to increase by 0.3% in 2024, and grow 1.1% and 1.4% in 2025 and 2026, respectively[15].

FLCT acquired a portfolio of four quality assets in FY2024, increasing its portfolio to 33 in-demand Logistics & Industrial properties located in major global logistics hubs across Germany. The four new assets are located in or around Hamburg, Frankfurt and Saarland.

For more information, please refer to the Independent Market Report on page 77.

Logistics & Industrial Cluster	Properties	Lettable Area (sqm)	Valuation ($ million)	% FLCT Portfolio Valuation
Hamburg – Bremen	3	38,624	143.3	2.1%
Leipzig – Chemnitz	2	29,332	49.1	0.7%
Munich – Nuremberg	6	164,909	355.1	5.3%
Stuttgart – Mannheim	9	273,833	596.2	8.8%
Frankfurt	3	66,254	194.5	2.9%
Dusseldorf – Cologne	6	132,242	222.4	3.3%
Bielefeld	1	22,336	43.4	0.6%
Berlin	1	13,142	63.5	0.9%
Saarland	2	31,063	41.1	0.6%
Total	33	771,735	1,708.6	25.2%

13 https://publikationen.bundesbank.de/publikationen-en/reports-studies/monthly-reports/monthly-report-august-2024-935474?article=the-german-economy-934362
14 https://www.bundesbank.de/en/press/speeches/what-can-we-learn-from-the-recent-disinflation-episode--938964
15 https://www.bundesbank.de/en/press/press-releases/bundesbank-forecast-for-germany-german-economy-slowly-regaining-its-footing-933658 (Latest)

Cluster	Characteristics
Hamburg – Bremen	• Hamburg is Germany's largest port and second largest city • Access to Bremen Airport, Hannover-Langenhagen Airport and Braunschweig-Wolfsburg Airport • Well connected to motorways such as A28, A29, A293, A2 and A391
Leipzig – Chemnitz	• Serviced by Leipzig/Halle Airport and Dresden Airport • Leipzig is well connected via rail and serves as an important junction of the north-to-south and west-to-east railway lines • Chemnitz is situated at the intersection of two key motorways – the A4 Erfurt-Dresden and the A72 Hof-Leipzig Autobahns
Munich – Nuremberg	• Munich is Germany's third largest city and has a strong economy driven by high-tech, biotechnology, IT, automobiles and engineering • Located on the intersection of two core network corridors of the Trans European Transport Network • Serves as a distribution centre and logistics hub for Southern Germany
Stuttgart – Mannheim	• Stuttgart is the largest city in the German state of Baden Wurttemberg and one of the wealthiest regions in Europe, with a high level of employment • Mannheim is Germany's second most important intercity railway junction, with Paris about 3 hours away
Frankfurt	• Frankfurt is Germany's fifth largest city and a global hub for commerce, culture, education, tourism and transportation • Key global gateway in Europe: 3-hour reach to every business metropolis in Europe • Frankfurt Airport is the biggest cargo airport in Germany and one of the largest international airports in the world
Dusseldorf – Cologne	• Dusseldorf is the seventh-largest city in Germany and an international business and financial centre • A major hub in the Deutsche Bahn railway network and is also directly accessible via the A3 motorway • Served by Cologne Bonn Airport (ranked third busiest air cargo hub in Germany) and Dusseldorf International Airport (ranked third in passenger traffic in Germany)
Bielefeld	• Access to Paderborn Lippstadt Airport, Münster Osnabrück International Airport and Hannover Airport • Well-connected to two major motorways, the A2 and A33 • Bielefeld railway station is part of the German ICE high-speed railroad system
Berlin	• Berlin is the capital and the largest city in Germany. Its economy is driven by IT, pharmaceuticals, biomedical engineering, clean tech, biotechnology, construction and electronics industries • Access to Tegel Airport and Schönefeld Airport • Well-connected via rail to all major German cities and many cities in Europe • Convenient access to a network of roads and motorways
Saarland	• Saarland benefits from a well-developed transport infrastructure, including access to major motorways such as the A1, A6, and A8, which connect it to important hubs in Germany and neighbouring countries • Saarland has a strong industrial heritage, with a focus on automotive, steel, and chemical industries. These sectors support logistics and freight operations • Saarland's proximity to France, Luxembourg, and Belgium makes it a key gateway for international trade within Western Europe

PORTFOLIO OVERVIEW

THE UK

Portfolio:	Lettable Area:	Valuation:
7 properties	**220,505 sqm**	**$0.7 billion**

The United Kingdom was the sixth largest economy globally with a 2023 GDP of US$3.3 trillion[16] and a population of approximately 67.6 million[17]. Economic growth was largely stagnant from early 2022 to the end of 2023, but the economy showed early signs of a modest recovery with growth of 0.7% in 1Q2024 and a 0.6% expansion in 2Q2024[18]. Economists in the private sector have an average growth forecast of 1.1% in 2024 and 1.3% in 2025[19].

FLCT's UK portfolio comprises three Business Parks and four L&I properties. The three Business Parks include Farnborough Business Park in Thames Valley, Maxis Business Park in Bracknell, and an integrated logistics and business park located in Solihull, near Birmingham.

Of the four L&I properties, two assets – Connexion and Connexion II – are located in Solihull. One L&I property is located in Worcester, West Midlands, and another in Ellesmere Port, Cheshire.

FLCT's seven UK properties have a total valuation of $721.5 million, and a tenant base of 86 tenants across an aggregate leasable area of 220,505 sqm.

For more information, please refer to the Independent Market Report on page 86.

Location	Logistics and Industrial Properties	Logistics and Industrial Lettable Area (sqm)	Suburban Office and Business Parks Properties	Suburban Office and Business Parks Lettable Area (sqm)	Total Properties	Total Lettable Area (sqm)
Birmingham	2	30,607	1	42,183	3	72,790
Farnborough	-	-	1	51,168	1	51,168
Bracknell	-	-	1	17,829	1	17,829
Worcester	1	16,734	-	-	1	16,734
Cheshire	1	61,984	-	-	1	61,984
Total	4	109,325	3	111,180	7	220,505

16 World Development Indicators database, World Bank, 1 July 2024
17 https://www.ons.gov.uk/ (Latest census as of mid-2022)
18 "UK economy grows strongly in Q2 but slowdown seen ahead", Reuters, 15 August 2024
19 "Forecasts for the UK economy: a comparison of independent forecasts", No.445, HM Treasury, August 2024

City (State)	Logistics and Industrial Valuation ($ million)	Logistics and Industrial % FLCT Portfolio Valuation	Suburban Office and Business Parks Valuation ($ million)	Suburban Office and Business Parks % FLCT Portfolio Valuation	Total Valuation ($ million)	Total % FLCT Portfolio Valuation
Birmingham	105.9	1.6%	159.7	2.3%	265.6	3.9%
Farnborough	-	-	232.0	3.4%	232.0	3.4%
Bracknell	-	-	70.9	1.1%	70.9	1.1%
Worcester	36.1	0.6%	-	-	36.1	0.6%
Cheshire	116.9	1.7%	-	-	116.9	1.7%
Total	258.9	3.9%	462.6	6.8%	721.5	10.7%

Cluster	Characteristics
Birmingham	• Birmingham is the UK's second largest city and a major international commercial, transport, retail, events and conference hub • Strategically located at the heart of the UK's motorway network, adjacent to the J4/M42 with access to M5, M6, M40 and M42 motorways • Close proximity to Birmingham International Airport and strong connectivity with local and regional railways
Farnborough	• Farnborough located in northeast Hampshire, approximately 60 minutes and 40 miles from London's city centre • Easily accessible via the nearby M3, A331 and A325 motorways, and is served by train stations on the South West Main Line (1) and North Downs Line (2) • The area is served by Farnborough Airport, UK's main business jet airport
Bracknell	• Bracknell is a large town located in Berkshire, within the Greater London Urban Area and is home to several notable global companies • The area accessible via the M3 and M4 motorways and is served by two railway stations, Bracknell and Martins Heron • Heathrow Airport is 21km east and Blackbushe Airport is 24km southwest of Bracknell
Worcester	• Worcester is one of the oldest cities in the country • Strategically located 30 miles south-west of Birmingham, 27 miles north of Gloucester and 23 miles north-east of Hereford • Accessible via the M5, M42 and M40 motorways, and three railway stations within the city
Cheshire	• Ellesmere Port is an industrial town within Cheshire County and home to large industries, including Stanlow oil refinery, chemical works and the Vauxhall Motors car factory • Is strategically positioned near major cities like Manchester, Liverpool, and Birmingham, providing easy access to key economic centres in the UK • Cheshire benefits from excellent road connections, including access to major motorways like the M6, M56, and M62, facilitating freight transport across the UK. Rail freight is also supported, with connections to national networks, and its proximity to major ports such as the Port of Liverpool enhances its role in international trade logistics

PORTFOLIO OVERVIEW

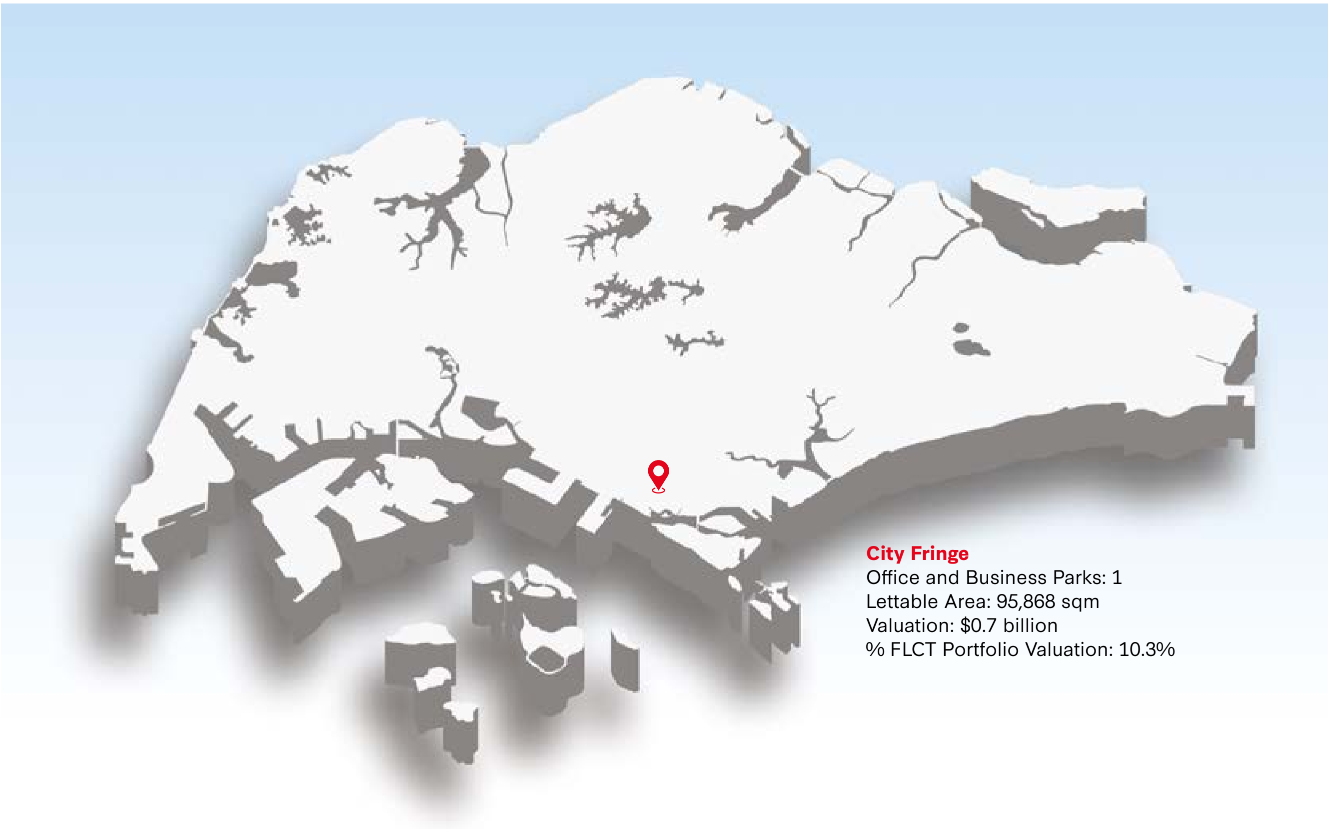
SINGAPORE

Portfolio:	Lettable Area:	Valuation:
1 property	**95,868 sqm**	**$0.7 billion**

In August 2024, the Ministry of Trade and Industry narrowed Singapore's GDP growth forecast for 2024 to "2.0% to 3.0%" from "1.0% to 3.0%" as the external demand outlook is expected to be resilient in 2H2024[20]. Private sector economists expect growth to also be supported by the finance and insurance, construction, and wholesale and retail trade sectors, after the economy expanded by 2.9% in 2Q2024[21].

Located in the southern district of Singapore, Alexandra Technopark is FLCT's flagship and sole property in the country. Valued at $700 million, the quality office & business park has a diverse occupier base of 64 tenants who take up 85.9% of its leaseable area of 95,868 sqm[22].

For more information, please refer to the Independent Market Report on page 94.



20 "MTI Narrows 2024 GDP Growth Forecast to "2.0 to 3.0 Per Cent", Ministry of Trade and Industry, 13 August 2024
21 "Economists raise Singapore's 2024 growth forecast to 2.6%: MAS survey", The Straits Times, 11 September 2024
22 As at 30 September 2024

THE NETHERLANDS

Portfolio:	Lettable Area:	Valuation:
6 properties	**233,548 sqm**	**$0.3 billion**

In June 2024, De Nederlandsche Bank, the Central Bank of The Netherlands, reported that after a period of stagnation, the Dutch economy has entered into a period of moderate growth.[23] Growth is expected to be domestically driven, primarily by higher government and household spending, supported by higher employment, consumer confidence and real wage growth. The Central Bank has forecast GDP growth of 0.5% in 2024, followed by 1.3% in 2025 and 2026.

FLCT's presence in The Netherlands is anchored by a portfolio of six L&I assets in key logistics hubs. These assets are valued at $323.5 million and have an aggregate leasable area of 233,548 sqm.

For more information, please refer to the Independent Market Report on page 99.

Logistics & Industrial Cluster	Properties	Lettable Area (sqm)	Valuation ($ million)	% FLCT Portfolio Valuation
Meppel	1	31,013	44.1	0.7%
Utrecht – Zeewolde	3	151,772	208.5	3.1%
Tilburg – Venlo	2	50,763	70.9	1.0%
Total	6	233,548	323.5	4.8%

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

23 https://www.dnb.nl/en/publications/publications-dnb/edo/dnb-spring-projections-june-2024/

PROPERTY PROFILE

FLCT's portfolio comprises 112 modern industrial and commercial properties valued at $6.8 billion across Australia, Germany, Singapore, the UK and the Netherlands. With strong connectivity to key infrastructure, FLCT's portfolio of assets are predominantly freehold and long leasehold land tenures with a well-diversified tenant base.

AUSTRALIA

Logistics and Industrial | CBD Office | Suburban Office & Business Parks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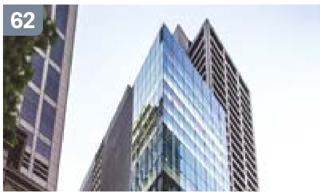
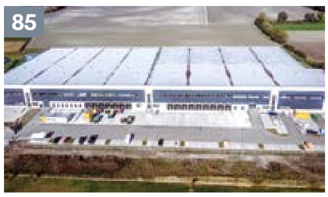
PROPERTY PROFILE



GERMANY
Logistics and Industrial

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SINGAPORE
Suburban Office & Business Parks


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THE UNITED KINGDOM
Logistics and Industrial | Suburban Office & Business Parks


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THE NETHERLANDS
Logistics and Industrial


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PROPERTY PROFILE

AUSTRALIA

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
MELBOURNE: SOUTH EAST									
South Park Industrial Estate									
1	98-126 South Park Drive, Dandenong South	100%	28,062	Freehold	Oct 2006	50.6	30.7	Woolworths	3.0
2	21-33 South Park Drive, Dandenong South	100%	22,106	Freehold	Nov 2005	41.8	21.5	Caprice Australia	2.2
3	22-26 Bam Wine Court, Dandenong South	100%	17,606	Freehold	Sep 2004	31.5	19.7	BAM Wine Logistics	1.9
4	16-32 South Park Drive, Dandenong South	100%	12,729	Freehold	Apr 2009	30.3	12.4	Australia Post	1.3
5	89-103 South Park Drive, Dandenong South	100%	10,425	Freehold	Sep 2005	18.3	11.7	Ecolab	1.1
The Key Industrial Park									
6	17 Pacific Drive and 170-172 Atlantic Drive, Keysborough	100%	30,004	Freehold	Dec 2012	62.0	31.9	BIC Australia QLS Logistics	3.5
7	150-168 Atlantic Drive, Keysborough	100%	27,272	Freehold	Aug 2011	51.5	32.3	Spicers Simon Transport	2.7
8	49-75 Pacific Drive, Keysborough	100%	25,163	Freehold	Dec 2011	45.3	26.2	AutoPacific Australia	2.3
9	77 Atlantic Drive, Keysborough	100%	15,095	Freehold	Aug 2015	30.4	17.0	Miele Australia	1.6
10	78 & 88 Atlantic Drive, Keysborough	100%	13,495	Freehold	Nov 2014	31.5	15.5	AutoPacific Australia Burst Foods	1.8
11	111 Indian Drive, Keysborough	100%	21,660	Freehold	Jun 2016	44.9	29.3	Fluidra Group Australia	3.0
12	29 Indian Drive, Keysborough	100%	21,854	Freehold	Nov 2017	41.5	28.0	Stanley Black & Decker Australia	2.2
13	17 Hudson Court, Keysborough	100%	21,271	Freehold	May 2018	42.5	26.9	Clifford Hallam Healthcare	2.0
14	8-28 Hudson Court, Keysborough	100%	25,762	Freehold	Dec 2016	57.1	31.4	Dana Australia Russell Athletics Licensing Essentials	3.3
Mulgrave									
15	211A Wellington Road, Mulgrave	100%	7,175	Freehold	Apr 2016	28.3	34.0	Mazda Australia	3.2
Braeside Industrial Estate									
16	75-79 Canterbury Road, Braeside	100%	14,263	Freehold	May 2019	31.4	22.1	IVE Group Australia	1.3
MELBOURNE: WEST									
West Park Industrial Estate									
17	468 Boundary Road, Derrimut	100%	24,732	Freehold	Aug 2006	42.5	22.2	CHEP Australia	2.6
18	1 Doriemus Drive, Truganina	100%	74,546	Freehold	Jun 2016	112.8	75.8	CEVA Logistics (Australia)	6.5
19	2-22 Efficient Drive, Truganina	100%	38,335	Freehold	Mar 2015	74.6	37.9	MaxiPARTS Schenker Australia Ryco Group	3.8

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
20	1-13 and 15-27 Sunline Drive, Truganina	100%	26,153	Freehold	Apr 2011	48.9	26.1	Total Logistics Solutions Freight Specialists	2.2
21	42 Sunline Drive, Truganina	100%	14,636	Freehold	Jun 2015	25.3	14.4	Icehouse Logistics	1.2
22	43 Efficient Drive, Truganina	100%	23,088	Freehold	Feb 2017	40.9	22.1	CEVA Logistics (Australia)	2.1
West Industry Park									
23	1 Magnesium Place, Truganina	100%	9,489	Freehold	May 2022	19.8	23.8	Etail Investments Goodride Tyres	1.1
24	11 Magnesium Place, Truganina	100%	7,314	Freehold	May 2022	14.7	17.0	Stoddart Group	0.7
25	17 Magnesium Place, Truganina	100%	8,286	Freehold	May 2022	16.3	19.1	Signet	0.9
Altona Industrial Park									
26	18-34 Aylesbury Drive, Altona	42%	21,493	Freehold	Feb 2015	42.9	20.7	Samsung	1.8
MELBOURNE: NORTH									
Melbourne Airport Business Park									
27	38-52 Sky Road East, Melbourne Airport	100%	46,231	Leasehold (Expires 30 Jun 2047)	Oct 2008	27.5	24.2	Linfox Australia	3.3
28	96-106 Link Road, Melbourne Airport	100%	18,599	Leasehold (Expires 30 Jun 2047)	Jun 2009	16.0	22.7	DHL Global Forwarding (Australia)	2.7
29	17-23 Jets Court, Melbourne Airport	100%	9,869	Leasehold (Expires 30 Jun 2047)	Mar 2009	6.8	7.1	Eagle Lighting Australia ICAL International Customs and Logistics	1.2
30	25-29 Jets Court, Melbourne Airport	100%	15,544	Leasehold (Expires 30 Jun 2047)	Dec 2007	10.6	10.0	Quickstep Holdings John Cotton Australia	1.3
31	28-32 Sky Road East, Melbourne Airport	100%	12,086	Leasehold (Expires 30 Jun 2047)	Aug 2008	7.9	8.1	Navia	1.2
32	115-121 South Centre Road, Melbourne Airport	100%	3,085	Leasehold (Expires 30 Jun 2047)	May 2008	3.3	5.1	Prime Vigor Alternative Freight Service	0.6
SYDNEY: OUTER CENTRAL WEST									
Eastern Creek									
33	4-8 Kangaroo Avenue, Eastern Creek	100%	40,566	Freehold	Dec 2013	123.5	65.2	Schenker Australia ACFS Port Logistics	6.8
34	21 Kangaroo Avenue, Eastern Creek	100%	41,401	Freehold	Jul 2015	128.4	54.7	Techtronic Industries Australia	5.8
35	17 Kangaroo Avenue, Eastern Creek	100%	23,112	Freehold	Jun 2015	59.3	32.3	Fisher & Paykel Australia	3.3
36	7 Eucalyptus Place, Eastern Creek	100%	16,074	Freehold	Dec 2014	51.5	24.7	FDM Warehousing	2.5
37	2 Hanson Place, Eastern Creek	100%	32,839	Freehold	Mar 2019	110.2	59.1	FDM Warehousing	5.0
Pemulwuy									
38	8-8A Reconciliation Rise, Pemulwuy	100%	22,511	Freehold	Dec 2005	78.9	32.0	Inchcape Australia Ball & Doggett	3.4
39	6 Reconciliation Rise, Pemulwuy	100%	19,218	Freehold	Apr 2005	64.3	28.7	Ball & Doggett	3.4

PROPERTY PROFILE

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
Wetherill Park									
40	1 Burilda Close, Wetherill Park	100%	18,848	Leasehold (Expires 29 Sep 2106)	Sep 2016	74.2	52.5	Martin Brower Australia	6.1
41	Lot 1, 2 Burilda Close, Wetherill Park	100%	14,333	Leasehold (Expires 14 Jul 2106)	Jul 2016	31.2	19.3	Survitec Phoenix Distribution	2.1
42	3 Burilda Close, Wetherill Park	100%	20,078	Leasehold (Expires 14 May 2107)	May 2017	48.4	28.4	Nick Scali Cormack Holdings	2.9
SYDNEY: OUTER NORTH WEST									
Seven Hills									
43	8 Distribution Place, Seven Hills	100%	12,319	Freehold	May 2008	38.5	20.6	Cabac	1.9
44	99 Station Road, Seven Hills	100%	10,772	Freehold	Mar 2011	34.6	15.6	RF Industries	1.7
45	10 Stanton Road, Seven Hills	100%	7,065	Freehold	Apr 2003	21.1	11.1	CSR Building Products	1.1
46	8 Stanton Road, Seven Hills	100%	10,708	Freehold	May 2002	35.2	14.4	EFM Logistics	1.7
Winston Hills									
47	11 Gibbon Road, Winston Hills	100%	16,648	Freehold	May 2015	62.4	34.7	Tailored Packaging Toshiba International	3.4
SYDNEY: WOLLONGONG									
Port Kembla									
48	Lot 104 & 105 Springhill Road, Port Kembla	100%	90,661	Leasehold (Expires 13 Aug 2049 and 20 Aug 2049)	Aug 2009	23.0	24.0	Inchcape Australia Tesla Motors Australia	3.9
BRISBANE: SOUTHERN									
49	99 Shettleston Street, Rocklea	100%	15,186	Leasehold (Expires 19 Jun 2115)	Jan 2002	22.5	20.9	Orora	1.8
50	30 Flint Street, Inala	100%	15,052	Leasehold (Expires 19 Jun 2115)	Jan 2013	27.5	22.5	B-Dynamic Logistics	1.9
51	55-59 Boundary Road, Carole Park	0%	13,250	Leasehold (Expires 19 Jun 2115)	May 2004	20.9	13.8	N/A	0.9
52	51 Stradbroke Street, Heathwood	100%	14,916	Leasehold (Expires 19 Jun 2115)	Jun 2002	32.0	20.8	B & R Enclosures	1.9
53	10 Siltstone Place, Berrinba	100%	9,797	Leasehold (Expires 19 Jun 2115)	Oct 2014	17.2	12.2	TCK Alliance	1.1
54	103-131 Wayne Goss Drive, Berrinba	100%	19,487	Freehold	Sep 2017	37.8	28.0	Eastcoast Freight Paccar Australia	2.1
55	29-51 Wayne Goss Drive, Berrinba	100%	15,456	Freehold	Oct 2016	30.8	22.7	Avery Dennison Materials PFM	2.0
56	57-71 Platinum Street, Crestmead	100%	20,518	Leasehold (Expires 19 Jun 2115)	Nov 2000	42.6	26.6	Stramit Corporation	2.9

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
57	143 Pearson Rd, Yatala	100%	30,618	Leasehold (Expires 30 August 2115)	Jul 2016	53.5	33.1	Visy Glass Operations (Australia)	3.0
58	166 Pearson Road, Yatala	100%	23,218	Freehold	Oct 2017	43.4	30.7	Beaulieu Carpets	2.9
	BRISBANE: TRADE COAST								
59	286 Queensport Road, North Murarrie	100%	21,531	Leasehold (Expires 19 Jun 2115)	Sep 2004	42.4	32.3	CEVA Logistics (Australia)	2.8
	BRISBANE: NORTHERN								
60	350 Earnshaw Road, Banyo	100%	30,779	Leasehold (Expires 19 Jun 2115)	Dec 2009	65.3	45.7	H.J. Heinz Co. Australia	3.9
	PERTH								
61	60 Paltridge Road, Perth Airport	100%	20,143	Leasehold (Expires 3 Jun 2033)	Feb 2009	9.9	16.6	Foodfolk Electrolux Home Products	2.4

	CBD Commerical Property	Occupancy (%)	Lettable Area (sq m)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
	MELBOURNE: CBD								
62	357 Collins Street, Melbourne	83%	31,780	Freehold	Dec 2012	169.7	305.2	23 tenants. Key tenants include: Commonwealth Bank of Australia Service Stream Meridian Lawyer	16.1
	PERTH: CBD								
63	Central Park, 152-158 St Georges Terrace, Perth	94%	66,046	Freehold	1992	324.5	289.0	32 tenants. Key tenants include: Rio Tinto Shared Services WeWork Australia Australia Energy Market Operator Synergy IOOF Service	23.6

	Suburban Office & Business Parks	Occupancy (%)	Lettable Area (sq m)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
	CANBERRA: TUGGERANONG								
64	Caroline Chisholm Centre, Block 4 Section 13, Tuggeranong	100%	40,244	Leasehold (Expires 25 Jun 2101)	Jun 2007	210.6	228.0	Commonwealth of Australia (Services Australia)	21.3
	MELBOURNE: MOUNT WAVERLEY								
65	545 Blackburn Road, Mount Waverley	100%	7,311	Freehold	Nov 2016	34.6	59.3	9 tenants. Key tenants include: General Mills Sushi Sushi ECI MST Lawyers	3.4

PROPERTY PROFILE

GERMANY

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
HAMBURG – BREMEN									
66	Am Krainhop 10, Isenbüttel	100%	15,589	Freehold	Jul 2014	26.0	23.6	Volkswagen	1.7
67	Am Autobahnkreuz 14, Rastede	100%	11,491	Freehold	Nov 2015	27.9	25.9	Broetje-Automation	2.3
68	Billbrookdeich 167-171,Hamburg	100%	11,545	Leasehold	Jan 2019	89.4	82.2	Hermes Germany	2.4
LEIPZIG – CHEMNITZ									
69	Johann-Esche-Straße 2, Chemnitz	100%	17,795	Freehold	Jan 2007	25.8	23.0	VW Sacysen GmbH	2.0
70	Am Exer 9, Leipzig	100%	11,537	Freehold	Sep 2013	23.3	17.9	Eldra Kunststoffechnik GmbH	1.6
MUNICH – NUREMBERG									
71	Oberes Feld 2, 4, 6, 8, Moosthenning	100%	72,558	Freehold	Jul 2009, Aug 2012 and Aug 2015	115.8	94.2	BMW	6.2
72	Koperstraße 10, Nuremberg	100%	44,221	Leasehold (Expires 31 Dec 2080)	Apr 2015 and Jul 2018	90.4	58.2	Roman Mayer Logistik Hellmann Worldwide Logistics Johnson Outdoors Vertriebsgesellschaft	5.8
73	Industriepark 1, Mamming	100%	14,193	Freehold	Aug 2013	26.5	21.9	BMW	1.6
74	Jubatus-Allee 3, Ebermannsdorf	100%	9,389	Freehold	Apr 2005	15.2	10.5	Grammar Automotive	1.0
75	Hermesstraße 5, Graben, Augsburg	100%	11,534	Freehold	Feb 2018	56.4	48.5	Hermes Germany	2.7
76	Dieselstraße 30, Garching	100%	13,014	Freehold	Jan 2008	50.8	43.3	EDEKA Aktiengesellschaft	2.9
STUTTGART – MANNHEIM									
77	Industriepark 309, Gottmadingen	100%	55,007	Freehold	Between 1999 and 2017	88.3	66.4	Constellium	6.4
78	Otto-Hahn Straße 10, Vaihingen	100%	43,756	Freehold	Mar 2014	83.6	68.9	Dachser DSV Solutions	4.7
79	Eiselauer Weg 2, Ulm	100%	24,525	Freehold	Aug 2009	65.5	58.3	Transgourmet	3.6
80	Murrer Straße 1, Freiberg am Neckar	100%	21,104	Freehold	Sep 2013	49.9	45.5	Müller Die Lila Logistik Deutschland GmbH	2.8
81	Ambros-Nehren-Straße 1, Achern	100%	12,304	Freehold	Jul 2009, Aug 2012 and Aug 2015	24.5	18.6	Ziegler	1.2
82	Am Bühlfeld 2-8, Herbrechtingen	100%	44,501	Freehold	Apr 2015 and Jul 2018	68.5	45.7	Kentner	2.9
83	Bietigheimer Straße 50 – 52, Tamm	100%	38,932	Freehold	Aug 2013	113.2	99.5	Bosch	6.3
84	Buchäckerring 18, Bad Rappenau	100%	13,125	Freehold	Mar 2017	60.5	65.3	Hermes Germany	3.0
85	Am Römig 8, Frankenthal	100%	20,579	Freehold	Feb 2018	42.2	47.8	BASF	2.4

	Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
FRANKFURT									
86	Im Birkengrund 5-7, Obertshausen	100%	23,291	Freehold	Dec 2016	50.4	41.9	Amor Mühle Verpackungs-und Dienstleistungs	3.0
87	Genfer Allee 6, Mainz	100%	13,148	Freehold	Sep 2017	75.1	88.4	Hermes Germany	4.1
88	Hans-Fleissner-Strasse 46-48, Egelsbach	100%	29,815	Freehold	Jan 2020	69.0	58.5	Posagenda 1 & 2 TB International	2.2
DÜSSELDORF - COLOGNE									
89	Saalhoffer Straße 211, Rheinberg	100%	31,957	Freehold	Sep 2016	49.9	39.5	BMW	2.8
90	Elbestraße 1-3, Marl	100%	16,831	Freehold	Jul 1995, Jun 2002 and May 2013	22.6	19.4	Bunzl	1.5
91	Keffelker Straße 66, Brilon	100%	13,352	Freehold	Nov 2009	17.3	14.0	Hitachi	1.3
92	Gustav-Stresemann-Weg 1, Münster	100%	12,960	Freehold	Jul 2009	21.0	20.5	Rieter Components Germany GmbH	1.6
93	An den Dieken 94, Ratingen	100%	37,738	Freehold	Mar 2014	78.4	67.2	Keramag Keramische WerkeAG HAAF	4.3
94	Walter-Gropius-Straße 19, Bergheim	100%	19,404	Freehold	Jun 2001, Oct 2018	33.2	27.8	STACI Deutschland GmbH GILOG Gesellschaft für Innovative Logistik	2.1
BIELEFELD									
95	Fuggerstraße 17, Bielefeld	100%	22,336	Freehold	Jul 2017	43.4	35.7	B+S GmbH Logistik und Dienstleistunge	2.7
BERLIN									
96	Gewerbegebiet Etzin 1, Berlin	100%	13,142	Freehold	Oct 2017	63.5	58.9	Hermes Germany	3.1
SAARLAND									
97	Werner von Siemensstrasse 44, Saarwellingen	100%	9,298	Freehold	Jan 2005	12.6	10.0	Schenker Deutschland	0.6
98	Thomas-Dachser-Strasse 3, Überherrn	100%	21,765	Freehold	Jan 2006	28.5	23.6	Dachser	0.8

SINGAPORE

	Suburban Office & Business Parks	Occupancy (%)	Lettable Area (sq m)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	# of Tenants and Key Tenants	Gross Revenue FY2024 ($m)
SINGAPORE: CITY FRINGE									
99	Alexandra Technopark, 438A/438B/438C Alexandra Road	85.9%	95,868	Leasehold (Expires 25 Aug 2108)	Dec 1996, Mar 1998 and Jun 2018	700.0	606.0	64 tenants. Key tenants include: Google Asia Pacific Worley Olympus Singapore	52.1

PROPERTY PROFILE

THE UNITED KINGDOM

Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	Tenants	Gross Revenue FY2024 ($m)
BIRMINGHAM & WEST MIDLANDS								
100 Connexion, Blythe Valley Business Park, Shirley, Solihull	100%	19,534	Freehold	Sep 2018	64.6	71.6	Hofer Powertrain Gymshark Sunbelt Rentals Evac+Chair	3.4
101 Connexion II, Blythe Valley Business Park, Shirley, Solihull	100%	11,074	Freehold	Feb 2023	41.3	9.3	Solotech UK Group Reeley Limited Tesla Motors Limited	2.4
102 Worcester, West Midlands	100%	16,734	Freehold	Feb 2023	36.1	51.6	Alliance Flooring Distribution Limited	1.8
CHESHIRE								
103 Ellesmere Port, Cheshire	100%	61,984	Freehold	Dec 2023	116.9	169.7	Peugeot Motors	5.1

Suburban Office & Business Parks	Occupancy (%)	Lettable Area (sq m)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	# of Tenants and Key Tenants	Gross Revenue FY2024 ($m)
BIRMINGHAM								
104 Blythe Valley Business Park, Shirley, Solihull	81.7%	42,183	Freehold	Jan 1999 and Mar 2021	159.7	226.2	28 tenants. Key tenants include: Lounge Underwear Gymshark Virgin Active Regus	17.0
BRACKNELL								
105 Maxis Business Park, 43 Western Road, Bracknell	80.4%	17,829	Freehold	2009	70.9	121.1	10 tenants. Key tenants include: Panasonic UK Allegis Group Evelyn Partners	9.7
FARNBOROUGH								
106 Farnborough Business Park, Hampshire	84.0%	51,168	Freehold	1992 to 2019	232.0	311.4	39 tenants. Key tenants include: Fluor Syneos Health UK Entserv UK Siemens GAMA Group	23.6

THE NETHERLANDS

Logistics and Industrial Property	Occupancy (%)	Lettable Area (sqm)	Title	Completion Date	Valuation as at 30 Sep 2024 ($m)	Purchase Price ($m)	# of Tenants and Key Tenants	Gross Revenue FY2024 ($m)
MEPPEL								
107 Mandeveld 12, Meppel	100%	31,013	Freehold	May 2018	44.1	36.6	FrieslandCampina	2.6
UTRECHT – ZEEWOLDE								
108 Handelsweg 26, Zeewolde	100%	51,703	Freehold	Jul 1994, Jul 2000 and Jul 2010	66.3	55.5	Bakker Logistiek	4.4
109 Innovatielaan 6, De Klomp, Ede	100%	15,263	Freehold	June 2021	32.3	30.3	Hendi B.V.	1.9
110 Brede Steeg 1, s-Heerenberg	100%	84,806	Freehold	Between 2001 and 2009	109.9	92.0	Mainfreight	6.7
TILBURG – VENLO								
111 Heierhoevenweg 17, Venlo	100%	32,642	Freehold	Oct 2015	45.9	36.1	DSV Solutions	2.3
112 Belle van Zuylenstraat 5, Tilburg	100%	18,121	Freehold	Jul 1996 and Jul 2000	25.0	21.1	Bakker Logistiek	1.5

INVESTOR RELATIONS

From the onset, we are committed to maintaining a high standard of investor relations in our engagement with unitholders, investors, analysts, media, and other key stakeholders. Through consistent and transparent communication, we aim to foster long-term relationships and contribute to sustainable value creation for our unitholders as well as other stakeholders in the financial community.

Our priority is to provide our stakeholders with accurate accounts of FLCT's corporate developments, operational activities and financial performance through fair, regular, timely and transparent communication. We believe that our actions enable our unitholders to make informed and timely investment decisions through market cycles.

PROACTIVE APPROACH TO INVESTOR COMMUNICATION

Our proactive approach to investor communication covers multiple platforms, allowing us to effectively disseminate timely disclosures to our stakeholders. We leverage various communication channels including Singapore Exchange's SGXNet, our corporate and investor relations website, and targeted social media platforms.

Our comprehensive corporate and investor relations website serves as a central hub for stakeholders. Here, visitors can access essential information on FLCT's operational and financial performance, as well as insights into industry trends and market outlook. We regularly update the website with our latest investor relations materials, including corporate announcements, news releases, financial statements, investor and quarterly presentations, webcast of results briefings, and analyst coverage information.

Visit FLCT's Investor Relations Website
https://flct.frasersproperty.com/home.html

FOSTERING STRONG RELATIONSHIPS WITH INVESTORS

To foster goodwill and strong relationships with investors, we conduct one-on-one calls, online meetings, non-deal roadshows and in-person briefings to update on our strategy, business, industry and outlook.

In FY2024, we engaged over 310 global institutional investors through various investor engagement events. These institutional investor meetings allow for a more in-depth discussion on our prospects and recent developments, and build FLCT's presence in the investment community.

Our Annual General Meeting ("AGM") is an annual event which allows the board and management to engage unitholders and communicate our strategies and long-term plans.

Our most recent AGM was held in Singapore on 23 January 2024. The event was well-attended with more than 400 unitholders and proxies in attendance. In line with investor relations best practices, unitholders were invited to submit their questions ahead of the event, and we published our responses on SGXNet and our investor relations website.

In keeping with regulatory requirements, a formal announcement of voting results was uploaded to SGXNet on the same day as the AGM, and minutes of the general meeting, which include details of unitholders' queries and responses, were made available for public viewing on SGXNet and our investor relations website.

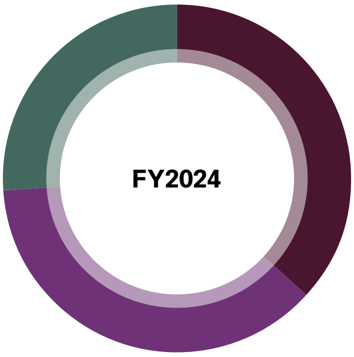
Furthermore, we provide a dedicated investor relations contact to ensure that our unitholders and the investing community continue to have access to the REIT Manager.

ANALYST ENGAGEMENT

Our multi-faceted investor relations program focuses on maintaining strong sell-side analyst engagement. As at 30 September 2024, 11 regional and global sell-side research houses actively cover FLCT:

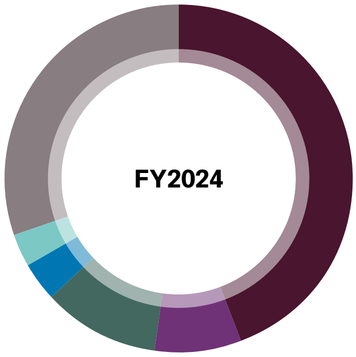
1. BofA Securities
2. CGSI
3. Citi Investment Research
4. DBS Group Research
5. HSBC Global Research
6. J.P. Morgan
7. Macquarie Securities
8. Morgan Stanley Research
9. Morningstar Equity Research
10. OCBC Investment Research
11. UOB KayHian

Unitholders by Type
(As at 13 September 2024)



Institutional	**36.9%**
Retail	**37.0%**
Sponsor and related entities	**26.1%**

Unitholders by Geography
(As at 13 September 2024)



Singapore	**44.4%**
Asia (ex. Singapore)	**8.0%**
North America	**10.8%**
UK	**3.5%**
Europe (ex. UK)	**3.2%**
Rest of World / Unallocated	**30.1%**

FLCT FY2024 Investor Relations Calendar

Event / Activity	Date
2HFY2023 and FY2023 Results Announcement	2 November 2023
Final Distribution to Unitholders	14 December 2023
Annual General Meeting	23 January 2024
1QFY2024 Business Update	30 January 2024
1HFY2024 Results Announcement	7 May 2024
Interim Distribution to Unitholders	18 June 2024
3QFY2024 Business Update	31 July 2024
2HFY2024 and FY2024 Results Announcement	6 November 2024

FLCT FY2025 Planned Events and Activities

Event / Activity	Indicative Date
Annual General Meeting	15 January 2025
1QFY2025 Business Updates	4 February 2025
1HFY2025 Results Announcement	7 May 2025
3QFY2025 Business Updates	31 July 2025
2HFY2025 and FY2025 Results Announcement	7 November 2025

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

INVESTOR RELATIONS CONTACT

The REIT Manager values and welcomes feedback from unitholders and other stakeholders.
For enquiries or feedback on FLCT, please contact:

Mr Ng Chung Keat
Vice President, Investor Relations & Sustainability
Frasers Logistics & Commercial Asset Management Pte Ltd
Phone +65 6276 4882
Email: ir_flct@frasersproperty.com
Website: www.frasersproperty.com/reits/flct

UNIT PRICE PERFORMANCE

FY2024 UNIT PRICE PERFORMANCE

The elevated interest rate environment that began at the start of 2022 persisted into early 2024, curbing investor interest and hindering the growth of S-REITs. Although there was a brief surge of optimism regarding potential US Fed rate cuts, this faded by mid-2024, restricting a broader sector recovery in 2H2024.

Amidst this challenging environment, FLCT units started FY2024 with an opening price of $1.07 per unit on 2 October 2023. Our units touched a period-low close of $0.925 in July 2024, before achieving a period-high close of $1.18 per unit in September 2024 in an environment of increasing interest in S-REITs. We closed FY2024 with a unit price of $1.15 on 30 September 2024, reflecting a 7.5% increase compared to $1.07 per unit on 30 September 2023.

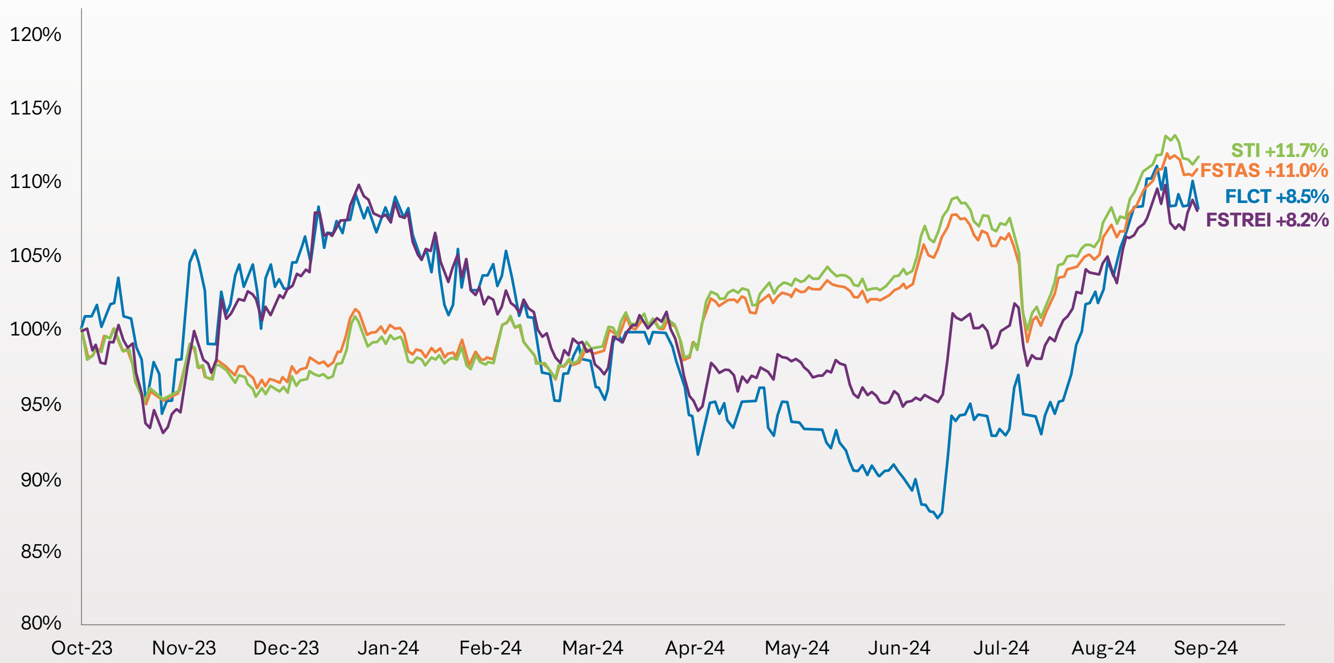
Notably, subsequent to the Federal Reserve's guidance on potential interest rate cuts on 23 August 2024, FLCT saw strong trading performance. Its units rose 6.5% for the period to 30 September 2024, outpacing the broader REIT market as represented by the FTSE ST All-Share Real Estate Investment Trusts Index, which rose by 3.8%. This performance positioned FLCT as one of the top performers among S-REITs during this resurgence of interest in the sector.

Our trading liquidity remained healthy as FLCT continued to retain strong interest from investors as described in the Investor Relations section of this annual report. The average daily traded volume of our units in FY2024 was 11.4 million units, an increase of 14.0% compared to 10.0 million in FY2023. We closed the period with a market capitalisation of $4.3 billion, compared to $4.0 billion in the year ago period.

We have continued to deliver returns to Unitholders over the long-term. Investors who have been with us since our IPO in 2016, have realised a total return of 106.9%. This compares to total returns of 59.1% and 74.3% delivered by the FTSE REIT Index and FTSE ST All Share Index respectively.

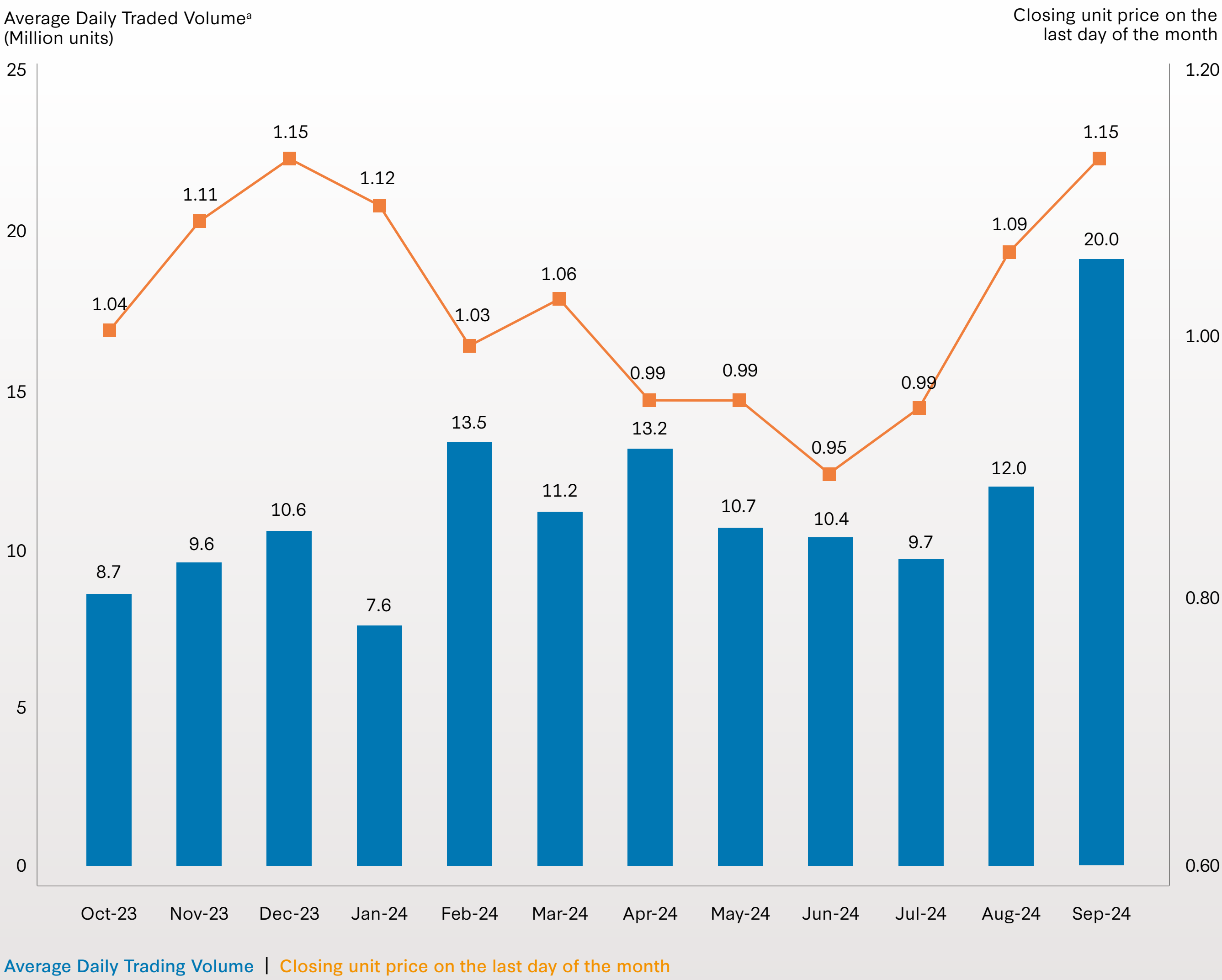
FLCT is a constituent of the 30-component Straits Times Index since April 2021 and a constituent stock of the FTSE EPRA/NAREIT Global Developed Index since March 2019.

FLCT UNIT PRICE PERFORMANCE VS MAJOR INDICES IN FY2024



Source: Bloomberg LLP

FLCT MONTHLY TRADING PERFORMANCE IN FY2024



Source: Bloomberg LLP
a Sum of the daily traded volume in the respective month

FLCT UNIT PRICE PERFORMANCE OVER THE PAST 5 YEARS

	FY2020	FY2021	FY2022	FY2023	FY2024
Opening Price ($)	1.240	1.39	1.51	1.21	1.07
Closing Price ($)	1.390	1.52	1.23	1.07	1.15
High Close ($)	1.460	1.57	1.53	1.46	1.18
Low Close ($)	0.665	1.21	1.21	1.06	0.925
Average Daily Traded Volume (million units)	10.1	10.3	8.9	10.0	11.4
Market Capitalisation as at 30 September ($ million)[1]	4,744.4	5,588.2	4,546.3	4,006.7	4,321.5

Source: Bloomberg LLP
1 Based on the closing price and number of issued units as at the last trading day of the respective financial year

UNIT PRICE PERFORMANCE

FLCT UNIT TOTAL RETURNS

	1-Year[1]		3-Years[1]		5-Years[1]		IPO to end FY2024[1]	
	Price Change %	Total Return[2] %	Price Change %	Total Return[2] %	Price Change %	Total Return[2] %	Price Change %	Total Return[2] %
FLCT	8.5%	16.1%	-23.8%	-9.6%	-8.0%	21.9%	27.4%	106.9%
FTSE REIT Index	8.2%	15.1%	-15.1%	1.3%	-22.3%	1.8%	-0.1%	59.1%
FTSE ST All Share Index	11.0%	17.2%	11.1%	28.6%	9.1%	36.5%	22.5%	74.3%
STI Index	11.7%	18.0%	17.5%	35.6%	15.5%	43.7%	28.5%	81.1%

Source: Bloomberg LLP
1 Up to 30 September 2024
2 Assumes dividends are reinvested

COMPARATIVE RETURNS

	%
Total Return of FLCT Units for IPO Investors[1]	106.9%
FLCT FY2024 Total Return[2]	16.1%
FTSE ST REIT Index FY2024 Total Return[2]	15.1%
FTSE ST All Share Index FY2024 Total Return[2]	17.2%
FLCT FY2024 Dividend Yield[3]	5.9%
FTSE REIT Index 2024E Dividend Yield[4]	5.6%
FTSE STI Index 2024E Dividend Yield[4]	5.2%
CPF Interest Rate[5]	2.5%
10-Year Singapore Government Bond Yield[6]	2.62%
12-month Fixed Deposit Rate of Singapore Dollar Denominated Deposits Offered to Non-Bank Customers[7]	2.35%

Notes:
1 Bloomberg LLP. For the period from 21 June 2016 to 30 September 2024. Calculation of total return assumed distributions paid during the period are reinvested
2 Bloomberg LLP. For the period from 1 October 2023 to 30 September 2024. Calculation of total return assumed distributions paid during the period are reinvested
3 Calculated based on FLCT's closing unit price of $1.15 per Unit as at 30 September 2024, and total DPU of 6.80 Singapore cents declared for FY2024
4 Bloomberg LLP. Data extracted 4 October 2024
5 Based on the interest rate paid for the CPF Ordinary Account (1 October 2024 to 31 December 2024) (https://www.cpf.gov.sg/Members/AboutUs/about-us-info/cpf-interest-rates)
6 10-year government bond yield on 30 September 2024 (https://www.mas.gov.sg/bonds-and-bills/SGS-Bond-Statistics)
7 12 Month Fixed Deposit Rate of Singapore Dollar Denominated Deposits Offered to Non-Bank Customers (https://eservices.mas.gov.sg/statistics/msb-xml/Report.aspx?tableSetID=III&tableID=III.3A)

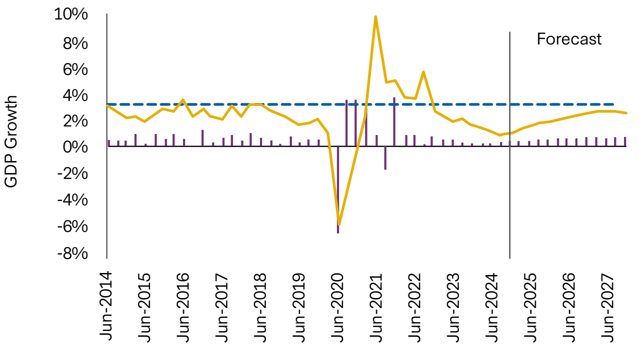
INDEPENDENT MARKET RESEARCH

Australia

MACROECONOMIC OVERVIEW & OUTLOOK

Australia's economic growth slowed in the quarter ending June 2024, with Gross Domestic Product (GDP) growing 0.2%. On an annual basis, GDP rose 1.0%. The Australian economy has had 11 consecutive quarters of positive economic growth. Population tailwinds have contributed to expansion in economic activity. Australia's population grew 2.3% year-on-year (y-o-y) as of March 2024, well above the 20-year average of 1.5% growth per annum (p.a.). Australian per-capita GDP has recorded negative growth for six consecutive quarters as high interest rates and cost of living pressures reduce per capita consumption. This is reflected in the household savings ratio, which has averaged 0.7% over the past year, well below the 10-year average of 7.5%. Deloitte Access Economics (DAE) is forecasting that economic growth will remain positive, with 1.0% growth over 2024 and 1.7% growth over 2025. However, growth is expected to remain below the long-term trend of 3.0%.

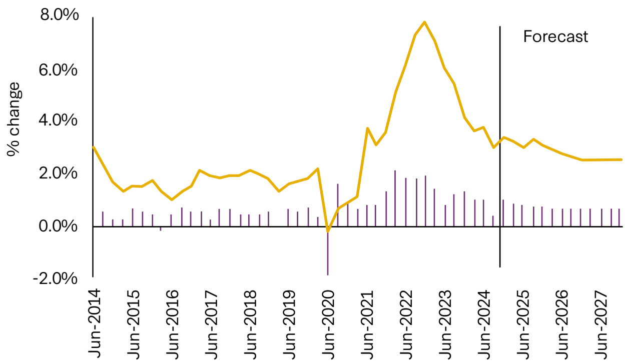
Figure 1: Australian GDP Growth



Quarterly | **Annual** | **LR average**
Source: ABS, as at June 2024

The Reserve Bank of Australia (RBA) has held the Official Cash Rate (OCR) steady at 4.35% for seven consecutive meetings. The Consumer Price Index (CPI) rose 1.0% over the June 2024 quarter and has risen by 3.8% over the year. This remains above the RBA's target range of 2-3%; however, it is trending downwards from annual inflation rates of 6.1% in June 2022 and 6.0% in June 2023. The deceleration of CPI growth has been aided by the introduction of an AUD 300 per household energy rebate in the 2024-2025 financial year. It is worth noting that when this rebate expires the energy component of CPI will increase once again and the RBA will take this into account when assessing monetary policy adjustments. The RBA's preferred measure of underlying inflation is the trimmed mean CPI, which omits irregular and temporary price changes that can impact headline CPI measures. Trimmed mean CPI declined to 3.9% over the year to June 2024, down from 4.0% in the March quarter. Additionally, the RBA is forecasting that headline CPI will return to the target range momentarily in 2025 before increasing again in late 2025 due to the expiry of the household energy rebate. Central banks around the world are beginning to cut their interest rates, including New Zealand (down 75 basis points to 4.75%), Canada (down 75 bps to 4.25%), United States (down 50 bps to 4.75%-5.00%) and the European Central Bank (down 110 bps to 3.40%). Now that the rate cutting cycle has commenced globally, it is likely that the RBA will follow suit in time. The latest Futures Market projections indicate the interest rate cutting cycle will commence in March 2025, with the OCR expected to be lowered to 3.50% by the end of 2025. It is worth noting that the rate the United States currently sits at (midpoint of 4.88%) is still 53 bps higher than Australia's current OCR.

Figure 2: Australian Inflation Rate



Quarterly | **Annual**
Source: ABS, as at June 2024

The Australian unemployment rate has been gradually increasing since early 2022, indicating a softening labour market. Despite this softening, the current unemployment rate remains significantly lower than the peak seen during the COVID-19 pandemic and is still below the levels observed in the years prior to 2020. This suggests that while the labor market is experiencing some easing, it remains relatively tight compared to historical standards. The current rate is still below what the RBA considers as the full employment rate.

AUSTRALIAN INDUSTRIAL & LOGISTICS OVERVIEW AND TRENDS

Australian industrial & logistics (I&L) sector performance has been mixed over the past 12 months. On the occupier side, lower consumer spending as a result of persistent inflation and an extended period of high interest rates has dampened demand. However, transaction volumes have improved from the previous 12-month period, driven largely by renewed appetite from institutional and superannuation fund capital for large-scale development land.

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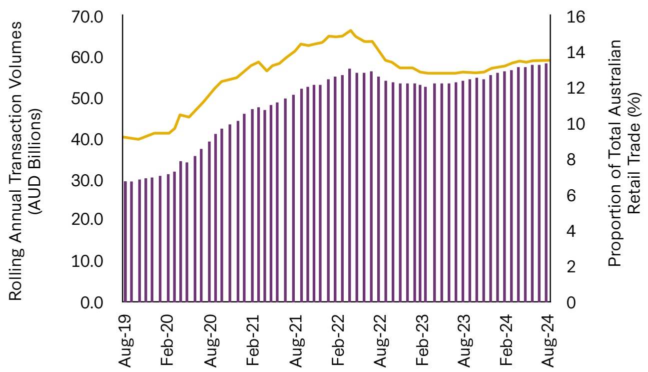
While broader retail trade is slowing, online retail spending is recovering. As at August 2024, annual online retail trade increased to AUD 58.0 million (9.8% y-o-y), accounting for 13.5% of total Australian monthly retail trade. This is an improvement from 12 months ago when growth was -1.9% y-o-y and online retail trade accounted for 12.8% of total retail trade (Figure 3).

Figure 3: National online retail trade, 2019-2024



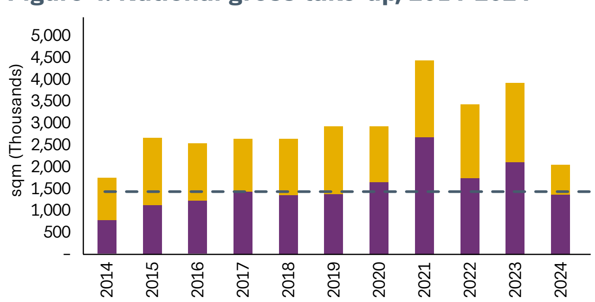
Rolling 12-Month | **Proportion of Total Retail Trade (%) (RHS)**
Source: JLL Research as at Q3 2024

Demand and Vacancy:

While demand has slowed from recent peaks, national gross take-up over the last 12 months is still positive. As at Q3 2024, gross take-up over the last 12 months totalled 3.2 million sqm. This is 9.3% above the long-term 10-year average of 2.9 million sqm.

Occupier demand for existing warehouse space continues to outpace new building demand (pre-lease and design & construction (D&C) owner-occupier facilities). However, this proportional number has been inflated by increased speculative supply introduced to market which has been absorbed upon completion. Over the past 12 months to Q3 2024, 57.2% of all major occupier activity nationally was in existing warehouses (1.9 million sqm). However, given the persistent low availability of existing warehouse space nationally, it is expected that demand for pre-lease and D&C facilities will increase over the next 12 months. Currently, gross take-up into new builds over the past 12 months to Q3 2024 is 42.8%. This is below the long-term 10-year proportional average of 49.9% (Figure 4).

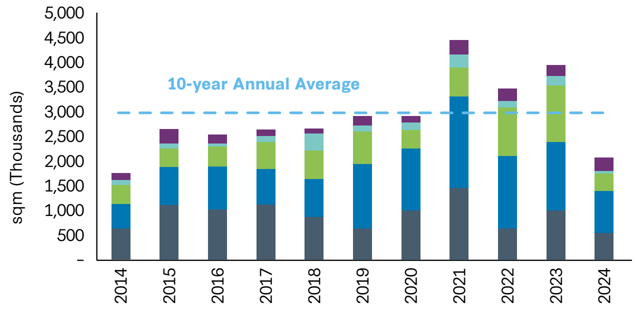
Figure 4: National gross take-up, 2014-2024



Existing | **New Build** | **10-year Annual Average**
Source: JLL Research as at Q3 2024

Geographically, over the last 12 months, most occupier gross take-up has occurred along the Eastern seaboard. The Sydney, Melbourne and Brisbane markets accounted for 86.7% of the total, with Melbourne accounting for the largest proportional share at 41.2% (Figure 5).

Figure 5: National gross take-up by market, 2014-2024



Perth | **Adelaide** | **Brisbane** | **Melbourne** | **Sydney**
Source: JLL Research as at Q3 2024

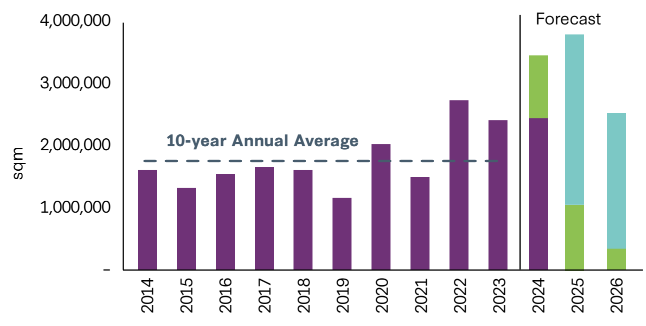
Supply:

Demand for efficient, sustainable warehousing is likely to keep supply levels positive over the medium-term. New supply over the last 12 months reached 3.3 million sqm. This is almost double the long-term 10-year average of 1.7 million.

While supply over the last 12 months has been robust, labour and cost challenges have delayed many project delivery times frames. As a result, the future supply pipeline has expanded. As at Q3 2024, 2024 annual supply is expected to reach 3.4 million sqm – an historic high. This figure will eclipse the current annual supply record of 2.7 million sqm delivered in 2022.

An additional 1.1 million sqm of new supply is already under construction expected in 2025. A further 2.7 million sqm of projects with DA approval is also estimated in 2025. However, given recent challenges surrounding labour and materials shortages, projects are subject to potential delays with timing on projects less certain. (Figure 6).

Figure 6: National I&L development pipeline (2014-2026F)



Completed | **DA Aprroved** | **Under Construction**
Source: JLL Research as at Q3 2024

Rents & Incentives:
Average net face rents have continued to increase in most Australian markets over the last 12 months, albeit at a slower pace than throughout 2022 and 2023. National prime average weighted net face rents increased by 0.9% to AUD 201 per sqm p.a. in Q3 2024, representing the slowest quarterly growth since Q1 2021. Annual growth reached 12.5% - slowing from peak annual rental growth of 24.5% y-o-y recorded at the start of 2023.

Incentives are increasingly becoming a factor in lease negotiations in some markets, particularly along the Eastern seaboard where developers have larger land banks and higher speculative warehouse supply.

Land Values:
Average land value growth over the last 12 months has been mixed. Land value growth continues to accelerate sharply in the Brisbane, Perth and Adelaide markets, while growth has generally trended downwards in Sydney and Melbourne, particularly for larger parcels.

As at Q3 2024, national average land values for 2,000 sqm lots reached 7.8% y-o-y. However, growth in the 1 hectare (ha) and 2-5 ha size cohorts were negative at -0.3% y-o-y and -5.2% y-o-y respectively.

Transaction Volumes & Yields:
Investment demand for Australian I&L assets remains strong. Over the past 12 months to Q3 2024, national transaction volumes reached AUD 10.4 billion – well above the long-term 10-year annual average of AUD 7.3 billion.

Most investment activity remains focused on Sydney and Melbourne, with 80.9% of the 12 month total recorded in those geographies.

It is expected that the yield decompression cycle that commenced in mid-2022 has largely concluded with only marginal decompression expected over the balance of 2024. As at Q3 2024, the weighted prime national midpoint yield is 5.80%.

Current Trends:
Efficiency gains through technology, automation and robotics is increasingly becoming an expectation for occupiers. Over the past 12 months, the use of AI-driven warehouse management software infrastructure, autonomous mobile robots (AMRs), and automated guided vehicles (AGVs) has been implemented in many new distribution centre developments.

The ongoing focus on sustainability will continue to support occupier relocations in 2025. As most major I&L businesses now have net zero commitments, many in sub-optimal accommodation will look to modernise, incorporating improved sustainability features like renewable energy provision, solar arrays, battery storage, water harvesting, and green space. As leases expire, it is expected that owners may be asked to upgrade assets, or occupiers will consider pre-lease and D&C warehouse options that incorporate a higher level of sustainable features.

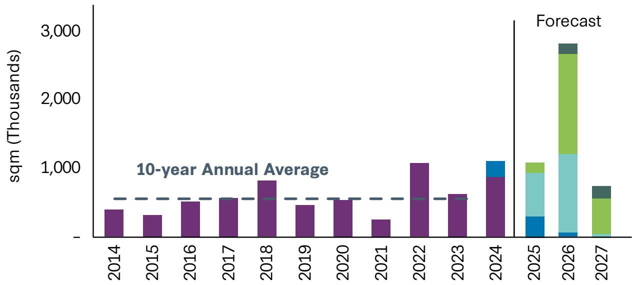
INDUSTRIAL & LOGISTICS MARKET OVERVIEW

SYDNEY:

Demand and Vacancy:
Demand in the Sydney I&L market (≥5,000 sqm) marginally weakened over the 12 months to Q3 2024, totaling 816,900 sqm. This was 11.9% below the 10-year average (927,400 sqm). Normalising demand reflects weaker business conditions for occupiers due to restricted consumer spending and subsequently reduced space requirements. The transport, postal & warehousing sector accounted for the largest portion of take-up over the past 12 months (42.7%, or 348,600 sqm).

Vacancy in Sydney's I&L market was 3.9% in Q3 2024, a 0.5 pps quarterly increase. Sublease vacancy accounts for 28.8% of Sydney's I&L vacancy, further reflecting a re-evaluation of occupier space requirements. The largest quarterly change was recorded in South Sydney (+1.5 pps), as gross-occupancy costs in the precinct weaken demand.

Figure 7: Sydney I&L supply (2014-2027F)



Completed | Plans Approved | Proposed | Under Construction | Plans Submitted

Source: JLL Research as at Q3 2024

Supply:
A record level of supply was delivered to Sydney's I&L market over the 12 months to Q3 2024, with 1,209,600 sqm of completions. This was the highest level since JLL began tracking the market, and over double the 10-year annual average of 554,900 sqm. The Outer Central West precinct accounted for 65.0% of completions in the last 12 months.

Over the 12 months to Q3 2024, 74.1% of new supply was pre-committed at completion, relative to the 10-year annual average of 79.1%. JLL is tracking 633,600 sqm of supply under construction in Sydney, which is currently 48.4% pre-committed. Facing

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increased choice in the market, tenants are favouring existing buildings to mitigate delivery uncertainty, particularly as rising economic rents for pre-lease developments have caused a convergence with rents for existing facilities.

Prime Rents & Incentives:
Rental growth has slowed in Sydney's I&L sub-markets over the past 12 months. Annual average prime net face rental growth (by precinct) ranged between 4.0% (Outer North West) and 26.2% (Outer South West). Incentives are increasing as landlords aim to secure tenants to mitigate vacancy risk. The average prime midpoint incentive was 15.8% in Q3 2024, the highest level on record and up from the cyclical low of 5.0% in Q3 2022.

Land Values:
Sydney's land values have decreased over the past 12 months, as high development costs continue to weigh on project feasibilities. Over the 12 months to Q3 2024, land values decreased 1.8% for 2,000 sqm lots, while 1 ha lots and 2-5 ha lots decreased by 7.5% and 12.0% respectively.

Transaction Volumes & Yields:
Sydney's rolling annual I&L transaction volume of AUD 4.8 billion at Q3 2024 indicates record levels of investment activity, with investment in 2024 to-date (AUD 3.5 billion) outpacing the AUD 3.4 billion that transacted in the previous record year of 2021. Prime yields have continued to decompress, with all precincts recording between 38-bps to 57-bps of softening since Q3 2023. Prime midpoint yields range between 5.13% (South Sydney) and 6.13% (North).

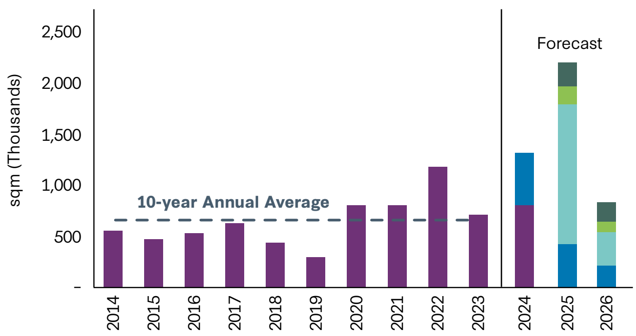
Market Outlook:
We anticipate that prevailing economic conditions will continue to restrain occupier demand in the near-term, particularly for margin-conscious occupiers such as third-party logistics operators. Looking to 2027, JLL is tracking a further 2.5 million sqm of potential supply in the Sydney market either under-construction or with plans approved. Elevated supply may continue to increase vacancy, with rising incentives expected to restrain effective rental growth.

MELBOURNE:

Demand and Vacancy:
Following subdued occupier activity in 2023, I&L gross take-up in Melbourne (≥5,000 sqm) reached 1,341,600 sqm over the past 12 months. This was a 41.9% annual increase, and 29.3% above the 10-year average. The transport, postal & warehousing sector accounted for the largest portion of take-up in the past 12 months (40.6%), followed by the manufacturing sector (25.4%). Leasing activity was largely split between pre-lease (47.5%) and existing leases (46.5%).

Melbourne's I&L vacancy increased 0.1 pps over the quarter to Q3 2024 to 3.1%. This was driven by a 1.1 pps increase in the North precinct, whilst vacancy in the South East, West, and City Fringe markets tightened marginally. Vacancy in the South East remains extremely low at 1.6% in Q3 2024, constraining gross take-up in the precinct.

Figure 8: Melbourne I&L supply (2014-2026F)



Completed | Plans Approved | Proposed | Under Construction | Plans Submitted
Source: JLL Research as at Q3 2024

Supply:
In the 12 months to Q3 2024, 1,069,900 sqm of new I&L supply reached practical completion in Melbourne. This was 72.7% above the 10-year annual average (619,400 sqm), and a 46.9% increase y-o-y after development cost challenges hampered project delivery in 2023. Supply was largely concentrated in the West precinct, where 59.1% (632,800 sqm) of new stock was completed.

Melbourne's pre-commitment rate has declined since 2021, when 92.2% of projects were absorbed at practical completion. 61.4% of projects completing in the last 12-months were absorbed at completion, relative to the 10-year average of 80.2%. JLL is currently tracking 1.1 million sqm of supply under construction in Melbourne, of which 48.4% is currently pre-committed.

Prime Rents & Incentives:
As Melbourne's undersupply of I&L space has begun to ease, rental growth has slowed over the past 12 months. Y-o-y growth remains strong in all precincts, ranging between 10.1% (West) and 20.5% (South East) as at Q3 2024. However, average rents were stable across all precincts in Q3 2024. Incentives have steadily increased to 22.5% in Q3 2024, from the cyclical low of 9.6% recorded in Q1 2023.

Land Values:
Developable land scarcity has increased land values in line with or above former cyclical highs in the past 12 months across precincts and size allotments. This is most pronounced in the infill City Fringe precinct, where 2,000 sqm lots increased 20.0% in value over the year.

On average, 2,000 sqm lots increased in value by 3.6% y-o-y, with 1 ha and 2-5 ha lots increasing 1.0% and 2.8%, respectively.

Transaction Volumes & Yields:

In the past 12 months, Melbourne's industrial investment volumes have reached AUD 2.9 billion, 80.8% above the 10-year average and a record year since JLL began tracking the market. This included Melbourne's largest asset sale on record, the Austrak Business Park for AUD 600.0 million in August 2024. Prime yields have stabilised over the past 12 months, with yields in the West, South East, and North precincts all stable over the first three quarters of 2024. Total decompression over the past year has ranged between 25 bps (South East) and 50 bps (City Fringe), with prime midpoint yields ranging from 5.50% in the City Fringe to 5.75% in the North and South East in Q3 2024.

Market Outlook:

In the land-constrained South East, we anticipate lower incoming supply and persistent occupier demand to keep vacancy low and rent growth positive in the near-term. In the West, we expect that with comparatively higher levels of forecast supply and existing availability, vacancy will continue to increase, limiting effective rent growth.

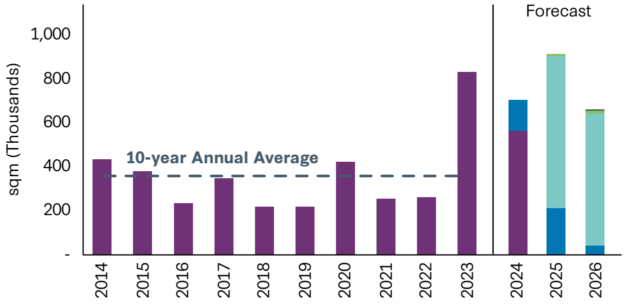
BRISBANE:

Demand:

In the 12 months to Q3 2024, gross take-up in Brisbane (≥3,000 sqm) was 644,000 sqm. This was a 44.7% decrease relative to 2023, but 13.4% above the 10-year annual average (567,800 sqm). The Southern precinct accounted for 74.6% of rolling annual gross take-up, while the Trade Coast represented 21.3%. This marks a change from the 10-year average, whereby 66.4% of leasing activity was in the Southern precinct and 27.1% in the Trade Coast. This was primarily due to greater land availability in the South, resulting in lower occupancy costs for businesses.

Retail trade occupiers have historically accounted for 21.0% of demand but made up just 4.5% of gross take-up in the last year, as cost-of-living pressures have constrained consumer spending and retailer inventory levels. Transport, postal, and warehousing occupiers accounted for 53.3% of leasing activity in the last 12 months, a material increase from the 10-year average proportion of 28.6% for the sector. Pre-lease transactions accounted for 39.7% of leasing volume in the year to Q3 2024, in line with long-term averages.

Figure 9: Brisbane I&L supply (2014-2026F)



Completed | Plans Approved | Proposed | Under Construction | Plans Submitted

Source: JLL Research as at Q3 2024

Supply:

A record level of new supply was added to Brisbane's stock in the last 12 months, with 767,000 sqm of completions. This was a 10.5% increase on the 12 months prior, and over twice the 10-year annual average (342,300 sqm). Completions in the last 12 months were 79.0% pre-committed, marginally above the 10-year average of 74.6%. JLL is currently tracking 398,700 sqm of supply under construction, which is currently 37.4% pre-committed. This supply is expected to be predominantly delivered to the Southern and Trade Coast precincts (45.1% and 40.0% respectively).

Prime Rents:

Prime rent growth continued across Brisbane's I&L precincts in 2024, with 9.7% y-o-y growth in the North, 11.6% in the South, and 14.3% in the Trade Coast, in line with observed precinct demand levels. Following subdued demand in 2024 year-to-date, the average midpoint incentive increased 3.5 pps over the year to 11.3% in Q3 2024.

Land Values:

Brisbane's I&L land values increased over the past 12 months. In the highly sought-after Trade Coast and Southern precincts, land values of all size allotments have risen to record rates per sqm, while 2-5 ha lots in the Northern precinct, where I&L demand is comparatively weaker, have decreased 12.6% from peak values recorded in 2022. On average, 2,000 sqm sized lots increased 10.0%, 1 ha lots increased 16.4%, and 2-5 ha lots increased 6.8% on a y-o-y basis.

Transaction Volumes & Yields:

Rolling annual I&L capital transaction volumes in Brisbane reached AUD 962.2 million to Q3 2024. This was a 33.0% increase on the 12 months prior, but slightly below the 10-year average (AUD 984.6 million). Prime investment yields in Brisbane have stabilised following a period of decompression in which midpoint yields softened by between 100 bps (Trade Coast) and 113 bps (Southern and Northern). In Q3 2024, prime

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yields ranged between 5.50% to 6.50% in the Southern and Northern precincts, and 5.50% to 6.25% in the Trade Coast.

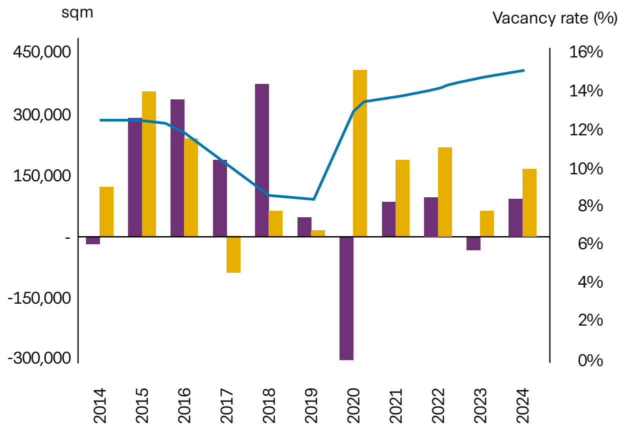
Market Outlook:
We anticipate that cost-of-living pressures will continue to restrict consumer spending and subsequently occupier demand in the short term. Looking to 2027, JLL is tracking a further 1.5 million sqm of potential I&L supply in planning stages. However, we may see developers wait to secure pre-lease commitments before commencing, due to an uncertain demand outlook.

AUSTRALIAN OFFICE MARKET OVERVIEW AND TRENDS

Demand and Vacancy:
The Australian office market continued to grow over the past year with total stock increasing from 29.0 million sqm in Q3 2023 to 29.3 million sqm in Q3 2024. These figures are a combination of six tracked CBD markets (totalling 18.6 million sqm) and 13 metropolitan office markets (totalling 10.7 million sqm). Of this total, 17.7 million sqm is classified as prime grade and 11.6 million sqm is classified as secondary grade.

Australian CBD net absorption has been positive over the 12 months to Q3 2024, totalling 41,300 sqm. However, this is weaker than the previous year, where CBD net absorption totalled 90,400 sqm over the 12 months to Q3 2023. However, it is important to look behind the aggregated CBD demand figures. The Sydney, Brisbane, Adelaide, and Canberra CBD markets have recorded the strongest levels of demand over the past 12 months. Broad-based expansionary activity, centralisations, and solid small tenant demand have helped support demand numbers, particularly in Sydney, Brisbane, and Adelaide, whilst the continued expansion of government tenants continues to support the Canberra market.

Figure 10: Australian CBD office market balance



Source: JLL Research as at Q3 2024

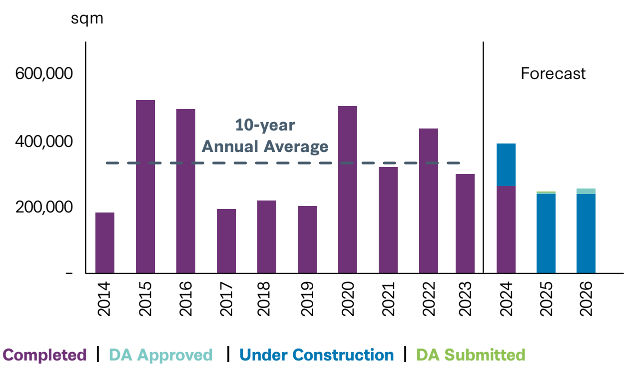
The Melbourne and Perth CBDs have recorded negative demand over the past 12 months. Continued corporate and State Government contraction limited demand in Melbourne. However, there are pockets of positive demand in some high-quality prime stock which is supporting rent growth in these assets.

A precinct boundary change in the Perth CBD resulted in adjustments to total stock levels, impacting demand. Had this boundary change not happened, the market would have recorded positive net absorption.

Despite positive levels of demand, the completion of new office stock and backfill vacancy becoming available resulted in the Australian CBD vacancy rate increasing from 14.2% in Q3 2023 to 15.1% in Q3 2024. The completion of new office stock will likely place upward pressure on the vacancy rate over the near term but will be partially counterbalanced by anticipated positive demand (on an aggregate level).

Supply:
JLL is currently tracking 32 office projects under construction, totalling 867,800 sqm, which have a scheduled completion date between 2024 and 2027. There will be a spike in CBD office completions in 2024 adding an estimated 390,200 sqm of stock to the market. This is broadly in line with the 20-year long-term annual average of 394,700 sqm. There will be a forecast drop-off in development activity in 2025 (249,600 sqm) and 2026 (255,500 sqm), which is 37% and 35%, respectively, below the long-term average. Elevated construction costs and the need to achieve higher economic rents are discouraging the commencement of new office developments, and this is likely to remain a key theme over the near-term.

Figure 11: Australian CBD office supply (2014-2026F)



Source: JLL Research as at Q3 2024

Rents & Incentives:

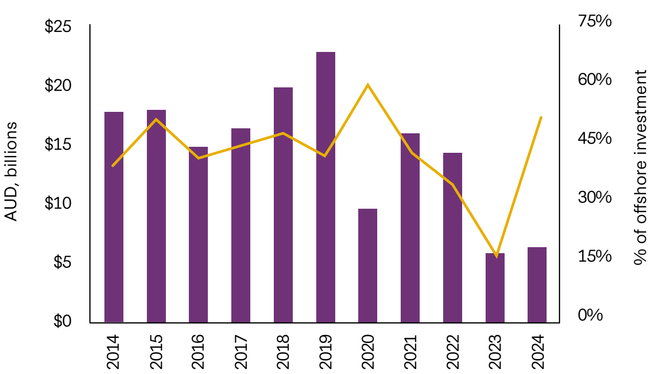
All Australian CBD markets have recorded stable prime face rent growth (to varying degrees) over the past year, with weighted average CBD prime net face rents growing 4.6% over the 12 months to Q3 2024. This is broadly in line with the 20-year annual long-term average of 4.5%. Australian CBD prime incentives have marginally trended upwards over the past 12 months to average 38.5% as of Q3 2024. There is a divergence in movement in prime incentives between the CBD markets as solid levels of demand in the Brisbane CBD have resulted in a minor downward trend in this metric, whilst elevated vacancy rates in the Melbourne CBD are placing upward pressure on prime incentives.

Face rents are projected to continue recording stable growth over the near-term whilst average Australian CBD prime incentives are forecast to have peaked and will stabilise over the coming quarters.

Transaction Volumes & Yields:

Australian office transaction volumes totalled AUD 5.7 billion in 2023, which was the lowest level of transaction activity since 2009. Volumes have gradually recovered over the first three quarters of 2024 (January to September), totalling AUD 6.1 billion. Australian CBD weighted prime midpoint office yields reached their cyclical peak of 5.06% in Q2 2022 and have softened to 6.88% in Q3 2024. JLL projects that the majority of prime yield softening has occurred this cycle and expects the cyclical trough in prime yields to be at the end of 2024 (based on current economic conditions remaining stable).

Figure 12: Australian office transaction volumes, 2014 to 2024



Investment Volumes | % of offshore investment
Source: JLL Research as at Q3 2024

Current Trends:

There are two themes that have played out in tandem over recent years: firstly, tenants have continued to upgrade into better quality space, and secondly, in many cases, tenants have leased more space when relocating to another office asset.

The first point is reflected in prime grade net absorption totalling 177,500 sqm over the 12 months to Q3 2024 (20-year average of 218,000 sqm p.a.) whilst secondary grade net absorption has totalled -136,200 sqm over the same period (20-year average of -39,700 sqm p.a.). Tenants are leaving secondary space at an accelerated rate when compared to the long-term trend and relocating into prime space.

The second point from the first paragraph indicates that whilst hybrid work models are here to stay, it does not necessarily mean tenants will require less office space when relocating. JLL tracks tenant moves that are greater than 1,000 sqm. JLL has identified 554 tenants that have relocated from one building into another building from Q1 2021 to Q3 2024 across 19 Australian office markets. The analysis found that 99 of these tenants expanded by more than 1,000 sqm (contributed +233,700 sqm to demand) over this period whilst 69 tenants downsized by more than 1,000 sqm (contributed -181,900 sqm to demand).

At the beginning of 2023, JLL recorded the re-emergence of sublease space being offered to market, particularly concentrated in the Sydney CBD and Melbourne CBD. Australian CBD sublease vacancy peaked at 361,300 sqm (2.0% of total stock) in Q4 2023. Since this period, sublease space has been taken up by a variety of organisations, as well as being reabsorbed and in some cases converted to direct vacancy. This has resulted in sublease vacancy falling to 277,300 sqm (1.5% of total stock). This is the lowest level since Q2 2020 and is an indication that a large number of organisations have rightsized and found their equilibrium in the current hybrid work environment.

OFFICE MARKET OVERVIEW

MELBOURNE CBD:

Demand & Vacancy:

Melbourne CBD office market demand weakened over 2024. Total vacancy has increased 3.6 pps y-o-y to 19.8%, significantly higher than the 20-year annual average of 8.7%. In the 12 months to Q3 2024, net absorption totalled -95,300 sqm, due to large tenants (>1,000 sqm) contracting within the market. Since Q1 2020, Melbourne CBD net absorption has totalled -313,600 sqm. With year-to-date net absorption currently at -27,000 sqm, 2024 is likely to mark a fourth consecutive calendar year of negative demand in the Melbourne CBD market. Melbourne CBD net absorption

INDEPENDENT MARKET RESEARCH

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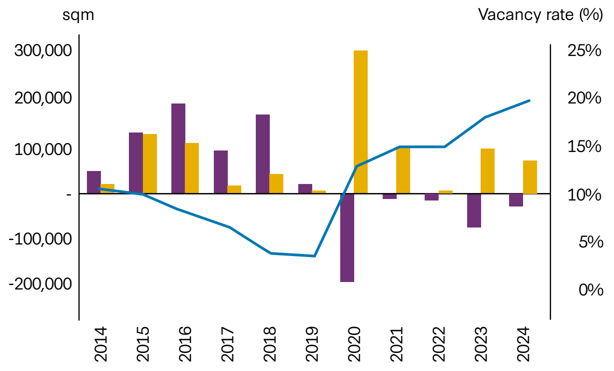
totalled -8,500 sqm in Q3 2024. Large tenant (>1,000 sqm) demand was positive, driven by ANZ reabsorbing 15,000 sqm of sublease space. However, small tenants (<1,000 sqm) contracted heavily, driving the negative overall result.

Figure 13: Melbourne CBD office market balance, 2014 to 2024

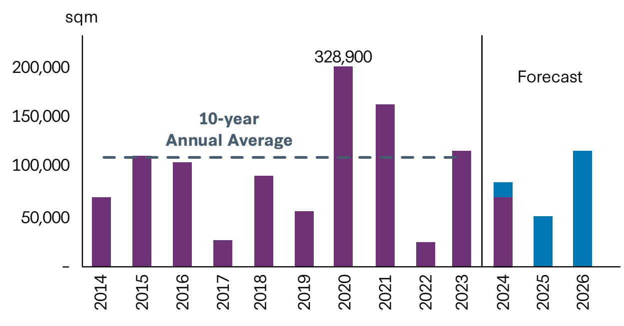


Net absorption | **Supply additions** | **Vacancy rate % (RHS)**
Source: JLL Research as at Q3 2024

Supply:

There were no completions or withdrawals in the Melbourne CBD over the quarter. Melbourne Quarter Tower, located at 695 Collins Street (69,500 sqm) was completed in Q2 2024 and was 36% pre-committed by tenants Medibank, Google, Seven Network and Beca. As a result, total Melbourne CBD stock has increased 2.2% y-o-y. There is 205,700 sqm of office stock under construction across 10 office developments, with forecast completion dates ranging from Q4 2024 to Q1 2027. 36,500 sqm or 18% of this stock has been pre-committed. Total annual completions for 2024 and 2025 are forecast to be below the 10-year average of 110,100 sqm p.a.

Figure 14: Melbourne CBD office supply (2014-2026F)



Completed | **DA Approved** | **Proposed** | **Under Construction** | **DA Submitted**
Source: JLL Research as at Q3 2024

Rents & Incentives:

In Q3 2024, prime incentives in the Melbourne CBD averaged 44.3%, or 53 months rent-free over a 10-year lease. This is the highest level since Q4 1993. Prime net face rents increased 0.5% over the quarter and 3.2% y-o-y to average AUD 679 per sqm p.a. Accounting for incentives, prime net effective rents declined 2.1% over the quarter and have declined 6.4% y-o-y to an average of AUD 321 per sqm p.a.

Transaction Volumes & Yields:

CBD office sales have totalled AUD 747.2 million over eight transactions in 2024 so far. The largest was Mirvac's sale of 367 Collins Street to PAG for AUD 315.0 million at an equivalent yield of 7.04%. Prime midpoint yields have softened by 138 bps y-o-y to 6.88%, reflecting a range of 5.75%-8.00%.

Market Outlook:

Vacancies are expected to remain elevated for the next three years as a large volume of new office stock completes and creates new or backfill vacancy in the market. Incentives are expected to remain at elevated levels over the medium-term driven by higher vacancy rates, resulting in weak projected net effective rent over the next couple of years.

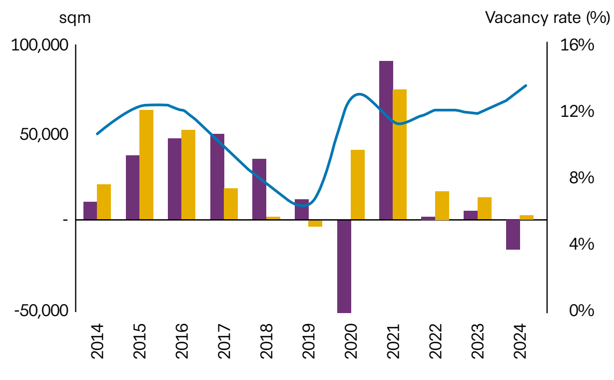
MELBOURNE SOUTH-EAST SUBURBS:

Demand & Vacancy:

Net absorption in the Melbourne South-East Suburbs (S.E.S.) market in 2024 to-date totalled -15,600 sqm, following several large tenant (>1,000 sqm) contractions. Q3 2024 was a weak quarter of demand, with -27,600 sqm of net absorption recorded. This was largely driven by Melbourne Water contracting by 7,500 sqm and Serco Group contracting by 4,500 sqm.

Total market vacancy increased by 1.7 percentage points (pps) over the quarter and by 1.7 pps y-o-y to 13.4%. This reflects the highest vacancy rate recorded since JLL began tracking this market in 2001.

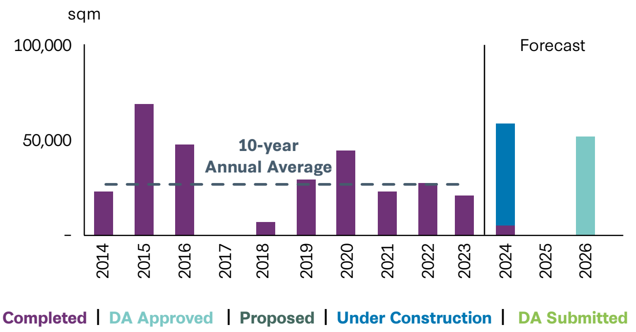
Figure 15: Melbourne S.E.S. office market balance, 2014 to 2024



Net absorption | **Supply additions** | **Vacancy rate % (RHS)**
Source: JLL Research as at Q3 2024

Supply:
One project has reached completion in Melbourne's S.E.S. market in 2024. The completion of 2-4 Roche Street delivered 3,100 sqm of space with no pre-commitments. Two developments are currently under construction targeting completion in Q4 2024. These include 14-22 Wellington Road (35,000 sqm), in the Whitehorse precinct which has a 15,000 sqm pre-commitment by Eastern Health, and 1 Middle Road (20,000 sqm), in the Caulfield/Malvern precinct which has pre-commitments from Adairs, Colliers and KMART. Total forecast supply levels for 2024 are set to total 58,100 sqm which is well above the 10-year average of 25,900 sqm p.a.

Figure 16: Melbourne S.E.S. office supply (2014-2026F)



Source: JLL Research as at Q3 2024

Rents & Incentives:
Prime net face rents increased 0.5% over the quarter and 2.9% over the year to an average of AUD 418 per sqm p.a. This is in line with the 10-year average growth rate of 2.9%. Average prime incentives have increased 4.0 pps over 2024 to 34.5% (41 months rent free on a 10-year lease.) Subsequently, prime net effective rents declined 6.8% y-o-y to AUD 238 per sqm p.a. This is below the 10-year average growth rate of 0.6%.

Transaction Volumes & Yields:
There have been six sales in 2024 to-date in the Melbourne S.E.S. market, totaling AUD 109.8 million. The largest was 335 Camberwell Road, which The Real Estate Institute of Victoria sold to ANGLE for AUD 26.0 million. Over the same period last year, the total sales volume was AUD 94.0 million, representing 16.8% growth y-o-y. Prime midpoint yields softened 38 bps over Q3 2024 to a range of 7.00%-8.00%. This represents prime midpoint yield softening of 125 bps since Q3 2023.

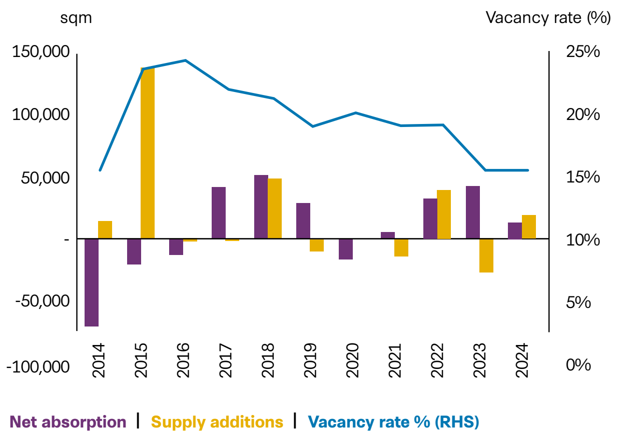
Market Outlook:
The S.E.S. market is experiencing a period of adjustment, with elevated incentives as landlords compete for tenants amid increasing suburban-to-CBD relocations. While there is potential tenant demand from untracked markets, the timing and magnitude of this shift remains uncertain. Moreover, the trend of tenants relocating from suburban locations to the CBD presents an additional challenge for suburban assets. Incentives are anticipated to remain elevated, as landlords continue to offer attractive terms to secure tenants and mitigate the risk of CBD migration.

PERTH CBD:

Demand & Vacancy:
Over the 12 months to Q3 2024, net absorption in the Perth CBD office market was -12,200 sqm, below the 10-year annual average of 8,600 sqm. However, in 2024 to-date, the Perth CBD has recorded positive net absorption totalling 13,600 sqm. This has been driven by new business entrants and large occupier expansions. Office demand continues to be derived from the resources and professional services sectors.

Perth CBD vacancy has been declining over the past 10 quarters from a peak of 20.1% in Q2 2022, down to 15.7% as of Q3 2024. The prime grade vacancy rate is currently 8.2 pps lower than the secondary rate (13.1% and 21.3%, respectively), indicating tenant preferences for better quality stock.

Figure 17: Perth CBD office market balance, 2014 to 2024

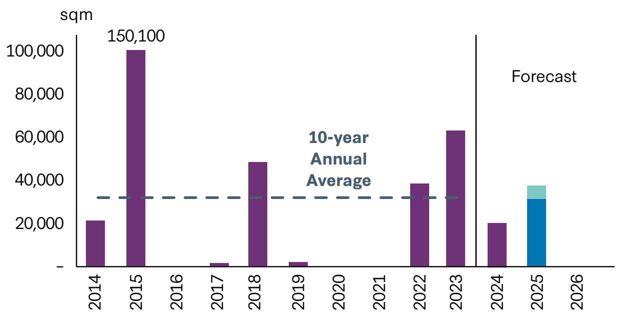


Source: JLL Research as at Q3 2024

Supply:
Two assets reached completion over 2024, totalling 20,000 sqm of new or refurbished stock. The largest project was Capital Square Tower 3 on the corner of Spring Street and Mounts Bay Road. This asset was constructed speculatively, and has since secured North West Shelf Gas as a tenant. Nine The Esplanade (31,200 sqm) is currently the only project under construction and is forecasted to complete in Q2 2025. Plans are approved for 12 further projects; however, these proposed developments are likely to require substantial pre-commitments prior to construction commencement. Total 2024 office completions are forecast to be below the 10-year average of 32,400 sqm.

INDEPENDENT MARKET RESEARCH
Australia

Figure 18: Perth CBD office supply (2014-2026F)



Completed | DA Approved | Under Construction | DA Submitted
Source: JLL Research as at Q3 2024

Rents & Incentives:

Prime net face rents increased 0.5% over the quarter to AUD 660 per sqm p.a., reflecting annual growth of 1.6%. Prime incentives decreased 0.2 pps over the quarter to 47.7% (based on a 10-year lease), following two years of positive leasing demand. Perth CBD prime net effective rents increased to AUD 285 per sqm p.a. (0.8% q-o-q), with y-o-y growth of 1.4%.

Transaction Volumes & Yields:

One office asset has transacted year-to-date in 2024 across the Perth CBD. 181 St Georges Terrace was sold by Charter Hall to Yamamoto Realty for AUD 26.5 million. It is expected that the total sales volume for 2024 will significantly underperform the 2023 volume of AUD 394.0 million. Since Q3 2023, the Perth CBD prime midpoint yield has softened by 25 bps to 7.38%, reflecting a prime yield range of 6.25% - 8.50%.

Market Outlook:

Perth has a low supply pipeline and is heading into a period where there will be no projected completions over 2026 and 2027 (based on the latest available data). This, coupled with projected positive demand, supported by tenants relocating from suburban markets into the CBD, could support a forecast fall in the vacancy rate over the next few years.

INDEPENDENT MARKET RESEARCH
Germany

ECONOMY & OUTLOOK

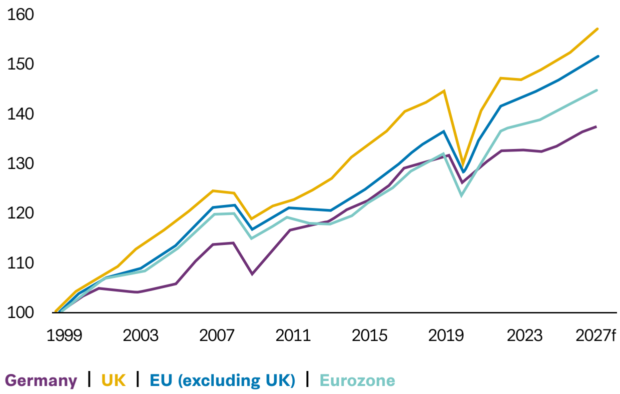
The German economy is showing first signs of recovery after the recession in 2023. While Gross Domestic Product (GDP) declined by 0.18% in 3Q2024 compared to the previous year, moderate growth of about 0.7% is projected for 2025, according to October 2024 forecasts. While growth remains weak and below pre-crisis levels, GDP forecasts indicate that the economy is stabilising. The inflation rate is expected to decline to approximately 2.2% in 2024, contributing to an improvement in household purchasing power. This could boost domestic demand, but weak exports and persistently subdued investment are holding back economic growth.

Financing costs, as measured by the 10-year euro swap rate and the 3-month Euribor, will remain high in 2024. The 10-year euro swap rate, which is often used as a benchmark for long-term loans, has remained stable, suggesting that interest rates will remain high. The 3-month Euribor serves as the reference interest rate for many variable loans. Over the past nine months, the Euribor has demonstrated greater stability and reduced volatility despite maintaining overall interest rates higher than the supercycle.

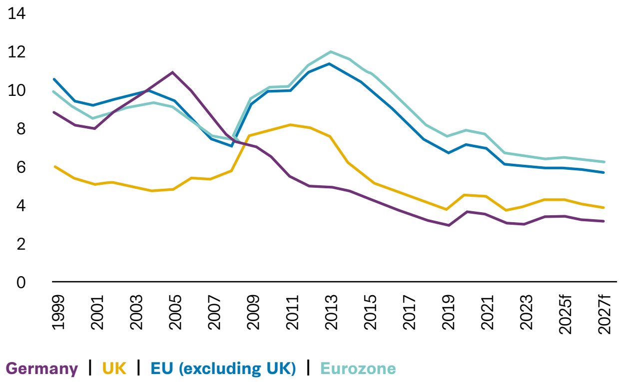
Inflation rates have continued to fall in 2024, which is expected to contribute to economic stability. This is partly due to the fact that, in addition to energy prices, cost pressure for companies has eased as the price of raw materials and intermediate products have fallen significantly. The inflation rate for 2025 is forecasted to drop to 2.0% and this should increase the ECB's willingness to take a more consistent interest rate cut path. In October 2024, the ECB had cut the key interest rate for the main refinancing rate to 3.25% (4Q2024). According to forecasts by Oxford Economics, the key interest rate could fall to below 3.0% by the end of 2025.

Key Factors	CAGR 2018-2023	Forecast 2024-2025
Population growth	+ 1.6%	- 0.1%
Employment growth	+ 1.0%	+ 0.5%
Household disposable income, real, €	+ 1.5%	+ 2.2%
Consumer Price Inflation	+ 4.3%	+ 4.4%

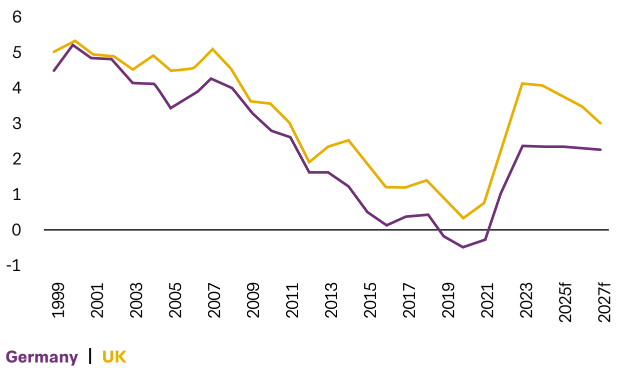
GDP Development (Index 1999 = 100)



Unemployment Rate (% of Workforce)



Long-Term Interest Rate - 10-Year Government Bond Yield (in %)



INDEPENDENT MARKET RESEARCH

Germany

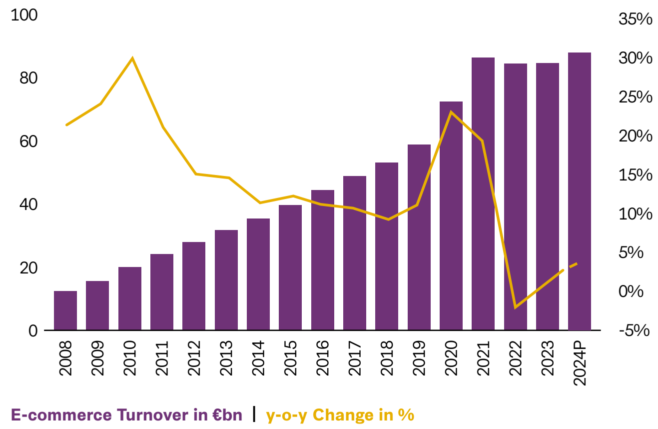
MARKET TRENDS

As an important business location, Germany has benefited from high economic stability and good political conditions. However, in the World Competitiveness Ranking 2024 by the International Institute for Management Development (IMD), Germany was downgraded to 24th place from its 15th placing in 2022. Foreign direct investment reached €22 billion, the lowest level in a decade, according to a study by the German Economic Institute. This means that net outflows, the difference between investments by German companies abroad and foreign companies in Germany, are at €94 billion. The government's draft 2025 federal budget comprises 49 measures to boost security and maintain stability throughout economic cycles, especially in the areas of security, tax relief, support programmes, climate protection and economic growth.

The aftermath of the energy crisis, economic uncertainties and high food prices continued to shape private consumer spending in 2024. Despite a positive inflation trend and a robust labour market, consumption did not pick up since the beginning of 2024. The economic recovery is slowly taking place and a recovery in consumer spending is expected to occur from 2025 onwards. For 2024, the German Retail Association (HDE) expects sales to increase by 3.4% in the e-commerce sector. Higher demand from e-commerce companies would positively impact the industrial and logistics rental market. This would lead to stronger demand from suppliers that could absorb the increased supply in the German industrial and logistics real estate market, which in turn would lead to more project development.

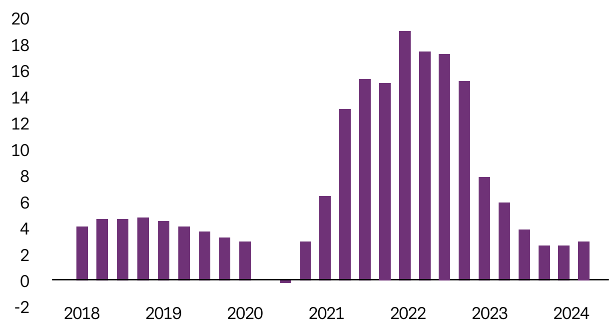
Despite the overall weakened demand across all user sectors, the rental market for industrial and logistics properties is characterised by low vacancy rates in both the TOP 8, which include the markets Berlin, Hamburg, Düsseldorf, Cologne, Leipzig, Stuttgart, Frankfurt and Munich, as well as the established regions. The increase in insolvencies of industry and trading companies in 1H2024 and in 2025, is expected to increase the supply in the market. In addition, user consolidation plans will continue to shape the space available in the market. New and often smaller areas are being sought, while several existing locations are being made available to the market. Demand and newly created supply will be balanced, resulting in muted net absorption.

Annual e-Commerce Revenue (in € billion)



Shipments Per Year (in millions)

Construction Price Index – Commercial Buildings (in %)

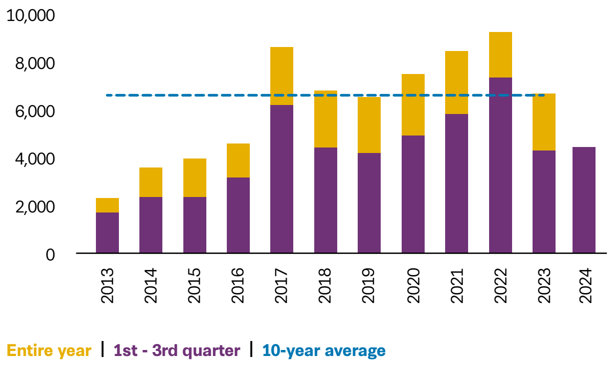


NATIONAL INDUSTRIAL MARKET

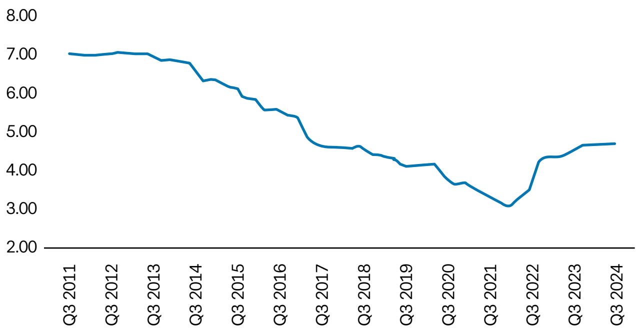
At the end of 3Q2024, the German industrial and logistics real estate market recorded sales transaction volumes of around €4.5 billion. This was on par with the year-ago period (€4.4 billion), and pre-pandemic periods of 3Q2018 (€4.4 billion) and 3Q2019 (€4.3 billion). 3Q2023 transaction volumes were only 2% below the 10-year average. The logistics asset class remains the most popular among the commercial asset classes with a 26% share of total transaction volume in 2024 to date. In 3Q2024, Brookfield acquired a majority stake in a Garbe portfolio in Germany and Austria for a low three-digit million-euro amount. In addition, Blackstone acquired an 80% stake in the Burstone Group's Pan-European Logistics Platform. Around a quarter of the portfolio's 32 properties are located in Germany. While there were a few portfolio transactions in 1Q2024, single asset transactions accounted for around 57% of the transaction volume between 1Q2024 and 3Q2024. The share of international investors rose to 60%, primarily due to acquisitions. The distribution is balanced for single asset transactions, with international investors accounting for €1.3 billion and national investors accounting for €1.2 billion. In terms of regional distribution, there is a clear focus on locations outside the top regions due to the lack of products within the top 7 (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart) investment markets. The last adjustment to the key interest rate in mid-September was a positive sign for investors. Overall, prime gross yields of 4.75% are still achievable, although liquidity in the market is declining sharply at over the 20x multiplier. However, we do not expect purchase prices to recover in the coming months as rental growth slowed in many locations over the course of the year and stagnated on a quarterly basis.

At the end of 3Q2024, the German TOP 8 industrial and logistics real estate markets generated a take-up of around 1.5 million m², which corresponds to a decline of 2% compared to the previous year. The take-up was below the five-year average by about a third. Compared to the previous year, four of the TOP 8 locations recorded an increase in take-up. The focus of the users was primarily on the small-scale space segment of up to 3,000 m². Around two-thirds of all deals were concluded in this area and were responsible for just under a quarter of total take-up. With the exception of the Munich logistics region, prime rents in the TOP 8 regions remained stable compared to the previous quarter. Compared to the previous year, however, the prime rents of the TOP 8 recorded an average growth of 5%. The average rent has risen more sharply over a 12-month period (7%). Overall, we see more supply entering the market due to weakened demand and increased insolvencies, which will slow down rental growth in the coming quarters. Nevertheless, we expect rents to rise in the medium term if a rebound in demand meets a significantly decreasing new construction pipeline.

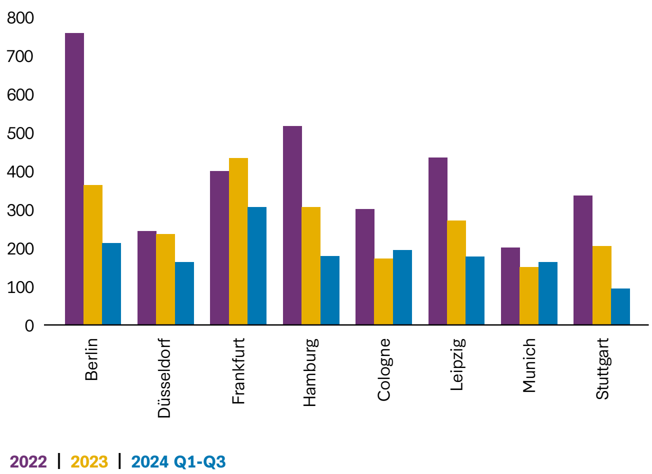
Transaction Volume Industrial & Logistics (in € million)



Gross Initial Yield (Logistics) - Germany, (TOP 8, in %)

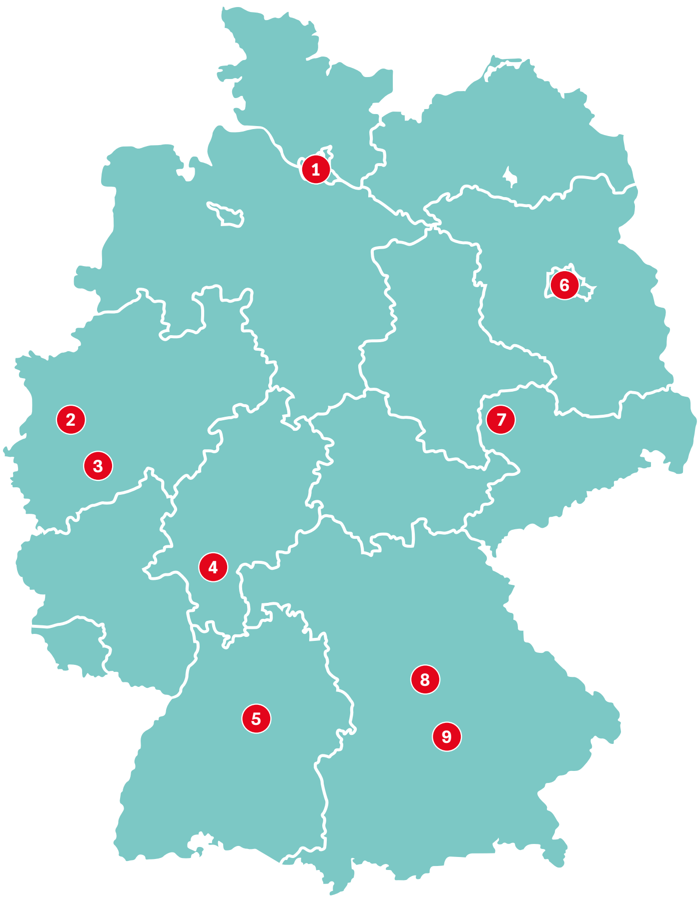


Take-Up of the Top Logistics Markets in Germany ('000 sqm) 2022 to 2024 YTD (Q3)



INDEPENDENT MARKET RESEARCH
Germany

NATIONAL MARKET OVERVIEW – TOP LOGISTICS MARKETS GERMANY



	Q3 2023	Q3 2024	12-month Forecast
1. Hamburg			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 92.4	€ 99.0	↗
2. Düsseldorf			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 90.0	€ 94.8	↗
3. Cologne			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 90.0	€ 92.4	↗
4. Frankfurt			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 93.6	€ 96.0	↗
5. Stuttgart			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 97.2	€ 99.6	↗
6. Berlin			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 92.4	€ 94.8	↗
7. Leipzig			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 67.2	€ 69.6	↗
8. Nürnberg			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 74.4	€ 81.0	↗
9. Munich			
GIY (in %)	4.5%	4.75%	→
Prime Rent €/sqm per annum	€ 102.0	€ 114.0	↗

INDUSTRIAL MARKET - STUTTGART

Occupational Market:
The Stuttgart industrial and logistics real estate market achieved take-up of around 95,200 m² in the first nine months of 2024. This corresponds to a year-on-year decline of 46%. No market-relevant owner-occupier deals were registered. The majority of take-up took place in existing buildings (>90%). Overall, tenants rented primarily in smaller units of up to 3,000 m². Around 70% of all deals took place in this segment. Traditionally, production and manufacturing companies are the strongest user group and were responsible for 57% of take-up. Although rents increased compared to the previous year, they remained stable compared to the previous quarter at €8.30 per m².

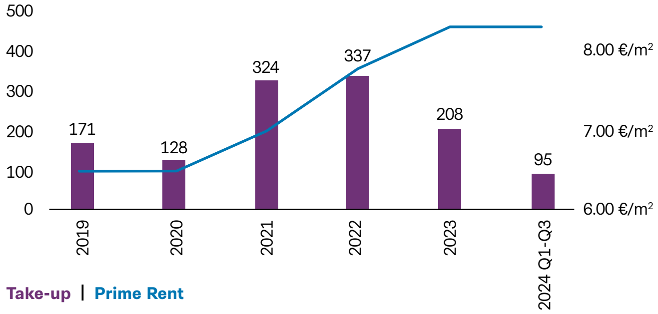
Vacancy:
The Stuttgart logistics region has a very low vacancy rate of less than 3%. However, due to the difficult economic situation, the industrial & manufacturing sector remains challenging. Among other things, this leads to rental agreements being terminated prematurely and medium-sized companies having to file for insolvency. As a result, more space is available on the market. We expect the vacancy rate to increase slightly in 2025 but remain below 5%.

Future supply:
The location has been affected by land shortage for years. There are virtually no greenfield sites available. Currently, there is an increasing number of brownfield sites coming onto the market and this offers a development potential from 2026. Until 2026, the new construction pipeline is very limited. This leads to a slow increase in the logistics stock.

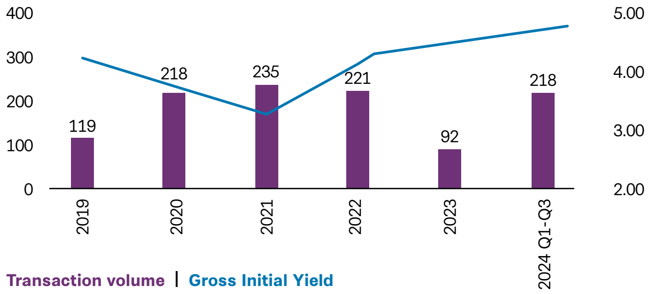
Investment Market:
The logistics region recorded an investment volume of approximately €218 million by the end of the third quarter of 2024, an increase of over 200% compared to the previous year's result (approx. €50 million). The market shows stable investment activity again, with the exception of the year 2023, which was marked by several economic events such as weakened consumer behaviour, high inflation, and high financing costs. The market structure is characterised by regional owners; nevertheless, the region is still very attractive to investors.

Outlook:
The current economic situation continues to weigh-on the country's export sector. This has impacted the ability of production and industrial companies to forecast their logistics space requirements, especially those operating in the Stuttgart logistics region. We expect supply to increase in the coming months, driven by insolvencies and sublet space. However, a limited construction pipeline and the shortage of land mean that vacancy rates will only rise moderately. The take-up in 3Q2024 will not match the take-up of the last few years because the recovery of the market is not currently visible.

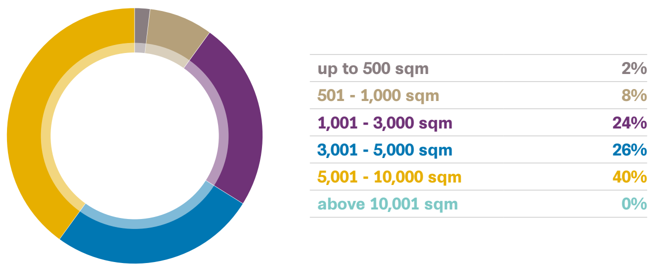
Take-Up ('000 sqm)



Investment Volume (in € million) and Gross Initial Yield (in %)

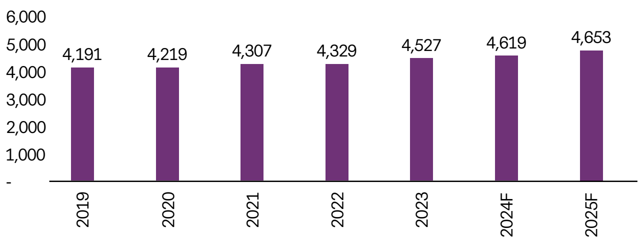


Take-Up by Size Category (in sqm) Q1-Q3 2024 (in %)



Take-Up by Sector Q1-Q3 2024 (in %)

Supply ('000 sqm)



INDEPENDENT MARKET RESEARCH
Germany

INDUSTRIAL MARKET - MUNICH

Occupational Market:
The Munich industrial and logistics real estate market achieved take-up of around 164,400 m² in the first nine months of 2024, which is an increase of 42% from the previous year take-up. The unusually high proportion of owner-occupiers of 37% contributed to the strong performance of the Munich market.

However, with the slowdown in demand, leasing transactions amounted to 104,400 m², which was 10% below the year ago period. Due to the branch structure, the focus of users was primarily on the small-scale space segment of up to 3,000 m². Around 80% of all deals were concluded in this segment but accounted for only 20% of total take-up.

Logistics service providers were the strongest user group in the first nine months of 2024, accounting for 45% of demand, followed by production and manufacturing companies with 41% and trading companies with 3%. Compared with the previous year, prime and average rents rose by 12% and 9%, respectively.

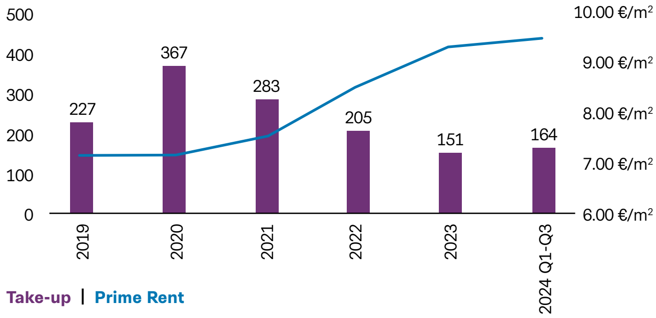
Vacancy:
With a shortage of space and land, Munich has historically recorded the lowest vacancy amongst the TOP 8 regions. The region's vacancy rate has remained below 2%, dropping to below 0.5% during the boom years of 2021 and 2022. While the current uncertain economy has elevated the vacancy rate to 1.2% at the end of 3Q2024, logistics space on the Munich market remains tight due to continued demand.

Future supply:
No further new logistics supply will enter the market in 2024, which will further increase the pressure for available space. One reason for this is the lack of available land and the lengthy approval processes for new developments. However, individual project developers have already started construction this year, meaning that new space will come onto the market again in 2025. Projects in planning often have higher building quality due to the sector focus in Munich. This leads to a very slow increase in the logistics space stock.

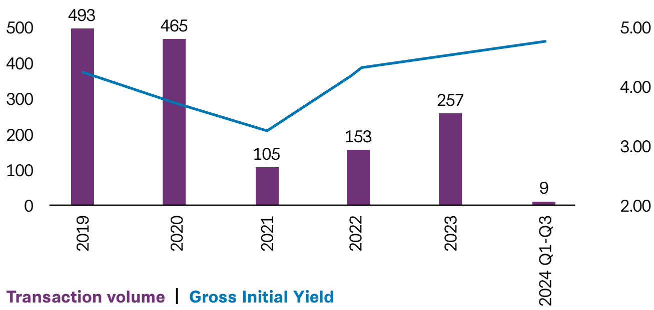
Investment Market:
The Munich industrial and logistics market registered an investment volume of €9 million at the end of the third quarter which decreased by 94% compared to the previous year. Due to the structure of the market, there is increased investment in light industrial and production properties.

Outlook:
We observe that rental negotiations are dragging on and demand is stagnating due to the economic uncertainties of recent quarters. Nevertheless, the Munich market is very tight and characterized by low supply. The shortage of supply in the city will continue to ensure that larger spaces are rented in the surrounding area. Due to the low vacancy rate and declining new construction pipeline, rental growth potential is expected to continue.

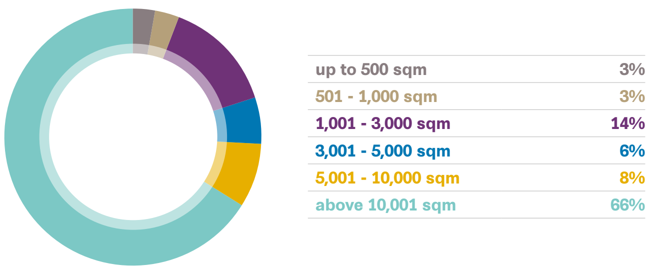
Take-Up ('000 sqm)



Investment Volume (in € million) and Gross Initial Yield (in %)

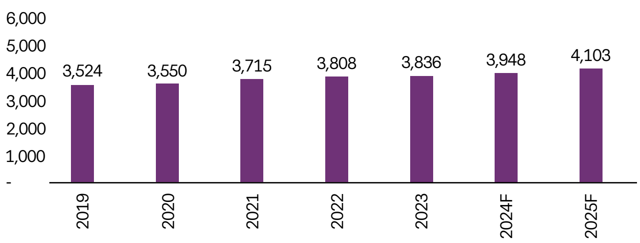


Take-Up by Size Category (in sqm) Q1-Q3 2024 (in %)



Take-Up by Sector Q1-Q3 2024 (in %)

Supply ('000 sqm)



INDUSTRIAL MARKET - NÜRNBERG

Occupational Market:
The logistics region Nürnberg is one of the established logistics regions outside of the TOP 8 locations. At the end of the third quarter, the Nürnberg industrial and logistics real estate market recorded take-up of 21,000 m^2. This corresponds to a decline of 53% compared to the previous year. The two dominant user groups in the region are logistics service providers and companies from the production and manufacturing sector. This is due to its status as a trimodal location. Compared to the previous year, the prime rent increased 9% to €6.75 m^2.

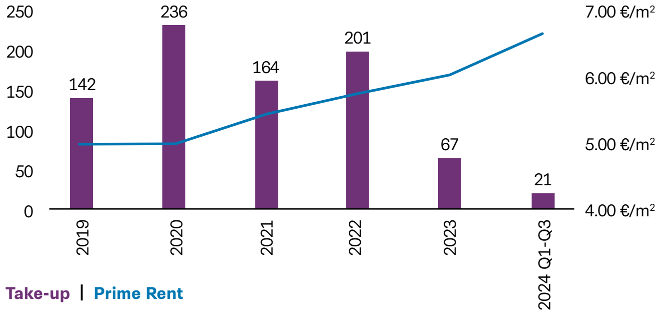
Vacancy:
Vacancy rates in established logistics regions remained low over the period despite the impact of lower demand and increase in supply of logistics space. With the region's logistical demand-supply dynamics affected by muted economic conditions and insolvencies of some medium-sized industrial companies, we expect Nürnberg's vacancy rate to remain below 7%.

Future supply:
The years-long shortage of space in the core of the logistics region usually only allows for smaller-scale settlements, which is why the Nürnberg area finds itself in the lower midfield of the logistics region in terms of space development, with around 90,000 m^2 p.a. For the next few years, the new construction pipeline is expected to be manageable with no major project developments coming onto the market. This will lead to a very slow increase in the logistics space stock.

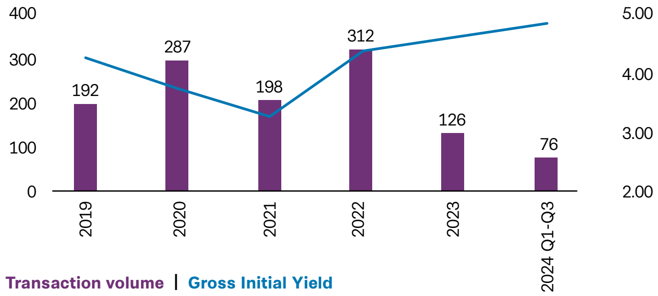
Investment Market:
The shortage of product in the TOP 8 regions also spills over to regions like Nürnberg which is located between Munich and Ingolstadt. In the first three quarters of 2024, the Nürnberg investment market recorded a transaction volume of €76 million which is 14% lower compared to the year-ago period. Most of the investments were in the small-volume sector, below €50 million.

Outlook:
Due to economic uncertainties and weakening demand, we expect take-up to remain stable for the time being. However, Nürnberg continues to benefit from its central location and proximity to the Munich logistics region. Furthermore, with rental level and growth rate that are significantly more attractive compared to TOP 8 locations, we expect this market to record further rental-growth, which was 9% in the past, over the mid-term.

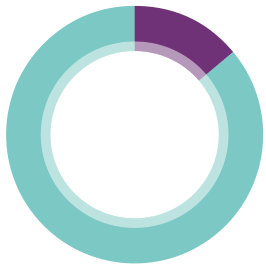
Take-Up ('000 sqm)



Investment Volume (in € million) and Gross Initial Yield (in %)



Take-Up by Size Category (in sqm) Q1-Q3 2024 (in %)

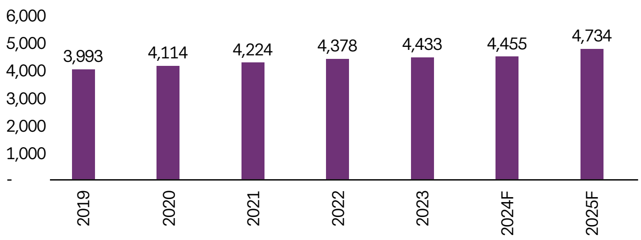


up to 500 sqm	0%
501 - 1,000 sqm	0%
1,001 - 3,000 sqm	14%
3,001 - 5,000 sqm	0%
5,001 - 10,000 sqm	0%
above 10,001 sqm	86%

Take-Up by Sector Q1-Q3 2024 (in %)

Logistics Service Providers	59%
Production & Manufacturing Companies	41%
Trading Companies	0%
Others	0%

Supply ('000 sqm)



INDEPENDENT MARKET RESEARCH
Germany

INDUSTRIAL MARKET - DÜSSELDORF

Occupational Market:
In the first nine months of 2024, the Düsseldorf industrial and logistics real estate market generated take-up of around 170,100 m². Compared with 3Q2023, take-up increased by 23% in 3Q2024 and is in line with the five-year average (2019 to 2023). The focus of users was primarily on the small-scale space segment up to 3,000 m². Although the highest number of transactions was registered here, transactions between 5,000 m² to 10,000 m² had the greatest impact on take-up at 57%. Logistics service providers were the strongest user group, accounting for 32% of total take-up. The prime rent rose 5% compared to the previous year but was stable in comparison to 2Q2024.

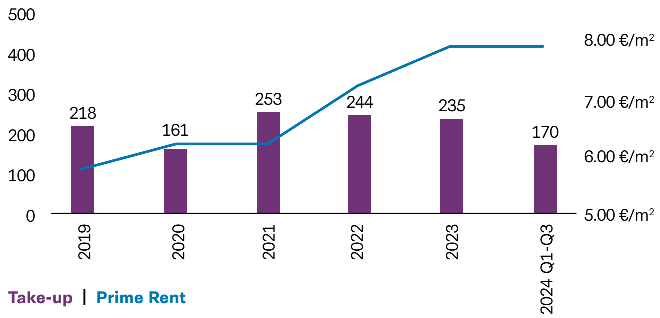
Vacancy:
The Düsseldorf region is increasingly characterized by a shortage of space and there is hardly any available space on the market. Therefore, we expect the vacancy rate to be below 2%. There is hardly any new space coming onto the market in 2024 and available space is available to the market in the form of subsequent lettings but is not vacant.

Future Supply:
While minimal new construction space is expected to enter the market in 2024, new supply is expected in the Düsseldorf logistics market from 2025, with some speculative development providing short-term availability. This will lead to a very slow increase in the logistics space stock.

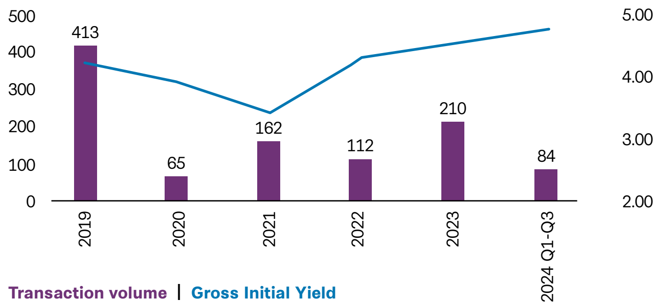
Investment Market:
Since the beginning of the year, around €84 million has been invested in the Düsseldorf industrial and logistics market, a decrease of 47% compared to the previous year. This result was achieved mainly in the small-volume sector below €50 million. In addition, there was hardly any suitable investment product on the market due to a shortage of land and declining new construction activity.

Outlook:
In the coming months, we expect an increase in supply, which will concentrate primarily on the Mönchengladbach submarket. This submarket is very much influenced by the fashion industry that is affected by the insolvency of Esprit. In the short term, this has no direct impact on the Düsseldorf market, as the space is currently still occupied. However, only a small amount of new construction space will come onto the market by the end of the year.

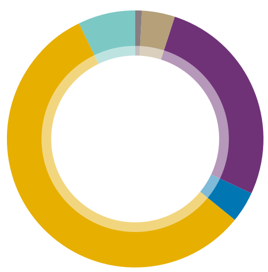
Take-Up ('000 sqm)



Investment Volume (in € million) and Gross Initial Yield (in %)



Take-Up by Size Category (in sqm) Q1-Q3 2024 (in %)

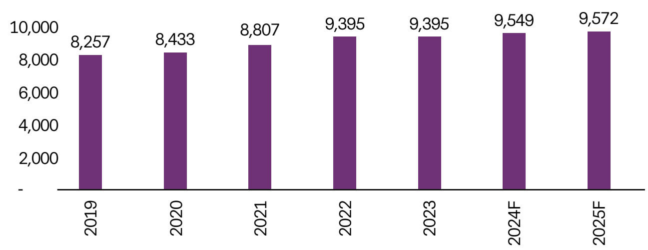


up to 500 sqm	1%
501 - 1,000 sqm	4%
1,001 - 3,000 sqm	27%
3,001 - 5,000 sqm	4%
5,001 - 10,000 sqm	57%
above 10,001 sqm	7%

Take-Up by Sector Q1-Q3 2024 (in %)

Logistics Service Providers	32%
Production & Manufacturing Companies	12%
Trading Companies	31%
Others	25%

Supply ('000 sqm)



INDUSTRIAL MARKET - COLOGNE

Occupational Market:
After a slightly weak year in 2023, Cologne's industrial and logistics real estate market generated take-up of 195,400 m² at the end of the 3Q2024. This result was 61% above the previous year and 12% above the five-year average (2019-2023). More than 70% of all leases from 1Q2024 to 3Q2024 were in the small-space segment of up to 3,000 m². The largest user group, with a share of 60% of total take-up, were trading companies. The prime rent increased by 3% compared to the previous year and was stable compared to the last quarter.

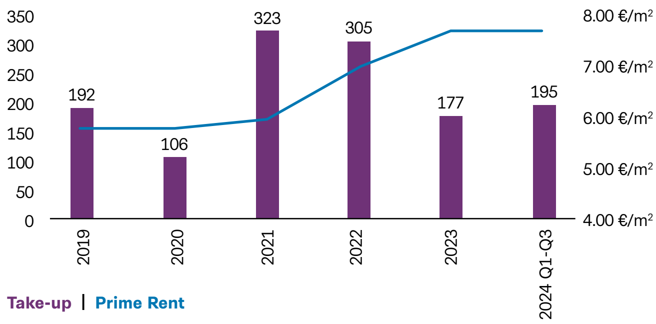
Vacancy:
Although the vacancy rate in Cologne increased due to some older existing properties, it remains low at less than 3%. The region's vacancy rate is not reflective of demand as it includes outdated buildings which remain vacant as they are not in a condition to be leased.

Future supply:
There are currently some speculative developments under construction, which will increase the supply of newly constructed space at the end of 2024 with some completion expected in 2025. In addition, there are some projects in the pipeline planned, but due to weakening demand, they will only be built after a certain pre-letting rate. This leads to a very slow increase in the logistics space stock.

Investment Market:
In the first nine months, investment in the Cologne market declined 42% from the year ago period to €79 million. Investments in the first three quarters predominantly took place in the small-volume sector below €50 million.

Outlook:
Overall, there is a slight increase in demand on the market. At the same time, users are becoming increasingly flexible in their choice of location and are also looking at other neighbouring logistics regions. Furthermore, a number of new developments and existing spaces are coming onto the market in the region, which will increase supply. Therefore, rents are expected to remain stable until the end of the year.

Take-Up ('000 sqm)

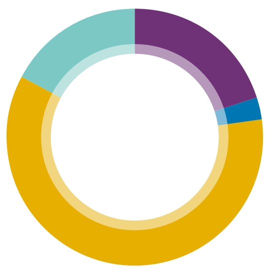


Investment Volume (in € million) and Gross Initial Yield (in %)

Take-Up by Size Category (in sqm) Q1-Q3 2024 (in %)

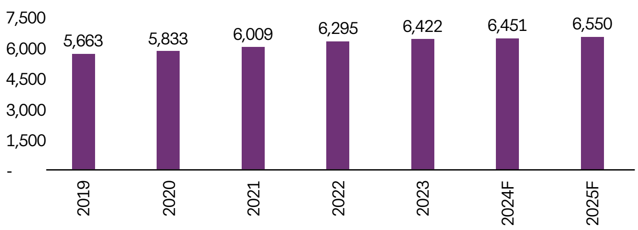
up to 500 sqm	0%
501 - 1,000 sqm	4%
1,001 - 3,000 sqm	19%
3,001 - 5,000 sqm	6%
5,001 - 10,000 sqm	22%
above 10,001 sqm	49%

Take-Up by Sector Q1-Q3 2024 (in %)



Logistics Service Providers	20%
Production & Manufacturing Companies	3%
Trading Companies	60%
Others	17%

Supply ('000 sqm)



INDEPENDENT MARKET RESEARCH

United Kingdom

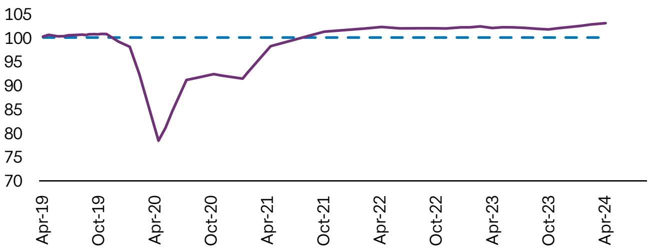
CBRE

ECONOMIC OUTLOOK

The outlook for the UK economy has continued to improve throughout 2024. Inflation returned to the Bank of England's target rate of 2.0%, prompting an interest rate cut from 5.25% to 5.00% in August 2024 – the first interest rate reduction by the Central Bank since early 2020. Growth is improving and survey evidence from businesses and consumers is unanimously supportive of a more robust economic recovery.

The UK has now recorded two consecutive quarters of growth in 2024, after slipping into a technical recession in Q4 2023. Q1 and Q2 2024 registered growth of 0.7% and 0.6%, respectively, largely driven by the continued strength of the services sector.

UK Real GDP, June 2019 = 100

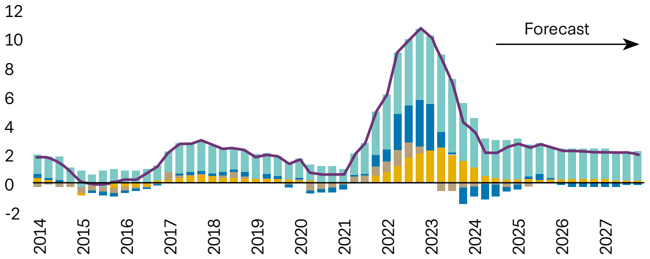


Real GDP | 2019 Q2 = 100

Source: Oxford Economics, CBRE Research

Inflation reached the Bank of England's 2.0% target in May but has since experienced some volatility. In August, the headline CPI remained at 2.2%, while core and services inflation rose by 30bps and 40bps to 3.6% and 5.6%, respectively. This was driven by an increase in airfares, which is not unusual at that time of year, and thus does not pose a persistent threat to inflation. We expect minor volatility for the remainder of 2024 and 2025 caused by Ofgem raising their energy price cap in October 2024 and in January 2025 with headline CPI of 2.5% for year-end 2024 and year-end 2025.

UK: Consumer Price Index (CPI), Annual Rate %

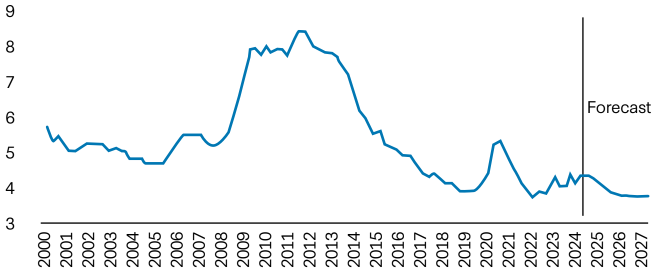


Food | Petrol | Energy | Others | CPI

Source: ONS, Oxford Economics, CBRE Research

Nominal earnings are slowing but continue to outpace inflation at 5.1% (or 2.2% in real terms). While strong real wage growth is positive for consumers, it is a key contributor to the stickiness of core inflation. There are signs that the labour market will not soften much further as unemployment fell 20bps to 4.1% over the 3 months from May to July 2024, and despite unfilled job vacancies falling, the rate of decline continues to slow. Given the strong labour market signals and improved economic performance, we do not expect unemployment to exceed 4.5% in the near-term.

UK Unemployment Rate (in %)



Source: ONS Macrobond, CBRE Research

Despite strong real wage growth, consumer demand remains steady, partly as households have been recouping savings spent battling higher living and mortgage costs. However, this trend seems to be normalising. Real household expenditure rose 0.2% in Q2 2024 following a 0.4% rise in Q1 2024, and while month-to-month movements have been volatile, total retail sales volumes have risen 0.5% since the start of 2024. Consumer confidence remains stable at its 3-year peak (-13 points) and similarly, business survey evidence from PMIs indicate that business activity in all three sectors will increase.

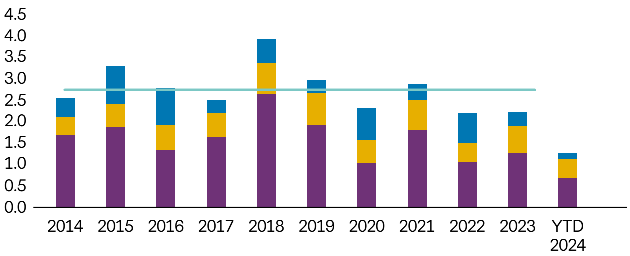
The Bank of England cut the base rate by 25bps on 1st August 2024 following headline CPI reaching its 2.0% target and an assessment of the core drivers of inflation, which showed them currently moving towards the target. We expect one more rate cut to 4.75% before the end of the year, which, alongside improving consumer and business sentiment and increasing household incomes should boost growth. Therefore, we are forecasting GDP growth of 1.2% and 1.9% in 2024 and 2025, respectively. The key risk to the outlook remains the path of inflation. Shocks to energy markets caused by an escalation of the Middle East conflict or stubborn domestic wage inflation could delay interest rate cuts which would dampen growth.

The autumn budget is likely to increase taxes, following the Chancellor's review. This is unlikely to affect the rates of income or corporate tax, national insurance, or VAT as their stability was a key promise in the Labour manifesto. Instead, there could be further freezes on tax thresholds or increases in capital gains tax and removal of inheritance tax exemptions, to bridge the gap in public finances.

SOUTH EAST OFFICE MARKET

The South East market is split into three distinct geographical areas: Thames Valley (which includes the Blackwater Valley market), M25 North and M25 South. The market currently has a stock of approximately 171.8 million sq ft, of which 44.0% is in Thames Valley.
The South East has attracted a mix of office occupiers in the last decade with a wide range of high-quality office space in town centre environments and some of the largest business parks in the UK.

South East Office Take-Up (million sq ft)



Thames Valley | M25 North | M25 South | 10-Year Average
Source: CBRE Research

So far in 2024, the largest deal was a 96,000 sq ft letting at Tempo, 20 Grenfell Road, Maidenhead.
In 2023, take-up was dominated by manufacturing, industrial & energy, business services and consumer services, accounting for 22.1%, 21.0% and 19.7% of take-up, respectively. The market is a hub for creative companies such as ITV Plc, Three UK, Amazon, Canon and InterSystems Corporation.

South East Take-Up By Sector, 2010-2023 (in %)

Banking & Finance	5%
Business Services	18%
Consumer Services & Leisure	17%
Creative Industries	24%
Insurance	1%
Manufacturing Industrial & Energy	23%
Professional	4%
Public Sector / Regulatory Body	8%

Source: CBRE Research

MARKET SUMMARY Q2 2024

Take-up

Take-up across South East office markets totalled 585,000 sq ft in Q2 2024 for units above 10,000 sq ft, bringing the 1H 2024 total to 1.3 million sq ft. Although take-up saw a decrease on the previous quarter (-16.8%), the 1H 2024 total was significantly above the same period last year (+118.4%) and the highest since 2021. Take-up in Q2 2024 fell 3.8% below the 5-year quarterly average of 608,000 sq ft following three quarters of above trend take-up.

Thames Valley accounted for over two-thirds of South East's Q2 2024 take-up (68.2%), totalling 399,000 sq ft. The M25 markets accounted for the remaining proportion, representing 31.8% of the total. The proportion of take-up for new space increased over the quarter accounting for 53.2% of the total compared to 42.7% in Q1 2024, while the proportion of second-hand space (buildings that have been previously occupied) take-up fell from 57.2% to 46.8% in Q2 2024. Of the three largest deals of the quarter, two were for new space, representing a continued demand for best-in-class space.

The largest deal of the quarter involved Affinity Water purchasing their 86,500 sq ft building at Tamblin Way, Hatfield. Year-to-date, four leasing transactions over 50,000 sq ft have been completed. Driven by the largest deal of the quarter, the manufacturing, industrial and energy sector took the most space in Q2 2024, accounting for 36.2% of the total take-up, followed by the consumer services and leisure sector at 19.2%.

Demand

Under offers across the South East market increased over the course of the quarter by 6.4% to stand at 1.5 million sq ft across all unit sizes. Under offers continued to remain above trend level (+58.6%) for the fifth consecutive quarter.

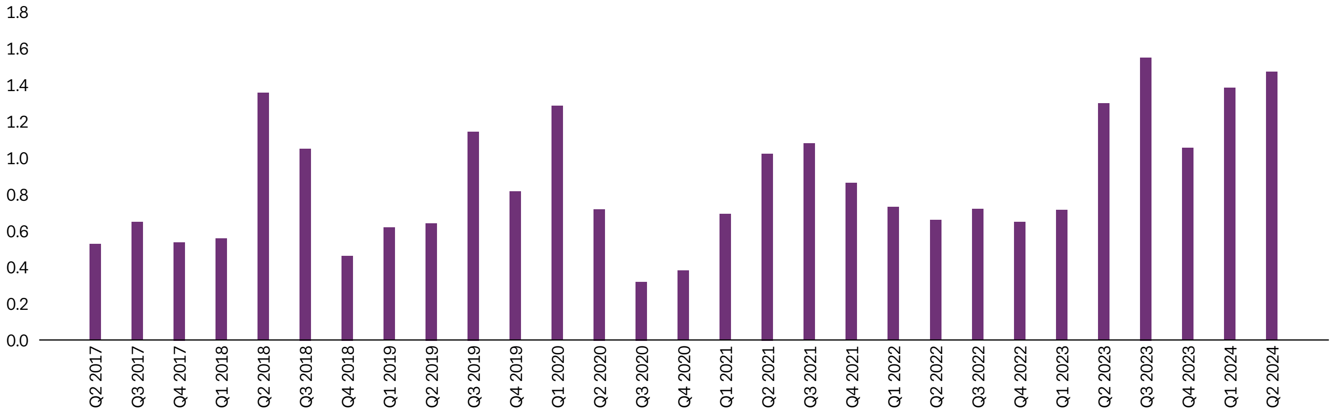
At the end of Q2 2024, there were five units over 50,000 sq ft under offer across all unit sizes. The largest unit was at Shinfield Park, Reading, where 288,000 sq ft is under alternative use sale. Of the five largest under offers, two were for development schemes or newly completed space, demonstrating occupiers' preference for high quality space.

Over three quarters of space under offer at the end of Q2 2024 was in the Thames Valley market (76.3%), spread over 57 deals. The M25 North and M25 South markets accounted for 13.5% and 10.2% of the total, respectively.

INDEPENDENT MARKET RESEARCH

United Kingdom

South East Space Under Offer (million sq ft)



Source: CBRE Research

Supply

South East availability for units above 10,000 sq ft increased marginally from 18.3 million sq ft to 18.4 million sq ft at the end of Q2 2024 (+0.8%). Supply remained well above the five-year quarterly average of 14.5 million sq ft. Thames Valley contributed 59.7% of the total supply; accounting for 52.8% of Grade A space (5.8 million sq ft) and 47.0% of Grade B space (5.2 million sq ft).

Second-hand space accounted for the largest proportion of supply at 14.6 million sq ft (79.4% of the total), followed by newly completed and new early marketed (supply that is not yet ready to occupy but will become so within 12 months) supply at 13.6% and 7.0% of the total, respectively.

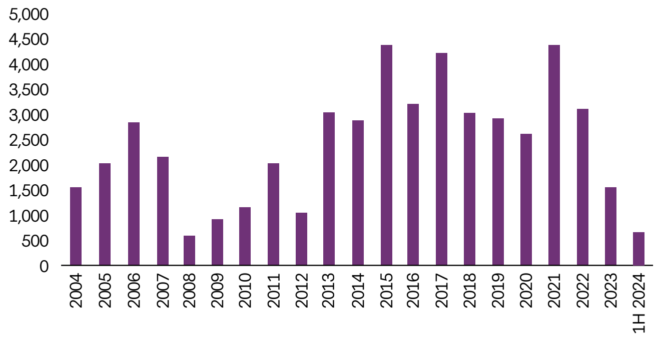
Prime Rents & Incentives

Prime rents in the South East are slowly increasing, signifying rising occupier demand for quality space and decreasing Grade A supply. The prime rent for Thames Valley stood at £52.50 psf in Q2 2024 (increasing from £47.50 in Q2 2023). In the M25 markets, prime rents currently sit at £45.00 psf in the North region (increasing from £42.50 psf in Q2 2023) and £43.00 psf in the South region (increasing from £40.00 psf in Q2 2023).

Investment

South East investment volumes totalled £357 million in Q2 2024, taking the 1H 2024 total to £657 million. Total investment in Q2 2024 grew by 20% compared to the previous quarter. The Q2 2024 volume is 14.2% lower than the volume in the same period in 2023. The largest deal of the quarter saw Knight Frank IM purchase Assembly London, Hammersmith for £52 million. In the South East, overseas buyers drove investment volumes, and accounted for 72.5% of the quarterly total, while local purchasers accounted for the remaining 27.5%, compared to 33.6% of investment in Q1 2024. Prime yields for the South East market increased from 6.75% in Q2 2023 to 7.50% in Q2 2024.

South East Investment Volumes (in £ million)

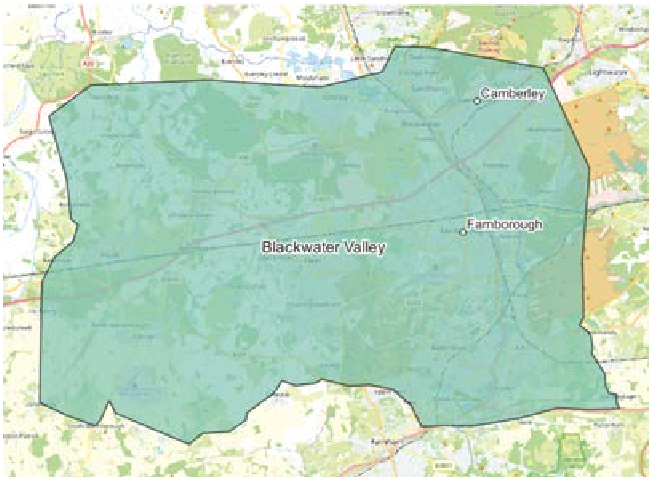


Source: CBRE Research

BLACKWATER VALLEY OFFICE MARKET

MARKET OVERVIEW

The boundary for the Blackwater Valley office market stretches along the M3 motorway and includes sub-markets Farnborough, Camberley and Fleet. Farnborough and Camberley both feature in the Blackwater Valley market although positioned under two separate local authorities: Rushmoor and Surrey Heath. Located approximately 30 miles from London, these towns are connected by the A325 as well as serviced by train lines that run directly into London Waterloo. Farnborough airport is just a 10-minute drive from the town centre, while Heathrow airport is a 30-minute drive away.



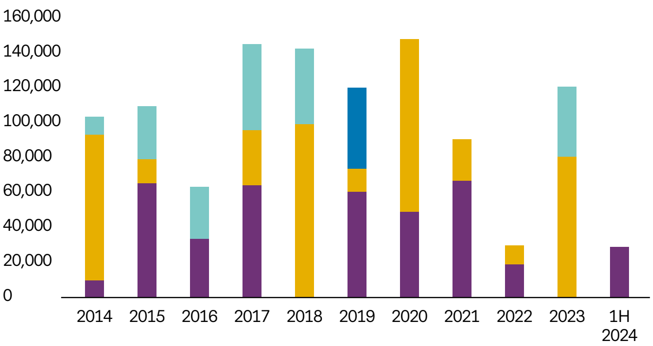
Source: CBRE Research

Demand & Take-up

Due to its small size, the Blackwater Valley office market is subject to demand fluctuations, and annual take-up may not be consistent through the years as a single large transaction will invariably skew take-up figures. There has been one deal in Blackwater Valley in 2024 so far, where DXC Technology Company took 29,000 sq ft at Farnborough Business Park. In the last 12 months the largest amount of take-up has been from occupiers with unknown business groups (42% of take-up). The next most active sector was business services (34% of take-up) and creative industries (25% of take-up).

In 2023 there were 3 leasing deals over 10,000 sq ft, totalling 120,000 sq ft. This was 18.4% above the five-year annual average for take-up over 10,000 sq ft in Blackwater Valley (101,000 sq ft), and 12.5% above the ten-year annual average (106,000 sq ft). The largest deal in 2023 was 49,000 sq ft at 260 Bartley Wood Business Park.

Blackwater Valley Office Take-up (sq ft)



Modern Second-hand | **Other Second-hand** | **Pre-let** | **New Completed**
Source: CBRE Research

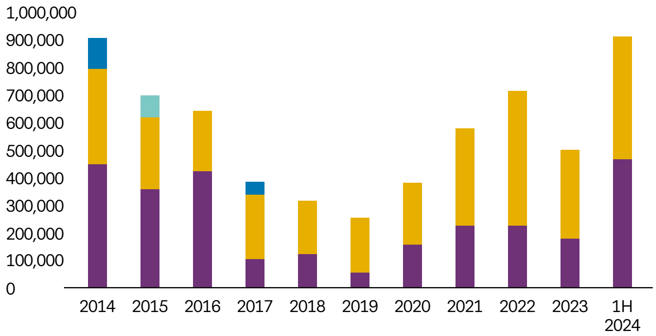
Supply

In Q2 2024, there was 916,651 sq ft of available space in the Blackwater Valley market, comprised entirely of second-hand ready-to-occupy space. In the year-to-date 2024, 385,000 sq ft of space has come to market. The latest major release of space in Blackwater Valley was Frimley Square, where 184,000 sq ft of Grade A second-hand space became available in Q1 2024.

There are currently two developments in the pipeline, totaling 120,823 sq ft of space. The largest development is the refurbishment and extension of Ascent 2, Farnborough Aerospace Centre, Farnborough by Canmoor Asset Management and Hermes Investment Management Limited.

Supply in Blackwater Valley has been generally volatile over the last 10 years. Current supply is 51.9% higher than the average for the last three years.

Blackwater Valley Office Availability (sq ft)



Modern Second-hand | **Other Second-hand** | **Early Marketed** | **New Completed**
Source: CBRE Research

Prime Rents & Incentives

Prime rents in Farnborough at the end of Q2 2024 increased to £32.50 psf from £29.00 psf in Q2 2023. Prime rents in Camberley increased from £24.50 psf in Q2 2023 to £26.00 psf in Q2 2024.

Prior to the pandemic, occupiers could expect to receive a rent-free period of 12 months on a five-year lease. In order to maintain headline rents, this has now moved to 15 months for Farnborough, reflecting its prime position and connectivity, and 18 months for Camberley.

INDEPENDENT MARKET RESEARCH
United Kingdom

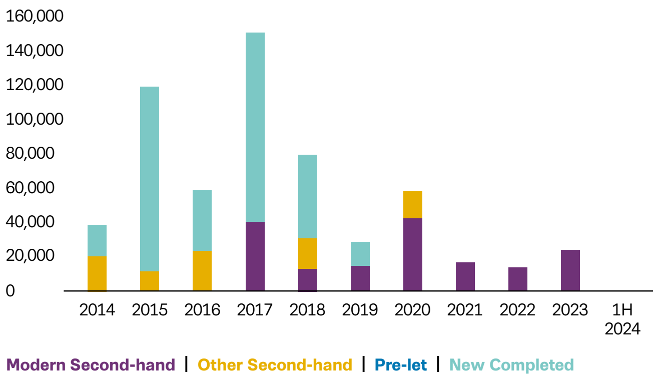
BRACKNELL OFFICE MARKET

MARKET OVERVIEW

Bracknell is located 28 miles west from Central London, situated between junction 3 of the M23 and junction 10 of the M4. Companies looking to move into Bracknell often come from less established office locations, such as Wokingham, but where the increase in rent is not as substantial as what would be paid in the prime M4 markets of Reading and Maidenhead.

Demand & Take-up
The Bracknell office market is subject to demand fluctuations, and annual take-up may be inconsistent through the years as a single large transaction will invariably skew take-up figures. There have been no deals in 1H 2024 so far and there is currently no space under offer in Bracknell. There was only one deal in the Bracknell market in 2023, involving the take-up of 24,000 sq ft at Maxis 2, Western Road by Evelyn Partners. This was 14.2% below the five-year annual average for take-up over 10,000 sq ft in Bracknell (28,000 sq ft), and 59.3% below the ten-year annual average (59,000 sq ft). There was no space under offer in Bracknell in Q2 2024. Over the last two years, the Professional sector has taken the most space, totalling 24,000 sq ft.

Bracknell Office Take-up (sq ft)



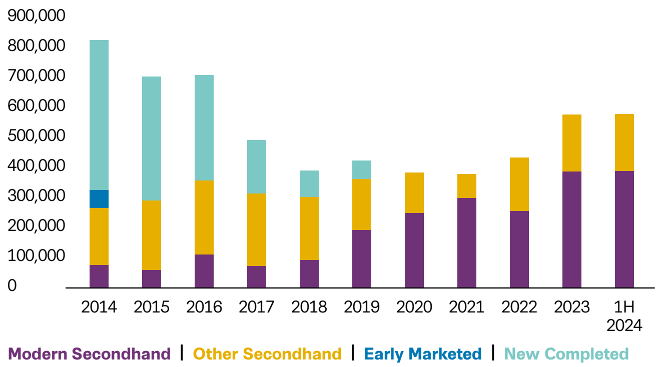
Source: CBRE Research

Supply
Supply totalled 573,000 sq ft at the end of Q2 2024, all of which is second-hand space. In 2024 so far, no new space has come to the market. The latest major release of space in Bracknell was 7 Arlington Square, where 62,000 sq ft of Grade A second-hand space became available in June 2023.

There are currently two developments in the pipeline, totalling 179,000 sq ft of speculative space. The largest development under construction is Fitzwilliam House, Skimped Hill Lane, Bracknell by Bracknell Regeneration Limited Partnership.

Supply in Bracknell has been generally falling over the last 10 years. Current supply is 25.2% up on the average for the last three years.

Bracknell Office Availability (sq ft)



Source: CBRE Research

Prime Rents & Incentives
Prime rents in Bracknell increased from £27.50 psf in Q2 2023 to £30.00 in Q2 2024. Rent-free periods in Bracknell are typically 15-18 months.

Investments
Prime yields in Bracknell increased from 9.50% in Q2 2023 to 10.25% in Q2 2024, which is the highest yield recorded over the last ten years.

WEST MIDLANDS BUSINESS PARK MARKET

MARKET OVERVIEW

The West Midlands business park market has been predominantly based in the Birmingham Out of Town (OOT) and Solihull markets. The majority of the out-of-town business parks were initially built during the 1980s and 1990s and are situated to the southeast of Birmingham, approximately ten miles from the city centre. The business parks are accessible by car, being located adjacent to the M42 with good access to the M40, M5 and M6 motorways. In addition to good road access, this area is served by Birmingham Airport and Birmingham International train station.

Demand & Take-up

Take-up in the six months to Q1 2024 totalled 156,000 sq ft, an increase of 50.0% from the previous six months. So far in 2024, there have been a handful of deals in the OOT market, including digital signage manufacturers Allsee Technologies taking 80,000 sq ft in Longbridge. Property Market Analysis (PMA) recorded take-up of 133,000 sq ft in 2023, a decrease of 44.6% year-on-year from 2022. Take-up continues to be lower than the long-term average of 297,000 sq ft. The subdued take-up last year resulted from lack of demand across all size bands. The largest deal in 2022 occurred on Bickenhill Lane at Ingenuity House, where 31,000 sq ft was let to Orega.

Demand in Solihull and Birmingham OOT continues to be driven by the production sector, which accounted for 48.0% of all take-up from end of 2021 to Q2 2024. Take-up is also driven by business services and trade, which contributed to 24.0% and 8.0% of take-up respectively, from end of 2021 to Q2 2024.

Supply

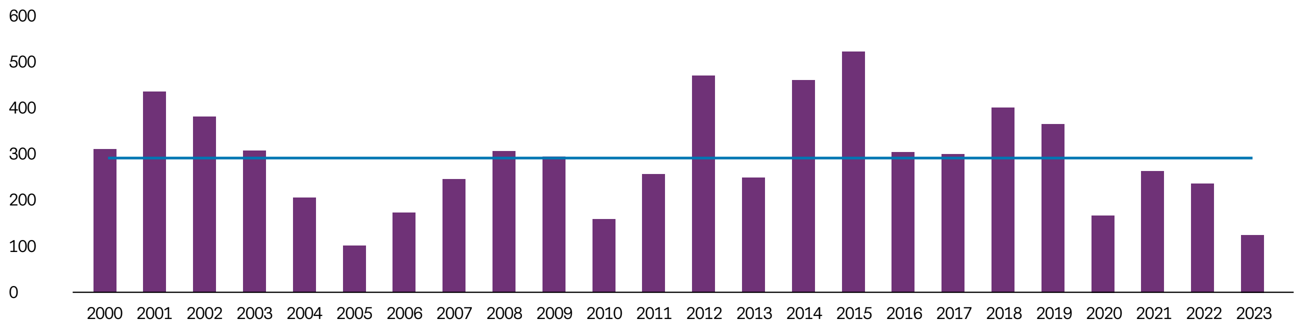
Stock was estimated to be 12.6 million sq ft for 2023. Compared to other centres within the same market area, Solihull and Birmingham OOT is in line with the Big 6 (Manchester, Birmingham, Edinburgh, Glasgow, Leeds and Bristol) OOT average of 11.8 million sq ft.
PMA estimates availability in Solihull and Birmingham OOT to have risen by 52.9% to 852,000 sq ft over the year to Q4 2023. This increase in availability was attributable to a large return of secondary stock, coupled with subdued take-up. The largest returns of space included 70,000 sq ft at Air on Homer Road which was vacated by the National Grid.

The 2023 availability equates to a vacancy rate of 6.80% for Solihull and Birmingham OOT, below the 10.10% vacancy rate for the Big 6 OOT Market Area.

Prime Rents

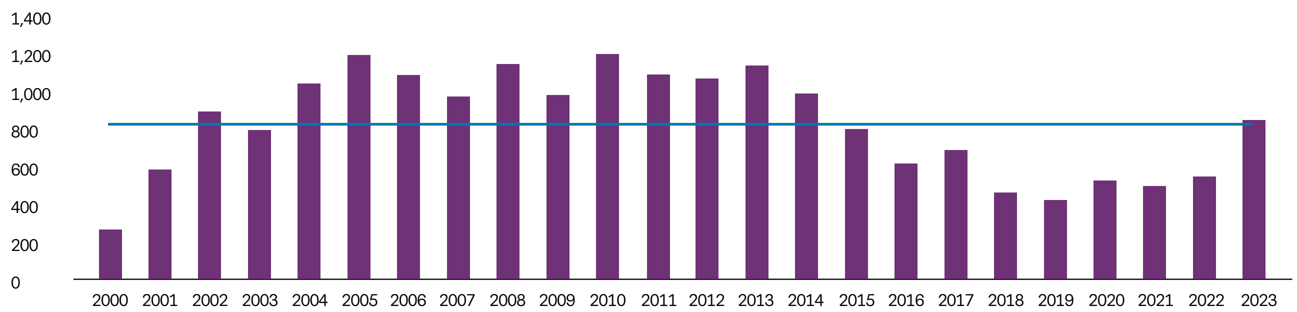
Prime rents in Birmingham's OOT submarket increased from £25.00 psf in 2022 to £27.00 psf over 2023. This was benchmarked on a 16,000 sq ft deal to Holman Fleets at 4020 Lakeside in Birmingham Business Park in Q2 2023.

Birmingham OOT & Solihull Office Take-up ('000 sq ft)



Long-Term Average
Source: PMA

Birmingham OOT & Solihull Office Supply ('000 sq ft)



Long-Term Average
Source: PMA

INDEPENDENT MARKET RESEARCH
United Kingdom

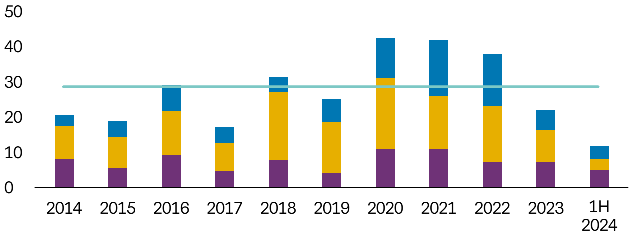
UK LOGISTICS MARKET

The UK logistics occupation market suffered the effects of general uncertainty impacting macroeconomic conditions in 2023. Take-up last year was around half that seen in 2022, as occupiers were more cautious due to the high inflation environment and rising interest rates.

Take-up this year caught up in Q2 2024 despite some caution still in the market and longer deal completion times. 1H 2024 take-up totalled 11.7 million sq ft. This is 18.0% higher than 1H 2023's take-up and only 3.2% below 2H 2023 levels. Q2 2024 contributed 7.3 million sq ft to the half-year total, which is 62.8% up from Q1 2024.

Occupiers continue to favour smaller units, with over 90.0% of the deals this year being under 500,000 sq ft. Only 5 deals were for XXL facilities (over 500,000 sq ft), significantly lower compared to 11 XXL deals and 18 XXL deals transacted in 2023 and 2022 respectively. The largest proportion of deals closed in 1H 2024 was for second-hand units (42.3% of total take-up). New speculative units accounted for 29.7% of take-up, and built-to-suit units accounted for 27.9% of take-up in YTD 2024.

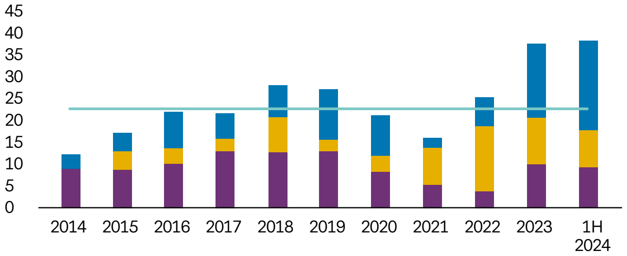
UK Logistics Take-Up (Million sq ft)



Second-hand | BTS | Speculative | 10 Year Average
Source: CBRE

Available space at the end of 1H 2024 totalled 38.7 million sq ft, up 2.2% quarter-on-quarter and sitting above the 10-year average of 22.9 million sq ft. Throughout Q2 2024, 1.2 million sq ft of available speculative space reached practical completion resulting in nearly 80.0% of available space becoming ready to occupy (either speculative completed or second-hand). In Q2 2024, 75.9% of available space was speculative space under construction or newly completed speculative units, with the remaining 24.1% from second-hand space.

UK Logistics Availability (Million sq ft)



Second-hand | Spec Under Construction | Spec Completed | 10-Year Average
Source: CBRE

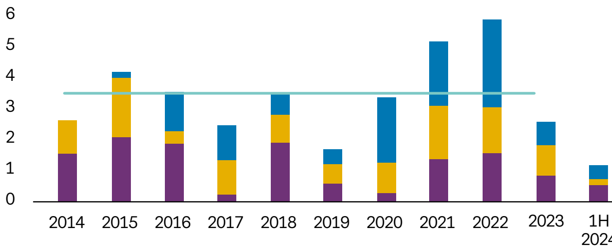
Total available space across the UK at the end of Q2 2024 totalled 30 million sq ft. This was an increase of 12.8 million sq ft at the end of Q2 2024. 69% of available space in Q2 2024 was in new speculative buildings, compared to 63% in Q2 2023. The UK vacancy rate rose to 5.55%, up from 5.28%. This was largely driven by increases in available second-hand stock.

NORTH WEST LOGISTICS MARKET

Take-up in 1H 2024 in the North West market totalled 1.2 million sq ft across 6 deals which were transacted in Q2 2024. This was 53.7% higher than take-up in 1H 2023. In the 12 months to end Q2 2024, North West contributed 12.4% of UK's total take-up. The manufacturing sector accounted for 51.0% of take-up in 1H 2024.

In 1H 2024, almost half of take-up came from second-hand buildings (48.6%), followed by speculative at 37% and BTS at 15%.

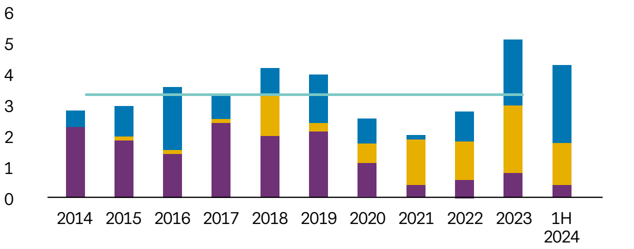
North West Logistics Take-Up (Million sq ft)



Second-hand | BTS | Speculative | 10-Year Average
Source: CBRE

Availability in the North West stood at 4.3 million sq ft in Q2 2024, a 11.8% decrease quarter-on-quarter. Of the available space in the North West, 58.4% were newly completed speculative units, while 31.8% were speculative under construction units. The North West's Q2 2024 vacancy rate was one of the lowest in the UK at 4.47%.

North West Logistics Availability (Million sq ft)



Second-hand | **Spec Under Construction** | **Spec Completed** | **10-Year Average**
Source: CBRE

Prime logistics rents have continued to grow in the North West in 1H 2024. Major logistics hubs, including Manchester Airport, Trafford Park and Warrington, recorded quarter-on-quarter prime rental growth of 2.4%, from £10.50 psf to £10.75 psf in Q2 2024.

Investment

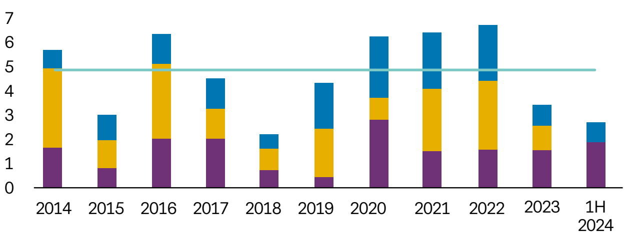
The prime yield remained stable at 5.25% in Q2 2024 in Trafford Park, which is above the market peak of 3.50% in Q1 2022. The prime yield in Warrington also remained stable at 5.25% in Q2 2024, which is below the market trough of 6.50% over the last 10 years, but above the market peak of 3.50% in Q1 2022. The yield in Manchester Airport also remained stable at 5.50%, which is above the market peak of 3.50% in Q1 2022.

WEST MIDLANDS LOGISTICS MARKET

Take-up in 1H 2024 was 2.7 million sq ft, approximately 40.0% higher compared to the year-ago period and 78.2% of total take up for 2023.

Take-up in 1H 2024 was dominated by second-hand space, which accounted for 70.1% of take-up in the West Midlands, while speculative space accounted for 29.9% of take-up. Second-hand space represented a higher proportion of take-up in 1H 2024 compared with 2023.

West Midlands Logistics take-up (Million sq ft)

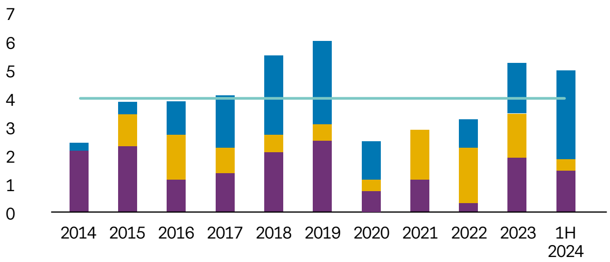


Second-hand | **BTS** | **Speculative** | **10-Year Average**
Source: CBRE

Availability in the West Midlands stood at 5 million sq ft at the end of Q2 2024. Of this, 63.0% or 3.1 million sq ft is comprised of space from newly completed speculative buildings. This reflects an increase of 14.4% from Q1 2024.

The vacancy rate in the West Midlands was 5.40% in Q2 2024, higher than the historical low of 1.50% in Q3 2022 but remaining just below the UK average of 5.55%.

West Midlands Logistics Availability (Million sq ft)



Second-hand | **Spec Under Construction** | **Spec Completed** | **10 Year Average**
Source: CBRE

Prime big box rents in the West Midlands increased 2.60% from £9.75 psf in Q1 2024 to £10.00 psf in Q2 2024.

Investment

There was no change to the prime yield which remained at 5.25% in Q2 2024. This is 125 bps lower than market trough over the last 10 years, but above the market peak of 3.40% in Q1 2022.

INDEPENDENT MARKET RESEARCH
Singapore

CBRE

THE SINGAPORE ECONOMY

According to the Ministry of Trade and Industry ("MTI")[1], Singapore's economy grew 5.4%[2] year-on-year ("Y-o-Y") in 3Q 2024. On a quarter-on-quarter ("Q-o-Q") basis, it expanded by 2.1%[3], an acceleration from the 0.5% Q-o-Q increase observed in the previous quarter. On a Y-o-Y basis, all sectors recorded positive growth.

The manufacturing sector expanded 11.0% Y-o-Y in 3Q 2024, rebounding from the 1.1% Y-o-Y contraction observed in the preceding quarter, which translates to a 13.5% Q-o-Q increase. The growth in the sector was supported by output expansions across all manufacturing clusters, except for the biomedical manufacturing cluster.

The construction sector experienced a 3.7% growth Y-o-Y in 3Q 2024, extending the 4.8% Y-o-Y growth in the previous quarter. Growth in the sector was attributed to an increase in the public sector construction output. The sector's growth was 0.7% on a Q-o-Q basis in 3Q 2024, moderating from the 3.4% Q-o-Q expansion in 2Q 2024.

The labour market continued to expand in 3Q 2024, in line with the sustained economic growth. Total employment growth more than doubled in 3Q 2024 (24,100) compared to 2Q 2024 (11,300). Meanwhile, overall unemployment remained stable on a month-on-month basis, recording an unemployment rate of 1.9% in both July and August before dipping to 1.8% in September. The number of retrenchments declined from 3,270 in 2Q 2024 to 2,900 in 3Q 2024. Retrenchments fell or remained stable across sectors, with business reorganisation and restructuring remaining the top reason for retrenchments in 3Q 2024. Looking forward, the Ministry of Manpower ("MOM") anticipates employment to continue to expand in the next quarter and the labour market to remain tight.

The ongoing Russia-Ukraine war and Israel-Hamas conflict, continues to impede the global supply chain, disrupt the global supply of energy, and increase the prices of commodities. This has further exacerbated global supply chain issues and weighed on the global economy. These factors have collectively contributed to global inflation and pressures on the growth of many global economies. To combat inflation, the U.S. Federal Reserve (the "Fed") had kept interest rates at a target range of 5.25% - 5.5% since July 2023 through to July 2024, with benchmark borrowing costs at their highest level in more than 22 years. Since then, the Fed Committee has lowered interest rates by 50 basis points, easing monetary policy for the first time in four years, and stated that it expects two additional rate cuts in 2024 (50 bps) and four more rate cuts in 2025 (100 bps).

The Monetary Authority of Singapore ("MAS"), which tightened its monetary policy five times since October 2021, has since eased its policy, maintaining the rate of appreciation of the Singapore dollar nominal effective exchange rate ("S$NEER") since July 2024, as it anticipates Singapore's GDP growth in 2024 for the whole year to come in around the upper end of the 2 -3% forecast range. As such, the Singapore Interbank Offered Rates ("SIBOR") and Singapore Overnight Rate Average ("SORA") have stabilised over the course of the year but remained elevated at their highest levels in the past 15 years.

SINGAPORE HI-TECH AND BUSINESS PARK MARKET OVERVIEW

Business Parks are Master Planned zoned sites by the Urban Redevelopment Authority ("URA"). They are larger campus-style developments occupying at least five hectares ("ha") of land with modern office-like specifications. The campuses typically have lush greenery, a full suite of amenities and facilities, and high-quality building designs.

Hi-Tech industrial developments, on the other hand, are modern industrial premises designed with higher-grade and more comprehensive building specifications compared to conventional industrial premises. As such, they are seen as good alternatives to Business Parks. For instance, the 4.8 ha Alexandra Technopark ("ATP"), situated in the City Fringe, is classified as a Hi-Tech development. It has a campus-like environment and similar to business parks, ATP offers amenities such as food and beverage options and convenience stores, along with communal spaces for collaborative and placemaking activities and a variety of lifestyle, wellness, sports, and social facilities.

Existing Stock

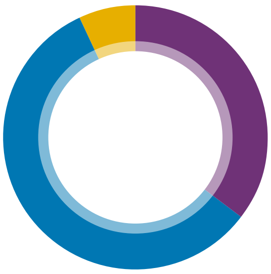
As of 3Q 2024, the overall stock of Hi-Tech space remained unchanged Y-o-Y at 14.85 million sq ft. There were no new Hi-Tech completions since 3Q 2023.
In 3Q 2024, islandwide Business Parks stock expanded 0.9% on a Q-o-Q basis and 3.2% Y-o-Y to 22.4 million sq ft. The only notable completion included the partial completion of Punggol Digital District (PDD Phase 1A), adding 211,252 sq ft of islandwide Business Park stock in the quarter.

Future Supply

From 4Q 2024 to 2027, the total islandwide stock of Hi-Tech and Business Park spaces is estimated to increase by 3.9 million sq ft, with majority of the pipeline supply attributed to Business Park spaces. The North-East Region, Central Region and West Region will account for 57.5%, 35.5% and 6.9% of the pipeline supply respectively (Chart 2.1).

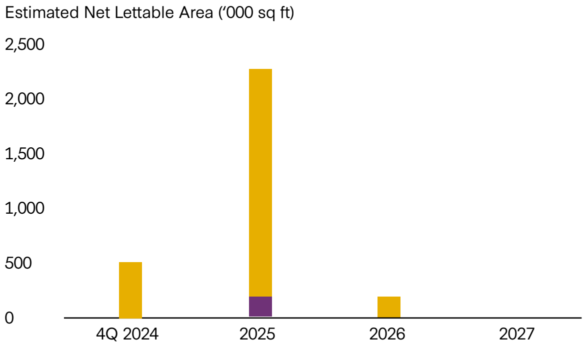
1 Based on the Ministry of Trade and Industry Singapore's press release on 22 November 2024
2 Real Gross Domestic Product (GDP) in Chained (2015)
3 Non-annualised, seasonally adjusted

Chart 2.1: Future Supply of Hi-Tech and Business Park by Region (4Q 2024- 2027)



Central	35.5%
North East	57.5%
West	6.9%
East	0.0%
North	0.0%

Chart 2.2: Future Hi-Tech and Business Park Supply



Hi-Tech | Business Park
Source: CBRE Research

Average pipeline supply from 4Q 2024 to 2027 is approximately 1.02 million sq ft, which is approximately 66% above the 5-year historical average net supply of Business Park spaces from 2019 to 2023.

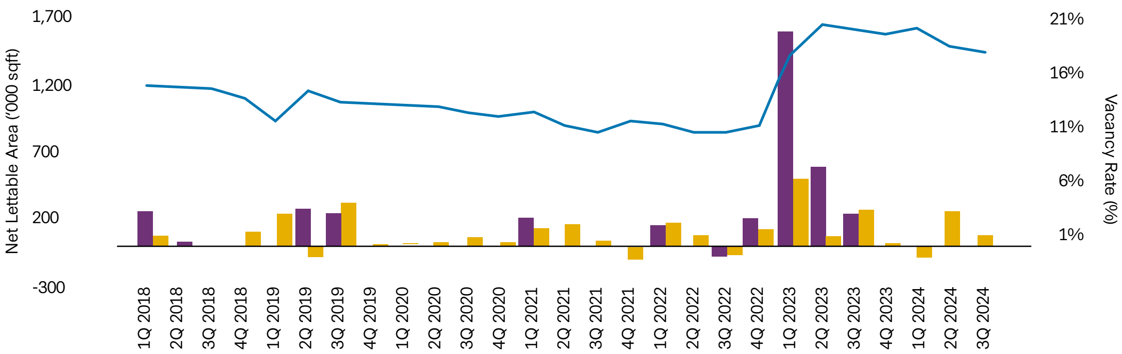
The upcoming Business Park supply in 4Q 2024 will include the completion of Phase 1B of Punggol Digital District (535,600 sq ft) in the North-East Region and will comprise 3 towers; Tower 5, 6 and 7. In 2025, two major developments will be completed, including Phase 2 of Punggol Digital District (1.02 million sq ft) which has been delayed to 1Q 2025 in the North-East Region as well as 1 Science Park Drive (1.09 million sq ft) in the Central Region. An additional 212,000 sq ft will enter the market in 2026 upon the redevelopment of iQuest@IBP in the West Region.

There is approximately 0.20 million sq ft of upcoming Hi-Tech supply from 4Q 2024 to 2027. Currently, there are no known developments in the pipeline for 2024, 2026 and 2027. In 2025, the only project scheduled for completion is the Asset Enhancement Initiative ("AEI") of 16 Tai Seng Street by ESR-LOGOS REIT. The AEI is approximately 50% completed as of July 2024.

Demand and Vacancy

Over the past four quarters, total net absorption for Hi-Tech spaces stood at 0.30 million sq ft. There was no new net supply over the same period. This has resulted in vacancy levels decreasing by 2.0 percentage points Y-o-Y to 18.0% in 3Q 2024 (Chart 2.3). The Hi-Tech market has seen movement, with recent occupier demand stemming from the manufacturing and technology companies.

Chart 2.3: Islandwide Hi-Tech Net Supply, Net Absorption and Vacancy Rates



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

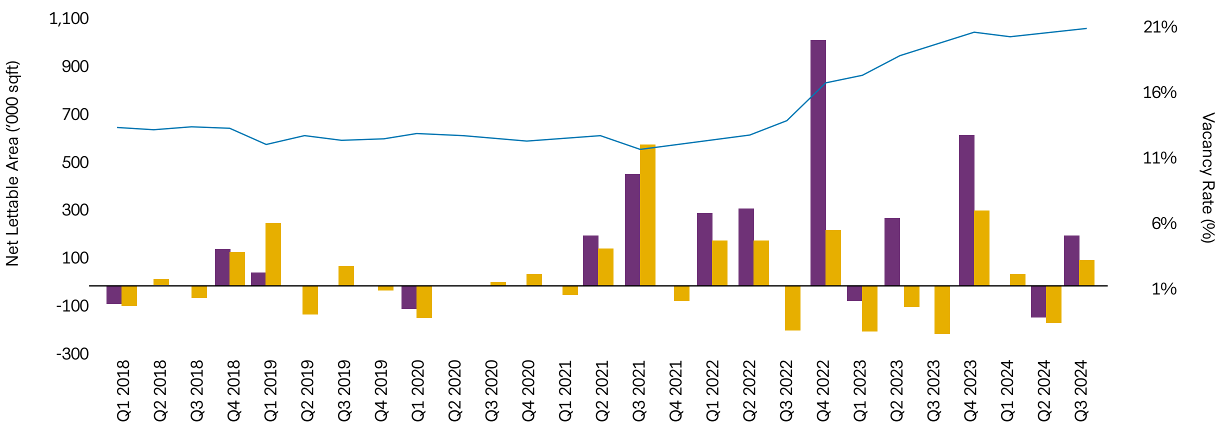
INDEPENDENT MARKET RESEARCH
Singapore

Islandwide net absorption for Business Park spaces over the past four quarters was 0.30 million sq ft, against a net new supply of 0.70 million sq ft. Islandwide net absorption rebounded from the negative 0.16 million sq ft in the previous quarter, with 3Q 2024 recording a net absorption of 0.10 million sq ft. The overall Business Park market continued to face challenges including a lack of significant demand drivers and consolidation activities from companies aimed at cost savings and workplace optimization. As such, islandwide vacancy rate increased by 1.2 percentage points Y-o-Y and 0.3 percentage points Q-o-Q to 21.4% in 3Q 2024, the highest recorded over the past 5 years (Chart 2.4).

Demand for Business Parks in the Central Region also softened, with vacancy rates rising to 7.1% in 3Q 2024, up from 5.8% in 3Q 2023. This is primarily attributed to increased space availabilities from expiring leases in Alexandra Corridor, while one-north had stable vacancy levels.

Although Business Park stock in central locations remains limited, the current business climate has led tenants to be more cautious, resulting in most leasing activity being focused on renewals. Although pockets of spaces have been taken up, they were typically small-sized requirements.

Chart 2.4: Islandwide Business Park Net Supply, Net Absorption and Vacancy Rates

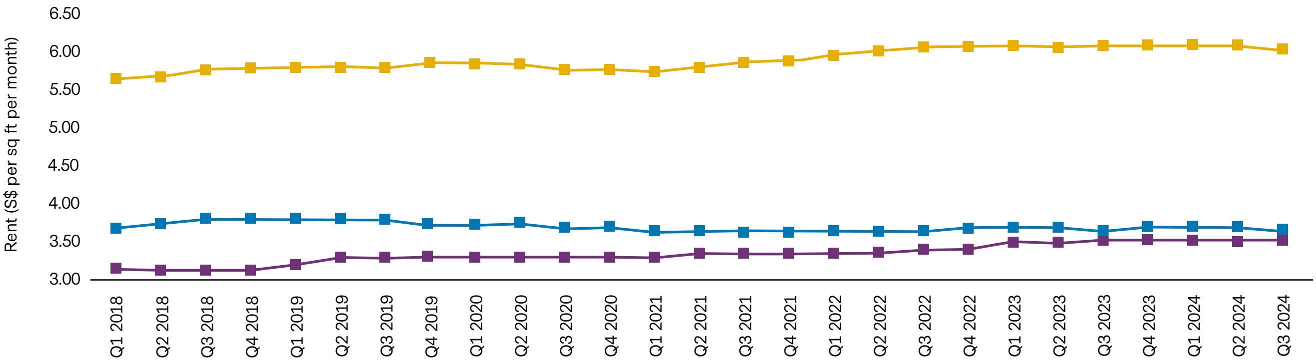


Net New Supply | **Net Absorption** | **Vacancy Rate (RHS)**
Source: CBRE Research

Rents

Rents in Hi-Tech industrial spaces were observed to have remained stable Q-o-Q and increased slightly by 0.3% Y-o-Y to S$3.55 per sq ft per month in 3Q 2024 (Chart 2.5). Although there was no new supply in 2024, the Hi-Tech market remains in consolidation mode and will need time to digest the influx of supply from 2023. As a result, rents are observed to have plateaued in the past one year. With expansionary demand cooling, most occupiers are favouring lease renewals in this environment to avoid relocation costs. However, CBRE Research has observed a few instances of occupiers relocating to higher specification or fitted spaces. With increasing vacancy rates of Business Parks in the Rest of Island submarkets, rents fell by 1.4% Q-o-Q and remained flat on a Y-o-Y basis in 3Q 2024 at S$3.65 per sq ft per month (Chart 2.5).

Chart 2.5: Hi-Tech and Business Park Rents



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

Business Park rents in the City Fringe submarket was also lacklustre. Rents remained flat at S$6.10 per sq ft per month for three consecutive quarters and inched down by 0.8% Y-o-Y in 3Q 2024 to S$6.05 per sq ft per month, indicating a softening of the market.

The Business Park market is experiencing a rental divergence in performance between older and newer buildings even within the same areas. For buildings in certain micro-markets that are seeing higher vacancies, landlords have begun to reduce rents to attract new tenants. In contrast, newer buildings with higher specifications in prime locations continue to command higher rents.

Despite holding steady in 1H 2024 on average, Business Park rents in both the Rest of Island and City Fringe submarkets are expected to face increased pressure in the latter half of the year. This stems from rising vacancies contributed by non-renewals of expiring leases in specific buildings.

Investment and Capital Values

In 3Q 2024, Lendlease acquired S$1.6 billion portfolio assets from Blackstone/ Soilbuild Group chairman Lim Chap Huat. The assets, spanning a total gross floor area ("GFA") of 4.5 million sq ft, comprise 7 properties consisting of a mix of warehouse, factory, Business Park and Hi-Tech assets, including a Hi-Tech building (Solaris @ Kallang 164) and a Business Park (Eightrium @ Changi Business Park). However, no price breakdown was given for the individual properties in the portfolio.

Besides the portfolio transaction at Solaris @ Kallang 164, there were no other Hi-Tech investments that occurred in the last four quarters (4Q 2023 to 3Q 2024), representing a 100% Y-o-Y decrease from the last four quarters (4Q 2022 to 3Q 2023).

For Business Park investments in the past four quarters, besides the portfolio transaction at Eightrium @ Changi Business Park, there was only one other transaction in 3Q 2024, where Ho Bee Land sold 49% stake in Elementum to a Singapore-incorporated firm representing the interest of a sovereign wealth fund, Fermium 257, for S$271.9 million (S$1,246 psf GFA) via a sales and purchase agreement. The property, located at 1 North Buona Vista Link, is a 12-storey biomedical sciences development, and has a GFA of 445,300 sq ft. Its sale consideration was based on an agreed property value of S$555 million.

CBRE observed that, in general, corporate real estate valuations of Hi-Tech industrial and Business Park assets have been firm with no expansion in capitalisation rates, as of September 2024.

Market Outlook

The Hi-Tech segment continues to see healthy leasing activity for the past four quarters with rents holding firm. While technology and manufacturing sectors have been the primary drivers of leasing activity in 1H 2024, most of these deals are focused on renewals and relocations as expansionary demand has cooled.

With the completion of several Hi-Tech facilities in 2023, vacancy rates remain elevated compared to pre-2023 levels, though there has been a slight improvement in 3Q 2024. During this period of consolidation, CBRE has noted that some landlords are taking an accommodative approach by reducing asking rents to attract new tenants or offering discounts to retain existing tenants. However, selected landlords with well-located, amenity-rich assets may still be able to secure renewals at marginally higher rents as occupiers are reluctant to relocate and incur fitout costs. As the market would require more time to absorb the vacant spaces, overall rental growth for the Hi-Tech segment is projected to remain muted in the short to medium term.

INDEPENDENT MARKET RESEARCH
Singapore

Despite holding steady in 1H 2024 on average, Business Park rents are likely to come under pressure in the latter half due to prevailing economic challenges, high costs, and ongoing work-from-home trends, which will continue to dilute space requirements for tenants. Take-up for Business Parks continue to be constrained by the narrow rental difference compared with decentralised offices, as well as qualification for Business Park occupation.

Both the Rest of Island and City Fringe submarkets are anticipated to experience heightened pressure from rising vacancies due to non-renewals in specific buildings. Furthermore, an increase in completions scheduled for the second half of 2024 through 2025 will create a more competitive leasing market, impacting occupancy and rental rates in the near to medium term. That said, while the Business Parks sector may be facing challenges now, their appeal to new economy industries remains strong, particularly for the upcoming clusters such as Punggol Digital District. The high-growth biomedical sector, combined with a potential tech industry recovery, could help drive demand for space in these areas. Singapore's supportive environment will help foster the long-term development of such activities.

Commentary on Singapore Prime Logistics

CBRE's tracked prime logistics stock contributes to approximately 10.6% of total warehouse stock in Singapore as at 3Q 2024. In the year-to-date 2024, leasing activity continued to be driven by renewals and relocations. Prime Logistics demand by 3PLs moderated during the quarter due to consolidation. Steady take-up was offset by pockets of space being released onto the market, resulting in CBRE's prime logistics basket occupancy rates remaining flat at 94.6% in 3Q 2024.

Although Singapore's port congestion arising from the Red Sea crisis has improved recently, the situation is still expected to persist until year-end, adding to cost and operational challenges for logistics firms. Looking ahead, while 2025 is expected to see a peak in prime logistics supply, as major 3PLs and e-commerce firms continue to consolidate, softer market conditions have opened a window of opportunity to secure choice spaces with shorter lead times compared to that in 2023. As such, there have been robust pre-leasing activity for upcoming prime logistics facilities.

INDEPENDENT MARKET RESEARCH

The Netherlands

ECONOMY & OUTLOOK

The Dutch economy grew 1% in 2Q2024 compared to the previous quarter. This follows a contraction of 0.3% a quarter earlier. These figures are mainly driven by the Dutch industrial sector, which performed well after a weak first quarter. Exports of goods grew by 1.7% in 2Q2024. In particular, the metal, pharmaceutical and chemical industries performed well.

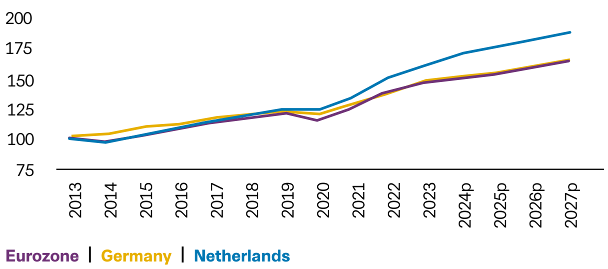
Although the Dutch economy grew 1% last quarter, consumers remain cautious about spending on items such as food and beverages, energy and hospitality. Household spending remains muted due to the higher cost of living and a preference to save and benefit from higher interest rates. Furthermore, with the significantly higher number of bankruptcies compared to previous years, consumers are exercising prudence by spending less.

At the same time, the labour market remains tight. The number of job vacancies that are open is still higher than the unemployed labour force. Consequently, unemployment remains stable at 3.7%.

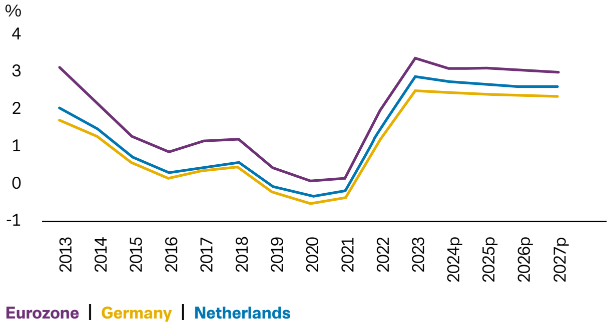
The outlook for the Dutch economy is cautiously optimistic. If European Central Banks (ECB) interest rate cuts continue, the Eurozone will continue to experience growth. The Netherlands, as an important transit and export country, will benefit. Inflation is expected to decline in 2025, allowing prices to normalise and drive consumer spending. However, the impact of national politics on the economy is uncertain. Although the new government wants to solve economic and social issues in the short term, the lack of concrete measures and the absence of a long-term focus raises concerns about the sustainability and effectiveness of policies.

Key Factors	CAGR 2017-2023	Forecast 2024-2025
Population growth	+0.7%	+0.4%
Employment growth	+1.8%	+0.5%
Real Wage growth	+0.0%	+0.4%
Consumer Price Inflation	+3.3%	+2.9%

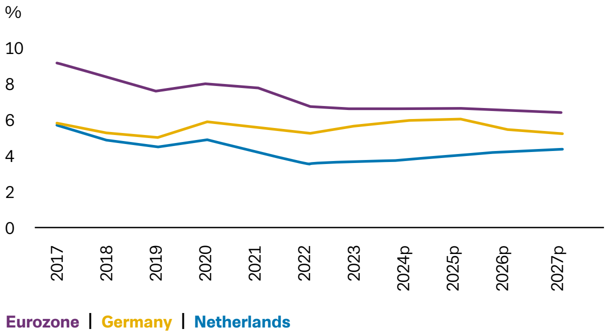
GDP Development (Index 2013=100)



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



Unemployment Rate (% of workforce)



INDEPENDENT MARKET RESEARCH
The Netherlands

NATIONAL INDUSTRIAL AND LOGISTICS MARKET THE NETHERLANDS

Occupier market
Take-up volume amounted to just 3.3 million sqm of industrial and logistics space in the first three quarters of 2024, which is approximately 10% higher compared to last year. This larger take-up figure is primarily due to an increase in the number of transactions for buildings larger than 10,000 sqm. Supply also increased 3% year-on-year, with around 8.25 million sqm on offer at 3Q2024. The new supply has been well received by the market as conditions remain tight with less than 4% of the total stock is available.

Vacancy
The vacancy rate of industrial and logistics properties has declined in recent years. The Covid-19 pandemic, being a major driver of e-commerce, has led to its further adoption. Now that economic conditions are less positive, vacancy levels are rising slightly but remain low at 2.5%.

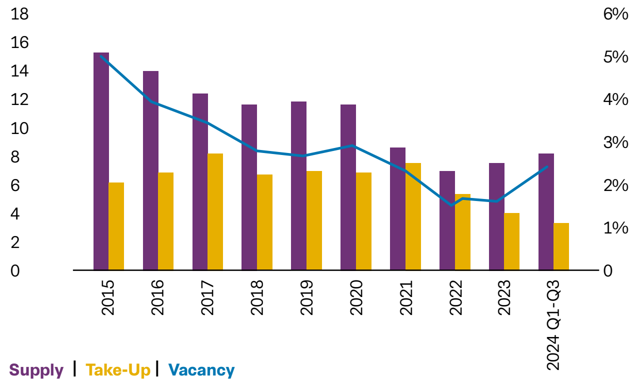
Investment market
In the first nine months of 2024, a total of €1.75 billion was invested in industrial and logistics real estate. This is approximately 12% lower compared to the same period last year.

The decline is due to a number of reasons. Firstly, there is a shortage of available building land. There are an increasing number of restrictions that prevent new sites from being built, limiting opportunities in good locations. This is causing investors and developers to divert their attention to other locations in the Netherlands. The distribution of logistics buildings in the Netherlands is therefore widening.

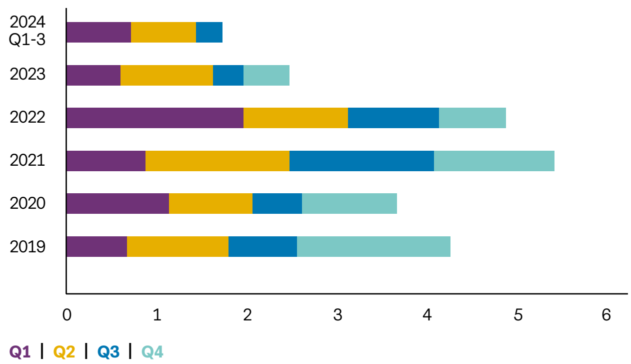
Moreover, new-build developments at these new locations are running into problems. The grid capacity needed for new construction is unavailable in many places; in about 55% of the Netherlands, no new power connections are possible.

Finally, with the ECB cutting its interest rates in recent months and more cuts on the horizon, investors are taking a wait-and-see approach to benefit from lower financing costs.

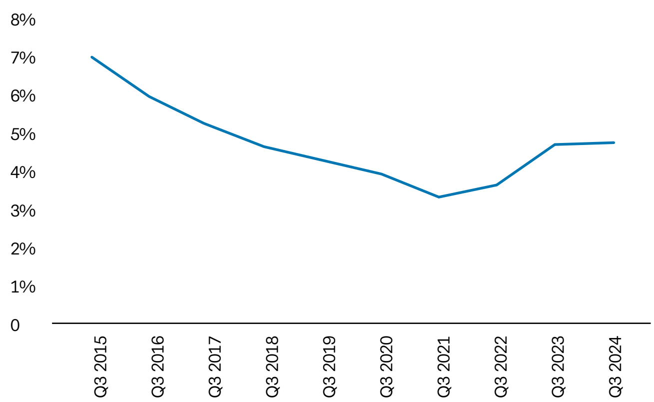
Occupier Market ('000 sqm)



Transaction Volume Industrial & Logistics (in € billion)



Gross Initial Yield (Prime Yield, in %)



Top Logistics Markets in The Netherlands:

	Q3 2024	12-month Forecast
1. Amsterdam		
GIY (in %)	4.90%	→
Prime Rent €/sqm per annum	€110	→
2. Schiphol Region		
GIY (in %)	4.80%	→
Prime Rent €/sqm per annum	€105	→
3. Rotterdam		
GIY (in %)	4.80%	→
Prime Rent €/sqm per annum	€105	→
4. West-Brabant		
GIY (in %)	4.80%	→
Prime Rent €/sqm per annum	€80	→
5. Tilburg-Waalwijk		
GIY (in %)	4.80%	→
Prime Rent €/sqm per annum	€85	→
6. Eindhoven		
GIY (in %)	4.90%	→
Prime Rent €/sqm per annum	€85	→
7. Venlo-Venray		
GIY (in %)	4.90%	→
Prime Rent €/sqm per annum	€85	→
8. Mid- and South Limburg		
GIY (in %)	4.90%	→
Prime Rent €/sqm per annum	€80	→

INDEPENDENT MARKET RESEARCH
The Netherlands

NATIONAL INDUSTRIAL AND LOGISTICS MARKET THE NETHERLANDS

Land values
Land values for all locations apart from Amsterdam and Schiphol Airport have risen in recent years. For locations in and around Amsterdam, including Schiphol, land prices have been stable since 3Q2022. For the other locations, price increases range from 11% (West-Brabant) to over 30% (Tilburg-Waalwijk region).

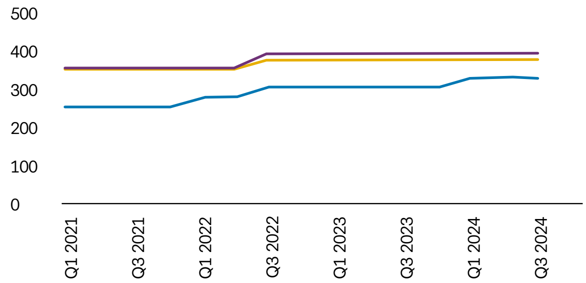
Land prices are expected to increase further in the coming years. High demand and limited supply are further driving up prices, especially in the few locations where, despite the overcrowded power grid and regulations on nitrogen, it is still possible to develop new buildings.

Yield development
Favourable conditions underpinned growing interest in the industrial and logistics sector. The sector recorded high investment volumes between 2019 and 2022. Amidst a backdrop of limited supply , gross initial yields declined, reaching their lowest point early 2022.

Since then, market conditions have changed considerably. High inflation figures prompted the ECB to raise its interest rates by as much as 450 bps over 10 consecutive adjustments since July 2022. Subsequently, investment volumes declined and as yield requirements increased in tandem, realized yields for industrial and logistics real estate increased as high as 150 bps.

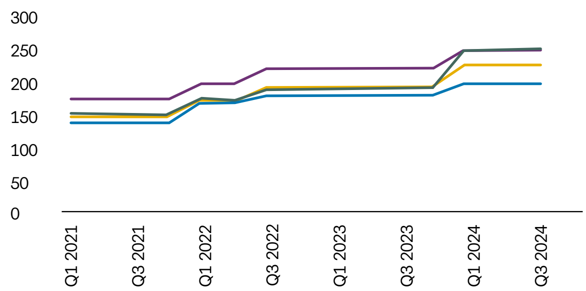
With the interest rates cuts of June and September 2024, the market is now at a tipping point. The interest rate cuts and strength in rental growth are boosting investor confidence. This will strengthen the appetite for industrial and logistics properties, which will drive yields compression in the medium to long term.

Land Value (Euro per sq m)



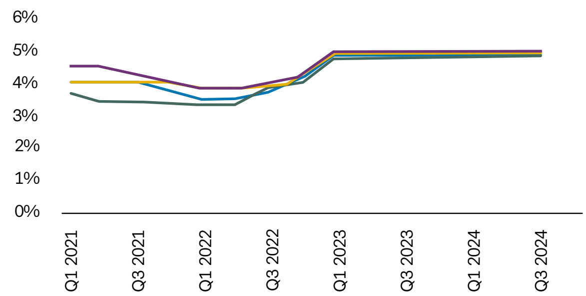
Amsterdam | Amsterdam Schiphol | Rotterdam

Land Value (Euro per sq m)



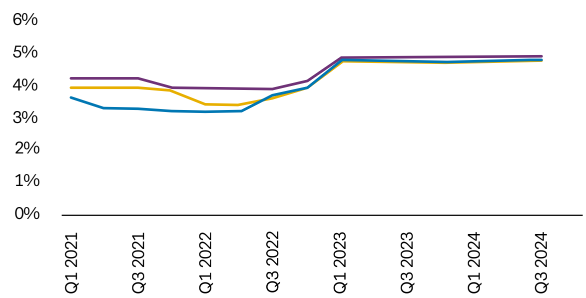
Eindhoven | Venlo - Venray | West-Brabant | Tilburg - Waalwij

Gross Initial Yield Development (in %)



Amsterdam | Amsterdam Schiphol | West-Brabant | Tilburg - Waalwijk

Gross Initial Yield Development (in %)



Eindhoven | Rotterdam | Venlo - Venray

Outlook

Interest rate cuts and the easing of the inflation rate in the Eurozone ensure that the outlook is positive for both the European and Dutch economies and, by extension, the industrial and logistics real estate sector.

Manufacturing activity has been increasing for several months. Accordingly, a majority of companies expect production to increase in the coming months as order flow resumes. Dutch consumer purchasing power is also expected to increase as consumer confidence is improving for the past several months. As product demand increases among both producers and consumers, there is likely to be a positive impact on the industrial and logistics real estate market.

However, the positive impact may be limited by several challenges. The unresolved nitrogen problem continues to make it harder to secure building permits, and grid congestion is also preventing construction in a growing number of locations. As a result, there is an increasing number of new developments located outside key logistics regions.

From a political point of view, it is still unclear what the new government wants. The coalition programme includes a new “Nota Ruimte” (Spatial Memorandum) that will weigh up the long-term spatial layout of the Netherlands. This should produce a plan on how to deal with scarce space considering economic developments and interests. The importance of business activity gains momentum, which can benefit industrial and logistics real estate.

In conclusion, market fundamentals of the industrial and logistics market in the Netherlands remains strong. Demand is high as supply is limited. Thus, vacancy rates will continue to remain low in the coming years. Together with the open economy and the location of the Netherlands within the European and global market, industrial and logistics real estate in the Netherlands will remain an attractive asset class to investors.

ENTERPRISE RISK MANAGEMENT

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

Risk Management Process

Risk Identification

- Risk categories and risk factors
  - Macro environmental
  - Strategic
  - Financial
  - Operational

Risk Assessment

- Risk heatmap
- Risk assessment parameters (impact / likelihood)
- Gross/net risk (before and after mitigation)

Risk Treatment

- Accept
- Avoid
- Reduce
- Transfer

Risk Monitoring

- Risk appetite
- Risk tolerance
- Key risk indicators

Risk Reporting

- Quarterly risk review
- Quarterly reporting on material risk areas
- Annual ERM validation with annual review of risk tolerance statements
- Annual management assurance

The ERM framework covers key business areas such as investment, financial management and operating activities, as well as aspects of information technology, environment and climate change risks. As part of the risk management process, the risk exposures and potential mitigating measures are identified, and key risk indicators ("KRIs") are established to monitor risks. The KRIs are presented and reviewed by the Manager (the "Management") and the ARCC on a regular basis. FLCT's risk tolerance statements have been developed by the Manager and reviewed and approved by the Board. The risk tolerance statements set out the nature and extent of significant risks which the Manager is willing to take in achieving FLCT's strategic objectives. The risk tolerance statements are reviewed annually.

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

KEY RISKS

Macroeconomic Risk

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

Interest Rate Risk

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

Operational Risk

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

The Manager has in place well-established standard operating procedures designed to identify, monitor, report and manage operational risks associated with the day-to-day management and operation of the REIT's properties. These include actively managing lease renewals and marketing of space to minimise rental voids, as well as actively monitoring and managing property expenses and rental arrears.

In mitigating the risks associated with an unanticipated and/or catastrophic events, insurance is procured to minimise any potential financial impacts of property damage and business disruption.

The Manager also has in place property operating procedures and business continuity plans that enable the continuity and/or resumption of critical and time-sensitive business operations with minimal disruption. Such procedures and business continuity plans are reviewed and tested regularly to ensure their continued relevance and effectiveness.

In 2023, the Manager has updated its Business Continuity Management ("BCM") Policy and procedures that incorporated the requirements under the revised BCM Guidelines issued by the Monetary Authority of Singapore in June 2022. The revised BCM Guidelines was effective June 2023 and applies to the processes of the Manager.

Funding and Liquidity Risks

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

Credit Risk

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

Investment Risk

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

Human Capital Risk

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

ENTERPRISE RISK MANAGEMENT

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

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

Information Technology
Digital disruption and the future of work that are enabled by digital technology offer new opportunities and challenges. Frasers Property, of which the Manager is part of, builds digital capabilities and invests in new technologies to ensure our business is future-ready.

Cyber and technology controls are implemented to manage information technology ("IT") risks such as malware (e.g. ransomware) and social engineering (e.g. phishing). At the Frasers Property group level, IT incident management process and disaster recovery are tested regularly to ensure operational readiness and capabilities to respond and recover from IT incidents. Enterprise-wide phishing simulation exercise is implemented to heighten user awareness in addition to the mandatory annual cyber security e-learning. An external managed security service provider is engaged to conduct proactive threat and vulnerability management.

The Manager has adopted the REIT Technology Policy that incorporated the requirements under the Technology Risk Management Guidelines (including Cyber Hygiene) issued by the Monetary Authority of Singapore. Following such adoption, the Chief Information Officer and Chief Information Security Officer provide updates to the ARCC on cybersecurity and technology risks (and related risk reduction initiatives) on a quarterly basis.

Environment and Climate Change Risk
The Manager places importance in managing the environmental and climate change risks in our operations. We recognise the implications and consequences that climate-related risks have on the environment and the potential impact to FLCT's properties and operations.

In mitigating our exposure to environmental and climate change issues, the Manager has put in place a sustainability strategy for FLCT. The sustainability targets established as part of the sustainability strategy are updated on a biennial basis. Progress updates are provided to the Board on select targets on a quarterly basis and on all targets on an annual basis. FLCT has aligned its target with the Sponsor to achieve net-zero carbon in operation by 2050. FLCT has adopted GRESB as its key assessment tool for the portfolio and incorporated it as a key measure of sustainability performance in its sustainability finance framework.

For more information on our sustainability objectives and progress-to-date, please refer to the ESG Report section within this report.

FY2024 ESG REPORT

CONTENTS


AVIATORS
AVIATORS

BOARD STATEMENT

Dear Fellow Stakeholders,

As the Board of Directors (the "Board") of FLCAM, we are committed to providing strategic oversight and guidance to reinforce our position as a leading logistics and industrial-focused REIT. Our role is to ensure that FLCT implements sustainable strategies that enable long-term value creation while meeting the evolving needs of our tenants and stakeholders. In line with this commitment, the Board oversees FLCT's ESG strategy, including the management and monitoring of material ESG factors.

In the past year, FLCT has achieved several milestones that reflect its ongoing dedication to progress under our ESG pillars. As of 30 September 2024, 89% of the FLCT portfolio by gross floor area (GFA) is certified against accredited third-party green building schemes. FLCT also continued to build on its green financing efforts, with sustainability-linked financing as a proportion of FLCT's total borrowings amounting to 74%. In February 2024, FLCT published its inaugural ESG databook, enhancing transparency in our ESG reporting and disclosures. Furthermore, in October 2024, FLCT was recognised as a GRESB Global Listed Sector Leader for its achievements in ESG performance, in the diversified office/industrial sector, as well as maintaining a 5-star GRESB rating for the eighth year in a row.

The Board continues to oversee FLCT's progress towards its sustainability goals, including initiatives to reduce our carbon footprint and improve resource efficiency across our portfolio. We are pleased to note advancements in areas such as onsite renewable energy generation, waste management, and tenant engagement for sustainable practices. This year, FLCT's Alexandra Technopark in Singapore partnered with Singapore Power Limited (SP) to install 915 sqm of solar panels, which is equivalent to a solar capacity of 203kW. Additionally, at the Central Park property in Perth, all cladding removed during the façade modernisation project were recycled, aligning with our broader efforts to minimise waste. The new cladding system also improves the building's thermal efficiency by reducing heat transfer, contributing to better energy performance.

Our commitment extends beyond environmental concerns to social responsibility. We support initiatives that promote safety, inclusion, and the well-being of our employees and the communities we serve.

The pursuit of our sustainability agenda is a collaborative effort, involving our dedicated team and stakeholders who share our commitment to ESG principles and sustainable value creation. We are grateful for their continued support as we work towards our ESG goals. We are committed to overseeing strategies that deliver exceptional performance while embracing sustainability.

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

FY2024 PERFORMANCE – THE YEAR AT A GLANCE

ACTING PROGRESSIVELY

- **74%** of FLCT's total borrowings are in the form of green or sustainable financing
- GRESB Global Sector Leader in the diversified office/industrial sector with a **5-Star GRESB** rating for the eighth year in a row
- Maintained the **highest Green Star performance rating** for industrial portfolios in Australia
- **89%** of the portfolio by gross floor area (GFA) is certified against accredited third-party green building schemes

CONSUMING RESPONSIBLY

- **915 sqm of solar panel installed** at Alexandra Technopark, which is equivalent to a solar capacity of 203kW
- Generated over **10 GWh of onsite solar energy**, marking a **19.8% increase** compared to FY2023
- The combined **Scopes 1 and 2 emissions decreased by 4.0%** to 9.6 $ktCO_2e$, with an intensity reduction to 11.1 $kgCO_2e/m^2$
- **Recycled** nearly **307 tonnes of waste** from managed areas, achieving a recycling rate of **29.4%**

FOCUSING ON PEOPLE

- Blythe Valley Business Park in the UK was recognised for its commitment in building healthier developments and communities and received a **Fitwell 2*star rating** (out of a maximum 3 stars)
- Net Promoter Score (NPS) of **76 points** of 100 points achieved in FY2024 Australian Tenant Survey

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5

REPORT SCOPE

This Report marks FLCT's eighth ESG Report, disclosing progress made in FY2024 around our material ESG issues. The Report is published on 23 December 2024, aligned with our financial reporting cycle which covers information and disclosures from 1 October 2023 to 30 September 2024.

The Report discloses the activities and performances of our operations and properties in Australia, Germany, Singapore, the United Kingdom and the Netherlands. Detailed information on our operations and properties is in Operational Review section of this Report. The data disclosed extends to assets we own or manage, over which we have operational control.

Restatements of data and further notes to the performance data included in this Report can be found on pages 122 to 126.

REPORTING STANDARDS, FRAMEWORKS AND RECOMMENDATIONS

This Report was prepared in accordance with the following sustainability standards and frameworks, which have been selected based on mandatory reporting obligations and best sustainability reporting practices:

- Global Reporting Initiative (GRI) Universal Standards 2021
- SGX-ST Listing Manual (Rules 711A and 711B) and the SGX Core ESG Metrics
- MAS Guidelines on Environmental Risk Management for Asset Managers
- Task Force for Climate-related Financial Disclosures (TCFD) Framework, in preparation to report against the International Sustainability Standards Board's (ISSB) International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards in upcoming years in alignment with SGX Listing Rules
- MAS Guidelines on Environmental Risk Management for Asset Managers

FLCT has applied the Reporting Principles from the GRI Standards. For a full list of disclosures reported, please refer to the GRI Content Index on pages 144 to 149.

EXTERNAL ASSURANCE

To verify the reliability of the data and management approach disclosed in our ESG Report, an independent limited assurance was conducted by Verco Advisory Services Limited. The Independent Assurance Statement can be found on pages 135 to 136.

FEEDBACK

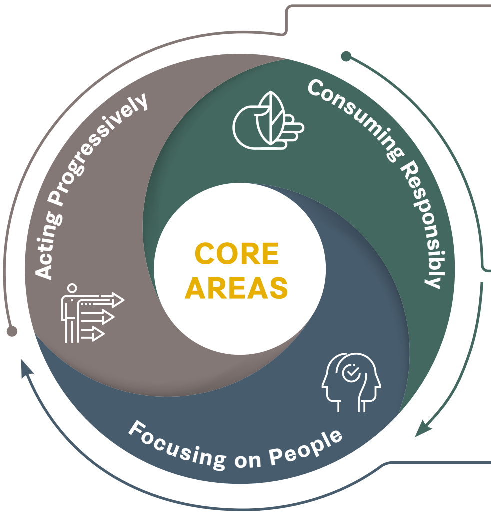
We welcome your feedback in our efforts to continuously improve our sustainability practices and performance. Please direct enquiries to ir_flct@frasersproperty.com.

OUR APPROACH TO ESG

ESG FRAMEWORK AND GOALS

Our ESG strategy is broadly aligned to our Sponsor's ESG Framework and ESG Goals, taking into account focus areas and targets material to FLCT's business.

FLCT's **ESG Framework** guides our approach towards driving ESG progress, and focuses on three pillars - Acting Progressively, Consuming Responsibly and Focusing on People.



ACTING PROGRESSIVELY

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

We focus on the future and actively consider people and the planet when making decisions.

CONSUMING RESPONSIBLY

means being thoughtful about the way we use and dispose of our resources.

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

FOCUSING ON PEOPLE

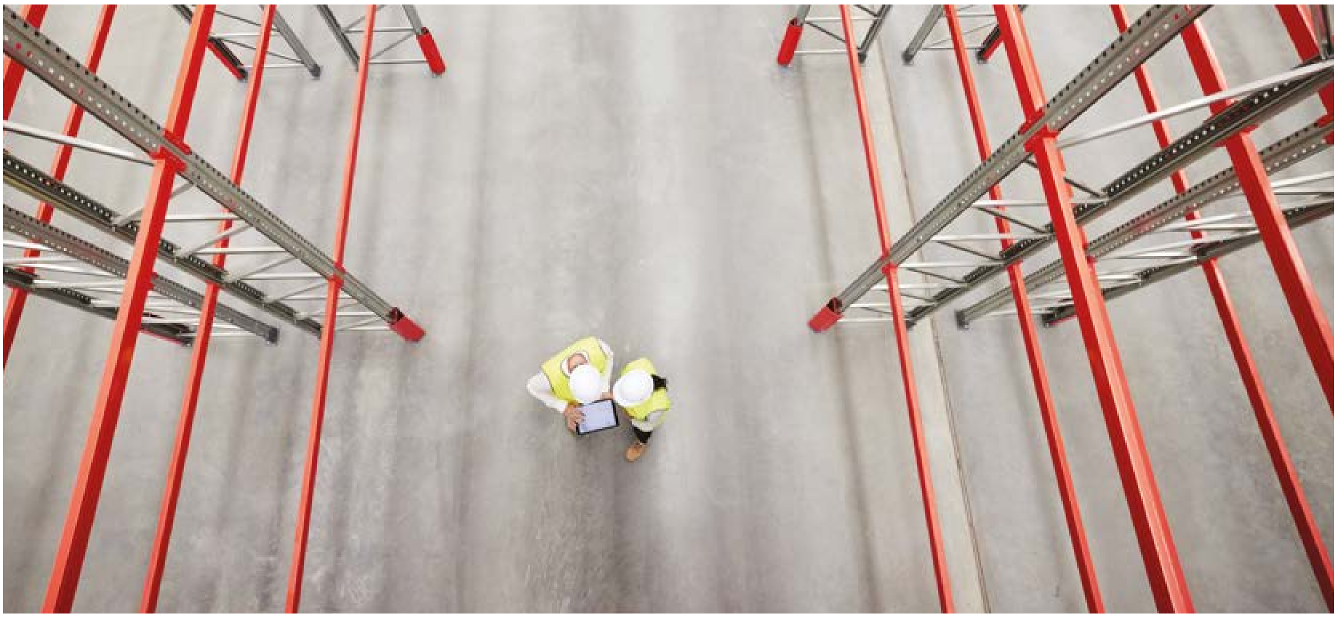
means creating communities that are diverse, inclusive and safe.

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

FLCT has established ESG targets which correspond to areas identified as material. These targets have considered short-, medium- and long-term horizons consistent with those used for strategic planning and financial planning where applicable. We will continue to review our goals and targets to ensure they remain relevant to our operating and strategic context.

FLCT's **ESG Goals** are to:

- Achieve net-zero carbon across Scopes 1, 2 and 3 by 2050.
- Have 100% by GFA of new development projects, and 85% of our owned and asset-managed properties, be either green-certified or pursuing green certification by 2030.
- Engage minimum 75% of our suppliers by spend on ESG through our e-learning platform by 2025.
- Maintain climate asset-level risk assessments across the portfolio.



ESG GOVERNANCE
GRI 2-9

The Board, assisted by the Audit, Risk and Compliance Committee (ARCC), oversees environmental, social and governance (ESG) factors material to FLCT. It is briefed on sustainability matters four times a year.

The REIT Manager collaborates closely with the Sustainability Project Control Group (PCG) of Frasers Property Industrial. This strategic partnership entails close cooperation to determine and drive the sustainability framework and objectives within FLCT's portfolio. Senior management, including the REIT Manager's Chief Executive Officer, plays a pivotal role in providing guidance and leadership to the PCG. FLCT is also supported by a dedicated sustainability manager from Frasers Property Industrial who is responsible for improving the REIT's sustainability performance and ensuring that we are on track to meet our goals. The REIT Manager works closely with the Sponsor to ensure shared sustainability objectives are aligned.

MEMBERSHIP ASSOCIATIONS
GRI 2-28

The REIT Manager plays an active role in the REIT Association of Singapore (REITAS) which serves as the representative advocate for the Singapore REIT (S-REIT) sector. This involvement allows us to engage in policy consultations and contribute to discussions that shape the industry. Through Frasers Property, FLCT is represented on REITAS' Sustainability Taskforce, to identify impactful sustainability initiatives, set sustainability goals, and develop strategies to drive progress across the S-REIT sector. We also engage in industry events organised by REITAS and participate in relevant surveys conducted by regulators to gather valuable feedback from S-REITs.

As part of Frasers Property, we are aligned with industry, country-specific and international platforms to advance standards and good industry practices, including:

- GRESB Real Estate Assessment
- Science Based Targets initiative (SBTi)
- United Nations Global Compact (UNGC)
- United Nations Women's Empowerment Principles (UNWEP)
- Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)
- Net Zero Carbon Buildings Commitment of the World Green Building Council (WGBC)
- Property Council of Australia
- Urban Land Institute (ULI) Singapore

ESG HIGHLIGHTS

STAKEHOLDER ENGAGEMENT

GRI 2-29

Continuous and consistent engagement with our stakeholders is vital for us to understand and address their evolving expectations and concerns. Through our various engagement avenues, we can pinpoint key material issues to address to support continuous improvement.

We have outlined our key stakeholders, their concerns, and our modes of engagement below.

Key Stakeholders	Key Topic of Concern	Mode and Frequency of Engagement
Tenants	• Clean, safe and pleasant environment • Reliable and efficient buildings • Tenant engagement • Tenant satisfaction • Quality of facilities and services • Health and safety • Tenants' corporate social responsibility (CSR) goals • Improving the energy and water efficiency of our properties	• Annual tenant surveys • Held regularly throughout the year through the REIT Manager or property managers • Tenant engagement programmes • Joint community programmes with tenants • Tenant meetings
Employees	• Friendly, inclusive and safe working environment • Fair and competitive employment policies • Staff development • Health and safety • Business' impacts on the environment and society	• Twice a year performance reviews • Employee culture survey conducted every two years • Orientation programme for new staff upon joining • Annual employee pulse surveys Held regularly throughout the year: • Communication via Frasers Property intranet and the Workplace platform • Training • Employee personal development plans • Environmental and Health & Safety awareness activities • Team bonding and employee wellness activities
Contractors/ Consultants/ Suppliers	• Health and safety • Business performance • Environment • Diversity and inclusion	• Evaluation during market engagement of alignment with the Sponsor's HSE policies. Stakeholder acknowledgement and acceptance of HSE policies during onboarding. • Requirement for acknowledgement and acceptance of our modern slavery statement during contractor/supplier onboarding and we assess contractor/supplier commitment to diversity during the market engagement process
Property Managers	• Key performance indicators for property managers • Operational performance of the properties	Held regularly throughout the year: • Meetings and discussions • Emails and phone calls
Unitholders and Investor Community	• Sustainable distribution • Operational and financial performance • Business strategies and outlook • Timely and transparent reporting • Good corporate governance	• Throughout the year, FLCT participated in local and overseas conferences, corporate days and roadshows, as well as two business updates and two results briefings for analysts and investors. In aggregate, FLCT engaged with over 310 institutional investors • Annual General Meetings • Ongoing website, announcement, management presentations, press release, webcasts of half-year and full-year results briefings, bilateral communication, one-on-one meetings and site tours • Regular ESG surveys • Maintained our 5-Star rating and achieved a score of 88 at the 2024 GRESB Real Estate Assessment
Local Communities	• Build and nurture relationships with the wider community • Community investments • Business's impacts on the environment and society	• Social and community events and activities • Annual ESG Report
Regulators/Non-Governmental Organisations (NGOs)/Industry bodies	• Government policies on S-REITs or the real estate sector • Compliance with rules and regulations • Engagement with industry forums and trade associations • Corporate governance	• Annual ESG Reporting in alignment with SGX regulations and GRI Standards Participate regularly throughout the year: • Meetings, briefings and consultations • Industry conferences and seminars, and memberships in industry bodies such as REITAS

MATERIALITY ASSESSMENT

GRI 3-1, 3-2

In FY2024, our Sponsor conducted a double materiality assessment to articulate the impact of our business on the economy, people and the environment as well as factors that have financial impacts on our business. The double materiality assessment was conducted in alignment with the European Sustainability Reporting Standards (ESRS), GRI and Sustainability Accounting Standards Board (SASB), and will enable FLCT to better address our FLCT-wide impacts, risks and opportunities. The enhanced topics identified in the double materiality assessment will be incorporated in our ESG Reports from FY2025 onwards. In the interim, we have maintained our material focus areas for FY2024, which were assessed through stakeholder engagement surveys and industry analysis, taking into consideration business impact, emerging trends, and alignment with our Sponsor's ESG priorities.

ESG Framework Pillars	Material Focus Areas	Rationale
ACTING PROGRESSIVELY	**Risk-based Management**	We must maintain high standards of integrity, accountability and responsible governance and comply with the relevant laws and regulations to earn the trust of our stakeholders.
	Responsible Investment	Achieving long-term value is a priority for the REIT. It is critical to ensure the sustainable growth of FLCT's economic performance.
	Resilient Properties	Being flexible and resilient in the way we operate is crucial in responding to a rapidly changing industry. We need to build our properties' resilience to better face climate change and future challenges, as well as to grow our business.
	Innovation	Fostering an innovation culture that creates value and strengthens our competitive edge. We deliver added value to our tenants through innovative solutions.
CONSUMING RESPONSIBLY	**Energy & Carbon**	Energy consumption in the building sector is one of the largest sources of energy usage around the world. We endeavour to improve overall energy performance for our properties and proactively work with our tenants to help them manage the properties' energy consumption.
	Water	Water is a scarce resource. We strive to optimise water usage at our properties and to work with tenants to conserve water, where possible.
	Waste	Waste is a natural byproduct of our operations. Our objective is to substantially minimise waste generation by adhering to the 3Rs hierarchy: Reduce, reuse and recycle.
	Materials & Supply Chain	As a responsible business, it is important that we have oversight of the materials and supply chain activities, minimising risks along our value chain.
	Biodiversity	Biodiversity forms a critical piece of the built environment. We strive to safeguard and cultivate local ecosystems to enhance biodiversity in our properties.
FOCUSING ON PEOPLE	**Diversity, Equity & Inclusion**	Empowering and promoting social inclusion for all, irrespective of age, gender, disability, race, ethnicity, origin, religion, economic or other status.
	Skills & Leadership	It is paramount that the REIT Manager has the capabilities and capacity to manage and expand FLCT's portfolio to create value for our stakeholders. We seek to attract, develop and retain a workforce with diverse skills and knowledge that forms the cornerstone of our success.
	Health & Well-being	As landlords, our priority is to create places where people feel comfortable, safe and assured of their well-being. We ensure that our employees, suppliers, contractors, and tenants have a safe working environment.
	Community Connectedness	Through our properties, we have the potential to create significant positive impacts in the communities in which we operate. We endeavour to run a business that responds to our communities' needs.

ACTING PROGRESSIVELY

ACTING PROGRESSIVELY

At FLCT, we strive to act progressively in our operations. We actively consider people and the planet in our decision-making processes and have integrated ESG into our risk-based management mechanisms, which are overseen by the Board and REIT manager. In addition to enforcing anti-bribery and corruption policies, we have established environmental risk management practices aligned with MAS Guidelines on Environmental Risk Management for Asset Managers.

Our focus on long-term sustainable value creation is reflected in our responsible investments and resilient properties, designed to withstand the impacts posed by various ESG risks, including climate change. This is aligned with our goal to achieve 100% by GFA of new development projects, and 85% of our owned and asset-managed properties, to be either green-certified or pursuing green certification by FY2030.

RISK-BASED MANAGEMENT

Our Approach
GRI 3-3

Risk management is overseen by the Board to ensure that a sound system of risk management and internal controls is maintained. The REIT Manager's established audit process, guided by the Sponsor's internal audit function, supports by providing an independent evaluation of the adequacy of existing processes and controls. The REIT Manager is also responsible for identifying, reviewing and monitoring key risks, such as operational and investment activities, capital and financing management, human capital, fraud, foreign currency, information technology and environmental risks. Identified risks are mapped to our Risk Register and monitored quarterly.

To demonstrate our commitment to enhancing corporate governance, FLCT has been a signatory of the Security Investors Association (Singapore) annual Corporate Governance Statement of Support since FLCT's listing in 2016.

Our Actions and Progress
GRI 2-23, 2-24

We are committed to maintaining fair and ethical business practices underpinned by our zero-tolerance against corruption and fraud. This helps to instil trust and confidence in our stakeholders.

Our business practices are guided by policies which are reviewed periodically and updated to ensure that they remain relevant and aligned with our corporate purpose and operations. These include, but are not limited to FLCT's Whistleblowing Policy, available on our corporate website, and the Group ESG Policy and Responsible Sourcing Policy, available on our Sponsor's corporate website.

Anti-Bribery, Anti-Corruption and Anti-Competition
Our policies and procedures, namely the Anti-Bribery Policy, the Competition Act Compliance Manual and the Policy for Prevention of Money Laundering and Countering the Financing of Terrorism detail our commitment to the highest standards of ethical business conduct and zero tolerance for any form of bribery and corruption. In FY2024, we recorded zero incidents of breaches of laws and regulations in relation to the environment, bribery and corruption, anti-competitive behaviour and violations of anti-trust and monopoly legislation.

We strongly believe that communication and training are necessities in building internal awareness to combat corruption. As such, in the reporting period, 75% of all REIT Manager employees received training on anti-corruption, including 93% of those based in Singapore.

Whistle-blowing and Raising Concerns
Whistle-blowing is a crucial element of our corporate governance, designed to detect, prevent, and address misconduct. Our Whistle-blowing Policy promotes an open and accountable culture, encouraging employees and others to report concerns in good faith and confidence.

Key reportable issues include:

- Financial or professional misconduct
- Improper conduct, dishonest, fraudulent or unethical behaviour
- Any criminal or regulatory offense, breach, irregularity or non-compliance with laws, regulations or FLCT's policies, procedures and/or internal controls
- Violence at the workplace, or any workplace hazard/violations which may threaten health and safety
- Corruption or bribery
- Conflicts of interest without proper disclosure
- Any deliberate attempt to cover up and/or conceal misconduct

- Any other improprieties or matters that may adversely affect unitholders' or shareholders' interests in, and assets of, FLCT, and its reputation

Reports can be submitted via mail, email, or a dedicated hotline. All good-faith reports are investigated, and findings are presented to the Audit, Risk and Compliance Committee (ARCC).

In FY2024, we received zero cases through our whistle-blowing channels.

Supply Chain Management

Effective supply chain management is crucial for optimising operational efficiency while minimising risks. We seek to forge close collaborations with suppliers and service providers that share our vision of sustainability, and who are committed to high quality environmental, health and safety standards. As detailed in our Responsible Sourcing Policy, we believe in raising sustainability ideals across our value chain in partnership with our stakeholders to create a more resilient business. We also expect our suppliers to align to our expectations in the areas of environmental management, human rights and labour management, health, safety and well-being and business ethics and integrity.

Data Privacy

We have implemented our Personal Data Protection Policy which sets out how we protect our information assets and ensure maximum data confidentiality and security. It also sets out the responsibilities that all employees must take in safeguarding our information assets. In the event of a breach, the Personal Data Breach Incident Management Policy details clear procedures for employees to effectively manage and mitigate potential negative impacts.

In FY2024, we received zero complaints concerning information security breaches.

Aligning with Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management for Asset Managers

Asset managers have been tasked to implement guidelines across six key areas of environmental risk management. We have established processes and practices to align with these requirements and strive for further alignment.

Key Area	Status as of FY2024
Governance and strategy: The Board and senior management to oversee the integration of environmental risk considerations into asset managers' strategies, business plans and product offerings.	We expanded the Board's oversight over the FLCT sustainability strategy by redefining the remit of the Audit, Risk and Compliance Committee (ARCC).
Research and portfolio construction: Asset managers to evaluate the potential impact of environmental risk on the return potential of our investments.	Operational indicators (such as greenhouse gas emissions, energy, waste, water and indoor air quality) are measured, monitored, and evaluated as they can influence tenant demand – Please refer to the Energy and Carbon section on pages 122 to 124 for further details.
Portfolio risk management: Asset managers to put in place appropriate processes and systems to assess, manage and monitor the impact of any risk.	FLCT has implemented processes to manage environmental risk – for further information, please refer to Risk-Based Management - Our Approach on pages 118 to 119 for further details.
Scenario analysis: Asset managers to develop capabilities in assessing environmental risk impact on their portfolios and their alignment with climate goals set under a range of scenario pathways.	FLCT is conducting climate risk assessments for our properties through our Sponsor's in-house Climate Value at Risk (CVaR) platform and decarbonisation tool. This platform aggregates asset- and development-level data and climate exposures at the geographic, portfolio, asset class and Group levels, enabling FLCT to understand the potential impacts of physical and transition climate risk under future climate scenarios and incorporate this data into investment, financial and strategic planning.
Stewardship: Asset managers to engage investee companies to improve risk profiles and support their efforts to transition towards more sustainable policies and practices.	We have implemented asset enhancement initiatives with measures to improve energy and water efficiency and waste management.
Disclosures: Clear and meaningful disclosures, referencing well-regarded international reporting frameworks.	We have reported in alignment with TCFD recommendations since FY2022 and will prepare to report against ISSB IFRS Sustainability Disclosure Standards in coming years, in alignment with SGX Listing Rules.

ACTING PROGRESSIVELY

RESPONSIBLE INVESTMENT

Our Approach
GRI 3-3

Responsible investment means integrating ESG factors into our decision-making, aligned with our objectives to create sustainable long-term value in line with our goal to achieve net-zero. We focus on sustainable financing, pursuing green building certifications, and benchmarking our performance against industry standards like GRESB. Our approach is designed to enhance property value while minimising environmental impact, benefiting our stakeholders and communities. By balancing financial returns with sustainability, we strive to build a resilient portfolio that's prepared for future challenges and opportunities.

Our sustainable financing activities are guided by our Sustainable Finance Framework, which has been externally assured to be in accordance with relevant international principles and guidelines as follows:

- Green Bond Principles (GBP) 2021, Sustainability Bond Guidelines (SBG) 2021 and Sustainability Linked Bond Principles (SLBP) 2020 by the International Capital Market Association (ICMA)
- Green Loan Principles (GLP) 2021 and Sustainability Linked Loan Principles (SLLP) 2021 by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association

Our Actions and Progress

Adopting Green and Sustainable Financing
As of 30 September 2024, we have increased our proportion of green loans from 64% in FY2023 to 74% in FY2024 through the refinancing of maturing loans with green loans.

Benchmarking Performance and Green Certification
FLCT continued to report a strong performance in the 2024 GRESB Real Estate Assessment, achieving a score of 88 out of 100 achieveable and attaining a 5-star rating for the eighth year in a row. We were also recognised this year as Global Listed Sector Leader status, under the Diversified – Office/Industrial category.

The GRESB Real Estate Assessment is a globally recognised industry benchmark that is aligned with international reporting frameworks, goals, and emerging regulations. Third-party assessment such as GRESB allow FLCT to affirm ESG standards and performance and enable greater accountability to stakeholders.

To elevate property environmental performance and enhance sustainability offerings, we endeavour to certify our properties against established green building standards. As of 30 September 2024, 89% of our portfolio by GFA has been certified, from 80% last year.

RESILIENT PROPERTIES

Our Approach
GRI 3-3

We prioritise asset and operational resilience against impending climate-related threats. To this end, we integrate climate risks into our financial risk management processes, harnessing climate risk data to identify, understand and manage our portfolio’s exposure to climate-related hazards. Through this effort, we aim to effectively measure and manage our climate risks and opportunities, safeguarding and delivering long-term value for our stakeholders.

Our climate objectives align closely with Frasers Property’s overarching sustainability goals, including a commitment to achieving net-zero carbon emissions by 2050. We have also set near-term reduction targets in line with the 1.5°C warming scenario outlined in the Paris Agreement, which has been validated by the Science Based Targets initiative (SBTi).

Our annual climate-related disclosures are aligned with the TCFD recommendations. As the TCFD Framework is now incorporated into ISSB’s IFRS S2 Sustainability Disclosure Standards, we continue to disclose key progress in FY2024 against the areas of Governance, Strategy, Risk Management and Metrics and Targets within the TCFD Alignment table on page 137. In upcoming years, we plan to transition our disclosures to the IFRS Sustainability Disclosure Standards, in alignment with applicable SGX Listing Rules.

Our Actions and Progress

We continue to make progress in mitigating key physical and transition risks as we work towards our goal of net-zero carbon by 2050. Such efforts include conducting climate risk assessments across the portfolio through our Sponsor's in-house Climate Value at Risk (CVaR) platform. The platform uses latest available climate data to identify exposure to climate risks across business operations under over short (2030), medium (2050) and long-term (2070) time horizons under multiple climate scenarios. Further details on how we integrate climate-related risk and opportunities into decision making and how we continue to monitor implementation and performance is provided in page 140 to 143.

INNOVATION

Our Approach

GRI 3-3

Innovation is the key to continuous growth, fostering adaptability, and enabling us to develop unique solutions that meet the ever-changing demands of the market. As an employer, cultivating a culture of innovation sparks creativity and empowers our team to bring fresh ideas to the table, enhancing our competitive edge in a swiftly evolving business environment.

FLCT provides training to equip our employees with the essential skills needed to promote and implement new ideas.

Our Actions and Progress

Digitalisation is vital for enhancing our operational efficiency and improving convenience for our office tenants. In line with our commitment to innovation, we introduced a tenant application, MyICEPortal, which was launched across our Sponsor's and FLCT's commercial properties in Singapore. This application acts as a centralised platform for accessing building updates, event information and a booking platform for shared amenities.

CONSUMING RESPONSIBLY

CONSUMING RESPONSIBLY

Consuming responsibly is a priority for FLCT as we strive to reduce our climate impact through effective resource management. This approach addresses environmental challenges and fosters resilience in our business practices, ensuring long-term sustainability for FLCT and the communities we serve. We are focused on achieving net-zero emissions across Scopes 1, 2 and 3 by FY2050. This will be accomplished by improving building efficiency and increasing the share of renewables in our energy mix. We recognise the importance of our supply chain impacts and are taking proactive steps to onboard suppliers onto an e-learning platform that outlines our expectations around responsible sourcing. Through such initiatives, we are committed to fostering a culture of responsible consumption that benefits both our operations and the environment.

ENERGY AND CARBON

Our Approach

GRI 3-3

The real estate sector is a major contributor of climate change, accounting for 40% of global carbon emissions[1]. We understand the importance of managing our environmental impact and are thus committed to collaborating with our tenants to implement decarbonisation strategies towards achieving net-zero emissions by 2050.

In FY2023, we validated our near-term carbon emissions targets with SBTi. Guided by our roadmap to progress against targets, we continue to take the following approaches:

- Measure and monitor energy consumption and GHG emissions
- Implement policies that would support sustainable business operations and efficient use of resources
- Increase awareness and promote responsible consumption practices amongst tenants and customers
- Optimise energy performance of properties
- Increase the use of renewable energy sources
- Certify properties against green building standards

Our Actions and Progress

Energy

GRI 302-1, 302-2, 302-3, 302-4

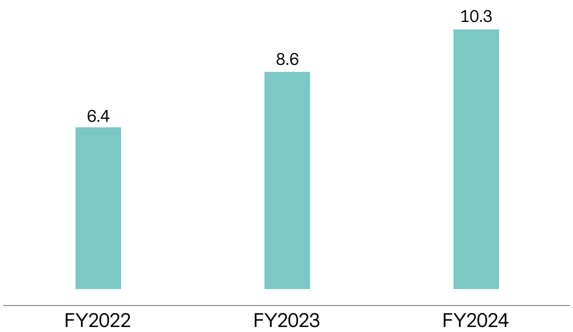
Effective energy management is essential for reducing our environmental footprint and achieving net-zero emissions by 2050. We address this by tracking and reporting FLCT's energy consumption and emissions since FY2021, enabling us to review performance against targets and implement initiatives for continuous improvement.

In line with our targets, we continue to increase the share of renewables in our energy mix, with focus on solar power. This includes expanding onsite solar capacity through both rooftop and ground installations at our properties. We have also partnered with Singapore Power Limited (SP) to install 915 sqm of solar panels at Alexandra Technopark, which is equivalent to a solar capacity of 203kW. Beyond Singapore, we have installed over 12 MW of solar panels across European, UK and Australian properties. Our efforts have led to a steady growth of renewable energy generated on site with a 19.8% increase to 10.3 GWh from FY2023 to FY2024[2]. This included a total of 2.2 GWh of solar energy exported out of our premises.

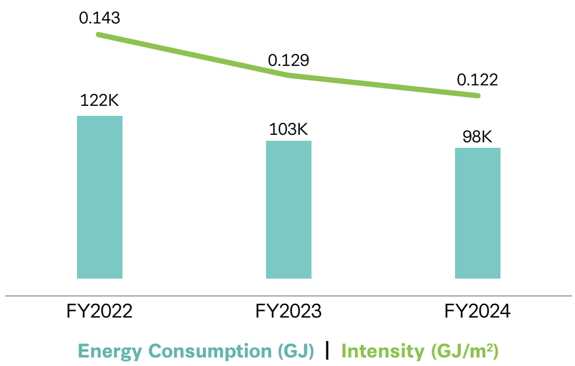
We have also increased our use of renewable energy through power purchase agreements. In FY2024, our assets in the UK, Europe and Australia purchased more than 10.0 GWh of offsite renewable energy. Onsite and offsite renewable sources accounted for 12.8% of the total electricity consumption across our assets.

1 Why The Built Environment – Architecture 2030
2 Renewable energy generated onsite for FY2022 and FY2023 have been restated to factor in replacement of previous estimates with actual data

Renewable Energy Generated Onsite (GWh)



FLCT Landlord Energy Consumption (GJ) and Intensity (GJ/m²)



Our properties undergo verification against established frameworks to assess our environmental performance and align with industry best practices. For example, all properties in Australia are evaluated using the National Australian Built Environment Rating System (NABERS) Energy ratings, which assesses building efficiency across four areas: energy, water, waste, and indoor environment. Our performance ratings, out of a total of six stars for building efficiency, include:

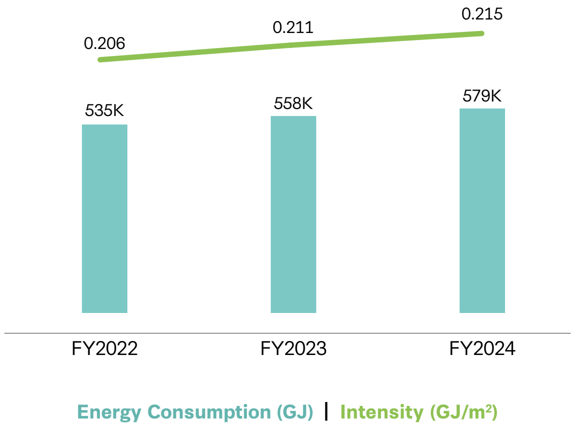
- 357 Collins Street – Obtained 5 stars with 17% renewable energy
- Caroline Chisholm Centre – Obtained 5.5 stars with 46% renewable energy
- 545 Blackburn – 5 stars with 19% renewable energy
- Central Park – 5 stars with 25% renewable energy

Since 2023, Alexandra Technopark in Singapore and all our business parks across the UK have been certified under ISO 14001 environmental management systems. This certification reaffirms our commitment to tracking and reporting on environmental performance.

Energy consumption across landlord-controlled areas primarily stems from electricity, natural gas and fuel usage. In the common areas of our properties, the total electricity consumption for FY2024 amounted to 22.6 GWh. Fuel consumption from natural gas sources for assets in Australia and UK totalled over 17,300 GJ. The data shows that total landlord energy consumption decreased from 103,000 GJ in FY2023 to 97,600 GJ in FY2024. This reduction is partly due to portfolio churn, reflected in the change of GFA in assets that have landlord energy usage[3]. Additionally, energy efficiency improved, with energy intensity decreasing from 0.129 GJ/m² in FY2023 to 0.122 GJ/m² in FY2024[4], indicating more efficient energy use within the managed properties.

We recognise the importance of engaging with tenants to understand collective energy consumption and identify opportunities for efficiency. Since 2019, we have continuously monitored tenants' energy consumption. In FY2024, we successfully gathered more than 90%[5] of electricity and natural gas usage data from our industrial tenants in Australia and Europe which represents the majority of tenant-controlled areas among our properties. From FY2023 to FY2024, tenant energy consumption rose from 558,000 GJ to 579,000 GJ. The GFA of the assets with tenant energy data increased from 2,650,000 m² in FY2023 to 2,690,000 m² in FY2024, indicating that the energy consumption increase is partially driven by the expansion of the asset base under consideration.

FLCT Tenant Energy Consumption (GJ) and Intensity (GJ/m²)



3 The GFA of assets with landlord energy usage for different years are as follows: FY2022: 850,646.92 m², FY2023: 799,933.98 m², and FY2024: 800,465.82 m²

4 Landlord energy intensity is calculated by dividing the total landlord energy consumption by the Gross Floor Area (GFA) of assets with available utility data. For assets where utility data is unavailable, those assets are excluded from the calculation to ensure accuracy. This methodology is consistently applied across all utilities and ensures that intensity metrics are based only on reliable and complete datasets

5 This figure represents the percentage of Gross Floor Area (GFA) for which tenant energy data was collected, relative to the total GFA in these regions

CONSUMING RESPONSIBLY

Carbon Emissions

GRI 305-1, 305-2, 305-3, 305-4, 305-5

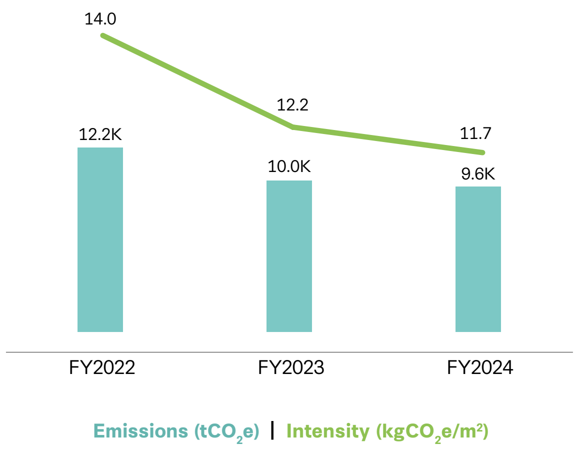
We have developed a carbon inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard as well as Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The inventory accounts for properties which FLCT have direct operational control on. This year, we implemented several key updates to enhance data quality and consistency across our carbon accounting processes. To ensure consistency across business units, we standardised emission factors, prioritising nation-specific datasets where possible, and defaulting to DEFRA's factors when needed. We also introduced an embodied carbon tool, allowing us to start collecting data for embodied carbon emissions estimation for assets lacking detailed lifecycle assessments or product-specific emissions data. These improvements collectively strengthen the completeness, consistency, and accuracy of our emissions reporting.

In addition to this Report, we publish an annual ESG Databook on our website to enhance transparency on data disclosures. The ESG Databook includes all quantitative disclosures in this Report and offers a more detailed breakdown of environmental data.

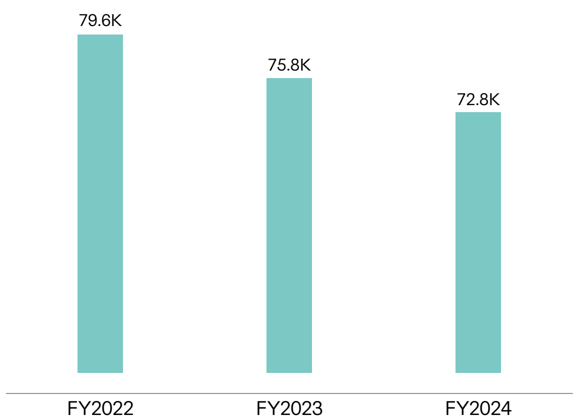
Our largest source of emission arises from electricity consumption. Our emissions comprise Scope 1 emissions from natural gas consumption, diesel purchased and refrigerant usage, and Scope 2 emissions from electricity usage. According to the GHG Protocol, we have identified 10 Scope 3 categories relevant to our business model. Four key Scope 3 emissions categories highlighted in the report include Category 3: Emissions from upstream fuel and energy-related transmission activities, Category 5: Waste generated in operations, Category 7: Employee remote working and commuting and Category 13: Downstream leased assets. For full disclosure, please refer to our annual ESG Databook.

In FY2024, we achieved a 4.0% reduction in Scopes 1 and 2 emissions as compared to FY2023, and a 39.0% reduction compared to base year in FY2019. This reduction can be attributed to energy-efficient practices, solar PV deployment, de-gasing and electrifying base building plant, in particular, air conditioning. The reduction is also influenced by portfolio churn and changes in data coverage, as the total area of assets included in the analysis has varied slightly between years, potentially impacting the overall emissions figures. Despite these factors, emissions intensity decreased from 12.2 $kgCO_2/m^2$ in FY2023 to 11.7 $kgCO_2/m^2$ in FY2024, highlighting the effectiveness of the implemented energy-saving initiatives. We also achieved a 4.3% reduction in Scope 3 Categories 3, 5, 7 and 13 emissions as compared to FY2023[6].

FLCT Scopes 1 & 2 Location Based Emissions (tCO_2e) and Intensity ($kgCO_2e/m^2$)



FLCT Scope 3 GHG Emission (tCO_2e) Category 3, 5, 7 & 13



6 Scope 1, 2 and 3 emissions for FY2022 and FY2023 have been restated to factor in replacement of previous estimates with actual data and updated emission factors

WATER

Our Approach
GRI 3-3

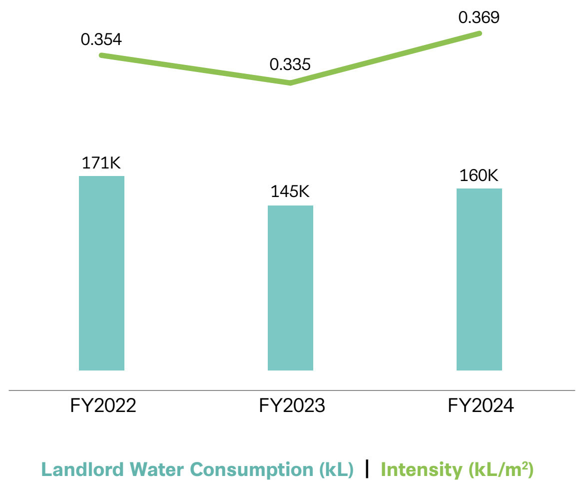
Water is essential for operations, including washing activities, toilet usage, cooling and heating. We recognise that responsible water consumption not only reduces our environmental footprint, but also lead to cost savings and long-term operational efficiencies that can enhance long-term value of our properties. Given that approximately 50% of our properties are situated in regions experiencing high or extremely high-water stress[7], implementing water reduction and conservation initiatives is crucial to alleviate pressure on local resources.

To achieve this, measuring and monitoring water consumption, alongside tenant engagement to improve water efficiency is crucial. Additionally, we evaluate our properties against established third-party building certifications to ensure they meet high standards of water efficiency and sustainability. FLCT assets use municipal water supplies from various sources for all assets with discharge responsibly disposed of via municipal facilities.

Our Actions and Progress
GRI 3-3, 303-1, 303-2

Our total water consumption at landlord-controlled areas in FY2024 was 160 ML, reflecting a 10.3% increase from FY2023[8]. Water intensity at landlord-controlled areas also experienced an increase as compared to FY2023, to 0.369 kL/m^2.[9] We continue to strive towards sustainable water management, validated by certification against established standards. For example, our properties in Australia are evaluated against NABERS ratings, which looks at water consumed and recycled within buildings. Both our properties at 357 Collins Street in Melbourne and Caroline Chisholm Centre in Canberra have obtained NABERS water ratings of 5 and 6 stars respectively, out of a total of 6-stars. We have also achieved the Water Efficient Building Certification (WEB) by the Public Utilities Board (PUB) for installing water efficient fittings at the Alexandra Technopark property.

Landlord Water Consumption (kL) and Intensity (kL/m^2)



Most of our properties are located in high or extremely high-water stress areas. As tenant water consumption accounts for the largest proportion of water usage at our properties, we recognise the importance of collaborating with tenants to understand their needs and provide recommendations for improvement.

To date, FLCT has collected water consumption data from close to 90% of tenant-controlled areas, and we strive to continuously enhance our data coverage. For tenanted areas, total water consumption amounted to nearly 260 ML, marking an increase of 13% compared to the previous year. The increase in water consumption is attributed to the increase in the GFA of the assets with tenant water data.

From FY2022 to FY2024, we have progressively installed Smartvatten devices across all Netherlands and Germany assets, with 90%[10] of these assets equipped with the devices as of 30 September 2024. These devices enable our tenants to access real-time water usage data directly from the device, saving both time and effort. This allows us to identify and address potential leaks, prevent water wastage, and promote efficient water use. These smart meters are also linked to our central ESG data management which enhances efficiency in data collection and reporting. In FY2025, we will continue the installation process for remaining assets in the Netherlands and Germany, and conduct water audits at sites with the highest consumption and leakage alarms. We remain committed to monitoring water usage and communicating with tenants to optimise water management across our properties.

7 According to the classification by the World Resources Institute's research (2023)
8 Landlord water consumption for FY2022 and FY2023 has been restated to factor in replacement of previous estimates with actual data
9 Landlord water intensity is calculated using the Gross Floor Area (GFA) of assets with available landlord water data
10 This figure represents the percentage of Gross Floor Area (GFA) for which tenant water data was collected, relative to the total GFA in these regions

CONSUMING RESPONSIBLY

WASTE

Our Approach
GRI 3-3, 306-1, 306-3

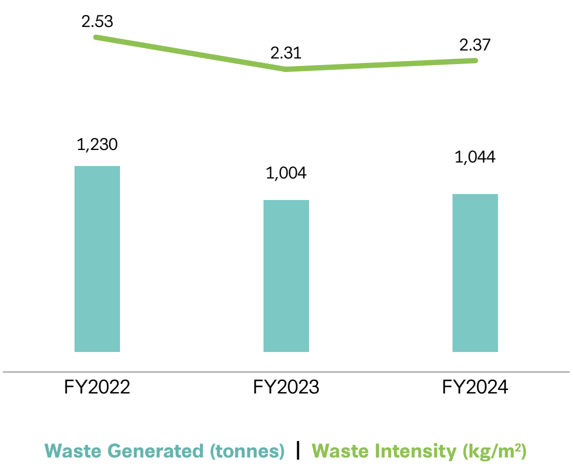
Waste management is a key priority for FLCT, not only to meet regulatory and compliance obligations but also to reinforce our commitment to responsible consumption. We strive to minimise waste generation by adhering to the waste management hierarchy—reduce, reuse, and recycle. As part of efforts to enhance recycling, we aim to develop a general waste and recycling programme in partnership with tenants under the green lease initiative for properties in Singapore.

Our Actions and Progress
GRI 306-2, 306-3, 306-4, 306-5

Waste on our properties is collected by licensed waste collectors awarded by respective jurisdictions. We conduct due diligence to ensure collectors dispose in accordance with all applicable regulations. For our commercial assets in Australia, waste is segregated at source into cardboard/paper, landfill, organics and comingled recycling (metal and hard plastics). These waste streams are collected 1-2 times per week, with monthly reporting provided by waste collector.

In FY2024, the total waste generated in our commercial assets amounted to 1,044 tonnes, with a waste intensity of 2.3 kg/m². No hazardous waste was recorded for FY2024. Of the waste generated, 738 tonnes were directed to landfill and incineration with energy recovery.

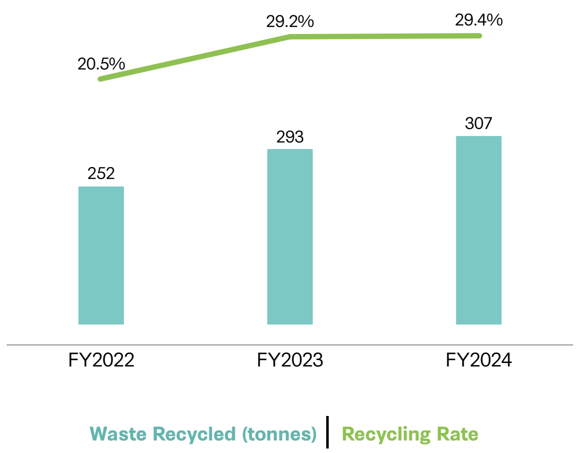
Waste Generated (tonnes) and Waste Intensity (kg/m²)[11]



In FY2024, we have recycled 307 tonnes of waste, comprising 36.7% comingled recyclables, 42.9% paper and cardboard and 20.4% other materials, such as glass and metal. We continue to engage tenants in recycling initiatives; In Singapore, we have continued to partner with KGS and recycled 2,388 kg of e-waste in FY2024 from Alexandra Technopark. The e-waste collected in Singapore is processed under a national regulated e-waste management system.

At our Central Park property in Perth, we successfully diverted approximately 95% of replaced materials from disposal during a façade modernisation project. These materials included all aluminium panels, polyurethane cores and temporary steel structures. Key to this achievement was designing the project with recycling in mind from the outset. By identifying the materials used and their end-of-life potential, we were able to find recycling solutions for the majority of waste generated. We also obtained our first NABERS waste rating at this facility of 3.5 stars, validating our commitment to responsible waste management.

Waste Recycled (tonnes) and Recycling Rate (%)



11 Waste data for FY2022 and FY2023 have been restated to account for adjustments such as replacing previous estimates with actual data. Waste generation and recycling are reported based on the total building area for properties under our direct operational control. We exclude waste generation reporting for industrial properties, as tenant activities primarily drive their waste production, making the data less meaningful

MATERIALS AND SUPPLY CHAIN

Our Approach
GRI 3-3

We recognise that the impacts of our operations and development extend beyond the physical boundaries of our assets into our supply chains. This is particularly relevant when we engage with suppliers to manage operational functions and delivery processes. As we move beyond our direct suppliers, risks to sustainable operations compounds due to the lack of visibility and operational control. These risks can arise from procurement of materials, such as solar panels which have been flagged as a product with higher risk of modern slavery.

We are aligned to our Sponsor's Group Responsible Sourcing Policy, which is made publicly available. The policy governs our approach to all sourcing and procurement decisions across four topics:

- Environmental Management
- Human Rights and Labour Management
- Health, Safety and Well-being
- Business Ethics and Integrity

Our Actions and Progress

In alignment with our Sponsor's Responsible Sourcing Policy, we are onboarding our key property managers and REIT Manager corporate office suppliers to a tailored Group-wide e-learning programme. This programme is designed to enhance our suppliers' understanding of sustainability and our expectations around responsible sourcing.

Together with Frasers Property Industrial and Frasers Property Australia, we have prepared a Joint Modern Slavery Statement in accordance with the Modern Slavery Act. The statement demonstrates our zero-tolerance stance to any form of modern slavery and describes processes to address the risk and assess the effectiveness of our actions. In FY2024, we engaged with our Australian supply chain representing 78% of FY2023 total supplier spend, across all entities (FPA, FPI and FLT). 94% of the suppliers we engaged completed our ESG Questionnaire, which captures compliance with Modern Slavery requirements as well as assessing other ESG risks and opportunities. Suppliers that fall within our top 75% of supplier financial year spend will be required to complete the questionnaire annually. The assessment was crafted in collaboration with the Property Council of Australia and focuses on identifying actions suppliers are taking to assess and address human rights issues and modern slavery risk across shared operations and supply chains. We aim to expand our engagements with other suppliers to further strengthen our efforts in promoting responsible sourcing practices.

BIODIVERSITY

Our Approach
GRI 3-3

Biodiversity risk can arise throughout the lifecycle of our properties, through direct loss of habitats during development and improper waste management which can lead to pollution. Our operations also rely on nature to provide water resources and protection against disruptions including floods and erosion control. With the understanding of nature related risk and opportunities, we are exploring ways with our Sponsor to measure and address our impacts on nature.

This year, we continue to strive towards contributing positively to biodiversity by enhancing habitat features and preserving conservation values both on-site and in the vicinity of our assets.

CONSUMING RESPONSIBLY

FARNBOROUGH BUSINESS PARK

Farnborough Business Park exemplifies biodiversity within a suburban commercial environment and values the surrounding natural areas, heritage, and diverse built form. In combination with modern sustainable offices and accessible public spaces, Farnborough Business Park stands as a resilient and adaptable business park.

In FY2024, we supported the NoMowMay initiative, allowing grass and lawns to grow wild, which promotes the blooming of native flowers and provides essential food sources for bees and butterflies while offering shelter for small mammals. Additionally, we introduced a composter to manage our organic waste, with the compost used for landscaping.

We continue to review the current state of biodiversity on site and exploring ways to create an ecosystem that promotes biodiversity. In FY2023, through baseline and ongoing surveys, engagement with the local community and ecological advice, the team managing Farnborough Business Park created an action plan to continue enhancing biodiversity throughout the park. Urban trees, better woodland management, modified grasslands, roadside landscaping, ornamental ponds, and open mosaic habitats are all key natural features either currently found or are planned to be introduced throughout the business park.

URBAN BEEKEEPING: FOSTERING BIODIVERSITY IN OUR PROPERTIES

Three of our properties have embraced urban beekeeping, contributing to local biodiversity and sustainability efforts in their respective cities. The beehives are implemented in partnership with local beekeeping experts to transform rooftop space into buzzing homes, showcasing innovative approaches to utilising urban spaces for environmental benefit.

In the heart of Melbourne's CBD, 357 Collins Street now hosts two beehives on its Level 12 roof terrace. This small-scale yet significant project, implemented in partnership with Rooftop Bees, has transformed just 5 square metres of rooftop space into a buzzing home for an estimated 12,000 bees. Additionally, three of our properties in Germany—in the towns of Egelsbach, Tamm, and Amberg— each host four thriving bee colonies, located on rooftops or ground-level sites, with approximately 80,000 to 160,000 bees per site.

These beekeeping projects offer multiple benefits beyond honey production. They support pollination, enhancing flora diversity in their surrounding areas. They also serve as an educational tool, raising awareness among our tenants and the broader community about the importance of bees in our urban environments.

FOCUSING ON PEOPLE

FOCUSING ON PEOPLE

We strive to create a workplace where everyone feels included and valued, fostering a supportive culture that prioritises the wellbeing of our employees — both physically and mentally. We uphold high occupational health and safety standards across our properties, guided by our policies and verified against recognised certifications. Employee wellbeing is essential for fuelling innovative thinking, which in turn enhances our collective performance and business outcomes. To support this, we provide our REIT Manager employees with comprehensive benefit packages.

To ensure our workforce remains competitive and adaptable in a rapidly changing environment, we continuously invest in training programmes that build capacity and skills. Beyond our employees, we also actively engage with local communities and tenants through various programmes designed to promote a vibrant environment, reinforcing our social license to operate.

DIVERSITY, EQUITY AND INCLUSION (DEI)

Our Approach

GRI 3-3, 2-29, 404-3

Embracing diversity and cultivating inclusivity is one of the key drivers to ensuring long-term success of the business. By fostering an inclusive workplace, it creates an environment where employees feel empowered to contribute and enhance employee engagement. This will drive innovation within the workplace and boost business performance.

FLCT operates in alignment with the Sponsor's DEI roadmap and framework which comprise four key equity strands: gender equity, generation equity, cultural equity and ability equity. In addition, all employees are expected to uphold the principles of fairness and equality as enshrined in the Code of Business Conduct.

GENDER EQUITY
Continue to advance women at the workplace, enable flexible working arrangements and support all families

CULTURAL EQUITY
Promote a positive environment where employees can deliver their best regardless of race, ethnicity or sexual orientation

GENERATION EQUITY
Develop strategies and support for an age-diverse workforce, rethink learning and development for long-life learning

ABILITY EQUITY
Develop awareness and understanding of recruiting and employing talent with disabilities, provide solutions at properties for inclusive spaces

As a member of the Singapore National Employers Federation, we ensure alignment with statutory guidelines and national standards. Our Sponsor is a signatory of the TAFEP, which recognises our commitment to fostering fair recruitment practices, flexible work arrangements, effective grievance handling processes, and age-friendly policies. While we continue to uphold our policy commitments throughout operations, we acknowledge that there may be gaps. Our employees are empowered to report any incidents of discrimination or harassment through our established whistle-blowing channels. All reported incidents undergo thorough investigation, with findings communicated back to the ARCC to ensure accountability and transparency.

To identify areas of improvement and provide a platform for feedback, we engage our employees through the biennial Group Culture Survey, conducted every two years. This survey is led by our Sponsor, and insights from the survey are reviewed and translated into actionable plans aimed at enhancing our workplace culture.

FOCUSING ON PEOPLE

Additionally, we obtain feedback through annual performance evaluations, which facilitate a two-way dialogue between employees and managers. This process not only allows employees to gain valuable insights for their career growth but also provides FLCT with opportunities to improve.

Our performance evaluation system is closely linked to our reward structure, which is founded on the principles of meritocracy. This ensures that employees are recognised and incentivised based on their achievements and contributions. By fostering an environment of open communication and equitable recognition, we aim to support the professional development of our employees.

Our Actions and Progress

GRI 2-7, 401-1, 405-1

As at 30 September 2024, the REIT Manager employed 36 individuals, comprising 64% females and 36% males. Women represent 40% of management roles and hold 14.3% of positions on the Board. As of 30 September 2024, 97% of REIT Manager employees were permanent employees, while 3% were temporary or part-time employees. 78% of the employees were based in Singapore and the remaining 22% outside of Singapore. In addition, 78% of employees were aged between 30 and 50, 17% were under 30 and 5% were above 50. These figures are based on headcount at the end of the reporting period. There were no significant fluctuations in the number of employees during this time.

During the year, six employees were hired, while five employees contributed to the total turnover. A breakdown of hiring and turnover rates during the reporting period by gender, age group and region is presented in the table below:

	Gender		Age			Region	
	Male	Female	Below 30 years old	30-50 years old	Above 50 years old	Singapore	Rest of the World
Hiring rate[12]	11%	6%	11%	6%	0%	17%	0%
Turnover Rate[13]	8%	6%	6%	8%	0%	11%	3%

SKILLS AND LEADERSHIP

Our Approach

GRI 3-3

As part of our commitment to continuous innovation, investing in employee development is essential for creating value and strengthening our competitive edge. We aim to equip our employees with the opportunities, knowledge, and tools necessary to remain relevant in a rapidly evolving business landscape. To support this, we collaborate closely with our Sponsor's Talent & Learning team, to identify and curate comprehensive training programmes.

Our Actions and Progress

GRI 404-1, 404-2

In FY2024, the REIT Manager's employees engaged in key training programmes to enhance skills and knowledge, with each employee undergoing an average of 21 learning hours.

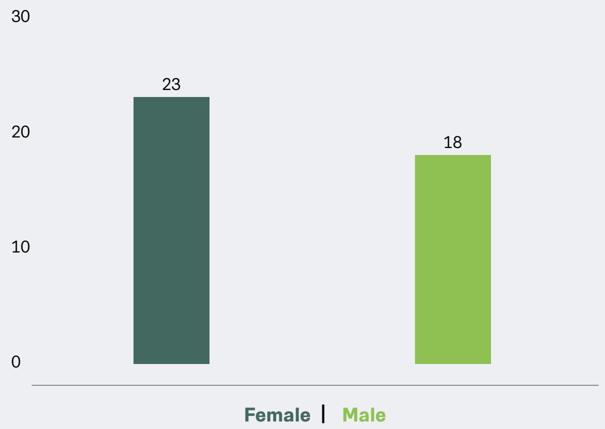
To scale up ESG knowledge, all new hires are required to undergo sustainability e-learning as part of their onboarding process. This ensures that employees are familiar with our ESG policies and practices from the outset of their employment. Additionally, all Board Directors have participated in training on sustainability matters as prescribed by SGX, reinforcing our commitment to responsible governance.

To enable continuous improvement and growth within the organisation, all permanent employees under the REIT Manager received a performance and career development review in FY2024.

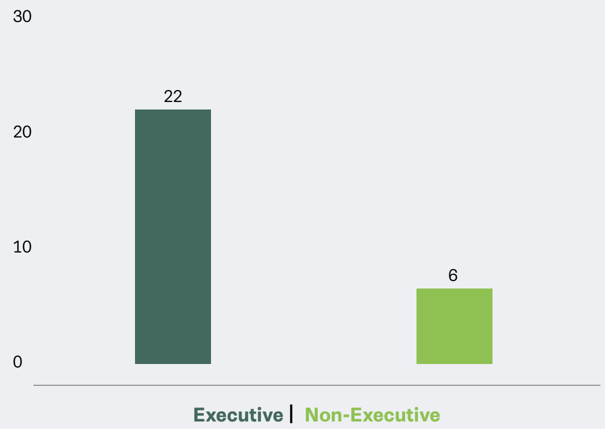
12 Refers to the number of employees hired during the financial year divided by the total number of active employees at the end of the year
13 Refers to the number of turnovers during the financial year divided by the total number of active employees at the end of the year

21 Average Learning Hours in FY2024

Average Learning Hours by Gender



Average Learning Hours by Employment Type



HEALTH AND WELLBEING

Our Approach

GRI 3-3

Safeguarding the holistic wellbeing of our stakeholders remains a priority, whether it be it our employees, tenants or the local communities that we engage with. Occupational safety and health are at the forefront of all our business processes, and we remain committed to fostering a safety culture among our employees. Beyond physical health, we place strong emphasis on mental wellbeing, providing our employees with the necessary support and resources to thrive in both their personal and professional lives. We also extend our commitment to our tenants by incorporating safety and wellbeing into design concepts.

Upholding the Highest Occupational Health and Safety (OHS) Standards Across Our Properties

GRI 403-1, 403-2, 403-4, 403-5, 403-7, 403-8

GRI 403-1
Maintaining high OHS standards is a fundamental requirement to operate across workplaces and in the development and management of our assets. We work closely with our employees, tenants, suppliers, and contractors within our management to ensure they adhere to established safety frameworks, and we operate in accordance with workplace health and safety laws and regulations in the regions where we operate. Alexandra Technopark in Singapore and 357 Collins Street in Melbourne, Australia have obtained ISO 45001:2018 certification for occupational health and safety management systems.

GRI 403-2
Across our properties, we have processes to undergo hazard identification, risk assessment and risk control exercises, in line with local legislations and ISO management system requirements where applicable. Risks are reviewed on a regular basis or more frequently if circumstances change or in the event of an incident.

If an incident were to occur, our employees can report any work-related hazard they observe and have the freedom to remove themselves from potentially hazardous situations, without fear of reprisal. Frasers Property-managed assets in the UK, Australia and EU, which includes FLCT's properties, use a health and safety management software to report hazards, enabling us to streamline data collection and harmonise our approach to risk management.

GRI 403-4
Employees are encouraged to provide feedback on OHS, with all input taken seriously by management. Committees have been established to facilitate a system of consultation. For example, Frasers Property-managed assets in the EU, which includes FLCT's properties, have a health and safety committee comprising representatives from the HR department, safety officers and employees. These committees meet at least once a quarter to collaboratively discuss and address health and safety issues as they arise.

FOCUSING ON PEOPLE

GRI 403-5
Training is provided to property managers periodically and is tailored to align with responsibilities and business needs for relevant OHS management. In Frasers Property-managed assets, which includes FLCT's properties, in the Australia and the EU, new employees receive an induction into the HSE system. In FY2024, staff at the REIT Manager completed first aid training, with all employees globally certified by the Singapore Red Cross.

Cultivating Holistic Employee Health, Safety and Well-Being

GRI 401-2, 401-3, 403-6
We offer a range of benefits to our employees which varies across our markets, such as insurance coverage and/or healthcare benefits as well as a variety of flexible benefits and leave types to meet personal needs and preferences.

We adhere to social security legislation in the countries and jurisdictions where we operate, making contributions to employee pension fund accounts where applicable.

Our remuneration practices are guided by fairness and equity, aligning compensation with employees' roles and performance. In addition to ensuring competitive and equitable pay, we also assist retiring employees during their transition from work to retirement, providing employment support and post-retirement contracts when applicable.

All REIT Manager employees have in place a flexible work arrangement policy. This policy empowers them to have discussions with their managers to tailor their work to their specific needs, whether through job sharing, flexible hours, core anchor days in the workplace or remote work options.

We also provide employees with health and well-being programmes to support their needs, including access to mental health resources. Our Employee Assistance Programme (EAP), provided by our Sponsor, offers confidential professional counselling services for employees facing personal challenges. This service also extends to the immediate family members of our employees, promoting holistic wellbeing and support for their loved ones.

Creating Places for the Good of Tenant Health and Well-being

GRI 403-6
With the rise of hybrid work models, we understand that the design of a workspace can significantly impact well-being and productivity. We want to create vibrant work environments that cater to our tenants and their employees, by providing amenities and facilities that promote social interaction and personal well-being. As such, we utilise frameworks such as the WELL Health-Safety Rating for our Australian properties and Fitwel in the UK to create environments that prioritise mental health.

In FY2024, Blythe Valley Business Park in the UK received a Fitwel 2*star rating, reflecting our commitment to implementing evidence-based design and operational strategies that positively impact occupiers' health and wellness. The business park was recognised for its 122 acres of surrounding country park and green open spaces, with a nature reserve and network of walking, running, and cycling routes. Additionally, wellness event programmes are offered, featuring free bike hire and weekly yoga sessions, enhancing the overall well-being of our tenants. All amenities and services such as the gym, nursery, shop and café are easily accessible, with Java Roastery promoting healthy food and refreshments for occupiers.

Our Actions and Progress

Upholding The Highest Occupational Health and Safety Standards Across Our Properties

GRI 403-9, 403-10
In FY2024, zero work-related fatalities, high-consequence injuries, recordable injuries, work-related ill health cases or significant safety related non-compliance cases were recorded among staff and contractors at our properties.

Cultivating Holistic Employee Health, Safety and Well-Being

GRI 401-3
We have implemented an inclusive, gender-neutral parental leave policy for all REIT Manager employees. In FY2024, 4% of the REIT Manager's female employees utilised paid parental leave, with all these employees returning to work within the same year. None of the REIT Manager's male employees utilised paid parental leave this year. Of the REIT Manager employees who took parental leave in FY2023, all remained employed with the REIT Manager a year later.

COMMUNITY CONNECTEDNESS

Our Approach
GRI 3-3

We are dedicated to community development surrounding our properties and beyond to generate shared value for all stakeholders. We share our Sponsor's Purpose–Inspiring experiences, creating places for good. –and strive to build meaningful relationships with our tenants and local communities. Recognising that the needs of communities vary globally, we adopt a tailored approach to support local initiatives. As such, we deploy community managers at our Singapore commercial property and maintain dedicated community development teams in Australia, to align with the needs to each community and facilitate efficient execution of the programmes.

Our Actions and Progress

This year, employees from our REIT manager in Singapore volunteered at Willing Hearts, a soup kitchen charity organisation dedicated to serving vulnerable and marginalised groups in the community. The organisation delivers up to 10,000 meals daily and provides other support services to those in need across Singapore. Our team actively participated in meal preparation, packing, cleaning, and food delivery, ensuring that the logistics ran smoothly and that the meals reached those who could benefit from them. On a separate occasion, the team also sang at two hospices, to bring joy and uplift spirits for patients receiving palliative care.

FLCT Team volunteering at Dover Park Hospice, Singapore

FLCT's Volunteering Initiative at Willing Hearts, a Charity Organisation in Singapore

FLCT Team volunteering at Assisi Hospice, Singapore

Understanding and Engaging with our Tenants

We work closely with our tenants to allow us to identify, analyse and plan spaces and activities that cater to our tenants' unique needs. We value the feedback from our tenants, as we believe their insights are crucial to generating a positive impact. To facilitate engagement, we conduct annual surveys and hold engagement dialogues across our properties.

At our industrial properties in Australia, we conduct an annual tenant satisfaction survey across a variety of topics, including on building management, property management, operations, satisfaction levels of the facilities provided and the built environment. In our most recent tenant survey, we achieved a Net Promoter Score (NPS) of 76 points out of 100 points achievable, marking an improvement from our previous score of 53. By actively listening to our tenants, we can continuously improve our offerings and create environments that enhance their overall experience and satisfaction.

FOCUSING ON PEOPLE

We also organise events such as wellness programmes and social gatherings to create opportunities for connection and to cultivate a vibrant and inspiring workplace for our tenants. At Alexandra Technopark in Singapore, we hosted a networking event for our tenants, providing food and drinks to foster an engaging atmosphere. During the event, tenants learned about the various facilities available in Alexandra Point and Alexandra Technopark, and had the opportunity to meet and connect with each other, creating opportunities for networking.

Networking Event at Alexandra Technopark, Singapore

At Central Park in Perth, our commitment to community connection extended beyond traditional tenant engagement through our award-winning 'Benchmark' initiative. This programme brought together seven local Noongar Indigenous artists to create artwork for Central Park, meaningfully connecting our asset to the land's cultural heritage. The project, which won first place in the Australian Marketing Awards' Experiential Marketing category, represents one of five Indigenous programmes at the property celebrating and supporting local Indigenous artists and performers. Through such initiatives, we create spaces that not only serve our tenants but also meaningfully engage with and honour our local communities.

Celebrating cultural heritage at Central Park, Perth Australia

First Aid Readiness Initiative

CPR training for FLCT employees

In August 2024, as part of our employee development and community readiness initiatives, employees of the REIT Manager participated in a comprehensive CPR and AED certification course. The four-hour classroom training, accredited by the Singapore Resuscitation and First Aid Council (SRFAC), equipped our colleagues with essential life-saving skills. Participants learned proper Cardiopulmonary Resuscitation (CPR) techniques and how to effectively operate Automated External Defibrillators (AEDs) during cardiac arrest scenarios. The course also covered critical do's and don'ts for emergency responders, enhancing their emergency response capabilities and contributing to overall preparedness. The course proved its value beyond team bonding when one of our employees faced a situation where these emergency response skills were needed, and he applied what he learned from the course immediately, reinforcing the importance of first-aid readiness.

INDEPENDENT ASSURANCE STATEMENT

VERIFICATION STATEMENT FOR FRASERS LOGISTICS & COMMERCIAL TRUST FOR FINANCIAL YEAR 2024

Verco Advisory Services Limited (Verco) was engaged by Perpetual (Asia) Limited, in its capacity as trustee of Frasers Logistics & Commercial Trust (FLCT), to provide independent verification of the greenhouse gas (GHG) emissions and broader sustainability reporting data disclosed in FLCT's ESG Report for the period stated below. The verification process included a high-level analysis of the systems employed to manage data and a detailed risk-based assessment of the reported figures against evidence.

Verification boundary:

Frasers Logistics & Commercial Trust and all subsidiaries worldwide on an operational control basis.

Period covered:

1st October 2023 – 30th September 2024.

Verification reference standards:

- ISAE 3000 International Standard on Assurance Engagements (ISAE) Revised, Assurance engagements other than audits or reviews of historical financial information (2013).
- ISO 14064-3:2019 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas statements.

Criteria against which the greenhouse gas (GHG) verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3).

Level of assurance:

Limited.

Materiality threshold:

This verification sets a materiality threshold of ±5% inaccurate sampled data in the aggregate values for each of the indicators included in scope.

Qualifications:

No qualifications.

Verification coverage:

The target verification coverage for quantitative indicators was 20%, which was exceeded.

Table 1 – Quantitative indicators and coverage achieved

Category	Sub-category	Metrics	Coverage achieved
General	Property list	Property name, location, ownership interest, tenant or landlord control, gross floor area, utility floor area coverage.	Above 20% systematic checks
	Building certifications	Certification type, award date, star rating or equivalent, expiry date (if applicable).	24% of certified gross floor area (GFA)
Social & Governance	Human Resources	New hires, turnover, employee profile, manhours, training hours, anti-corruption learning hours, parental leave taken.	Above 20% systematic checks
	Community investment	Details of community investment cases.	Above 20% systematic checks
Environment	Utilities	Energy consumption, renewable energy consumption.	44% of energy 51% of renewable energy
	Utilities	Water consumption.	51%
	Utilities	Waste generation by disposal route.	97%
	GHG emissions	Calculated GHG emissions for all scopes and categories included in the ESG Report.	Above 20% systematic checks

INDEPENDENT ASSURANCE STATEMENT

Verification opinion

Based on the verification work undertaken by Verco, we consider that all disclosed sustainability metrics and information has been appropriately identified, measured, and reported.

All findings that were identified during the audit fell below the threshold of ±5% so were not considered material, and all were rectified prior to the issue of this report and the publishing of the final inventory of GHG emissions.

Following the audit activities, it is Verco's conclusion that there is no evidence to suggest that the information disclosed in this ESG Report is not materially correct, is not a fair representation of FLCT's operations, and in the case of GHG emissions, was not prepared in accordance with the WRI/ WBCSD GHG Protocol and the WRI/ WBCSD Scope 3 Accounting and Reporting Standard.

A statement as to the independence, impartiality, and competence of the verifiers

Verco are a leading sustainability and carbon consultancy, with a track record in undertaking audit and verification programmes using a variety of methodologies and standards. Verco are highly qualified in ESG data collection and reporting and have extensive experience working with multi-national clients and delivering work for funds with a global coverage.

Signed on 15th November 2024 by

Mark Challis
Operations Director
Independent Verifier

verco
a bip. company

TCFD ALIGNMENT

Pillars	Climate-related disclosures
Governance	
Describe the organisation's governance round climate-related risks and opportunities.	The Board oversees environmental, social and governance factors material to FLCT, including climate-related risks and opportunities. Refer to the ESG Governance section on page 115 for further details.
Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability metrics for senior management's respective climate risk responsibilities were established, including the identification of potential opportunities. Updates on progress towards the management of climate-related risks are delivered to the Board quarterly to support decision making. As part of the senior management's incentive plans, sustainability-related KPIs are set as targets and achievements are measured against the pre-agreed targets at the end of the financial year.
Strategy	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We have prioritised key physical and transition risks to address and mitigate key physical and transition risks and prioritised strategies to achieve net-zero carbon by 2050 climate-related risks to FLCT based on their potential financial impact. We have also identified potential opportunities that we can leverage on. For further details on our assessed material risks and opportunities, please refer to Tables A and B on page 140 and 141 of this Report.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The evaluation of the various climate-related risks and opportunities encompassed financial impacts on operational revenue and costs in the absence of mitigation and the potential cost of damages to assets. FLCT has developed an action plan, which includes but is not limited to: • Improving greenhouse gas data coverage to facilitate more targeted decision-making • Entering into green leases to help our tenants reduce power consumption while improving our visibility over energy usage patterns • Building partnerships for greater supply chain resilience
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Property managers for our Australia portfolio at FLCT have developed a Resilience Policy and Framework to guide the sustainability strategy's implementation and embed resilience across these assets. The readiness assessment provided key recommendations for closer alignment with the TCFD recommendations and provided inputs to update the Resilience Policy and Framework. We have reassessed climate-related risks in our assets in line with Green Star performance. This process is conducted every three years to ensure a continuous review of risks and trends. We have performed a readiness assessment of our practices as they relate to managing climate-related risk. This informed a roadmap to align more closely with TCFD recommendations. Examples of actions within the roadmap include: • Better integrating climate change risks and opportunities into strategic decision making • Strengthening processes to identify, assess, and manage climate-related risks and improving the quality of climate-related financial disclosures This roadmap, approved by the Board, enables us to methodically address and mitigate physical and transition risks that are key to our business.

TCFD ALIGNMENT

Pillars	Climate-related disclosures
Risk Management	
Describe the organisation's processes for identifying and assessing climate-related risks.	Cognisant of the serious impact that climate-related risks have on our properties and operations, environmental risk has been included in the FLCT Risk Register for monitoring. The relevant key risk indicators include retaining a 4-Star GRESB Real Estate Assessment rating for the FLCT portfolio and future-proofing FLCT's assets via green initiatives.
Describe the organisation's processes for managing climate-related risks.	We strive to ensure that our investment process accurately captures physical and transitional climate risks. Further, climate-related risk is managed through the inclusion of 'Climate Adaptation Plans' across all Australian developing activities to help manage, mitigate, and where appropriate, adapt to climate change and its impacts. We have integrated mandatory criteria on climate-related risks into our acquisition process, including: • Availability of climate risk assessments • Availability of climate change adaptation plans • Attributes including solar capacity, rainwater tank capacity, and availability of LED and EV charging stations • Certification against recognised green building standards In addition, FPUK, which supports us in the management of FLCT's properties in the UK, has implemented a sustainability acquisitions checklist which considers, among other factors: • Availability of climate risk assessments • Risk rating for various flood risks • History of climate-related events causing damage on site We include provisions within new and renewed lease agreements for tenants to share environmental data with our asset managers. This enables us to monitor the usage of the property and provide performance benchmarks and guide tenants' electrical and water consumption to align with our own performance goals closely and consistently.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We included climate related issues in our environmental risk identification and commenced integrating our climate related risk identification activities within FLCT Enterprise Risk Management processes and associated risk register practices.

Pillars	Climate-related disclosures
Metrics and Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	To ensure that we are on track to meet our target of net-zero carbon emissions by 2050, we measure and disclose our performance using metrics including: • Scopes 1, 2 and 3 energy consumption (GJ) • Scopes 1, 2 and 3 energy intensity (GJ/m^2) • Absolute Scopes 1, 2 and 3 greenhouse gas emissions (tCO_2e) • Scopes 1, 2 and 3 greenhouse gas intensity (tCO_2e/m^2) FLCT has also restructured this ESG Report to better align with recommended TCFD disclosures. Across asset classes and regions, we certify our properties using third-party green building standards. As at 30 September 2024, 89% of our portfolio by GFA is certified against third-party green building schemes such as Green Star, NABERS, BREEAM and BCA Green Mark. Founded by GBCA in 2003 and built on a quality process accredited to ISO 9001 standards, the Green Star rating system and certification process is a benchmark for healthy, resilient, positive buildings and places. While our industrial properties in Australia are certified to an average of 4-Star Green Star Performance ratings, the highest in the country, we are targeting a minimum of 5-Star Green Star Design & As Built ratings for all new industrial projects.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	We are continuously increasing our carbon and climate related data coverage under Scopes 1, 2, and 3. Examples of new data disclosed in this ESG Report include: • Scope 3 energy consumption (GJ) • Scope 3 energy intensity (GJ/m^2) • Absolute Scope 3 greenhouse gas emissions (tCO_2e) • Scope 3 greenhouse gas intensity (tCO_2e/m^2) Please refer to the Energy and Carbon section for further information on metrics related to greenhouse gas emissions.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Each year, we track and disclose Our Actions and Progress against our targets. Key initiatives include developing a road map to achieving net-zero carbon emissions by 2050, including setting interim carbon emissions targets, and submitting these targets to the SBTi for validation. As at 30 September 2024, 74% of our total borrowings are in the form of green, sustainable and/or sustainability-linked financing. FPUK, which supports the management of our properties in the UK, has also targeted to reduce its carbon emissions in its business parks, by taking steps such as phasing out gas in new developments, installing rooftop solar photovoltaics and greening the supply chain.

TCFD ALIGNMENT

Table A: FLCT's Climate-related Physical Risks

Risk Description	Description of Potential Business Impact	Business Response
Floods (flash floods and general/river floods) More frequent and intense levels of rainfall can lead to flooding as well as rising sea levels	Exposure of assets to river floods or heavy rain fall damaging both the built and surrounding infrastructure and natural environment. This impairs accessibility and damages the functionality of buildings for tenants as well as stored goods. Consequentially, this necessitates increased frequency of repair and maintenance. Closure of operations and repairs and maintenance expenditures lower net income.	At minimum, all new developments are built to meet local planning requirements including flood management. This includes meeting site permeability requirements through landscape design. In Australia, customers are given access to a dedicated online customer platform which is monitored by facilities management teams. The response rate is measured in monthly Business Unit Reviews and enables the business to identify recurring impacts and improve design and construction decisions. In Australia, roof and all external facades are designed to handle extreme weather conditions. For example, by selecting roofing products that are hail-resistant and durable (long warranties), it is intended that this product will minimise damage to assets. In Europe, assets are being designed with rainwater retention where possible, which also reduces rainwater fees to the municipality. Additionally new developments are designed with rainwater tanks
Rising temperatures Higher mean temperatures, heatwaves	Higher temperatures reduce durability of building materials and affect the indoor climate. This leads to higher expenses and more frequent maintenance checks and higher energy consumption required for cooling. Extreme temperatures also pose health and safety risks to workers. Restricting/shifting working hours can affect business productivity.	The impacts of increased heat on the thermal comfort of occupants are considered as part of development/asset-level climate adaptation plans, while the use of on-site and off-site renewables will help mitigate the emissions associated with the need for additional cooling. Some design responses to these climate adaptation plans include: • High performance double glazing with low e-coating in Australia and triple glazing in Europe to minimise the ingress of heat transmission into the office spaces. • Loading canopies and outdoor shade areas are provided. Office areas and lunch/break rooms are temperature-controlled. Shade and temperature-controlled spaces provide workers with refuge from extreme heat during heatwaves. FLCT has also implemented a due diligence checklist for all acquisitions which incorporates questions regarding the availability of a climate risk assessment and climate change adaptation plan.

Risk Description	Description of Potential Business Impact	Business Response
Fire risk Increased potential and frequency of fire-related events linked to the warm and dry conditions due to climate change	Destruction of assets and the surrounding environment. Increased expenditure due to having to re-build and replace assets lost.	In Australia, developments are designed to be provided with a fire protection system, estate-based water supply, and complete vehicle perimeter access around all buildings. This will provide protection in the event of a fire and/or mains cut-off. In Australia, it is an ongoing performance requirement that this fire protection system is regularly tested and uses at least 80% recycled water. In Europe, the sprinkler system is tested monthly.

Table B: FLCT's Climate-related Transition Risks and Opportunities
Transition Risks

Risk Description	Description of Potential Business Impact	Business Response
Carbon pricing	Increasing carbon prices across countries would lead to an increase in operating costs due to direct and indirect carbon taxes on energy consumption and from within the value chain. These increased operating costs would affect revenue and customers/tenants may move towards landlords who are able to mitigate/avoid these costs.	FLCT has committed its alignment with FPL group to achieving net-zero carbon emissions by 2050 to prioritise deep emissions reductions and mitigate the potential impacts of any carbon pricing. The due diligence checklist for acquisition incorporates green building certification and sustainability attributes. Green building certification of a new acquisition is important for FLCT as it serves as a proxy for performance. Increased uptake of green building certifications across the regions where FLCT operates, many of which target increased resilience to physical and transition climate-related shocks and stresses, is better positioning our organisation to unlock opportunities as a partner and landlord of choice. For Europe, a carbon price is already in place, and strategies to reduce carbon emissions, such as PV strategy and refurbishment paths, are currently being developed. Acquisitions are also checked against their carbon emissions.

TCFD ALIGNMENT

FLCT's Climate-related Transition Risks and Opportunities
Transition Risks

Risk Description	Description of Potential Business Impact	Business Response
Policy requirements for low carbon buildings	With evolving building sector standards, regulations and national policies, businesses may need to upgrade existing assets or ensure new builds or assets comply. This could lead to increased expenditure to retrofit existing assets and ensure new builds comply. Failure to meet these policies requirements can lead to reputational risks.	The latest building standards and codes have been integrated into a new standard design brief. In Australia, potential customers interested in existing facilities complete an ESG survey from which the business gains insights about their current decarbonisation goals and initiatives as well as their willingness to engage with the development team to achieve them. These insights form decisions around which assets need to be upgraded (e.g. installing more solar or smart metering) and which customers can help the business manage this risk. For Europe, negotiations with external parties are currently underway to keep abreast of rapidly evolving regulatory requirements. The standard for new building design in Europe is ahead of minimum building code requirements, particularly for energy efficiency and carbon emissions.

FLCT's Transition Opportunities

Opportunity Description	Description of Potential Business Impact	Business Response
Improving the resilience and energy efficiency of our portfolio	Improving energy efficiency would help to reduce operating costs. New technologies are becoming increasingly available to increase the energy efficiency of buildings.	FLCT is increasing its commitment to renewable energy to further unlock associated benefits including reducing energy costs for our customers, accelerating decarbonisation and reducing overall asset level energy demand. Increased uptake of green building certifications across the regions where FLCT operates, many of which target increased resilience to physical and transitional climate-related shocks and stresses, is better positioning our organisation to unlock opportunities as a partner and landlord of choice. One of the key performance requirements of these green building certifications is providing evidence of energy and water metering. Consumption is tracked through automatic data monitoring systems, which raise an alarm when the energy or water use increase beyond certain parameters and instantly issue an alert to the facilities manager.

Transition Opportunities

Opportunity Description	Description of Potential Business Impact	Business Response
Increased access to green and sustainable financing	In appropriately managing our climate-related risks we can improve our alignment with sustainable financing criteria, unlocking greater access to capital with more favourable lending terms and reduced borrowing costs. This will also help position us as a partner of choice for lenders looking to reduce their financed-emissions and reinforce our market leadership in this area.	FLCT continues with its green/sustainability-linked finance coverage with FY2024 seeing FLCT reaching 74% of overall financing being green/sustainability-linked.
Deepening partnerships with our tenants	As a landlord, collective efforts with our tenants are a crucial part for the decarbonisation of our operations. These partnerships enable us to drive sustainable practices within our shared spaces.	In Australia, all new logistics and industrial leases include a GreenPower clause as standard practice to encourage customers to purchase renewable electricity. An ESG checklist is included during the on-boarding of new tenants, to understand their sustainability commitments and to identify opportunities to collaborate on initiatives. The business also worked closely with tenants to achieve their decarbonisation goals, such as Climate Active's carbon neutral building certification. This included agreeing in the lease to subsidise the tenant's purchase of carbon offsets. In Europe, all new leases or lease addendums are signed with a green clause covering support with (consumption) data sharing, usage of sustainable products and where possible green power. Additional sustainable topics are addressed in tenant discussions. Various strategies, papers and measures aim to enhance tenant partnerships, such as energy guides, PV strategies, refurbishment paths and LED measures.

GRI CONTENT INDEX AND ALIGNMENT

GRI Standard	Disclosure		Location	Page No.	Requirement(s) Omitted	Omission Reason	Explanation
General disclosures							
GRI 2: General Disclosures 2021	2-1	Organizational details	• Corporate Profile • Our Multinational Presence	4 5			
	2-2	Entities included in the organization's sustainability reporting	About This Report	113			
	2-3	Reporting period, frequency and contact point	About This Report	113			
	2-4	Restatements of information	Consuming Responsibly: • Energy & Carbon • Water • Waste	122-126			
	2-5	External assurance	About This Report	113			
	2-6	Activities, value chain and other business relationships	• Corporate Profile • Our Multinational Presence	4 5			
	2-7	Employees	Diversity, Equity and Inclusion	129-131			
	2-8	Workers who are not employees			a, b, c	Not applicable	The REIT Manager does not engage a significant number of workers who are not employees.
	2-9	Governance structure and composition	• Corporate Structure • Board of Directors • Management Team • ESG Governance • Corporate Governance	19 20 24 115 150			
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report - Board Composition	161			
	2-11	Chair of the highest governance body	• ESG Governance • Board of Directors	115 20-23			
	2-12	Role of the governance body in overseeing the management of impacts	ESG Governance	115			
	2-13	Delegation of responsibility for managing impacts	• ESG Governance • Corporate Governance Report – Delegation of Authority Framework	115 157			
	2-14	Role of the highest governance body in sustainability reporting	• Board Statement	111			

GRI Standard	Disclosure		Location	Page No.	Requirement(s) Omitted	Omission Reason	Explanation
General disclosures							
	2-15	Conflicts of interest	• Corporate Governance Report – Delegation of Authority Framework	171			
	2-16	Communication of critical concerns	Corporate Governance Report – Governance of Risk and Internal Controls	181-184			
	2-17	Collective knowledge of the highest governance body	TCFD Alignment	137			
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report – Board Performance Evaluation	172			
	2-19	Remuneration policies	Corporate Governance Report – Remuneration Matters	173-179			
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	Corporate Governance Report – Remuneration Matters	173-179			
	2-21	Annual total compensation ratio			a, b, c	Confidentiality constraints	We are unable to disclose the ratio due to our highly competitive labour market
	2-22	Statement on sustainable development strategy	Board Statement	111			
	2-23	Policy commitments	Risk-based Management	118-119			
	2-24	Embedding policy commitments	Risk-based Management	118-119			
	2-25	Processes to remediate negative impacts	Risk-based Management	118-119	e	Information incomplete	We do not track the effectiveness of the mechanisms, but FLCT readily welcomes feedback through our various communication channels.
	2-26	Mechanisms for seeking advice and raising concerns	Risk-based Management	118-119			
	2-27	Compliance with laws and regulations	Risk-based Management	118-119			
	2-28	Membership associations	Membership Associations	115			

GRI CONTENT INDEX AND ALIGNMENT

GRI Standard	Disclosure		Location	Page No.	Requirement(s) Omitted	Omission Reason	Explanation
General disclosures							
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	116			
	2-30	Collective bargaining agreements			a, b	Confidentiality constraints	We do not publicly disclose this data
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment	117			
	3-2	List of material topics	Materiality Assessment	117			
Acting Progressively							
Risk-Based Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	Risk-based Management	117			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Risk-based Management	117	a,b	Information incomplete	Lack of data for meaningful disclosure
	205-2	Communication and training about anti-corruption policies and procedures	Risk-based Management	118-119			
	205-3	Confirmed incidents of corruption and actions taken	Risk-based Management	118-119			
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Risk-based Management	118-119			
Responsible Investment							
GRI 3: Material Topics 2021	3-3	Management of material topics	Responsible Investment	120			
Resilient Properties							
GRI 3: Material Topics 2021	3-3	Management of material topics	Resilient Properties	120			
Innovation							
GRI 3: Material Topics 2021	3-3	Management of material topics	Innovation	121			
Consuming Responsibly							
Energy and Carbon							
GRI 3: Material Topics 2021	3-3	Management of material topics	Energy and Carbon	122			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy and Carbon	122-123			
	302-2	Energy consumption outside of the organization	Energy and Carbon	122-123			
	302-3	Energy intensity	Energy and Carbon	122-123			
	302-4	Reduction of energy consumption	Energy and Carbon	122-123			

GRI Standard	Disclosure		Location	Page No.	Requirement(s) Omitted	Omission Reason	Explanation
	302-5	Reductions in energy requirements of products and services			a, b, c	Information incomplete	Due to the management of diverse properties and y-o-y fluctuations, we are unable to provide specific numerical reductions in energy consumption that are directly tied to initiatives. This complexity makes it challenging to precisely isolate the impact of its reduction measures.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy and Carbon	124			
	305-2	Energy indirect (Scope 2) GHG emissions	Energy and Carbon	124			
	305-3	Other indirect (Scope 3) GHG emissions	Energy and Carbon	124			
	305-4	GHG emissions intensity	Energy and Carbon	124			
	305-5	Reduction of GHG emissions	Energy and Carbon	124			
Water							
GRI 3: Material Topics 2021	3-3	Management of material topics	Water	125			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water	125			
	303-2	Management of water discharge-related impacts	Water	125			
	303-3	Water withdrawal	Water	125	b, c	Information incomplete	FLCT tracks total water withdrawal but currently does not break this down to source and water stress areas.
Waste							
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste	126			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste	126			
	306-2	Management of significant waste-related impacts	Waste	126			
	306-3	Waste generated	Waste	126			
	306-4	Waste diverted from disposal	Waste	126			
	306-5	Waste directed to disposal	Waste	126			

GRI CONTENT INDEX AND ALIGNMENT

GRI Standard	Disclosure		Location	Page No.	Requirement(s) Omitted	Omission Reason	Explanation
Materials and Supply Chain							
GRI 3: Material Topics 2021	3-3	Management of material topics	Materials and Supply Chain	127			
Biodiversity							
GRI 3: Material Topics 2021	3-3	Management of material topics	Biodiversity	127			
Focusing on People							
Diversity, Equity and Inclusion							
GRI 3: Material Topics 2021	3-3	Management of material topics	Diversity, Equity and Inclusion	129			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Diversity, Equity and Inclusion	130			
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes			a, b	Not applicable	The notice period varies on a situational basis
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion	130			
	405-2	Ratio of basic salary and remuneration of women to men	Diversity, Equity and Inclusion	130	a, b	Information incomplete	Lack of data for meaningful disclosure
Skills and Leadership							
GRI 3: Material Topics 2021	3-3	Management of material topics	Skills and Leadership	130-131			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Skills and Leadership	130-131			
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Skills and Leadership	130	b	Information incomplete	Lack of data for meaningful disclosure
	404-3	Percentage of employees receiving regular performance and career development reviews	Skills and Leadership	130			
Health and Well-being							
GRI 3: Material Topics 2021	3-3	Management of material topics	Health and Well-being	131			
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Health and Well-being	131			
	401-3	Parental leave	Health and Well-being	132			

GRI Standard	Disclosure		Location	Page No.	Requirement(s) Omitted	Omission Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Well-being	132			
	403-2	Hazard identification, risk assessment and incident investigation	Health and Well-being	131-132	a, c, d	Information incomplete	Lack of data for meaningful disclosure
	403-4	Worker participation, consultation and communication on occupational health and safety	Health and Well-being	131	a	Information incomplete	Lack of data for meaningful disclosure
	403-5	Worker training on occupational health and safety	Health and Well-being	132			
	403-6	Promotion of worker health	Health and Well-being	132			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Well-being	131-132			
	403-8	Workers covered by an occupational health and safety management system	Health and Well-being	131-132			
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	Health and Well-being	132	c, e, f, g	Information incomplete	Lack of data for meaningful disclosure
	403-10	Work-related ill health	Health and Well-being	132	c, d, e	Information incomplete	Lack of data for meaningful disclosure
Community Connectedness							
GRI 3: Material Topics 2021	3-3	Management of material topics	Community Connectedness	133-134			

Notes

General
- Discrepancies between individual figures and aggregates, or derived values, in the charts and tables of this report are due to rounding.

Energy, Gas, GHG, Water and Waste Reporting Scope
- The baseline of FY2019 was chosen because of the relatively complete dataset established and it was more representative of our usual business activities.
- No mobile combustion considered for Scope 1 emissions as there are no owned vehicles. Stationary combustion is considered due to diesel usage for generators. Industrial Processes and Product Use (IPPU) emissions are calculated based on refrigerants purchased for air conditioners and cooling systems. Refrigerant emissions were estimated assuming 2% evaporation for assets in Australia and the top-up amount was used for the commercial properties in Singapore.
- Scope 3 disclosures in this report include fuel- and energy-related activities, waste generated in operations, employee commuting, and downstream leased assets. Fuel- and energy related well-to-tank transmission and distribution emissions are calculated based on the data provided in Scope 1 and 2. Waste generated in operations includes emissions from third-party disposal and treatment of waste generated (solid waste and wastewater) at controlled operations, assuming zero emissions for recycled waste. Employee commuting includes emissions from the transportation of employees between their homes and their worksites as well as teleworking. The category of downstream leased assets includes emissions from the operation of assets that are owned by the business and are leased to tenants, accounting for tenants' Scope 1 and 2 emissions.
- Energy, GHG, water and waste intensities are calculated based on GFA of the whole building.
- This year, we refined our intensity calculation methodology to enhance accuracy in accounting for GFA values, which has also impacted the intensity figures from previous years.
- The GHG emission factors are from National Greenhouse Account Factors by Australia's National Greenhouse and Energy Reporting Scheme; Greenhouse Gas Reporting Conversion Factors by the United Kingdom's Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy; Singapore Energy Statistics from Energy Market Authority; Entwicklung der Spezifischen Treibhausgas-Emissionen des Deutschen Strommix in den Jahren by the umweltbundesamt (German Environment Agency), and Association of Issuing Bodies for The Netherlands.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) ("**FLCT**") is a real estate investment trust ("**REIT**") listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). FLCT is managed by Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.) (the "**REIT Manager**"), a wholly-owned subsidiary of Frasers Property Limited ("**FPL**" or the "**Sponsor**").

In line with the listing manual of the SGX-ST (the "**SGX-ST Listing Manual**") and its obligations under the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04–G07) issued by the Monetary Authority of Singapore ("**MAS**"), the REIT Manager complies with the principles of the Code of Corporate Governance 2018 (the "**CG Code**").

The practices and activities of the board of directors of the REIT Manager (the "**Board**") and the management of the REIT Manager (the "**Management**") adhere closely to the provisions under the CG Code.

The REIT Manager is also guided by the Practice Guidance which accompanies the CG Code and which sets out best practices for listed issuers, as this will build investor and stakeholder confidence in FLCT and the REIT Manager. A summary of compliance with the express disclosure requirements under the provisions of the CG Code is set out on pages 191 to 192 of this Annual Report.

FLCT is a signatory to the 2019 Corporate Governance Statement of Support organised by Securities Investors Association (Singapore) where FLCT has pledged its commitment to uphold high standards in corporate governance.

The REIT Manager

The REIT Manager has general powers of management over the assets of FLCT. As a manager of a REIT, the REIT Manager holds a Capital Markets Services Licence issued by the MAS to carry out REIT management activities.

The REIT Manager's main responsibility is to manage FLCT's assets and liabilities for the benefit of unitholders of FLCT ("**Unitholders**"). To this end, the REIT Manager sets the strategic direction of FLCT and make recommendations to Perpetual (Asia) Limited, in its capacity as trustee of FLCT (the "**Trustee**"), on acquisitions, divestments and enhancement of the assets of FLCT. The role of the REIT Manager includes the pursuit of a business model that sustains the growth and enhances the value of FLCT and is focussed on delivering regular and stable distributions to Unitholders. Other functions and responsibilities of the REIT Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis, and managing finance functions relating to FLCT (which includes financial and tax reporting, planning and budgeting, capital management and treasury).

The Values of the REIT Manager

1. Commitment to upholding and maintaining high standards of corporate governance, corporate transparency and sustainability.

2. Maintaining a robust and sound governance framework, which is an essential foundation on which to build, evolve and innovate a business which is sustainable over the long term and one which is resilient in a dynamic, fast-changing environment.

3. Adhering to corporate policies, business practices and systems of risk management and internal controls, which are designed to ensure that consistently high standards of integrity, accountability and governance are consistently maintained.

4. Ensuring that the business and practices of FLCT are carried out in a manner that complies with applicable laws, rules and regulations, including the Securities and Futures Act 2001 of Singapore ("**SFA**"), the SGX-ST Listing Manual, the CG Code, the Code on Collective Investment Schemes (the "**CIS Code**") issued by the MAS (including Appendix 6 of the CIS Code, the "**Property Funds Appendix**"), the trust deed constituting FLCT between the REIT Manager and the Trustee dated 30 November 2015 (as amended) ("**Trust Deed**"), as well as the written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time.

5. Pursuing growth and enhancement of performance and value sustainably, thereby safeguarding the assets of FLCT, in the interests of the Unitholders and other stakeholders.

CORPORATE GOVERNANCE REPORT

The Board works with Management to ensure that these values underpin its leadership of the REIT Manager.

The REIT Manager is staffed by an experienced and well-qualified team who manage the operational matters of FLCT. The REIT Manager is a subsidiary of FPL, whose multinational businesses operate across five asset classes, namely, commercial & business parks, hospitality, industrial & logistics, residential and retail. The FPL Group[1] has businesses in Southeast Asia, Australia, the EU, the UK and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries across Asia, Australia, Europe, the Middle East and Africa.

As the Sponsor holds a substantial ownership stake of approximately 22.9%[2] in FLCT, there is an alignment of interests between the Sponsor, the REIT Manager and the Unitholders. The REIT Manager is able to benefit from and leverage on its association with the Sponsor in the management of FLCT in various ways, including tapping on the Sponsor's extensive experience in development and management of real estate assets, sourcing for talent and experienced personnel within the Sponsor pool of employees, including those who may be considered for appointment to the Board, access to the FPL Group's network of lenders for debt financing, and negotiating for favourable terms with external suppliers and vendors on a group basis. The REIT Manager is also able to benefit from the expertise of the FPL Group which was recognised in the 2022 Global Real Estate Sustainability Benchmark (GRESB) results.

The REIT Manager is appointed in accordance with the terms of the Trust Deed. The REIT Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee under certain circumstances outlined in the Trust Deed, including where Unitholders, by a resolution duly passed by a simple majority of Unitholders present and voting (with no Unitholder being disenfranchised) at a Unitholders' meeting, decide that the REIT Manager is to be removed.

BOARD MATTERS

The Board

The Board:

(a) is responsible for the overall leadership and oversight of both FLCT's and the REIT Manager's business, financial, investment and material operational affairs and performance objectives, and its long-term success;

(b) sets the strategic direction of FLCT and the REIT Manager on various matters (including value creation, innovation and sustainability), and works with Management to ensure that necessary resources are in place for FLCT and the REIT Manager to meet its strategic objective;

(c) determines the REIT Manager's approach to corporate governance, including setting the appropriate tone-from-the-top and the desired organisational culture, values and ethical standards of conduct, and works with Management on its implementation across FLCT and the REIT Manager;

(d) through the enterprise-wide risk management framework of FLCT and its subsidiaries (the "**Group**"), establishes and maintains a sound risk management system to effectively monitor and manage risks and to achieve an appropriate balance between risks and returns and in turn the Group's performance;

(e) puts in place policies, structures and mechanisms to ensure compliance with legislative and regulatory requirements;

(f) which comprises directors who are fiduciaries and who act objectively in the best interests of the Manager and the Group, constructively challenges Management and reviews its performance, and holds Management accountable for performance; and

(g) oversees Management to ensure transparency and accountability to key stakeholder groups.

1 The "**FPL Group**" refers to Frasers Property Limited and its subsidiaries.
2 As at 30 September 2024.

CORPORATE GOVERNANCE REPORT

The Chairperson

The chairperson of the Board (the "**Chairperson**") provides leadership to the Board by:

(a) setting the right ethical and behavioural tone and desired organisational culture;

(b) ensuring the Board's effectiveness by, among other things, promoting and maintaining high standards of corporate governance and transparency;

(c) encouraging active and effective participation by all directors of the REIT Manager (the "**Directors**") and facilitating constructive relations among and between them and Management; and

(d) setting the agenda for each Board meeting, taking into account strategic and other key issues pertinent to the business and operations of the Group and the REIT Manager and promoting a culture of openness and debate at Board meetings, leading to better decision-making and enhanced business performance.

The Chairperson ensures effective communication with Unitholders, financial analysts and the media on critical issues that could significantly affect the reputation and standing of the REIT Manager and FLCT. In addition, the Chairperson (supported by Management and the Company Secretary of the REIT Manager ("**Company Secretary**")), ensures the Directors receive accurate, clear, complete and timely information to facilitate effective contributions and Company Secretary enable informed decisions to be made.

The Chairperson also presides over the Annual General Meeting each year and any other general meetings of the Unitholders. The Chairperson addresses, and/or requests the Chief Executive Officer (the "**CEO**") and the Chief Financial Officer ("**CFO**") of the REIT Manager to address the Unitholders' queries and ensures that there is clear and open dialogue between all stakeholders.

Role of the CEO and Management

The Management is led by the CEO of the REIT Manager. The CEO is responsible and is accountable to the Board for the conduct and performance of Management. With the support of Management, the CEO's core responsibilities include:

(a) executing the REIT Manager's strategies and policies as approved by the Board;

(b) the planning, direction, control, conduct and performance of the business operations of the REIT Manager;

(c) seeking business opportunities and driving new initiatives;

(d) the operational performance of the Group; and

(e) building and maintaining strong relationships with stakeholders of the Group.

Division of Responsibilities between the Chairperson and CEO

The Chairperson and the CEO are separate persons and the division of responsibilities between the Chairperson and the CEO is clearly demarcated. This avoids concentration of power and ensures a degree of checks and balances, an increased accountability, and greater capacity of the Board for independent decision-making. Such separation of roles between the Chairperson and CEO further promotes robust deliberations by the Board and Management on the business activities of FLCT.

Relationships between the Board and CEO

None of the members of the Board and CEO are related to one another, and none of them has any business relationships among them.

CORPORATE GOVERNANCE REPORT

Board Committees

The Board has formed committees of their respective boards (the "**Board Committees**") to oversee specific areas, for greater efficiency and has delegated authority and duties to such Board Committees based on written and clearly defined terms of reference. The terms of reference of the Board Committees set out their compositions, authorities and duties, including reporting back to the Board. There are two Board Committees, namely, the Audit, Risk and Compliance Committee ("**ARCC**"), and the Nominating and Remuneration Committee ("**NRC**").

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings, matters discussed and decisions made during such meetings, and to enable the Directors to weigh in on any key points under consideration.

Members of the Board and Board Committees

The following table shows the composition of the Board[(1)(2)] and the various Board Committees (as defined below) as at 30 September 2024:

		Audit, Risk and Compliance Committee	Nominating and Remuneration Committee
Mr Ho Hon Cheong [(1)]	Chairperson, Non-Executive and Independent Director	√	√ (Chairperson)
Mr Kyle Lee Khai Fatt	Non-Executive and Independent Director	√ (Chairperson)	√
Mr Goh Yong Chian	Non-Executive and Independent Director	√	√
Mr Phang Sin Min [(3)]	Non-Executive and Independent Director	√	
Ms Soh Onn Cheng Margaret Jane	Non-Executive and Independent Director		
Mr Panote Sirivadhanabhakdi	Non-Executive and Non-Independent Director		√
Mr Reinfried Helmut Otter (Reini Otter)	Non-Executive and Non-Independent Director		

Notes:

(1) Mr Ho Hon Cheong retired as the Chairperson and non-executive and independent director of the Board of Directors, the Chairperson of the Nominating and Remuneration Committee and a member of the Audit, Risk and Compliance Committee with effect from 1 October 2024.

(2) Mr Chia Khong Shoong retired as a non-executive and non-independent director with effect from 1 March 2024.

(3) Mr Phang Sin Min was appointed as the Chairperson of the Board of Directors, and a member and the Chairperson of the Nominating and Remuneration Committee, with effect from 1 October 2024.

Profiles of each of the Directors can be found at pages 20 to 23 of this Annual Report.

As at 30 September 2024, all of the Directors are non-executive and at least half of the Board comprises independent Directors.

AUDIT, RISK AND COMPLIANCE COMMITTEE	
MEMBERSHIP	KEY OBJECTIVES
Mr Kyle Lee Khai Fatt, *Chairperson* Mr Goh Yong Chian, *Member* Mr Ho Hon Cheong [(1)], *Member* Mr Phang Sin Min, *Member*	Assists the Board in fulfilling responsibility for overseeing the quality and integrity of the accounting, auditing, financial practices, internal controls, risk management and sustainability practices of the REIT Manager

Note:

(1) Mr Ho Hon Cheong retired as a member of the Audit, Risk and Compliance Committee with effect from 1 October 2024.

CORPORATE GOVERNANCE REPORT

As at 30 September 2024, the ARCC is made up of non-executive Directors, all of whom, including the chairperson of the ARCC, are independent Directors ("**IDs**"). All members of the ARCC, including the chairperson of the ARCC, are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. This enables them to discharge their responsibilities competently.

Under the terms of reference of the ARCC, a former partner or director of FLCT's existing auditing firm or auditing corporation should not act as a member of the ARCC:

(a) within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or a director of the auditing corporation; and in any case,

(b) for as long as he has any financial interest in the auditing firm or auditing corporation.

None of the members of the ARCC is a former partner of FLCT's external auditors, KPMG LLP, within a period of two years prior to their appointment as members of the ARCC, and none of the members of the ARCC has any financial interest in FLCT's external auditors, KPMG LLP.

Audit Functions

The terms of reference of the ARCC provide that some of the key responsibilities of the ARCC include:

- External Auditors: making recommendations to the Board on: (i) the proposals to the Unitholders (or the shareholders of the Manager, as the case may be) on the appointment, re-appointment and removal of the external auditors each year, and (ii) the remuneration and terms of engagement of the external auditors;

- External Audit Process: reviewing and reporting to the Board, the scope, quality, results and performance of the external audit(s), its cost effectiveness and the independence and objectivity of the external auditors taking into consideration, *inter alia*, the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"). It also reviews the nature and extent of non-audit services performed by external auditors;

- Internal Audit: establishing an effective internal audit function which shall be adequately qualified to perform an effective role, adequately resourced, independent of the activities which it audits and able to discharge its duties objectively, and to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced[3];

- Financial Reporting: reviewing and reporting to the Board, the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of FLCT and the REIT Manager and any announcements relating to FLCT's and the REIT Manager's financial performance, and to review the assurance provided by the CEO and the CFO (the "**Key Management Personnel**") that the financial records have been properly maintained and the financial statements give a true and fair view of FLCT's and/or the REIT Manager's operations and finances;

- Internal Controls and Risk Management: reviewing and reporting to the Board at least annually, its assessment of the adequacy and effectiveness of the REIT Manager's internal controls for FLCT and the REIT Manager, including financial, operational, compliance and information technology controls (including those relating to compliance with existing legislation and regulations), and risk management policies and systems established by Management;

- Interested Person Transactions: reviewing interested person transactions (as defined in the SGX-ST Listing Manual) and interested party transactions (as defined in the Property Funds Appendix) (both such types of transactions constituting "**Related/Interested Person Transactions**") entered into from time to time and the internal audit reports to ensure compliance with applicable legislation, the SGX-ST Listing Manual and the Property Funds Appendix;

- Conflicts of Interests: deliberating on resolutions relating to conflicts of interest situations involving FLCT;

3 For FY2024, the internal audit function is outsourced to the FPL Group.

CORPORATE GOVERNANCE REPORT

- Whistle-blowing: reviewing the policy and arrangements by which staff of the REIT Manager, FLCT and any other persons may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken; and

- Investigations: reviewing the findings of internal investigations into any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which the ARCC becomes aware of, and which has or is likely to have a material impact on FLCT's operating results or financial position.

Where the external auditors, in their audit of FLCT's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or business updates previously announced by FLCT or the REIT Manager, the ARCC will:

(a) bring this to the Board's attention immediately so that the Board can consider whether an immediate announcement is required under the SGX-ST Listing Manual; and

(b) also advise the Board if changes are needed to improve the quality of future interim financial statements or business updates – such changes (if any) will be disclosed in FLCT's annual report.

In carrying out its role, the ARCC is empowered to investigate any matter within its terms of reference, with full access to, and cooperation by, Management, to seek information it may require from any Director and/or employee of the REIT Manager. The ARCC also has full discretion to request the attendance of any Director or employees of the REIT Manager at its meetings, and reasonable resources to enable it to discharge its functions properly. The ARCC meets with internal auditors and external auditors without the presence of Management at least once a year to review various audit matters and the assistance given by Management to the internal and external auditors. In carrying out its function, the ARCC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at the REIT Manager's cost.

Periodic updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the ARCC so that they are kept abreast of such changes and their corresponding impact on the financial statements, if any.

Sustainability

The ARCC also assists the Board in carrying out its responsibility in determining environmental, social and governance ("**ESG**") factors identified as material to the business, monitoring and managing ESG factors and overseeing standards, management processes and strategies to achieve sustainability practices. The ARCC has oversight of sustainability practices, and assists the Board in ensuring that Management establishes and maintains a sound system of sustainability governance and an appropriate sustainability reporting framework which links sustainability risks and opportunities with strategy, other organisational risks and goals and which also enhances operational responses to sustainability risks and opportunities.

Risk Management

The ARCC:

(a) reviews the framework and processes established by Management to achieve compliance with applicable laws, regulations, standards, best practice guidelines and the REIT Manager's policies and procedures;

(b) assists the Board in ensuring that Management maintains a sound system of risk management and internal controls to safeguard the interests of the REIT Manager or the interests of Unitholders (as the case may be) and the assets of the REIT Manager and the assets of FLCT; and

(c) assists the Board in its determination of the nature and extent of significant risks which the Board is willing to take in achieving the REIT Manager's strategic objectives and value creation, and the overall levels of risk tolerance and risk policies, including reviewing technology risks faced by the REIT Manager.

Further information on the key activities conducted by the ARCC can be found in the sections titled "Financial Performance, Reporting and Audit" on pages 179 to 180 and "Governance of Risk and Internal Controls" on pages 181 to 184.

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NOMINATING AND REMUNERATION COMMITTEE	
MEMBERSHIP	KEY OBJECTIVES
Mr Ho Hon Cheong [1], *Chairperson* Mr Kyle Lee Khai Fatt, *Member* Mr Goh Yong Chian, *Member* Mr Panote Sirivadhanabhakdi, *Member*	(a) Establishes a formal and transparent process for appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board (b) Develops a process for evaluation of the performance and annual assessment of the effectiveness of the Board as a whole and each of its Board Committees and individual directors (c) Reviews succession plans (d) Assists the Board in establishing a formal and transparent procedure for developing policies on Director and executive remuneration, developing a general framework of remuneration for the Board and Key Management Personnel and fixing the remuneration packages of individual Directors and Key Management Personnel (e) Ensures that there is an appropriate proportion of independent directors on the Board, and review annually, or where required, the independence of each Director

Note:

(1) Mr Ho Hon Cheong retired as the Chairperson of the Nominating and Remuneration Committee, and Mr Phang Sin Min was appointed as a member and the Chairperson of the Nominating and Remuneration Committee, both with effect from 1 October 2024.

A majority of the members of the NRC, including the chairperson of the NRC, are IDs.

The NRC is guided by written terms of reference approved by the Board which sets out the duties and responsibilities of the NRC. The NRC's responsibilities, in relation to its functions as a nominating committee, include:

(a) reviewing the structure, size and composition and independence of the Board and its Board Committees;

(b) reviewing and making recommendations to the Board on the succession plans for Directors, the Chairperson and Key Management Personnel;

(c) making recommendations to the Board on all appointments and re-appointments of Directors (including alternate Directors, if any); and

(d) determining the independence of Directors.

The NRC also proposes for the Board's approval, the objective performance criteria and process for the evaluation of the effectiveness of the Board, the Board Committees and each Director, and ensures that proper disclosures of such process are made. The NRC is also responsible for reviewing and making recommendations to the Board on training and professional development programmes for the Board and the Directors.

Further information on the main activities of the NRC, in relation to its functions as a nominating committee, are outlined in the following sections:

(a) "Training and development of Directors" on pages 160 to 161

(b) "Board Composition" on pages 161 to 166

(c) "Directors' Independence" on pages 166 to 171

(d) "Board Performance Evaluation" on page 172

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The NRC's responsibilities, in reviewing remuneration matters, include:

(a) reviewing and recommending to the Board, a framework of remuneration for the Board and Key Management Personnel;

(b) ensuring that the remuneration of executive Directors, if any, shall not be linked in any way to FLCT's gross revenue;

(c) on an annual basis, reviewing and recommending, for the Board's approval, the REIT Manager's remuneration and benefits policies and practices (including long-term incentive schemes);

(d) on an annual basis, reviewing and recommending, and the performance and specific remuneration packages for each Director and Key Management Personnel, in accordance with the approved remuneration policies and processes;

(e) proposing, for the Board's approval, criteria to assist in the evaluation of the performance of Key Management Personnel;

(f) (where applicable) reviewing the obligations of the REIT Manager arising in the event of the termination of the service agreements of Key Management Personnel to ensure that such contracts of service contain fair and reasonable termination clauses; and

(g) administering and approving awards under the FLCT Restricted Unit Plan ("**RUP**") and/or other long-term incentive schemes to senior employees of the REIT Manager.

In carrying out its review on remuneration matters, the terms of reference of the NRC provide that the NRC shall consider all aspects of remuneration, including Directors' fees, special remuneration to Directors who render special or extra services to the REIT Manager, salaries, allowances, bonuses, options, Unit-based incentives and awards, benefits-in-kind and termination payments, and shall aim to be fair and to avoid rewarding poor performance.

If necessary, the NRC can seek expert advice on remuneration within the FPL Group or from external sources. Where such advice is obtained from external sources, the NRC ensures that existing relationships, if any, between the REIT Manager and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Delegation of Authority Framework

Day-to-day operations of the business are delegated to Management. In order to facilitate the Board's exercise of its leadership and oversight of FLCT, FLCT has adopted a framework of delegated authorisations in its Manual of Authority (the "**MOA**") which is approved by the Board. The MOA:

(a) contains a schedule of matters specifically reserved for approval by the Board which are clearly communicated to Management in writing. These include approval of annual budgets, material transactions such as the major acquisitions and disposals, equity investments and asset enhancement initiatives; and

(b) sets out approval limits for operating and capital expenditure, treasury transactions as well as investments and asset enhancement initiatives.

CORPORATE GOVERNANCE REPORT

Meetings of the Board and Board Committees

The Board meets regularly, at least once every quarter, and also as required by business needs or if their members deem it necessary or appropriate to do so.

The following table summarises the number of meetings of the Board and Board Committees and general meetings held and attended by the Directors in FY2024:

	Board Meetings	Audit, Risk and Compliance Committee Meetings	Nominating and Remuneration Committee Meetings	Annual General Meeting
No. of meetings held in FY2024	**6**	**5**	**3**	**1**
Mr Ho Hon Cheong (2)	6 (C) (1)	5	3 (C) (1)	1 (C) (1)
Mr Kyle Lee Khai Fatt	6	5 (C) (1)	3	1
Mr Goh Yong Chian	6	5	3	1
Mr Phang Sin Min (3)	6	5	N.A.	1
Ms Soh Onn Cheng Margaret Jane	6	N.A.	N.A.	1
Mr Panote Sirivadhanabhakdi	5	N.A.	3	1
Mr Chia Khong Shoong (4)	3	N.A.	N.A.	1
Mr Reinfried Helmut Otter (Reini Otter)	6	N.A.	N.A.	1

Notes:

(1) (C) refers to chairperson.

(2) Mr Ho Hon Cheong retired as the Chairperson and non-executive and independent director of the Board of Directors, the Chairperson of the Nominating and Remuneration Committee and a member of the Audit, Risk and Compliance Committee with effect from 1 October 2024.

(3) Mr Phang Sin Min was appointed as the Chairperson of the Board of Directors, and a member and the Chairperson of the Nominating and Remuneration Committee, with effect from 1 October 2024.

(4) Mr Chia Khong Shoong retired as a non-executive and non-independent director with effect from 1 March 2024.

A calendar of activities is scheduled for the Board a year in advance.

The REIT Manager's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or similar communications equipment.

Management provides the Directors with Board papers setting out complete and timely information on the items to be discussed at Board and Board Committee meetings approximately a week in advance of the meeting (save in cases of urgency). This gives Directors sufficient time to prepare, review and consider the matters being tabled so that discussions are more meaningful and productive and Directors have the necessary information to make sound, informed decisions.

Senior members of the Management team attend Board meetings, to present to the Directors, provide input and insight into matters being discussed, respond to queries and take any follow up instructions from the Directors. If required, time is set aside after scheduled Board meetings for discussion amongst the Board members without the presence of Management. The independent Chairperson and other independent Director also have the discretion to hold meetings with the non-executive Directors and/or independent Directors without the presence of Management as he or she deems appropriate or necessary and to provide feedback to the Board and/or Chairperson after such meetings.

CORPORATE GOVERNANCE REPORT

Where required by the Directors, external advisers may also be present or available whether at Board and Board Committee meetings or otherwise, and at the REIT Manager's expense where applicable, to brief the Directors and provide their expert advice.

Matters discussed by Board and Board Committees in FY2024 BOARD		
(i) Strategy (ii) Business and Operations Update (iii) Financial Performance (iv) Governance	(v) Acquisitions and Divestment Proposals (vi) Asset Enhancement Initiatives (vii) Feedback from Board Committees	(viii) Cybersecurity and Threats (ix) Technology Risk Management (x) Sustainability, Environmental, Social & Governance

Audit, Risk and Compliance Committee	Nominating and Remuneration Committee
(i) External and Internal Audit (ii) Financial Reporting (iii) Treasury, Debt and Capital Management (iv) Internal Controls and Risk Management (v) Related/Interested Person Transactions (vi) Conflicts of Interests (vii) Technology Risk Management (viii) Sustainability, Environmental, Social & Governance (ix) Compliance with Legislation and Regulations (x) Tax Updates and Planning	(i) Board Composition and Renewal (ii) Board Diversity Policy (iii) Board, Board Committees and Director Evaluations (iv) Training and Development (v) Remuneration Policies and Framework (vi) Succession Planning

Board Oversight

Management also provides Directors with all relevant information on an ongoing and timely basis to enable them to discharge their duties and responsibilities, including but not limited to complete and accurate reports on:

(a) major operational matters;

(b) business development activities;

(c) financial performance;

(d) potential investment and divestment opportunities; and

(e) budgets on a periodic basis. Any material variances between the projections and actual results in respect of budgets are disclosed and explained in the relevant periodic report.

Directors have separate and independent access to Management, and are entitled to request for additional information as needed to make informed decisions, which Management will provide in a timely manner. Where required or requested by Directors, site visits are also arranged for Directors to better understand key business operations and to promote active engagement with Management.

CORPORATE GOVERNANCE REPORT

Directors are provided with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to prepare adequately for Board and Board Committee meetings, make informed decisions and discharge their duties and responsibilities, and to ensure that Directors (including those who hold multiple board representations and other principal commitments) devote sufficient time and attention to the affairs of FLCT and the REIT Manager. At Board and Board Committee meetings, the Directors attend and actively participate, discuss, deliberate and appraise matters requiring their attention and decision. Where necessary for the proper discharge of their duties, the Directors may seek and obtain independent professional advice at the REIT Manager's expense.

The Company Secretary

The Board is supported by the Company Secretary, who is legally trained and familiar with company secretarial practices. The Directors have separate and independent access to the Company Secretary, whose responsibilities include supporting and advising the Board on corporate and administrative matters. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

The Company Secretary's responsibilities include:

(a) administering and executing Board and Board Committee procedures in compliance with the Companies Act 1967 of Singapore, the REIT Manager's Constitution, the Trust Deed and applicable law;

(b) providing advice and guidance on relevant guidelines, notices, rules and regulations, including disclosure requirements under the SFA, applicable MAS guidelines and notices, the CIS Code and the SGX-ST Listing Manual, as well as corporate governance practices and processes;

(c) attending all Board and Board Committee meetings and drafting and reviewing the minutes of proceedings;

(d) facilitating and acting as a channel of communication for the smooth flow of information to and within the Board and its various Board Committees, as well as between and with senior Management;

(e) soliciting and consolidating Directors' feedback and evaluation, facilitating induction and orientation programmes for new Directors, and assisting with Directors' professional development matters; and

(f) acting as the REIT Manager's primary channel of communication with the SGX-ST.

Training and Development of Directors

The NRC is tasked with identifying and developing training programmes for the Board and Board Committees for the Board's approval and ensuring that Directors have the opportunity to develop their skills and knowledge.

The Directors are kept continually and regularly updated on FLCT's business and the regulatory and industry specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments may be:

(a) in writing by of presentations and/or handouts; and/or

(b) by way of briefings held by the Manager's lawyers, external advisors and external auditors.

During FY2024, the Directors attended briefings and training programmes on, among others, (i) key updates and additional regulatory guidance provided by SGX / MAS in the areas such as board diversity disclosures, loss of public float, facilitating shareholder-requisitioned meetings, allocation of excess shares in a rights issue, sustainability reporting and reducing AGM clustering (applicable to STI constituents); (ii) changes in the financial reporting standards; (iii) market updates; and (iv) economic updates.

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To ensure the Directors have the opportunities to develop their skills and knowledge and to continually improve the performance of the Board, all Directors are encouraged to:

(a) undergo continual professional development during the term of their appointment, and provided with opportunities to develop and maintain their skills and knowledge at the REIT Manager's expense; and

(b) be members of the Singapore Institute of Directors ("**SID**") and for them to receive updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and relevant business trends.

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her duties, responsibilities and obligations, including his or her responsibilities as fiduciaries and on the policies relating to conflicts of interest, as well as the expectations of the REIT Manager.

A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic direction, policies and corporate governance practices of the REIT Manager, as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to acquaint with Management, foster rapport and facilitates communication with Management.

A new Director without prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST (including training on sustainability matters), unless the NRC is of the view that training is not required because he or she has other relevant experience, in which case the basis of its assessment will be disclosed.

BOARD COMPOSITION

All of the Directors are non-executive and the Board comprises five independent and two non-independent Directors as at 30 September 2024.

No alternate directors have been appointed on the Board for FY2024. Alternate directors will only be appointed in exceptional circumstances. As the Chairperson, Mr Ho Hon Cheong, is a Non-Executive and Independent Director, no lead independent director has been appointed.

The NRC reviews, on an annual basis, the structure, size, and composition of the Board and Board Committees, taking into account the CG Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**"). The NRC has assessed that:

(a) the structure, size and composition of the Board and Board Committees are appropriate for the scope and nature of FLCT's and the REIT Manager's operations as at 30 September 2024; and

(b) no individual or group dominates the Board's decision-making process or has unfettered powers of decision-making. The NRC is of the opinion that the Directors with their diverse backgrounds and competencies[4] provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age that avoids groupthink and fosters constructive debate and ensures the effectiveness of the Board and its Board Committees.

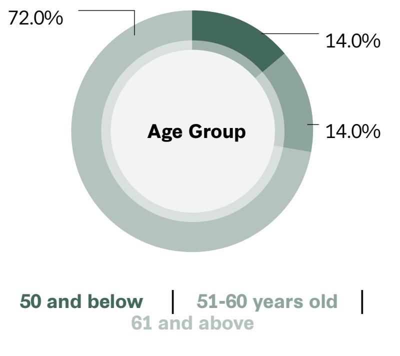
4 Such backgrounds and competencies include real estate experience / knowledge, business management, strategy development, investments / mergers and acquisitions (including fund management and/or investment banking), audit / accounting and finance, risk management, legal / corporate governance, sustainability and human resource management), and experience in relevant geographies.

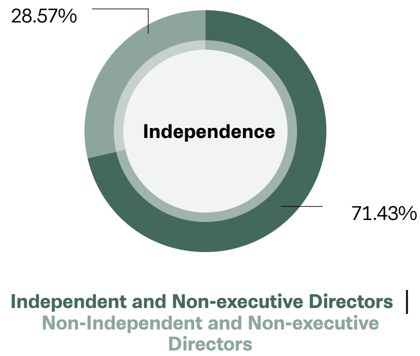
CORPORATE GOVERNANCE REPORT

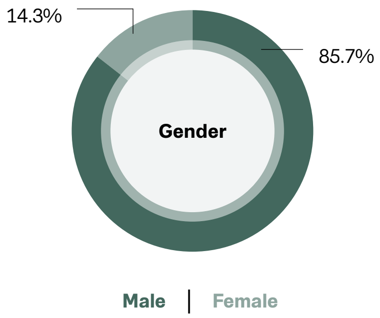
The Board concurs with the views of the NRC.

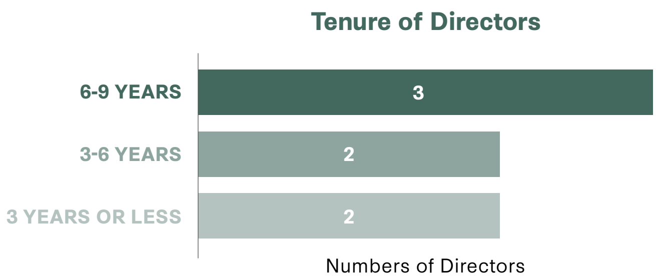
In the event any Director steps down from the Board, cessation announcements providing detailed reason(s) for the cessation will be released on SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

Board Composition in terms of Age Group, Independence, Tenure, Gender (as at 30 September 2024)









Selection, Appointment and Re-appointment of Directors

Under the NRC's terms of reference, the NRC is tasked with making recommendations to the Board on all Board appointments and re-appointments.

The process for the selection, appointment and re-appointment of Directors also takes into account the composition and progressive renewal of the Board and Board Committees, the Board Diversity Policy, the succession plans for Directors and the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively.

The NRC will also take into consideration the following factors:

(a) for existing Directors (including Directors to be recommended for re-appointment): their competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour).

(b) for Directors who hold multiple board representations and other principal commitments: whether they are able to effectively discharge their duties as Directors; and

(c) In the case of a potential new Director:

- (i) the candidate's experience, education, expertise, judgement, skillset, personal qualities and general and sector specific knowledge in relation to the needs of the Board and the Group's business;
- (ii) whether the candidates will add diversity to the Board;
- (iii) whether they are likely to have adequate time to discharge their duties, including attendance at all Board meetings; and
- (iv) whether a candidate had previously served on the boards of companies with adverse track records or a history of irregularities, and assess whether such past appointments would affect his/ her ability to act as a Director of the Manager.

CORPORATE GOVERNANCE REPORT

The NRC considers a range of different channels to source and screen both internal and external candidates for Board appointments and taps on its existing networks of contacts and recommendations. External consultants may be retained to assist in sourcing, assessing and selecting a broader range of potential internal and external candidates beyond the Board's existing network of contacts. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective, well supported and satisfy the requirements of FLCT and the Manager.

Annually, the NRC reviews the directorships and principal commitments of each Director, and a Board evaluation framework to be conducted to determine effectiveness of the Board. These allow the NRC to assess whether Board members have been able to:

(a) effectively manage their directorships and principal commitments and make the substantial time commitment required to contribute to the Board;

(b) carry out their duties adequately; and

(c) fulfil their responsibilities and duties to the Manager.

The NRC does not prescribe a maximum number of directorships and/or other principal commitments that each Director may have. Instead the NRC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, and considers factors such as

(a) the number of other board and other principal commitments held by each Director;

(b) the nature and complexity of such commitments.

(c) the Directors' commitment, conduct and contributions (such as meaningful participation, candour and rigorous decision making) at Board meetings; and

(d) whether the Director's engagement with Management is adequate and effective.

Further details on the Board evaluation exercise are set out under the section "Board Performance Evaluation" on page 172.

In respect of FY2024, the NRC is of the view that each Director, including Directors who hold multiple board representations, has been able to diligently discharge his or her duties as a Director of the REIT Manager.

Directors are not subject to periodic retirement by rotation. Under its terms of reference, the NRC is tasked with reviewing the succession plans for Directors, the Chairperson and Key Management Personnel.

<u>Board Diversity Policy, Targets, Timelines and Progress</u>

The Manager embraces diversity and has in place a Board Diversity Policy which addresses various aspects of diversity such as gender, skills and expertise and age.

The NRC is responsible for:

(a) the Board Diversity Policy which has been adopted by the Board;

(b) setting qualitative and measurable quantitative objectives (where appropriate) for achieving board diversity;

(c) monitoring and implementing the Board Diversity Policy, and taking the principles of the Board Diversity Policy into consideration when determining the optimal composition of the Board and recommending any proposed changes to the Board; and

(d) reviewing the REIT Manager's progress towards achieving the objectives under the Board Diversity Policy.

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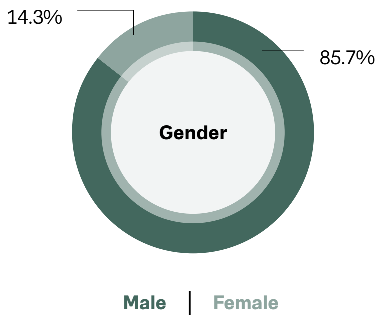
Upon the NRC's recommendation, the Board will set certain measurable objectives and specific diversity targets (each a "**Target**") in order to achieve an optimal Board composition. These Targets will be reviewed by the NRC annually to ensure their appropriateness. The NRC will endeavour to ensure that the Targets are taken into consideration when assessing the suitability of candidates for new Board appointments, and together with the Board, will work towards meeting the Targets as set by the Board. The Board will strive to ensure, with a view to meeting the Targets, that:

(a) any brief to external search consultants for potential appointments to the Board will include a requirement to fulfil one or more Targets; and

(b) candidates fulfilling one or more of the Target(s) are included for consideration by the NRC whenever it seeks to identify a new Director for appointment to the Board.

The Board composition reflects the REIT Manager's commitment to Board diversity, especially in terms of gender, skills and expertise and age. The REIT Manager's diversity Targets for the Board, its plans and timelines for achieving the Targets, and its progress towards achieving the Targets, are described below.

	Target	Progress and plans towards achieving Target
1.	**Gender representation**	
	The REIT Manager aims to achieve at least 25% female representation on the Board by 2025. The REIT Manager believes that achieving an optimum mix of men and women on the Board would provide different approaches and perspectives on the Board.	**In progress** – As at 30 September 2024, the Board has 1 female director, representing 14.3% of the Board. When identifying new director(s) for appointment to the Board, the REIT Manager will strive to ensure that female candidate(s) are included for consideration by the NRC. 
2.	**Skills and expertise**	
	The Board aims to have the Board comprise Directors who, as a group, possess a variety of qualifications and competencies, including skillsets, expertise and/or experience in at least a majority of the identified core competencies of: (i) real estate industry experience / knowledge; (ii) business management; (iii) strategy development;	**Achieved** – As at 30 September 2024, the Directors as a group possess a variety of qualifications and competencies, including in a majority of the identified core competencies, as set out in the chart below. In addition, our Directors collectively have backgrounds or experience in Singapore, Australia, the United Kingdom and Europe, being the regions of the Group's key markets. When considering new Directors for appointment to the Board, candidates who have relevant skills, expertise and/or experience which would complement those already on the Board would be prioritised.

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Target	Progress and plans towards achieving Target

(iv) investments/mergers and acquisitions (including fund management and/or investment banking);

(v) audit/accounting and finance;

(vi) risk management;

(vii) legal/corporate governance;

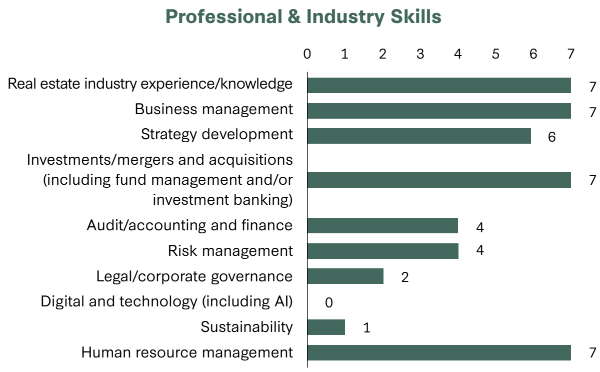
(viii) digital and technology (including AI);

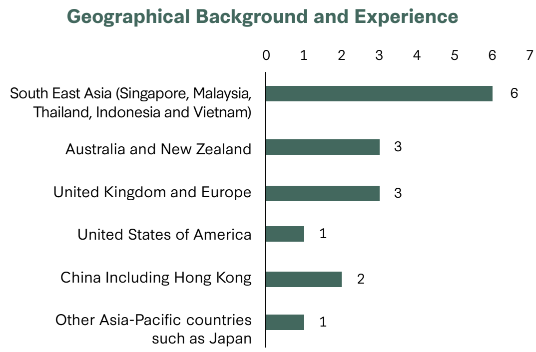
(ix) sustainability; and

(x) human resource management,

and experience in relevant geographies.

The REIT Manager believes that diversity in skillset and expertise would support the work of the Board and its committees, help FLCT and the REIT Manager achieve their strategic objectives and provide effective guidance and oversight of Management and the operations of FLCT and FLCAM.



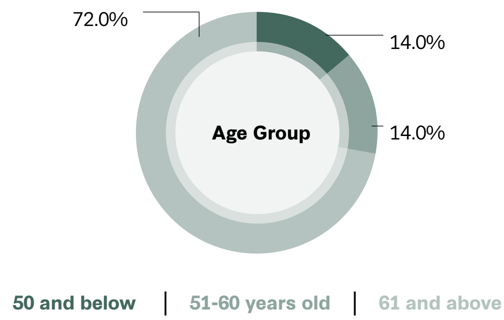


3. **Age diversity**

The REIT Manager aims to have the Board comprise directors falling within at least two out of three age groups, being (i) 50 and below; (ii) 51 to 60; and (iii) 61 and above.

The REIT Manager believes that age diversity would introduce fresh perspectives and broaden debates within the Board, and avoid the risk of groupthink, while ensuring the Board's decisions and/or strategies stay relevant as markets evolve.

Achieved – As at 30 September 2024, the ages of the Directors of the Board fall within three different age groups, representing diversity in the age ranges of the Directors on the Board. Please refer to the chart below.



The REIT Manager's target is to maintain the above levels of diversity in skills and expertise and age annually.

CORPORATE GOVERNANCE REPORT

The Board views Board diversity as an essential element for driving value in decision-making and proactively seeks as part of its Board Diversity Policy, to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of gender, skills and expertise, and age of the Directors. The Board, taking into account the views of the NRC, considers that diversity of the Board will contribute to the quality of its decision-making process and serve the needs and plans of the Group.

(a) **Gender Representation**: Achieving an optimum mix of gender representation on the Board to provide different approaches and perspectives. The push for greater gender diversity would also provide the REIT Manager with access to a broader talent pool and improve its capacity for strategic thinking and problem solving;

(b) **Skills and Expertise**: Diversity in skills and expertise would support the work of the Board and Board Committees and the needs of the REIT Manager. This benefits the REIT Manager and Management as decisions by, and discussions with, the Board would be enriched by the broad range of views and perspectives and the breadth of experience of the Directors. In addition, this would facilitate the effective oversight of management and the Group's businesses and would also help shape the REIT Manager's strategic objectives; and

(c) **Age Diversity**: Age diversity contributes beneficially to the Board's deliberations and avoid the risk of groupthink, while ensuring the Board's decisions and/or strategies stay relevant as markets evolve.

The Board composition as at 30 September 2024 reflects an appropriate diversity of age, independence, backgrounds and competencies of the Directors. Furthermore, the Directors' diversity in experience in different geographical markets has provided the REIT Manager with significant insights and in-depth understanding of the Group's multi-national businesses across key markets including Singapore, Australia, the United Kingdom and Europe. As at 30 September 2024, the ages of the Board members range from 46 to 80 years.

Directors' Independence

The NRC determines the independence of each Director annually, and as and when circumstances require, if a Director is independent based on the rules, guidelines and/or circumstances on director independence as set out in Rule 210(5)(d) of the SGX-ST Listing Manual, Provision 2.1 of the CG Code and the accompanying Practice Guidance, the MAS Guidelines No. SFA04-G07 "Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" dated 1 January 2016 and Regulations 13D to 13H of the SFLCB Regulations (collectively, the "**Relevant Regulations**"). The NRC provides its views to the Board for the Board's consideration. Directors are expected to disclose to the Board any relationships with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FLCT, if any, which may affect their independence, as and when they arise.

Each of the IDs complete a declaration of independence annually which is reviewed by the NRC. Based on the declarations of independence of the IDs, and having regard to the rules, guidelines and circumstances set forth in the Relevant Regulations, the NRC and the Board have determined that as at 30 September 2024, there are five IDs on the Board (including the Chairperson), namely, Mr Ho Hon Cheong, Mr Kyle Lee Khai Fatt, Mr Goh Yong Chian, Mr Phang Sin Min and Ms Soh Onn Cheng Margaret Jane.

Mr Ho Hon Cheong

Mr Ho Hon Cheong is a non-executive and independent commissioner of PT Chandra Asri Petrochemical Tbk in Indonesia and was also a director of AIA Singapore Pte. Ltd. until 9 July 2024. He has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial Unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not employed by the REIT Manager, its related corporations or the trustee of FLCT for FY2024 or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations, FLCT or any of its related corporations or the Trustee as an executive officer in any of the past three financial years; and

CORPORATE GOVERNANCE REPORT

(c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services from the REIT Manager or any of its subsidiaries, FLCT or any of its subsidiaries and/or the Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Unitholder of, or (b) a partner (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee made, or received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Ho is an independent director as at 30 September 2024.

Mr Kyle Lee Khai Fatt

During FY2024, Mr Kyle Lee Khai Fatt was a director of Great Eastern Holdings Limited ("**GEH**") and a director of GEH's wholly-owned subsidiary, The Great Eastern Life Assurance Company Limited ("**GEA**") until his retirement from both the boards of GEH and GEA with effect from 25 April 2024. He has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial Unitholder[2] of FLCT and, save as elaborated below, does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not employed by the REIT Manager, its related corporations or the trustee of FLCT for FY2024 or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations, FLCT or any of its related corporations or the Trustee as an executive officer in any of the past three financial years; and

(c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services from the REIT Manager or any of its subsidiaries, FLCT or any of its subsidiaries and/or the Trustee, and (ii) was not, and does not have any immediate family member who, was (a) a substantial shareholder or Unitholder of, or (b) a partner (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee made, or received significant payments[5] or material services (other than directors' fees).

As mentioned above, during FY2024, Mr Lee was a director of GEH and a director of GEH's wholly-owned subsidiary, The Great Eastern Life Assurance Company Limited. Great Eastern General Insurance Limited ("**GEG**"), a wholly-owned subsidiary of GEH, has provided insurance products to FLCT, the REIT Manager and/or their related corporations in the current and the immediately preceding financial year and received fees therefor ("**GEG Fees**"). In respect of the procurement process of insurance policies of FLCT and the REIT Manager, insurance policies are procured with the assistance of unrelated professional insurance brokers who will source for the most competitive quotes and terms, and make recommendations to FLCT and/or the REIT Manager accordingly. Notwithstanding this, such provision of insurance products fall within the categories of business relationships set out in Regulation 13G of the SFLCB Regulations.

The NRC has taken into account, *inter alia*, the declaration of independence by Mr Lee, the Relevant Regulations and the objective criteria in the procurement of insurance products from GEG, and affirms its view that the provision of insurance products by GEG to FLCT, the REIT Manager and/or its related corporations and the payment of the GEG Fees in respect thereof do not affect his continued ability to exercise strong objective judgment and be independent in conduct and character (in particular, in the expression of his views and in his participation in the deliberations and decision making of the Board and Board Committees of which he is a member), and do not interfere with the exercise of his independent judgment, acting in the best interests of all Unitholders as a whole. As such, the NRC has determined that Mr Lee is an independent director as at 30 September 2024.

CORPORATE GOVERNANCE REPORT

Mr Goh Yong Chian

Mr Goh Yong Chian has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial Unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not employed by the REIT Manager, its related corporations or the trustee of FLCT for FY2024 or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or any of its related corporations, FLCT or any of its related corporations or the Trustee as an executive officer in any of the past three financial years; and

(c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services from the REIT Manager or any of its subsidiaries, FLCT or any of its subsidiaries and/or the Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Unitholder of, or (b) a partner (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee made, or received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Goh is an independent director as at 30 September 2024.

Mr Phang Sin Min

Mr Phang Sin Min is a non-executive and independent director of PARAGON REIT Management Pte Ltd, the manager of PARAGON REIT. He has confirmed, *inter alia*, that he:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial Unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FLCT which could interfere with the exercise of his independent judgment as a Director;

(b) (i) is not employed by the REIT Manager, its related corporations or the trustee of FLCT for FY2024 or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations, FLCT or any of its related corporations or the Trustee as an executive officer in any of the past three financial years; and

(c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services from the REIT Manager or any of its subsidiaries, FLCT or any of its subsidiaries and/or the Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Unitholder of, or (b) a partner (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee made, or received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Phang is an independent director as at 30 September 2024.

CORPORATE GOVERNANCE REPORT

Ms Soh Onn Cheng Margaret Jane

Ms Soh Onn Cheng Margaret Jane has confirmed, *inter alia*, that she:

(a) is not connected[1] to any substantial shareholder[2] of the REIT Manager or substantial Unitholder[2] of FLCT and does not have any relationship with the REIT Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FLCT which could interfere with the exercise of her independent judgment as a Director;

(b) (i) is not employed by the REIT Manager, its related corporations or the trustee of FLCT for FY2024 or any of the past three financial years, and (ii) does not have any immediate[3] family member who has been employed by the REIT Manager or its related corporations, FLCT or any of its related corporations or the Trustee as an executive officer in any of the past three financial years; and

(c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments[4] or material services from the REIT Manager or any of its subsidiaries, FLCT or any of its subsidiaries and/or the Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Unitholder of, or (b) a partner (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the REIT Manager, FLCT or their subsidiaries or the Trustee made, or received significant payments[5] or material services (other than directors' fees).

Having considered the declaration of independence, and the Relevant Regulations the NRC has determined that Ms Soh is an independent director as at 30 September 2024.

Notes

(1) A Director is "**connected**" to a substantial shareholder of the REIT Manager or substantial Unitholder if:
  (a) in the case where the substantial shareholder or substantial Unitholder is an individual, he/she is:
    (i) a member of the immediate family of the substantial shareholder or substantial Unitholder;
    (ii) employed by the substantial shareholder or substantial Unitholder;
    (iii) a partner of a firm or a limited liability partnership of which the substantial shareholder or substantial Unitholder is also a partner; or
    (iv) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Unitholder;
  (b) in the case where the substantial shareholder or substantial Unitholder is a corporation, he/she is:
    (i) employed by the substantial shareholder or substantial Unitholder;
    (ii) employed by a related corporation or associated corporation of the substantial shareholder or substantial Unitholder;
    (iii) a director of the substantial shareholder or substantial Unitholder;
    (iv) a director of a related corporation or associated corporation of the substantial shareholder or substantial Unitholder;
    (v) a partner of a firm or a limited liability partnership of which the substantial shareholder or substantial Unitholder is also a partner; or
    (vi) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Unitholder.

(2) "**substantial shareholder**" and "**substantial Unitholder**" refers to a shareholder or Unitholder holding not less than 5% of the total votes or units attached to all voting shares or units in the REIT Manager or FLCT, respectively.

(3) "**immediate family**" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

(4) As a guide, payments aggregated over any financial year in excess of S$50,000 would generally be deemed as significant. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.

(5) As a guide, payments aggregated over any financial year in excess of S$200,000 would generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.

CORPORATE GOVERNANCE REPORT

The Board has considered the relevant requirements under the SFLCB Regulations and its views in respect of the independence of each Director for FY2024 are as follows:

The Director:	Mr Ho Hon Cheong [1]	Mr Kyle Lee Khai Fatt	Mr Goh Yong Chian	Mr Phang Sin Min [2]	Ms Soh Onn Cheng Margaret Jane	Mr Panote Sirivadhanabhakdi [3]	Mr Chia Khong Shoong [4]	Mr Reinfried Helmut Otter (Reini Otter) [5]
(i) had been independent from the management of the REIT Manager and FLCT during FY2024	√	√	√	√	√			
(ii) had been independent from any business relationship with the REIT Manager and FLCT during FY2024	√		√	√	√			
(iii) had been independent from every substantial shareholder of the REIT Manager and every substantial Unitholder during FY2024	√	√	√	√	√			
(iv) had not been a substantial shareholder of the REIT Manager or a substantial Unitholder during FY2024	√	√	√	√	√	√	√	√
(v) has not served as a director of the REIT Manager for a continuous period of nine years or longer as at the last day of FY2024	√	√	√	√	√	√	√	√

Notes:

1. Mr Ho Hon Cheong retired as the Chairperson and non-executive and independent director of the Board of Directors, the Chairperson of the Nominating and Remuneration Committee and a member of the Audit, Risk and Compliance Committee with effect from 1 October 2024.
2. Mr Phang Sin Min was appointed as the Chairperson of the Board of Directors, and a member and the Chairperson of the Nominating and Remuneration Committee, with effect from 1 October 2024.
3. Mr Panote Sirivadhanabhakdi is a director and the Group Chief Executive Officer of FPL and, in addition to being a director of the REIT Manager, a director of certain other entities within the FPL Group (as defined below), including Frasers Property Corporate Services Pte. Ltd.. FPL wholly-owns the REIT Manager and is a substantial Unitholder. Frasers Property Corporate Services Pte. Ltd. received directors' fees from the REIT Manager in FY2024. Mr Panote Sirivadhanabhakdi is also a director of various entities within the TCC Group (as defined below), which is the controlling shareholder of the FPL Group. He holds 20.0% of the issued share capital of TCC Group Investments Limited, which holds approximately 3.16% in FLCT as at 30 September 2024. Mr Panote Sirivadhanabhakdi is also the son of Mr Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi. As such, during FY2024, Mr Panote Sirivadhanabhakdi is deemed (a) to have a management relationship with the REIT Manager and FLCT; (b) to have a business relationship with the REIT Manager and FLCT; and (c) connected to a substantial shareholder of the REIT Manager and a substantial Unitholder.

   "***FPL Group***" refers to FPL and/or its subsidiaries.

   "***TCC Group"*** refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi.
4. Mr Chia Khong Shoong retired as a non-executive and non-independent director with effect from 1 March 2024. Mr Chia Khong Shoong was the Group Chief Corporate Officer of FPL and was employed by a related corporation of the REIT Manager. In addition to being a director of the REIT Manager, he was also a director and/or executive of certain other entities within the FPL Group, including Frasers Property Corporate Services Pte. Ltd. and Frasers Property AHL Limited. Both Frasers Property Corporate Services Pte. Ltd. and Frasers Property AHL Limited received directors' fees from the REIT Manager in FY2024. As such, during his appointment as a director of the REIT Manager in FY2024, Mr Chia Khong Shoong was deemed (a) to have a management relationship with the REIT Manager and FLCT; (b) to have a business relationship with the REIT Manager and FLCT; and (c) connected to a substantial shareholder of the REIT Manager and substantial Unitholder.
5. Mr Reinfried Helmut Otter (Reini Otter) is the Chief Executive Officer of Frasers Property Industrial, a strategic business unit of FPL and is employed by a related corporation of the REIT Manager. In addition to being a director of the REIT Manager, he is also a director and/or executive of certain other entities within the FPL Group, which have entered into intra-group transactions with the REIT Manager and FLCT and received fees therefor. As such, during FY2024, Mr Reinfried Helmut Otter (Reini Otter) is deemed (a) to have a management relationship with the REIT Manager and FLCT; (b) to have a business relationship with the REIT Manager and FLCT; and (c) connected to a substantial shareholder of the REIT Manager and substantial Unitholder.

CORPORATE GOVERNANCE REPORT

The Board is satisfied that, as at the last day of FY2024, each of Mr Kyle Lee Khai Fatt, Mr Panote Sirivadhanabhakdi and Mr Reinfried Helmut Otter (Reini Otter) was able to act in the best interests of all Unitholders as a whole. As at the last day of FY2024, each of Mr Kyle Lee Khai Fatt, Mr Panote Sirivadhanabhakdi and Mr Reinfried Helmut Otter (Reini Otter) was able to act in the best interests of Unitholders as a whole.

The IDs lead the way in upholding good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensure that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into account the long-term interests of FLCT and its Unitholders.

As at 30 September 2024, none of the IDs have served on the Board for a continuous period of nine years or longer.

Board renewal is a continuing process where the appropriate composition of the Board is continually under review. In this regard, the tenure of each ID is monitored so that the process for board renewal is commenced ahead of any ID reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate balance of independence. To this end, the NRC is tasked with undertaking the process of reviewing, considering and recommending any changes to the composition of the Board, where appropriate, taking into account the requirements to be met by IDs including the SFLCB Regulations.

As more than half of the Board comprises IDs, the REIT Manager will not be subjecting any appointment or re-appointment of Directors to voting by Unitholders under Regulation 13D of the SFLCB Regulations. The Chairperson for FY2024 was an ID and the Chairperson appointed with effect from 1 October 2024 is also an ID.

Conflict of Interest Policy

The Board has in place clear procedures for dealing with conflicts of interest. To address and manage possible conflicts of interest (including in relation to Directors, officers and employees) that may arise in managing FLCT, the REIT Manager has put in place procedures which, among other things, specify that:

(a) the REIT Manager shall be dedicated to the management of FLCT and will not directly or indirectly manage other REITs, without first obtaining approval from the MAS;

(b) all executive officers of the REIT Manager will be employed by the REIT Manager;

(c) all resolutions in writing of the Directors in relation to matters concerning FLCT must be approved by a majority of the Directors, including at least one ID;

(d) at least one-third of the Board shall comprise IDs;

(e) on matters where FPL, its subsidiaries and/or its shareholders have an interest (directly or indirectly), Directors nominated by FPL, its subsidiaries and/or its shareholders shall abstain from voting. On such matters, the quorum must comprise a majority of IDs and must exclude nominee Directors of FPL Group and/or its subsidiaries; and

(f) an interested Director is required to disclose his/her interest in any proposed transaction with FLCT, to recuse himself or herself from meetings and/or discussions (or relevant segments thereof), and is required to abstain from voting on resolutions approving the transaction.

The REIT Manager does not have a practice of extending loans to Directors, and as at 30 September 2024, there were no loans granted by the REIT Manager to Directors. If there are such loans, the REIT Manager will comply with its obligations under the Companies Act 1967 of Singapore in relation to loans, quasi-loans, credit transactions and related arrangements to Directors.

CORPORATE GOVERNANCE REPORT

Board Performance Evaluation

The NRC is tasked with making recommendations to the Board on the process and objective performance criteria for evaluation of the performance of the Board as a whole, the Board Committees and the individual Directors. The objective performance criteria are not typically changed from year to year.

The Board, with the recommendation of the NRC, has approved the objective performance criteria and implemented a formal process for assessing on an annual basis:

(a) the effectiveness of the Board as a whole and its Board Committees separately; and

(b) the contribution by the Chairperson and each individual Director to the effectiveness of the Board.

In relation to the financial year ended 30 September 2023 ("**FY23**"), the outcome of the evaluation was generally affirmative across the evaluation categories. Based on the NRC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

For FY2024, each Director is required to complete a Board evaluation questionnaire, a Board Committee evaluation questionnaire and an individual Director self-evaluation questionnaire (the "**Questionnaires**"). The Questionnaires are designed to evaluate the current effectiveness of the Board, and help the Chairperson and the Board to proactively consider ways to enhance the readiness of the Board to address emerging strategic priorities for FLCT. In particular, the individual Director self-evaluation questionnaire aims to assess the willingness and ability of each Director to constructively challenge and contribute effectively to the Board, and demonstrate commitment to his or her roles on the Board and Board Committees (if any).

The objective performance criteria covered in the Board evaluation exercise relate to the following key segments:

(a) Board composition (balance of skiils, experience, independence, knowledge of FLCT and the Manager, and diversity);

(b) management of information flow;

(c) Board processes (including Board practices and conduct);

(d) Board's consideration of ESG aspects;

(e) Board strategy and priorities;

(f) Board's value add to, and management of the performance of FLCT and the Manager;

(g) development and succession planning of executives;

(h) development and training of Directors;

(i) oversight of risk management and internal controls; and

(j) the effectiveness of the Board Committees.

The responses to the Questionnaires and interview(s), if any for that particular financial year, will be collated and a report on the findings and analysis of the results will be submitted to the NRC. The report would be taken into consideration and any necessary follow-up actions would be undertaken with a view to improving the overall effectiveness of the Board in fulfilling its role and meeting its responsibilities to Unitholders. The Chairperson will, where necessary, provide feedback to the Directors with a view to improving Board performance and, where appropriate, propose changes to the composition of the Board.

The outcome of the Board evaluation which was completed in FY2024 was generally affirmative across the evaluation categories. Based on the NRC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

The remuneration of the staff of the REIT Manager and Directors' fees are paid by the REIT Manager from the management fees it receives from FLCT, and not by FLCT. With the recommendations of the NRC, the Board has put in place a formal and transparent procedure for developing the framework and policies on Directors and Key Management Personnel and for reviewing and approving the remuneration packages of individual Directors and Key Management Personnel.

Compensation Philosophy

The REIT Manager seeks to incentivise and reward consistent and sustained performance through market competitive, internally equitable, performance-orientated programmes which are aligned with Unitholders' interests. This compensation philosophy is the foundation of the REIT Manager's remuneration framework and seeks to (a) align the aspirations and interests of its employees with the interests of FLCT and its Unitholders, resulting in the sharing of rewards for both employees and Unitholders on a sustained basis and (b) attract, retain and motivate employees. The REIT Manager aims to connect employees' desire to develop and fulfil their aspirations with the growth opportunities afforded by the REIT Manager's strategic vision and corporate initiatives.

Compensation Principles

All compensation programme design, determination and administration are guided by the following principles:

(a) Pay-for-Performance

The REIT Manager's Pay-for-Performance principle encourages excellence, in a manner consistent with the REIT Manager's core values. The REIT Manager takes a total compensation approach, which recognises the value and responsibility of each role, and differentiates and rewards performance through its incentive plans.

(b) Unitholder Returns

Performance measures for incentives are established to drive initiatives and activities that are aligned with both short-term value creation and long-term Unitholder wealth creation, thus ensuring a focus on delivering Unitholder returns.

(c) Sustainable Performance

The REIT Manager believes sustained success depends on the balanced pursuit and consistent achievement of short-term and long-term goals. Hence, variable incentives incorporate a significant pay-at-risk element to align employees with sustainable performance for the REIT Manager.

(d) Market Competitiveness

The REIT Manager aims to be market competitive by benchmarking its compensation levels with relevant comparators accordingly. However, the REIT Manager embraces a holistic view of employee engagement that extends beyond monetary rewards. Recognising each individual as unique, the REIT Manager seeks to motivate and develop employees through all the levers available to the REIT Manager through its comprehensive human capital platform, including:

(i) culture and engagement building;

(ii) a holistic benefits and wellbeing framework;

(iii) leaderships development;

(iv) learning and development; and

(v) career advancement through vertical, lateral and diagonal moves within the Group.

CORPORATE GOVERNANCE REPORT

Engagement of External Consultants

The NRC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the REIT Manager to stay competitive in its remuneration packages. During FY2024, Willis Towers Watson Consulting (Singapore) Pte Ltd and Mercer (Singapore) Pte. Ltd. were appointed as the REIT Manager's remuneration consultants. The remuneration consultants do not have any relationship with FLCT, the REIT Manager, its controlling shareholders, its related entities and/or its Directors which would affect their independence and objectivity.

Remuneration Framework

The NRC reviews and makes recommendations to the Board on the remuneration framework for the IDs and other non-executive Directors and Key Management Personnel. The remuneration framework is endorsed by the Board.

The remuneration framework:

(a) covers all aspects of remuneration including salaries, allowances, performance bonuses, benefits in kind, termination terms and payments, grant of awards of units of FLCT ("**Units**") and incentives for Key Management Personnel and fees for the IDs and other non-executive Directors. The NRC considers all such aspects of remuneration to ensure they are fair and avoid rewarding poor performance; and

(b) is tailored to the specific role and circumstances of each Director and Key Management Personnel, to ensure an appropriate remuneration level and mix that recognises the performance, potential and responsibilities of these individuals.

Remuneration Policy in respect of Management and other employees

The NRC takes into account all aspects of remuneration, including termination terms, to ensure that they are fair. The NRC reviews the level, structure and mix of remuneration and benefits policies and practices (where appropriate) of the REIT Manager and takes into account the strategic objectives of FLCT and the REIT Manager to ensure that they are:

(a) appropriate and proportionate to the sustained performance and value creation of FLCT and the REIT Manager; and

(b) designed to attract, retain and motivate the Key Management Personnel to successfully manage FLCT and the REIT Manager for the long term.

The remuneration framework comprises fixed and variable components, which include short-term and long-term incentives.

When conducting its review of the remuneration framework, the NRC takes into account:

(a) the performance of FLCT and the REIT Manager, which is measured based on pre-set financial and non-financial indicators; and

(b) individual performance, which is measured via the employee's annual performance review based on indicators such as core values, competencies and key performance indicators.

Fixed Component

The fixed component in the REIT Manager's remuneration framework is structured to remunerate employees for the roles they perform, and is benchmarked against relevant industry market data. It comprises base salary, fixed allowances and applicable statutory contribution. The base salary and fixed allowances for Key Management Personnel are reviewed annually by the NRC and approved by the Board.

CORPORATE GOVERNANCE REPORT

Variable Component

A significant and appropriate proportion of the remuneration of key executives of the REIT Manager comprises a variable component which is structured to link rewards to corporate and individual performance and incentivises sustained performance in both the short and long-term. The variable incentives are based on quantitative and qualitative targets, and overall performance will be determined at the end of the year and approved by the NRC. The performance targets are measurable, appropriate and meaningful so that they incentivise the right behaviour in a manner consistent with the Group's core values. For individuals in control functions, performance targets are principally based on the achievement of the objectives of their functions.

1. Short-Term Incentive Plans

The short-term incentive plans aim to incentivise short term performance excellence. All Key Management Personnel's performance are assessed through either a balanced scorecard or annual performance review with pre-agreed key performance indicators ("**KPIs**"). The KPIs consist of:

(a) financial KPIs based on the performance of FLCT and the REIT Manager; and

(b) non-financial KPIs which may include measures on People, Culture & Leadership, Operational Excellence, and Customer / ESG-related KPIs, which includes areas such as entity level ESG benchmarking, and green or sustainable finance and skills and leadership.

At the end of the financial year, the achievements are measured against the pre-agreed targets and the short-term incentives of each Key Management Personnel are determined.

The NRC recommends the final short-term incentives that are awarded to Key Management Personnel for the Board's approval, taking into consideration any other relevant circumstances.

2. Long-Term Incentive Plans

The NRC administers the REIT Manager's long-term incentive plan, namely, the RUP. The RUP was approved by the Board and subsequently adopted on 8 December 2017. Through the RUP, the REIT Manager seeks to foster a greater ownership culture within the REIT Manager by aligning more directly the interests of senior employees (including the CEO) with the interests of Unitholders and other stakeholders, and for such employees to participate and share in FLCT's growth and success, thereby ensuring alignment with sustainable value creation for Unitholders over the long-term.

The RUP is available to selected senior employees of the REIT Manager. Its objectives are to increase the REIT Manager's flexibility and effectiveness in attracting, motivating and retaining talented senior employees and in rewarding these employees for the future performance of FLCT and the REIT Manager.

Under the RUP, the REIT Manager grants Unit-based awards ("**Initial Awards**") with pre-determined performance targets being set at the beginning of the performance period. The NRC recommends the Initial Awards granted to Key Management Personnel to the Board for approval, taking into consideration the Key Management Personnel's individual performance. The performance period for the RUP is one year. The pre-set targets are net property income and distribution per Unit. Such performance conditions are generally performance indicators that are key drivers of business performance and Unitholder value creation and aligned to FLCT's business objectives.

The RUP awards represent the right to receive fully paid Units, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of Units to be released ("**Final Awards**") will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are exceeded, more Units than the Initial Awards may be delivered, subject to a maximum multiplier of the Initial Awards. The Final Awards will vest to the participants in three tranches after the one-year performance period, at or around the 1st, 2nd and 3rd anniversary of the grant date of the Initial Awards. The obligation to deliver the Units is expected to be satisfied out of the Units held by the REIT Manager.

The NRC has discretion to decide on the Final Awards, taking into consideration any other relevant circumstances.

CORPORATE GOVERNANCE REPORT

Approach to Remuneration of Key Management Personnel

The REIT Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market, and that is structured so as to link a significant and appropriate proportion of remuneration to FLCT's performance and that of the individual.

In designing the compensation structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation.

Executives who have a greater ability to influence outcomes within the REIT Manager have a greater proportion of overall reward at risk. The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and other stakeholders and promote the long-term success of FLCT, and appropriate to attract, retain and motivate Key Management Personnel to successfully manage FLCT for the long term.

Performance Indicators for Key Management Personnel

As set out above, the REIT Manager's variable remuneration comprises short-term and long-term incentives, taking into account both FLCT's and individual performance. This is to ensure employee remuneration is linked to performance. In determining the short-term incentives, both FLCT's financial and non-financial performance as per the balanced scorecard are taken into consideration. The performance targets align the interests of Key Management Personnel with the long-term growth and performance of FLCT and the REIT Manager. The financial performance indicators on which Key Management Personnel are evaluated comprise (a) Unitholder distribution per Unit, (b) net property income, and (c) REIT Manager's profit after tax. These performance indicators are quantitative and are objective measures of FLCT's performance. The non-financial performance indicators on which Key Management Personnel are evaluated include (i) People & Culture, (ii) Operational Excellence, and (iii) Customer / ESG-related KPIs, which includes areas such as entity level ESG benchmarking, and green or sustainable finance. These qualitative performance indicators will align the Key Management Personnel's performance with FLCT's strategic objectives.

The performance indicator based on the REIT Manager's profits after tax acts as a safeguard for the remuneration of employees of the REIT Manager, which is also beneficial for the operation and management of FLCT as the REIT Manager's profits after tax is dependent on, amongst others, incentive fees it receives, which fees is dependent on net property income, thus reinforcing the complementary nature of the linked performance between FLCT and the REIT Manager. Therefore, the performance indicator on REIT Manager's profits after tax is in the long-term interests of FLCT and its Unitholders and the REIT Manager is of the view that there is no misalignment of interest or conflict of interest with FLCT and its Unitholders.

The majority of the performance indicators relate directly to FLCT's performance and strategic objectives, and a significant component of the Key Management Personnel's remuneration comprise long-term incentives, pursuant to which the Key Management Personnel receive Units, which incentivises the Key Management Personnel to take actions which are beneficial to the Unitholders and to grow FLCT's value. Accordingly, the performance indicator on the REIT Manager's profit after tax will not result in the Management prioritising the interest of the REIT Manager over that of FLCT given that the bulk of their remuneration is determined based on the evaluation of the performance of FLCT (based on Unitholder distribution per Unit and Net Property Income), and a proportion of their remuneration comprises of Units. It should also be noted that under the SFA, the REIT Manager is required to act in the best interests of FLCT and give priority to the interest of FLCT over the interests of the REIT Manager. These would mitigate any potential conflicts of interest.

In relation to long-term incentives, the REIT Manager has implemented the RUP with effect from the financial year ended 30 September 2018 as set out above. The release of long-term incentive awards to Key Management Personnel are conditional upon the performance targets being met. The performance targets of the KPIs align the interests of Key Management Personnel with the long-term growth and performance of FLCT. For FY2024, the pre-determined target performance levels for the RUP grants were partially met.

CORPORATE GOVERNANCE REPORT

As at 30 September 2024, there is no claw-back provision on remuneration for exceptional circumstances of misstatement of financial results or misconduct. However, the long-term incentive plans provide the NRC with the discretion to forfeit incentives for conduct detrimental to the Group or the REIT Manager. Following a review of the terms of the incentive plans, claw-back provisions will be incorporated into the terms for the award of incentives.

Remuneration Packages of Key Management Personnel

The NRC reviews and makes recommendations on the specific remuneration packages and service terms for Key Management Personnel for endorsement by the Board, which is ultimately accountable for all remuneration decisions relating to the Key Management Personnel. The NRC will review the short-term and long-term incentives in the Key Management Personnel's remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

No Director or Key Management Personnel is involved in deciding his or her remuneration.

The NRC aligns the CEO's leadership, through appropriate remuneration and benefit policies, with FLCT's and the REIT Manager's strategic objectives and key challenges. Performance targets are also set for the CEO and her performance is evaluated yearly.

Remuneration Policy in respect of Non-Executive Directors

The remuneration of non-executive Directors has been designed to be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities, on the Board and Board Committees, and to attract, retain and motivate the Directors to provide good stewardship of FLCT to successfully manage FLCT for the long term.

Non-executive Directors do not receive bonuses, options or Unit-based incentives and awards. Directors' fees are paid in cash and not in the form of Units.

The REIT Manager engages consultants to review Directors' fees by benchmarking such fees against the amounts paid by listed industry peers. Each non-executive Director's remuneration comprises a basic fee and attendance fees for attending Board and Board Committee meetings, including attendance fees for Board and Board Committee meetings requiring travel outside the home country of that Director. In addition, non-executive Directors who perform additional services in Board Committees are paid an additional fee for such services. The chairperson of each Board Committee is also paid a higher fee compared with the members of the respective Board Committees in view of the greater responsibility carried by that office.

The REIT Manager's Board fee structure during the year is as set out below.

	Basic Fee per annum (S$)	Attendance Fee per meeting [(1)] (for attendance in person in Singapore) (S$)	Attendance Fee per trip [(1)] (for attendance in person outside Singapore) (S$)	Attendance Fee per meeting (for attendance via tele/video conference) (S$)
Board				
– Chairperson	90,000	3,000	4,500	1,000
– Member	45,000	1,500	4,500	1,000
Audit, Risk and Compliance Committee				
– Chairperson	40,000	3,000	4,500	1,000
– Member	20,000	1,500	4,500	1,000
Nominating and Remuneration Committee				
– Chairperson	12,000	3,000	4,500	1,000
– Member	6,000	1,500	4,500	1,000

Note

(1) Board members who travel from their country of residence to attend Board, Board Committees or general meetings receive an overseas allowance fee of S$2,500 per trip.

CORPORATE GOVERNANCE REPORT

Disclosure of Remuneration of Directors and Key Executives of the REIT Manager

Information on the remuneration of Directors and key executives of the REIT Manager for FY2024 is set out below.

Directors of the REIT Manager	Remuneration S$
Mr Ho Hon Cheong (1)	166,500
Mr Kyle Lee Khai Fatt	117,000
Mr Goh Yong Chian	92,000
Mr Phang Sin Min (2)	80,500
Ms Soh Onn Cheng Margaret Jane	54,000
Mr Panote Sirivadhanabhakdi	59,500 (4)
Mr Chia Khong Shoong (3)	22,750 (4)
Mr Reinfried Helmut Otter (Reini Otter)	54,500 (5)

Notes:

(1) Mr Ho Hon Cheong retired as the Chairperson and non-executive and independent director of the Board of Directors, the Chairperson of the Nominating and Remuneration Committee and a member of the Audit, Risk and Compliance Committee with effect from 1 October 2024.

(2) Mr Phang Sin Min was appointed as the Chairperson of the Board of Directors, and a member and the Chairperson of the Nominating and Remuneration Committee, with effect from 1 October 2024.

(3) Mr Chia Khong Shoong retired as a non-executive and non-independent director with effect from 1 March 2024.

(4) Director's fees are paid to Frasers Property Corporate Services Pte. Ltd.

(5) Director's fees are paid to Frasers Property AHL Limited.

Remuneration of CEO for FY2024	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Between S$1,000,001 to S$1,250,000					
Ms Anthea Lee Meng Hoon	44	24	4	28 (3)	100

Remuneration of Key Executives (1) (excluding CEO) for FY2024	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Ms Annie Khung Shyang Lee (4)					
Ms Chew Yi Wen (5)					
Mr Jacob Toh Heng Da (6)					
Mr Jonathan James Spong	58 (2)	23 (2)	5 (2)	14 (2)	100
Mr Ng Chung Keat (7)					
Ms Sze Li Xin Delphine (8)					
Ms Tricia Yeo Whay Teng					
Aggregate Total Remuneration (excluding CEO)					**S$2,382,173**

Notes:

(1) As at the end of FY2024, the REIT Manager has four key executive officers (excluding the CEO). They are the CFO and division heads of the REIT Manager and they are listed in this table.

(2) Derived based on the aggregation of the respective remuneration components of each of the key executives (excluding the CEO) and represented as percentages against the total remuneration for these key executives.

(3) Excluding a one-off conditional time-based long-term incentive award which was granted as part of the terms of employment.

(4) Ms Annie Khung Shyang Lee ceased to be employed by the REIT Manager as the Head of Finance with effect from 22 July 2024. As such, the remuneration disclosed is for the period from 1 October 2023 to 21 July 2024.

(5) Ms Chew Yi Wen ceased to be employed by the REIT Manager as the Head of Investment with effect from 23 March 2024. As such, the remuneration disclosed is for the period from 1 October 2023 to 22 March 2024.

(6) Mr Jacob Toh Heng Da was appointed as the Deputy Head of Investment on 23 March 2024. As such, the remuneration disclosed is for the period from 23 March 2024 to 30 September 2024.

(7) Mr Ng Chung Keat commenced employment with the REIT Manager from 1 July 2024 as Vice President, Investor Relations & Sustainability. As such, the remuneration disclosed is for the period from 1 July 2024 to 30 September 2024.

(8) Ms Sze Li Xin Delphine ceased to be employed by the REIT Manager as Vice President, Investor Relations with effect from 1 July 2024. As such, the remuneration disclosed is for the period from 1 October 2023 to 30 June 2024.

For FY2024, there were no termination, retirement and post-employment benefits granted to the Directors, the CEO and Key Management Personnel.

CORPORATE GOVERNANCE REPORT

Pursuant to MAS' "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" (Notice No: SFA4-N14), REIT managers are required to disclose the remuneration of the CEO and each individual director on a named basis, and the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are directors), on a named basis, in bands of S$250,000. The REIT Manager may provide an explanation if it does not wish to or is unable to comply with such requirement. The REIT Manager is (a) disclosing the CEO's remuneration (excluding one-off payment granted as part of the terms of employment, the amount of which is not being disclosed) in bands of S$250,000 (instead of on a quantum basis), (b) not disclosing exact details of the remuneration of the key executives in bands of S$250,000, and (c) disclosing the aggregate remuneration of the abovenamed key executives (excluding the CEO) for the following reasons:

(a) given the competitive business environment which FLCT operates in, the REIT Manager faces significant competition for talent in the REIT management sector and the REIT Manager had not disclosed the exact remuneration of the key executives (including the CEO) so as to minimise potential staff movement and undue disruption to its management team which would be prejudicial to the interests of Unitholders;

(b) it is important for the REIT Manager to ensure stability and continuity of its business by retaining a competent and experienced management team and being able to attract talented staff and disclosure of the remuneration of the key executives, including the CEO, could make it difficult to attract and retain talented staff on a long-term basis;

(c) due to the confidentiality and commercial sensitivity of staff remuneration matters, the REIT Manager is of the view that full disclosure could be prejudicial to the interests of Unitholders and/or other stakeholders; and

(d) the remuneration of the key executives (including the CEO) are paid by the REIT Manager and there is full disclosure of the total amount of fees paid to the REIT Manager as set out at pages 200, 244 and 301 of this Annual Report.

While the disclosure of the exact quantum of the remuneration of the CEO and the requisite remuneration band for each of the other key executives (who are not also Directors or the CEO) would be in full compliance with Provision 8.1 of the CG Code, taking into account the reasons why such disclosure would be prejudicial to the interests of Unitholders and that the REIT Manager has disclosed the remuneration policies, composition of remuneration, appraisal process and performance metrics which go towards determination of the performance bonus of the CEO and other key executives, the Board has determined that despite the partial deviation from Provision 8.1 of the CG Code, there is sufficient transparency on the REIT Manager's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8 of the CG Code.

As at 30 September 2024, there are no employees within the REIT Manager who is a substantial Unitholder or who is an immediate family member of a Director, the CEO or a substantial Unitholder.

FINANCIAL PERFORMANCE, REPORTING AND AUDIT

The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FLCT's performance, position and prospects. Financial reports are provided to the Board on both a monthly and quarterly basis.

The REIT Manager prepares the financial statements of FLCT in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("**RAP 7**") issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires the accounting principles to generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards prescribed by the Accounting Standards Council.

The Board releases FLCT's half-yearly and full year financial results, business updates for the first and third quarter performance of FLCT and other price or trade sensitive information and material corporate developments through announcements to the SGX-ST and, where appropriate, press releases, FLCT's website, and/or media and analysts' briefings.

CORPORATE GOVERNANCE REPORT

External Audit

The ARCC conducts an assessment of the external auditors, and recommends its appointment, re-appointment or removal to the Board. The assessment is based on factors such as the performance and quality of its audit, the cost effectiveness and the independence and objectivity of the external auditors. The ARCC also makes recommendations to the Board on the remuneration and terms of engagement of the external auditors.

Pursuant to the requirements of the SGX-ST, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current KPMG LLP audit partner for the Group has been appointed since FY2022 and has held this appointment for less than five consecutive audits, thereby meeting the requirement.

During FY2024, the ARCC conducted a review of the scope, quality, results and performance of audit by the external auditors and its cost effectiveness, as well as the independence and objectivity of the external auditors. It also reviewed all non-audit services provided by the external auditors during the financial period, and the aggregate amount of fees paid to them for such services. Details of fees payable to the external auditors in respect of audit and non-audit services for FY2024 are set out in the table below:

Fees relating to external auditors for FY2024	S$ ('000)
For audit and audit-related services	1,254
For non-audit services	89
Total	1,343

The ARCC has conducted a review of all non-audit services provided by KPMG LLP during the financial period. The ARCC is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG LLP is put at risk. For details of the fees paid to KPMG LLP, please refer to the Financial Statements at page 246 of this Annual Report. KPMG LLP attended the ARCC meetings every quarter for FY2024, and where appropriate, has met with the ARCC without the presence of Management to discuss their findings, if any.

The REIT Manager, on behalf of FLCT, confirms that FLCT has complied with Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm should be appointed by FLCT having regard to certain factors. FLCT has also complied with Rule 715 of the SGX-ST Listing Manual which requires that the same auditing firm of FLCT based in Singapore audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

In the review of the financial statements for FY2024, the ARCC reviewed the following key audit matter identified by the external auditors with Management:

Key Audit Matter	Review by the ARCC
Valuation of investment properties	The ARCC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties. The ARCC reviewed the outputs from the year-end valuation process of the Group's investment properties and discussed the details of the valuation with Management, focusing on significant changes in fair value measurements and key drivers of the changes. The ARCC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties. The ARCC was satisfied with the valuation process, the methodologies used and the valuation of investment properties as adopted and disclosed in the financial statements as at 30 September 2024.

CORPORATE GOVERNANCE REPORT

GOVERNANCE OF RISK AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls.

Enterprise Risk Management and Risk Tolerance

The REIT Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FLCT's assets and the interests of FLCT and its Unitholders. The ARCC reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

Internal Controls

The ARCC, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the REIT Manager's system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, the ARCC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors (if any) in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

A comfort matrix of key risks, by which relevant material financial, compliance, operational (including information technology) and environmental and climate change risks of FLCT and the REIT Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARCC.

Risk Management

The Board, through the ARCC, reviews the adequacy and effectiveness of the REIT Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The REIT Manager has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is analysed comprehensively so that Management understands the risks and that appropriate mitigation strategies can be undertaken. An outline of the REIT Manager's ERM framework and progress report is set out on pages 104 to 106.

Periodic updates are provided to the ARCC on FLCT's and the REIT Manager's risk profiles. These updates would involve an assessment of FLCT's and the REIT Manager's key risks by risk categories, current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks. Emerging risks will also be assessed and updated to the ARCC.

In addition to the ERM framework, risk tolerance statements setting out the nature and extent of significant risks which the REIT Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the CFO that as at 30 September 2024:

(1) the financial records of the Group have been properly maintained and the financial statements for FY2024 give a true and fair view of the Group's operations and finances;

(2) the system of internal controls in place for FLCT is adequate and effective to address financial, operational, compliance and information technology risks which the REIT Manager considers relevant and material to FLCT's operations; and

(3) the risk management system in place for FLCT is adequate and effective to address risks which the REIT Manager considers relevant and material to FLCT's operations.

CORPORATE GOVERNANCE REPORT

Board's Comment on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the REIT Manager, work performed by internal and external auditors, reviews performed by Management and the ARCC, and assurance from the CEO and the CFO, the Board is of the view that the internal controls in place for FLCT were adequate and effective as at 30 September 2024 to address financial, operational, compliance and information technology risks, which the REIT Manager considers relevant and material to FLCT's operations.

Based on the risk management framework established and adopted by the REIT Manager, review performed by Management and assurance from the CEO and the CFO, the Board is of the view that the risk management system in place for FLCT was adequate and effective as at 30 September 2024 to address risks which the REIT Manager considers relevant and material to FLCT's operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that FLCT will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives for FLCT. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The ARCC concurs with the Board's view that as at 30 September 2024, the internal controls of FLCT (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the REIT Manager considers relevant and material to FLCT's operations.

Internal Audit

The internal audit function of the REIT Manager is performed by FPL Group's internal audit department ("**FPL Group IA**"). FPL Group IA is responsible for conducting objective and independent assessments on the adequacy and effectiveness of the REIT Manager's system of internal controls, risk management and governance practices. The Head of FPL Group IA reports directly to the ARCC and administratively to the FPL Group Chief Financial Officer. The appointment and removal of FPL Group IA as the service provider of the REIT Manager's internal audit function requires the approval of the ARCC.

The ARCC:

(a) ensures that FPL Group IA complies with the standards set by nationally or internationally recognised professional bodies. In this regard, in performing internal audit services, FPL Group IA has adopted and complies with the Global Internal Audit Standards under the International Professional Practices Framework set by The Institute of Internal Auditors, Inc.

(b) is responsible for ensuring that the internal audit function is independent (including in respect of the activities it audits) and adequately resourced and staffed with auditors with the relevant qualifications and experience. As at 30 September 2024:

  (i) FPL Group IA comprised 24 professional staff;

  (ii) The Head of FPL Group IA and the Singapore-based FPL Group IA staff are members of The Institute of Internal Auditors, Singapore Chapter;

  (iii) To ensure that the internal audit activities are effectively performed, FPL Group IA employs suitably qualified audit professionals with the requisite skills and experience; and

  (iv) FPL Group IA staff members are given relevant training and development opportunities to update their technical knowledge and auditing skills. This includes attending relevant workshops and seminars organised by The Institute of Internal Auditors, the Association of Certified Fraud Examiners, and other professional bodies.

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FPL Group IA operates within the framework of a set of terms of reference as contained in the Internal Audit Charter approved by the ARCC. FPL Group IA:

(a) adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned with the key strategies of FLCT. Risk assessments are carried out on all key business processes, the results of which are used to determine the extent and frequencies of the reviews to be performed. Higher-risk areas are subject to more extensive and frequent reviews;

(b) conducts its reviews based on internal audit plans which shall cover, inter alia, review of FLCT's and the REIT Manager's sustainability reporting process approved by the ARCC. All audit reports detailing audit findings and recommendations are provided to Management, who would respond with the actions to be taken;

(c) has unfettered access to FLCT's and the REIT Manager's documents, records, properties and personnel, including the ARCC members; and

(d) has appropriate standing within FLCT and the REIT Manager.

Each quarter, FPL Group IA submits reports to the ARCC on (a) the status of completion of the audit plan, (b) audit findings noted from reviews performed, and (c) status of Management's action plans to address such findings, including the status of implementation of the audit recommendations. The ARCC is satisfied that for FY2024, the internal audit function is independent and effective and that FPL Group IA has adequate resources and appropriate standing within FLCT and the REIT Manager to perform its functions effectively. Quality assurance reviews on FPL Group's internal audit function are periodically carried out by qualified professionals from an external organisation. The last review was performed between September 2022 and October 2022. Where required, the ARCC will make recommendations to the Board to ensure that FPL Group IA remains an adequate, effective and independent internal audit function.

Related/Interested Person Transactions

The REIT Manager has established internal processes such that the Board, with the assistance of the ARCC, is required to be satisfied that all Related/Interested Person Transactions are undertaken on normal commercial terms, and are not prejudicial to the interests of FLCT and its Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the REIT Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix). Directors who are interested in any proposed Related/Interested Person Transaction to be entered into by FLCT are required to abstain from any deliberations or decisions in relation to that Related/Interested Person Transaction.

All Related/Interested Person Transactions are entered in a register maintained by the REIT Manager. FLCT and the REIT Manager's annual internal audit plan will incorporate a review of the Interested Person Transactions recorded in the register to ascertain that internal procedures and requirements of the SGX-ST Listing Manual and Property Funds Appendix have been complied with. The ARCC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. The review includes the examination of the nature of the Interested Person Transactions and its supporting documents or such other data deemed necessary by the ARCC. In addition, the Trustee also has the right to review any such relevant internal audit reports to ascertain that the Property Funds Appendix has been complied with.

Any Related/Interested Person Transaction proposed to be entered into between FLCT and an interested person, would require the Trustee to satisfy itself that such Related/Interested Person Transaction is conducted on normal commercial terms, is not prejudicial to the interests of FLCT and its Unitholders, and is in accordance with all applicable requirements of the CIS Code and the SGX-ST Listing Manual.

Whistle-Blowing Policy

The REIT Manager has put in place a whistle-blowing policy (the "**Whistle-Blowing Policy**") which provides an independent feedback channel through which matters of concern about:

(a) misconduct or wrongdoing relating to FLCT, the REIT Manager and its officers in matters of financial reporting;

(b) possible improprieties including suspected fraud and corruption; or

(c) other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal.

CORPORATE GOVERNANCE REPORT

Whistle-blowers may report any matters of concern by mail, email or calling a hotline, details of which are provided in the Whistle-Blowing Policy, which is available on FLCT's website at www.frasersproperty.com/reits/flct. Any report submitted through this channel would be received by the head of the internal audit function and the REIT Manager has designated FPL Group IA, an independent function, to investigate all whistle-blowing reports made in good faith. The REIT Manager is committed to ensuring that whistle-blowers will be treated fairly and protected from reprisals actions or any otherwise detrimental or unfair treatment for whistle-blowing in good faith. The REIT Manager will treat all information received confidentially and protect the identity of all whistle-blowers.

The improprieties, misconduct or wrongdoing that are reportable under the Whistle-Blowing Policy include:

(a) financial or professional misconduct, including concerns about accounting, internal controls or auditing matter;

(b) improper conduct, dishonest, fraudulent or unethical behaviour;

(c) any criminal or regulatory offence, breach, irregularity or non-compliance with laws, regulations or the REIT Manager's policies and procedures, and/or internal controls;

(d) violence at the workplace, or any workplace hazards/violations which may threaten health and safety;

(e) corruption or bribery;

(f) conflicts of interest without proper disclosure;

(g) any deliberate attempt to cover and and/or conceal misconduct; and

(h) any other improprieties or matters that may adversely affect Unitholders'/shareholders' interests in, and the assets of, FLCT/the REIT Manager and their reputation.

The Whistle-Blowing Policy, including the procedures for raising concerns, is accessible by all staff on the REIT Manager's intranet and is covered in a mandatory e-learning module. All whistle-blowing complaints raised are investigated and if appropriate, an independent investigation committee will be constituted. The outcome of each investigation and any action taken is reported to the ARCC. The ARCC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out (including reporting to the Board of any significant matters raised through the whistle-blowing channel).

UNITHOLDER MATTERS

The REIT Manager treats all Unitholders fairly and equitably in order to enable them to exercise their Unitholders' rights and have the opportunity to communicate their views on matters affecting FLCT. Unitholders are also given a balanced and understandable assessment of FLCT's performance, position and prospects. The REIT Manager communicates regularly with Unitholders and facilitates the participation of Unitholders during general meetings and other dialogues to allow Unitholders to communicate their views on various matters affecting FLCT.

Investor Relations

The REIT Manager prides itself on its high standards of disclosure and corporate transparency. The REIT Manager aims to provide fair, relevant, comprehensive and timely information regarding FLCT's performance and progress and matters concerning FLCT and its business which are:

(a) likely to materially affect the price or value of the Units and other FLCT securities; or

(b) are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the Units or other FLCT securities,

to Unitholders and the investment community, to enable them to make informed investment decisions.

CORPORATE GOVERNANCE REPORT

The REIT Manager's dedicated Investor Relations ("**IR**") manager is tasked with, and focuses on, facilitating communications between FLCT and its Unitholders, as well as with the investment community. FLCT has an IR Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. The IR policy also sets out the initiatives and channels by which Unitholders may be engaged, and the mechanism through which Unitholders may contact the REIT Manager with questions and through which the REIT Manager may respond to such questions.

Frank and informed dialogue between the Manager and Unitholders is a central tenet of good corporate governance, and encourages more active stewardship. The IR manager communicates regularly with Unitholders and the investment community through timely disclosures of material and other pertinent information via announcements on SGXNet, and quarterly briefings for results and business updates. In the interim business updates for the first and third quarters of each financial year, the REIT Manager provides, *inter alia*, a discussion of the significant factors that affected FLCT's interim performance as well as relevant market trends, including the risks and opportunities that may have a material impact on the FLCT's prospects. Such information provides Unitholders a better understanding of FLCT's performance in the context of the current business environment.

The aim of such engagement is to provide Unitholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of FLCT's businesses and performance. FLCT also makes available on its corporate website at https://www.frasersproperty.com/reits/flct, all its briefing materials to analysts and the media, webcasts of its half-year and full-year results briefings, its financial information, its annual reports, and all SGXNet announcements.

Further details on the various activities organised by IR during the year can be found in the Investor Relations section of this Annual Report on pages 62 to 63.

The contact details of the IR manager for Unitholders, investors and other stakeholders to channel their comments and queries can be found on FLCT's website, as well as in the IR section on page 63.

An electronic copy of this Annual Report has been uploaded on FLCT's website. Unitholders can access this Annual Report (printed copies are available upon request) at https://flct.frasersproperty.com/publications.html.

The Trust Deed is available for inspection upon request at the REIT Manager's office.[5]

Conduct of General Meetings

The forthcoming 8th Annual General Meeting ("**2024 AGM**") will be convened and held in person on 15 January 2025 and Unitholders (themselves or through duly appointed proxies) will be able to vote and ask questions in person at the 2024 AGM.

The Board supports and encourages active Unitholder participation at AGMs as it believes that general meetings serve as an opportune forum for Unitholders to meet and interact with the Directors and senior management. The REIT Manager tries its best not to schedule AGMs during peak periods when these might coincide with the AGMs of other listed companies. To encourage participation, FLCT's general meetings (including AGMs) are held at convenient locations.

At the AGM, the REIT Manager will make a presentation to update Unitholders on FLCT's financial and operational performance for the financial year. The presentation materials are made available on SGXNET and FLCT's website before the commencement of the AGM for the benefit of Unitholders.

The REIT Manager generally provides Unitholders with longer than the minimum notice period required for general meetings (including AGMs). As and when an extraordinary general meeting is convened, a circular is sent to Unitholders, containing details of the matters proposed for Unitholders' consideration and approval. Through the notice or general meeting or circular, the REIT Manager gives Unitholders the necessary information on each resolution so as to enable them to exercise their votes on an informed basis.

To safeguard the Unitholders' interests and rights, the REIT Manager tables separate resolutions at general meetings of the Unitholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. If resolutions are bundled together, the REIT Manager will explain the reasons and material implications in the relevant notice of meeting. Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

5 Prior appointment with the REIT Manager is appreciated.

CORPORATE GOVERNANCE REPORT

Unitholders are given the opportunity to participate effectively in and vote at FLCT's general meetings, where relevant rules and procedures governing general meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting. Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of FLCT. At FLCT's general meetings, Unitholders are also given opportunities to ask questions or give feedback to the REIT Manager.

For greater transparency, the REIT Manager has implemented electronic poll voting at general meetings where Unitholders are invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands). This allows all Unitholders present or represented at the meeting to vote on a one Unit, one vote basis. The voting results of all votes cast for, against, or abstaining from each resolution is then screened at the meeting and announced via SGXNet after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Although Provision 11.4 of the CG Code provides for an issuer's constitution to allow for absentia voting at general meetings of Unitholders, the Trust Deed currently does not, however, permit Unitholders to vote at general meetings in absentia (such as via mail, email or fax). In line with Principle 11 of the CG Code, Unitholders nevertheless have the opportunity to appoint proxies to vote on his/er behalf at the meeting through proxy forms sent in advance. As the authentication of Unitholder identity and other related security and integrity issues remain a concern, the REIT Manager has decided for the time being not to implement absentia voting methods such as voting via mail, e-mail or fax.

Board members and senior management are present, and for the entire duration of, at each general meeting to respond to any questions from Unitholders, unless they are unable to attend due to exigencies. FLCT's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

The Chairperson of the meeting is tasked with facilitating constructive dialogue between the Unitholders and the Board, Management and the external auditors. Where appropriate, the Chairperson allows senior management or specific Directors, such as the respective Board Committee chairmen, to answer queries on matters related to their Board Committees.

The REIT Manager prepares the minutes of general meetings which include (a) the attendance of Board members at the meetings, (b) matters approved by Unitholders, (c) voting results and (d) substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management. These minutes are published on FLCT's website within one month from the date of the meeting.

Distributions

FLCT's distribution policy is to distribute at least 90.0% of its distributable income and such distributions are paid on a semi-annual basis. For FY2024, FLCT made two such distributions to Unitholders.

STAKEHOLDER ENGAGEMENT

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of FLCT are served. Stakeholders are parties who may be affected by FLCT's or the REIT Manager's activities in areas including ESG or whose actions can affect the ability of FLCT or the REIT Manager to conduct its activities.

Sustainability

The Manager has prioritised key ESG factors to be addressed, in order to bolster business resilience and foster long-term stakeholder value. The Manager and FLCT are governed by the FPL Group ESG Policy and FPL Group ESG Framework which outlines the FPL Group's approach and commitments on ESG aspects. The three pillars of the FPL Group's ESG Framework, namely Acting Progressively, Consuming Responsibly and Focusing on People, underpin 13 material, diverse and interconnected focus areas for FLCT and the Manager.

CORPORATE GOVERNANCE REPORT

In order to review and assess the material topics relevant to FLCT's business activities, the Manager from time to time identifies and engages with various stakeholders, including employees, customers, contractors and suppliers, regulators and investors to gather feedback on the ESG issues most important to them. In FY2024, the Manager conducted a double materiality assessment that considered stakeholder input in surfacing topics most important for FLCT from an impact and financial materiality perspective. Further details on how the Manager is addressing the materiality assessment can be found in the ESG Report on pages 108 to 149 of this Annual Report.

The ESG Report sets out information on the Manager's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and FLCT's ESG strategy and key areas of focus in relation to the management of stakeholder relationships in FY2024.

Responsible Sourcing

FLCT has put in place a Responsible Sourcing Policy which sets out expectations of contractors and suppliers across four areas of sustainable procurement, namely environmental management; human rights and labour management; health, safety and well-being; and business ethics and integrity. The policy is informed by the UN Global Compact Principles and the UN Universal Declaration of Human Rights.

Code of Business Conduct

The conduct of employees of the REIT Manager is governed by the FPL Code of Business Conduct. The FPL Group's business practices are governed by integrity, honesty, fair dealing and compliance with applicable laws. To guide FPL Group's employees across its multi-national network to uphold these values, FPL has established the FPL Code of Business Conduct to provide clear guidelines on ethics and relationships to safeguard the interests and reputation of the FPL Group, including the REIT Manager, as well as its stakeholders.

The FPL Code of Business Conduct covers key aspects such as:

(a) avoiding conflicts of interest;

(b) working with external stakeholders (including customers, suppliers, business partners, governments and regulatory officials);

(c) protecting company's assets;

(d) upholding laws in countries where the FPL Group has geographical presence in;

(e) diversity and inclusion; and

(f) workplace health and safety.

The FPL Code of Business Conduct also emphasises the importance of upholding the FPL Group's core values to build a culture that is collaborative, respectful, progressive and real. For example, employees are encouraged to be respectful to the elements that make people similar or different from one another, including background, views, experiences, capabilities, values, beliefs, physical differences, ethnicity and culture, gender, age, thinking styles, preferences and behaviours.

The FPL Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, social media engagement, the maintenance of records and reports, personal data protection and whistle-blowing. It:

(a) includes requirements relating to the keeping of accurate and sufficiently detailed accounting records for financial transactions, internal financial reporting and financial reporting to stakeholders;

(b) sets out the standards to which employees must adhere in their business relationships with third parties and personal business undertakings and their obligations to the FPL Group;

(c) covers an employee's obligations in protecting the FPL Group's confidential information and intellectual property;

(d) reiterates the FPL Group's zero tolerance approach to bribery and corruption.

CORPORATE GOVERNANCE REPORT

Where applicable/appropriate, the FPL Code of Business Conduct is also made available to other stakeholders such as the REIT Manager's agents, suppliers, business associates and customers.

Anti-Bribery and Anti-Corruption

The REIT Manager has implemented procedures to comply with applicable anti-bribery laws and regulations. Under the FPL Code of Business Conduct, employees are not to accept, offer, promise, or pay anything of value to another person with the intention to obtain or retain business, to improperly influence an official action or to secure an unfair business advantage, whether directly or through a third party. An anti-bribery policy, which is applicable to entities in the FPL Group, has been implemented.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

The REIT Manager has a policy in place and has implemented procedures to comply with applicable anti-money laundering, counter-terrorism financing laws and regulations, including the notice and guidelines issued by the Monetary Authority of Singapore to capital intermediaries on the prevention of money laundering and countering the financing of terrorism. The REIT Manager's policy and procedures include, but are not limited to, risk assessment and mitigation, customer due diligence, reporting of suspicious transactions, and record keeping. Training on anti-money laundering, counter-terrorism financing laws and regulations are also conducted for employees, officers and representatives periodically and as and when needed.

Business Continuity Management

FLCT has in place a Group Business Continuity Management ("**BCM**") Policy which references the requirements of ISO 22301 management system. The Policy sets the directives and guides the REIT Manager in implementing and maintaining a BCM programme to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise.

The REIT Manager's BCM programme has boosted its resilience and capability in responding, managing, and recovering from adverse business disruptions and unforeseen catastrophic events. Under the programme, critical business functions, key processes, resource requirements, service recovery time objectives and business recovery strategies are identified. Management has identified and mapped end-to-end dependencies covering people, processes, technology and other resources (including third parties and intragroup) that support each critical business service. Management has put in place a robust and effective incident management programme to manage incidents to recover the critical business services and functions to prepare itself within the stipulated recovery time objectives. A Crisis Management Team has been established to oversee the Manager's crisis management activities. Group Internal Audit (as an independent and qualified party) has been engaged to establish a comprehensive BCM audit plan and conduct an audit of the BCM framework and the BCM of each critical business service at least once every three years.

Annual tests, exercises (tabletop or simulated) and drills, simulating different scenarios, will be carried out to assess the effectiveness of the abovementioned plans. The Manager's Crisis Management Team and staff are trained periodically, and the plans under the BCM are updated regularly. The BCM programme ensures FLCT stays resilient in the face of a crisis. It is a holistic approach to minimise adverse business impact and to safeguard FLCT's reputation and business operations.

The FPL Code of Business Conduct, the BCM Policy and the other policies mentioned above, are accessible to all employees on the FPL Group intranet.

CORPORATE GOVERNANCE REPORT

POLICY ON DEALINGS IN SECURITIES

The REIT Manager has established a dealing policy on securities trading ("**Dealing Policy**") setting out the procedure for dealings in FLCT's securities by its Directors, officers and compliance with Rule 1207(19) of the SGX-ST Listing Manual on best practices on dealing in securities. The Group issues reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (a) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (b) one month before the announcement of half-year and full-year results, and ending on the date of such announcements (the "**Prohibition Period**"). Directors, officers and employees are also reminded not to trade in listed securities of FLCT at any time while in possession of unpublished price or trade sensitive information and to refrain from dealing in FLCT's securities on short-term considerations. Pursuant to the SFA, Directors and the CEO are also required to report their dealings in FLCT's securities within two business days.

Every quarter, each Director, officer and employee is required to complete and submit a declaration form to the designated compliance officer to report any trades he/she made in Units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARCC. Any non-compliance with the Dealing Policy will be reported to ARCC for its review and instructions.

Under the Dealing Policy, prior approval from the Board is required before the REIT Manager deals or trades in Units. In addition, the REIT Manager will not deal in Units:

(1) during the Prohibition Period; or

(2) while in possession of unpublished material price sensitive information.

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE REIT MANAGER

Pursuant to the Trust Deed[1], the REIT Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	Pursuant to Clause 15.1.1 of the Trust Deed, the REIT Manager is entitled to receive a Base Fee not exceeding the rate of 0.4% per annum of the Value of FLCT's Deposited Property. The Base Fee is payable quarterly in the form of cash and/or Units as the REIT Manager may elect.	The Base Fee compensates the REIT Manager for the costs incurred in managing FLCT, which includes overheads, day-to-day operational costs, compliance, monitoring and reporting costs as well as administrative expenses. The Base Fee is calculated at a fixed percentage of asset value as the scope of the REIT Manager's duties commensurate with the size of FLCT's asset portfolio.
Performance Fee	Pursuant to Clause 15.1.2 of the Trust Deed, the REIT Manager is entitled to receive a Performance Fee equal to a rate of 5.0% per annum of the Distributable Income of FLCT (calculated before accounting for the Performance Fee but after accounting for the Base Fee and adding back Adjustments) in the relevant financial year. The Performance Fee is payable annually in the form of cash and/or Units as the REIT Manager may elect.	The Performance Fee, which is based on Distributable Income, aligns the interests of the REIT Manager with Unitholders as the REIT Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FLCT's properties. Linking the Performance Fee to Distributable Income will also motivate the REIT Manager to ensure the long-term sustainability of the distribution income instead of taking on excessive short-term risks to the detriment of Unitholders.

CORPORATE GOVERNANCE REPORT

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Acquisition Fee	Pursuant to Clause 15.2.1(i) of the Trust Deed, the REIT Manager is entitled to receive an Acquisition Fee not exceeding the rate of (i) 0.5% for acquisitions from Related Parties; and (ii) 1.0% in all other cases, of the acquisition price[2] upon the completion of an acquisition. Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the REIT Manager may elect.	The Acquisition Fee and Divestment Fee are put in place to motivate and compensate the REIT Manager for the time, cost and effort spent (in the case of an acquisition) in evaluating and executing potential opportunities to acquire new properties to further grow FLCT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties. The REIT Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FLCT. The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of evaluating and conducting due diligence for an acquisition, as compared to a divestment.
Divestment Fee	Pursuant to Clause 15.2.1(ii) of the Trust Deed, the REIT Manager is entitled to receive a Divestment Fee not exceeding the rate of 0.5% of the sale price[3] upon the completion of a sale or disposal. Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the REIT Manager may elect.	The Divestment Fee is lower than the Acquisition Fee because there is additional work to be undertaken in terms of evaluating and conducting due diligence for an acquisition, as compared to a divestment.

1 Capitalised terms used in this section shall have the same meanings ascribed to them in the Trust Deed.

2 (a) being the acquisition price of any real estate purchased (whether directly or indirectly through one or more special purpose vehicles) plus any other payments made to the vendor in addition to the acquisition price in connection with the purchase of the real estate, pro-rated, if applicable, to the proportion of FLCT's interest;

(b) being, in relation to an acquisition of any special purpose vehicles or holding entities which hold real estate (whether directly or indirectly through one or more special purpose vehicles), the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased (whether directly by FLCT or through any special purpose vehicle(s)), plus any other payments made to the vendor in connection with the purchase of the equity interests, pro-rated, if applicable, to the proportion of FLCT's interest; or

(c) being the acquisition price of any Investment purchased by FLCT (whether directly or through any special purpose vehicle), in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate, or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

3 (a) being the sale price of any real estate sold (whether directly or indirectly through one or more special purpose vehicles) plus any other payments made in addition to the sale price received from the purchaser in connection with the sale of the real estate, pro-rated, if applicable, to the proportion of FLCT's interest;

(b) being, in relation to a divestment of any special purpose vehicles or holding entities which hold real estate, the underlying value of any real estate which is taken into account when computing the sale price payable for the equity interests of any vehicle holding directly or indirectly the real estate sold (whether directly by FLCT or through any special purpose vehicle(s)), plus any other payments made by the purchaser in connection with the sale of the equity interests, pro-rated, if applicable, to the proportion of FLCT's interest; or

(c) being the sale price of any Investment sold by FLCT (whether directly or through any special purpose vehicle), in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate, or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

CORPORATE GOVERNANCE REPORT

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF THE CG CODE

PRINCIPLES AND PROVISIONS OF THE 2018 CODE OF CORPORATE GOVERNANCE		PAGE REFERENCE OF FY2024 ANNUAL REPORT
BOARD'S CONDUCT OF AFFAIRS		
Provision 1.2	Induction, training and development provided to new and existing Directors	160-161
Provision 1.3	Matters requiring Board approval	151, 157
Provision 1.4	Names of Board Committee members, terms of reference of Board Committees, any delegation of Board's authority to make decisions and a summary of each Board Committee's activities	153-157
Provision 1.5	Number of Board and Board Committee meetings held in the year and each individual Director's attendances at such meetings	158
BOARD COMPOSITION AND GUIDANCE		
Provision 2.4	The Board diversity policy and progress made towards implementation of the policy, including objectives	163-166
BOARD MEMBERSHIP		
Provision 4.3	Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate Candidates	162-163
Provision 4.4	Relationships that IDs have with FLCT, its related corporations, its substantial Unitholders or its officers, if any, which may affect their independence, and the reasons why the Board, having taken into account the views of the NRC, has determined that such Directors are still independent	166-171
Provision 4.5	Listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NRC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties	20-23, 162-163
BOARD PERFORMANCE		
Provision 5.2	How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the REIT Manager or any of its Directors	172
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Provision 6.4	Engagement of any remuneration consultants and their independence	174

CORPORATE GOVERNANCE REPORT

PRINCIPLES AND PROVISIONS OF THE 2018 CODE OF CORPORATE GOVERNANCE		PAGE REFERENCE OF FY2024 ANNUAL REPORT
DISCLOSURE ON REMUNERATION		
Provision 8.1	Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel	173-179
Provision 8.2	Names and remuneration of employees who are substantial shareholders of the REIT Manager or substantial Unitholders, or are immediate family members of a Director, the CEO or such a substantial shareholder or substantial Unitholder, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000. The employee's relationship with the relevant director or the CEO or substantial shareholder or substantial Unitholder should also be stated.	179
Provision 8.3	All forms of remuneration and other payments and benefits, paid by the REIT Manager and its subsidiaries to directors and key management personnel of the REIT Manager.	178
RISK MANAGEMENT AND INTERNAL CONTROLS		
Provision 9.2	Board's assurance from: • the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the REIT's operations and finances; and • the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the REIT's risk management and internal control systems.	181
AUDIT COMMITTEEE		
Provision 10.1(f)	The existence of a whistle-blowing policy and procedures for raising such concerns	183
UNITHOLDER RIGHTS AND ENGAGEMENT		
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Provision 11.3	Directors' attendance at general meetings of Unitholders held during the financial year	158
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ENGAGEMENT WITH UNITHOLDERS		
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FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Logistics & Commercial Trust (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "Regulations"), the Trustee shall monitor the activities of Frasers Logistics & Commercial Asset Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 30 November 2015 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the financial year covered by these financial statements set out on pages 200 to 298, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Sin Li Choo
Director

Singapore
18 November 2024

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Logistics & Commercial Asset Management Pte. Ltd. (the "Manager"), the accompanying financial statements set out on pages 200 to 298 comprising the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 30 September 2024, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year ended 30 September 2024, and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust and the portfolio holdings of the Group as at 30 September 2024, the total return, distributable income, movements in unitholders' funds and cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended 30 September 2024 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Frasers Logistics & Commercial Asset Management Pte. Ltd.

Phang Sin Min
Director

Kyle Lee Khai Fatt
Director

Singapore
18 November 2024

INDEPENDENT AUDITORS' REPORT

Unitholders of Frasers Logistics & Commercial Trust

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Logistics & Commercial Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 30 September 2024, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 200 to 298.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 30 September 2024 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 ("RAP 7") *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 10 of the financial statements)

Risk

The Group owns a portfolio of logistics and industrial properties in Australia, Germany, the Netherlands and the United Kingdom, as well as commercial properties and business parks in Singapore, Australia and the United Kingdom that are leased to third parties under operating leases. Investment properties represent the largest category of assets on the consolidated statement of financial position, with a carrying value of approximately S$6.9 billion at 30 September 2024.

These investment properties are stated at their fair values based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied and a change in the assumptions may have an impact on the valuations.

INDEPENDENT AUDITORS' REPORT

Unitholders of Frasers Logistics & Commercial Trust

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

Our response

We evaluated the qualifications and objectivity of the external valuers. We have selected a sample of investment properties and:

- held discussions with the valuers to understand the valuation methods and the assumptions applied. We considered the valuation methodologies used against those applied by other valuers for similar property types;

- involved our internal specialists to assist us in the assessment of certain key assumptions of certain properties; and

- evaluated the appropriateness of the key assumptions used in the valuations by comparing them to available industry data used for similar properties, taking into consideration comparability and market factors. Where the assumptions were outside of the expected range, we undertook further procedures to understand the effects of additional factors and, when necessary, held discussions with the valuers.

Our findings

The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used by the valuers are in line with generally accepted market practices. The key assumptions applied in the valuations of the investment properties including the capitalisation rate, net initial yield, discount rate and terminal yield, are generally within the range of comparable market data. Where the assumptions were outside of the expected range, the additional factors considered by the valuers were consistent with other corroborative evidence.

Other information

Frasers Logistics & Commercial Asset Management Pte. Ltd., the Manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Glossary, Corporate Profile, Our Multinational Presence, Financial Highlights, Key Trends and Developments, Our Strategy for Value Creation, Letter to Unitholders, In Conversation with the CEO, Organisation & Corporate Structure, Board of Directors, Management Team, Financial Review, Capital Management, Operational Review, Portfolio Overview, Property Profiles, Investor Relations, Unit Price Performance, Independent Market Research Australia, Independent Market Research Germany, Independent Market Research The UK, Independent Market Research Singapore, Independent Market Research The Netherlands, Enterprise Risk Management, Corporate Governance Report and Interested Person Transactions prior to the date of this auditors' report. The ESG Report and the Unitholders' Statistics are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the ESG Report and the Unitholders' Statistics, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITORS' REPORT

Unitholders of Frasers Logistics & Commercial Trust

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

Responsibilities of the Manager for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Unitholders of Frasers Logistics & Commercial Trust

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

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 November 2024

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2024

	Note	Group 2024 S$'000	Group 2023 S$'000
Revenue	3	446,674	420,782
Property operating expenses	4	(124,700)	(105,781)
Net property income		321,974	315,001
Managers' management fees	5	(37,594)	(38,549)
Trustees' fees		(845)	(870)
Trust expenses		(4,690)	(5,340)
Exchange gains (net)		117	5,019
Finance income		1,948	1,620
Finance costs		(65,658)	(46,763)
Net finance costs	6	(63,710)	(45,143)
Net income		215,252	230,118
Net change in fair value of derivatives		(122)	(473)
Net change in fair value of investment properties	10	(40,753)	(358,956)
Gain on divestment of investment properties		–	17,389
Total return/(loss) for the year before tax		174,377	(111,922)
Tax (expense)/credit	7	(23,700)	6,581
Total return/(loss) for the year	8	150,677	(105,341)
Total return/(loss) attributable to:			
Unitholders		147,525	(103,034)
Non-controlling interests		3,152	(2,307)
		150,677	(105,341)
Earnings/(Loss) per Unit (Singapore cents)			
Basic	9	3.93	(2.77)
Diluted	9	3.92	(2.75)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENT

For the year ended 30 September 2024

	Group	
	2024 S$'000	2023 S$'000
Distributable income during the year		
Total return/(loss) for the year attributable to Unitholders	147,525	(103,034)
Tax related and other adjustments (**Note A**)	62,812	340,306
Income available for distribution to Unitholders	210,337	237,272
Capital distribution (**Note B**)	45,178	25,067
Distributable income	255,515	262,339
Amount available for distribution to Unitholders at beginning of the year	131,812	140,459
Distributable income for the year	255,515	262,339
Amount available for distribution to Unitholders	387,327	402,798
Distributions to Unitholders:		
Distribution of 3.77 Singapore cents per Unit for the period from 1 April 2022 to 30 September 2022	–	(139,928)
Distribution of 3.52 Singapore cents per Unit for the period from 1 October 2022 to 31 March 2023	–	(131,058)
Distribution of 3.52 Singapore cents per Unit for the period from 1 April 2023 to 30 September 2023	(131,808)	–
Distribution of 3.48 Singapore cents per Unit for the period from 1 October 2023 to 31 March 2024	(130,772)	–
	(262,580)	(270,986)
Amount available for distribution to Unitholders at end of the year	124,747	131,812
Distribution per Unit (DPU) (Singapore cents) (1)	6.80	7.04
Note A		
Tax related and other adjustments relate to the following items:		
Straight-lining of rental adjustments	3,052	1,243
Managers' management fees paid/payable in Units	18,670	38,549
Exchange gains (net)	(140)	(5,372)
Finance costs	4,091	2,966
Lease payments of right-of-use assets	(5,021)	(4,802)
Net change in fair value of derivatives	122	473
Net change in fair value of investment properties	40,753	358,956
Fair value loss on financial assets at fair value through profit or loss ("FVTPL")	51	204
Gain on divestment of investment properties, net of capital gains tax	–	(17,389)
Deferred tax expense/(credit)	193	(28,970)
Non-controlling interests' share of adjustments	732	(4,842)
Other adjustments	309	(710)
Net distribution adjustments	62,812	340,306
Note B		
Capital distribution relates to the following:		
Lease incentives (a)	1,582	2,636
Rental support (b)	–	1,724
Divestment gains	41,700	16,050
Coupon interest (c)	1,896	4,657
	45,178	25,067

(1) The DPU relates to the distributions in respect of the relevant financial year. The distribution for the period from 1 April 2024 to 30 September 2024 (2023: 1 April 2023 to 30 September 2023) will be made subsequent to the financial year end.

(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, Europe and the United Kingdom ("UK") in prior years.

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

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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2024

		Group		Trust	
	Note	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Non-current assets					
Investment properties	10	6,928,373	6,649,471	–	–
Plant and equipment	11	16	73	–	–
Investment in subsidiaries	12	–	–	3,118,110	2,783,993
Loans to subsidiaries	13	–	–	1,702,722	1,650,337
Derivative assets	14	30,289	79,886	28,605	69,843
		6,958,678	6,729,430	4,849,437	4,504,173
Current assets					
Cash and cash equivalents	15	133,571	152,737	5,799	42,310
Trade and other receivables	16	30,088	41,752	187,750	187,816
Loans to subsidiaries	13	–	–	128,566	255,652
Derivative assets	14	14,547	13,740	13,233	13,361
		178,206	208,229	335,348	499,139
Total assets		7,136,884	6,937,659	5,184,785	5,003,312
Current liabilities					
Trade and other payables	17	92,670	65,116	261,701	226,719
Loans and borrowings	18	557,204	522,828	383,531	511,675
Derivative liabilities	14	135	247	135	247
Current tax liabilities		18,132	21,043	468	375
		668,141	609,234	645,835	739,016
Non-current liabilities					
Trade and other payables	17	10,985	9,382	–	–
Loans and borrowings	18	1,855,532	1,633,461	1,510,241	1,115,673
Derivative liabilities	14	24,910	5,871	24,910	5,871
Deferred tax liabilities	19	255,220	254,673	–	–
		2,146,647	1,903,387	1,535,151	1,121,544
Total liabilities		2,814,788	2,512,621	2,180,986	1,860,560
Net assets		4,322,096	4,425,038	3,003,799	3,142,752
Represented by:					
Unitholders' funds		4,269,537	4,379,701	3,003,799	3,142,752
Non-controlling interests	20	52,559	45,337	–	–
		4,322,096	4,425,038	3,003,799	3,142,752
Units in issue and to be issued ('000)	21	3,762,202	3,744,537	3,762,202	3,744,537
Net asset value per Unit (S$)	22	1.13	1.17	0.80	0.84

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 30 September 2024

	Note	Attributable to Unitholders S$'000	Non-controlling interests S$'000	Total S$'000
Group				
At 1 October 2023		4,379,701	45,337	4,425,038
Operations				
Increase in net assets resulting from operations		147,525	3,152	150,677
Transactions with owners				
Units issued and to be issued:				
– Managers' management fees and acquisition fees paid/payable in Units		19,516	–	19,516
Unit issue costs		(30)	–	(30)
Distributions paid to Unitholders	23	(262,580)	–	(262,580)
Dividends paid to non-controlling interests		–	(2,859)	(2,859)
Net decrease in net assets resulting from transactions with owners		(243,094)	(2,859)	(245,953)
Hedging reserve				
Effective portion of change in fair value of cash flow hedges		(51,984)	(51)	(52,035)
Net change in fair value of cash flow hedges reclassified to statement of total return		3,503	–	3,503
Net decrease in net assets resulting from hedging reserve		(48,481)	(51)	(48,532)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries		36,518	(536)	35,982
Exchange differences on hedge of net investments in foreign operations		(3,560)	–	(3,560)
Exchange differences on monetary items forming part of net investment in foreign operations		928	–	928
Net increase/(decrease) in net assets resulting from foreign currency translation reserve		33,886	(536)	33,350
Changes in ownership interests in subsidiaries				
Acquisition of subsidiaries with non-controlling interests		–	6,953	6,953
Additional capital contribution from non-controlling interests		–	563	563
Total changes in ownership interests in subsidiaries		–	7,516	7,516
At 30 September 2024		4,269,537	52,559	4,322,096

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 30 September 2024

	Note	Attributable to Unitholders S$'000	Non-controlling interests S$'000	Total S$'000
Group				
At 1 October 2022		4,838,844	49,320	4,888,164
Operations				
Decrease in net assets resulting from operations		(103,034)	(2,307)	(105,341)
Transactions with owners				
Units issued and to be issued:				
– Managers' management fees paid/payable in Units		38,549	–	38,549
Distributions paid to Unitholders	23	(270,986)	–	(270,986)
Dividends paid to non-controlling interests		–	(3,145)	(3,145)
Net decrease in net assets resulting from transactions with owners		(232,437)	(3,145)	(235,582)
Hedging reserve				
Effective portion of change in fair value of cash flow hedges		(52,685)	(28)	(52,713)
Net change in fair value of cash flow hedges reclassified to statement of total return		24,761	–	24,761
Net decrease in net assets resulting from hedging reserve		(27,924)	(28)	(27,952)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries		(56,381)	1,287	(55,094)
Exchange differences on hedge of net investments in foreign operations		(26,305)	–	(26,305)
Exchange differences on monetary items forming part of net investment in foreign operations		(13,062)	–	(13,062)
Net (decrease)/increase in net assets resulting from foreign currency translation reserve		(95,748)	1,287	(94,461)
Changes in ownership interests in subsidiaries				
Additional capital contribution from non-controlling interests		–	210	210
At 30 September 2023		4,379,701	45,337	4,425,038

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 30 September 2024

	Note	2024 S$'000	2023 S$'000
Trust			
At beginning of the year		3,142,752	3,318,890
Operations			
Increase in net assets resulting from operations		141,960	78,686
Transactions with owners			
Units issued and to be issued:			
– Managers' management fees and acquisition fees paid/payable in Units		19,516	38,549
Unit issue costs		(30)	–
Distributions paid to Unitholders	23	(262,580)	(270,986)
Net decrease in net assets resulting from transactions with owners		(243,094)	(232,437)
Hedging reserve			
Effective portion of change in fair value of cash flow hedges		(41,322)	(47,148)
Net change in fair value of cash flow hedges reclassified to statement of total return		3,503	24,761
Net decrease in net assets resulting from hedging reserve		(37,819)	(22,387)
At end of the year		3,003,799	3,142,752

STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

	Note	Group 2024 S$'000	Group 2023 S$'000
Cash flows from operating activities			
Total return/(loss) before tax		174,377	(111,922)
Adjustments for:			
Straight-lining of rental adjustments		3,052	1,243
Effects of recognising lease incentives on a straight-line basis over the lease term		8,181	9,697
Managers' management fees paid/payable in Units		18,670	38,549
Depreciation of plant and equipment		57	57
(Reversal of)/Allowance for doubtful receivables		(173)	333
Unrealised exchange gains (net)		(597)	(3,418)
Finance income	6	(1,948)	(1,620)
Finance costs	6	65,658	46,763
Net change in fair value of derivatives		122	473
Net change in fair value of investment properties	10	40,753	358,956
Gain on divestment of investment properties		–	(17,389)
Cash generated from operations before working capital changes		308,152	321,722
Changes in working capital:			
Trade and other receivables		2,055	6,790
Trade and other payables		26,639	(581)
Cash generated from operations		336,846	327,931
Tax paid		(25,474)	(25,676)
Net cash generated from operating activities		311,372	302,255
Cash flows from investing activities			
Acquisition of subsidiaries	32	(174,787)	–
Acquisition of investment properties (including acquisition costs)		(8,352)	–
Net proceeds from divestment of investment properties		5,739	31,234
Capital and other expenditure on investment properties		(88,209)	(161,270)
Interest received		1,948	1,729
Net cash used in investing activities		(263,661)	(128,307)
Cash flows from financing activities			
Interest paid		(62,688)	(44,691)
Proceeds from loans and borrowings		895,740	418,925
Repayment of loans and borrowings		(631,231)	(340,882)
Payment of upfront debt-related transaction costs		(2,827)	(1,344)
Payment of lease liabilities		(930)	(969)
Distributions paid to Unitholders		(262,580)	(270,986)
Dividends paid to non-controlling interests		(2,859)	(3,145)
Net cash used in financing activities		(67,375)	(243,092)
Net decrease in cash and cash equivalents		(19,664)	(69,144)
Cash and cash equivalents at beginning of year		152,737	220,728
Effect of exchange rate changes on cash and cash equivalents		498	1,153
Cash and cash equivalents at end of year	15	133,571	152,737

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

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 years:

2024

- 28,072,276 Units, amounting to S$30,835,000, were issued to the Managers as satisfaction of the management fees payable to the Managers.
- 804,693 Units, amounting to S$846,000, were issued to the Managers as satisfaction of the acquisition fees payable to the Managers for the acquisition of investment properties.

2023

- 32,774,272 Units, amounting to S$40,799,000, were issued to the Managers as satisfaction of the management fees payable to the Managers.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Completed investment properties						
Logistics and industrial portfolio						
(A) Australia						
Melbourne, Victoria						
South East						
South Park Industrial Estate						
98-126 South Park Drive, Dandenong South	14 June 2016	Freehold	50,639	51,843	1.2	1.2
21-33 South Park Drive, Dandenong South	14 June 2016	Freehold	41,755	37,564	1.1	0.8
22-26 Bam Wine Court, Dandenong South	14 June 2016	Freehold	31,538	29,217	0.7	0.7
16-32 South Park Drive, Dandenong South	14 June 2016	Freehold	30,295	24,691	0.7	0.6
89-103 South Park Drive, Dandenong South	1 August 2017	Freehold	18,301	19,068	0.4	0.4
The Key Industrial Park						
17 Pacific Drive and 170-172 Atlantic Drive, Keysborough	14 June 2016	Freehold	61,966	59,752	1.5	1.4
150-168 Atlantic Drive, Keysborough	14 June 2016	Freehold	51,527	43,935	1.2	1.0
49-75 Pacific Drive, Keysborough	14 June 2016	Freehold	45,308	43,276	1.1	1.0
77 Atlantic Drive, Keysborough	14 June 2016	Freehold	30,383	29,261	0.7	0.7
78 & 88 Atlantic Drive, Keysborough	14 June 2016	Freehold	31,538	27,152	0.7	0.6
111 Indian Drive, Keysborough	31 August 2016	Freehold	44,864	47,010	1.1	1.1
29 Indian Drive, Keysborough	15 August 2017	Freehold	41,488	41,035	1.0	0.9
17 Hudson Court, Keysborough	12 September 2017	Freehold	42,466	43,759	1.0	1.0
8-28 Hudson Court, Keysborough	20 August 2019	Freehold	57,080	56,017	1.3	1.3
Mulgrave						
211A Wellington Road, Mulgrave	14 June 2016	Freehold	28,251	34,357	0.7	0.8
Braeside Industrial Estate						
75-79 Canterbury Road, Braeside	12 August 2020	Freehold	31,449	28,690	0.7	0.6
West						
West Park Industrial Estate						
468 Boundary Road, Derrimut	14 June 2016	Freehold	42,421	44,155	1.0	1.0
1 Doriemus Drive, Truganina	14 June 2016	Freehold	112,827	115,110	2.6	2.6
2-22 Efficient Drive, Truganina	14 June 2016	Freehold	74,626	73,591	1.7	1.7
1-13 and 15-27 Sunline Drive, Truganina	14 June 2016	Freehold	48,862	46,132	1.1	1.0
Balance carried forward			917,584	895,615	21.5	20.4

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			917,584	895,615	21.5	20.4
Melbourne, Victoria (cont'd)						
West *(cont'd)*						
West Park Industrial Estate (cont'd)						
42 Sunline Drive, Truganina	14 June 2016	Freehold	25,319	25,834	0.6	0.6
43 Efficient Drive, Truganina	1 August 2017	Freehold	40,866	43,056	1.0	1.0
West Industry Park						
1 Magnesium Place, Truganina	27 June 2022	Freehold	19,767	18,892	0.5	0.4
11 Magnesium Place, Truganina	27 June 2022	Freehold	14,659	13,840	0.3	0.3
17 Magnesium Place, Truganina	27 June 2022	Freehold	16,213	15,599	0.4	0.4
Altona Industrial Park						
18-34 Aylesbury Drive, Altona	14 June 2016	Freehold	42,865	39,761	1.0	0.9
North						
Melbourne Airport Business Park						
38-52 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	44,338 [c]	46,741 [c]	1.0	1.1
96-106 Link Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	26,016 [c]	28,959 [c]	0.6	0.7
17-23 Jets Court, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	12,195 [c]	13,018 [c]	0.3	0.3
25-29 Jets Court Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	16,267 [c]	17,930 [c]	0.4	0.4
28-32 Sky Road East, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	12,896 [c]	12,831 [c]	0.3	0.3
115-121 South Centre Road, Melbourne Airport	14 June 2016	31-year leasehold expiring on 30 June 2047	5,565 [c]	6,197 [c]	0.1	0.1
Balance carried forward			1,194,550	1,178,273	28.0	26.9

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			1,194,550	1,178,273	28.0	26.9
Sydney, New South Wales						
Outer Central West						
Eastern Creek						
4-8 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	123,487	117,965	2.9	2.7
21 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	128,374	120,162	3.0	2.7
17 Kangaroo Avenue, Eastern Creek	14 June 2016	Freehold	59,345	57,467	1.4	1.3
7 Eucalyptus Place, Eastern Creek	14 June 2016	Freehold	51,527	46,132	1.2	1.1
2 Hanson Place, Eastern Creek	20 August 2019	Freehold	110,161	102,808	2.6	2.3
Pemulwuy						
8-8A Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	78,890	64,848	1.8	1.5
6 Reconciliation Rise, Pemulwuy	14 June 2016	Freehold	64,320	55,797	1.5	1.3
Wetherill Park						
1 Burilda Close, Wetherill Park	30 November 2016	90-year leasehold expiring on 29 September 2106	97,760 [(c)]	98,875 [(c)]	2.3	2.3
Lot 1, 2 Burilda Close, Wetherill Park	1 August 2017	89-year leasehold expiring on 14 July 2106	42,398 [(c)]	46,640 [(c)]	1.0	1.1
3 Burilda Close, Wetherill Park	5 September 2018	89-year leasehold expiring on 15 May 2107	65,872 [(c)]	59,982 [(c)]	1.5	1.4
Outer North West						
Seven Hills						
8 Distribution Place, Seven Hills	14 June 2016	Freehold	38,468	34,797	0.9	0.8
99 Station Road, Seven Hills	14 June 2016	Freehold	34,648	28,206	0.8	0.6
10 Stanton Road, Seven Hills	14 June 2016	Freehold	21,011	17,925	0.5	0.4
8 Stanton Road, Seven Hills	1 August 2017	Freehold	35,181	28,206	0.8	0.6
Winston Hills						
11 Gibbon Road, Winston Hills	14 June 2016	Freehold	62,410	59,488	1.5	1.3
Wollongong						
Port Kembla						
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	29,769 [(c)]	20,400 [(c)]	0.7	0.5
Balance carried forward			2,238,171	2,137,971	52.4	48.8

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure (a)	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			2,238,171	2,137,971	52.4	48.8
Brisbane, Queensland						
Northern						
350 Earnshaw Road, Banyo	20 June 2016	99-year leasehold expiring on 19 June 2115	65,297	63,794	1.5	1.5
Trade Coast						
286 Queensport Road, North Murarrie	20 June 2016	99-year leasehold expiring on 19 June 2115	42,377	40,157	1.0	0.9
Southern						
57-71 Platinum Street, Crestmead	20 June 2016	99-year leasehold expiring on 19 June 2115	42,643	43,935	1.0	1.0
51 Stradbroke Street, Heathwood	20 June 2016	99-year leasehold expiring on 19 June 2115	31,982	31,897	0.7	0.7
30 Flint Street, Inala	20 June 2016	99-year leasehold expiring on 19 June 2115	27,540	27,503	0.6	0.6
99 Shettleston Street, Rocklea	20 June 2016	99-year leasehold expiring on 19 June 2115	22,432	22,319	0.5	0.5
55-59 Boundary Road, Carole Park	20 June 2016	99-year leasehold expiring on 19 June 2115	20,877	20,913	0.5	0.5
10 Siltstone Place, Berrinba	20 June 2016	99-year leasehold expiring on 19 June 2115	17,235	17,310	0.4	0.4
143 Pearson Road, Yatala	31 August 2016	99-year leasehold expiring on 30 August 2115	53,482	47,010	1.3	1.1
166 Pearson Road, Yatala	1 August 2017	Freehold	43,443	43,232	1.0	1.0
103-131 Wayne Goss Drive, Berrinba	5 September 2018	Freehold	37,757	36,730	0.9	0.8
29-51 Wayne Goss Drive, Berrinba	20 August 2019	Freehold	30,828	29,436	0.7	0.7
Perth, Western Australia						
60 Paltridge Road, Perth Airport	14 June 2016	17-year leasehold expiring on 3 June 2033	9,906	9,358	0.2	0.2
Balance carried forward			2,683,970	2,571,565	62.7	58.7

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT
As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			2,683,970	2,571,565	62.7	58.7
(B) Germany						
Stuttgart – Mannheim						
Industriepark 309, Gottmadingen	25 May 2018	Freehold	88,287	85,202	2.1	2.0
Otto-Hahn-Straße 10, Vaihingen	25 May 2018	Freehold	83,565	88,379	2.0	2.0
Eiselauer Weg 2, Ulm	25 May 2018	Freehold	65,535	71,050	1.5	1.6
Murrer Straße 1, Freiberg am Neckar	25 May 2018	Freehold	49,938	56,175	1.2	1.3
Ambros-Nehren-Straße 1, Achern	25 May 2018	Freehold	24,468	22,817	0.6	0.5
Bietigheimer Straße 50-52, Tamm	23 August 2019	Freehold	113,184	115,384	2.7	2.6
Am Bühlfeld 2-8, Herbrechtingen	3 September 2019	Freehold	68,540	68,162	1.6	1.6
Buchäckerring 18, Bad Rappenau	4 June 2021	Freehold	60,527	63,107	1.4	1.4
Am Römig 8, Frankenthal	4 June 2021	Freehold	42,212	42,599	1.0	1.0
Munich – Nuremberg						
Oberes Feld 2, 4, 6, 8, Moosthenning	25 May 2018	Freehold	115,760	121,449	2.7	2.8
Koperstraße 10, Nuremberg	25 May 2018	63-year leasehold expiring on 31 December 2080	119,794 [c]	114,712 [c]	2.8	2.6
Industriepark 1, Mamming	25 May 2018	Freehold	26,472	27,871	0.6	0.6
Jubatus-Allee 3, Ebermannsdorf	25 May 2018	Freehold	15,168	15,596	0.4	0.4
Dieselstraße 30, Garching	27 August 2019	Freehold	50,797	52,565	1.2	1.2
Hermesstraße 5, Graben, Augsburg	3 September 2019	Freehold	56,377	58,775	1.3	1.3
Hamburg – Bremen						
Am Krainhop 10, Isenbüttel	25 May 2018	Freehold	26,042	26,138	0.6	0.6
Am Autobahnkreuz 14, Rastede	25 May 2018	Freehold	27,903	26,571	0.7	0.6
Billbrookdeich 167, Hamburg	27 March 2024	55-year leasehold expiring on 9 December 2078	89,431	–	2.1	–
Saarwellingen						
Werner-Von-Siemens-Straße 44, Saarwellingen	27 March 2024	Freehold	12,592	–	0.3	–
Egelsbach – Überherrn						
Hans-Fleißner Straße 46-48, Egelsbach	27 March 2024	Freehold	68,969	–	1.6	–
Thomas-Dachser-Straße 3, Überherrn	27 March 2024	Freehold	28,475	–	0.7	–
Balance carried forward			3,918,006	3,628,117	91.8	82.8

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			3,918,006	3,628,117	91.8	82.8
Dusseldorf – Cologne						
Saalhoffer Straße 211, Rheinberg	25 May 2018	Freehold	49,939	48,955	1.2	1.1
Elbestraße 1-3, Marl	25 May 2018	Freehold	22,608	23,683	0.5	0.5
Keffelker Straße 66, Brilon	25 May 2018	Freehold	17,314	17,762	0.4	0.5
Gustav-Stresemann-Weg 1, Münster	25 May 2018	Freehold	21,034	21,084	0.5	0.5
Walter-Gropius-Straße 19, Bergheim	23 August 2019	Freehold	33,197	34,081	0.8	0.8
An den Dieken 94, Ratingen	23 August 2019	Freehold	78,413	81,014	1.8	1.8
Leipzig – Chemnitz						
Johann-Esche-Straße 2, Chemnitz	25 May 2018	Freehold	25,756	25,561	0.6	0.6
Am Exer 9, Leipzig	25 May 2018	Freehold	23,324	22,384	0.5	0.5
Frankfurt						
Im Birkengrund 5-7, Obertshausen	23 August 2019	Freehold	50,368	50,544	1.2	1.2
Genfer Allee 6, Mainz	4 June 2021	Freehold	75,122	78,415	1.8	1.8
Bielefeld						
Fuggerstraße 17, Bielefeld	28 November 2019	Freehold	43,356	43,323	1.0	1.0
Berlin						
Gewerbegebiet Etzin 1, Berlin	20 December 2019	Freehold	63,532	66,284	1.5	1.5
Balance carried forward			4,421,969	4,141,207	103.6	94.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [a]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			4,421,969	4,141,207	103.6	94.6
(C) Netherlands						
Tilburg – Venlo						
Belle van Zuylenstraat 5, Tilburg	25 May 2018	Freehold	24,969	25,994	0.6	0.6
Heierhoevenweg 17, Venlo	25 May 2018	Freehold	45,860	45,056	1.1	1.0
Utrecht – Zeewolde						
Brede Steeg 1, s-Heerenberg	25 May 2018	Freehold	109,893	115,239	2.6	2.6
Handelsweg 26, Zeewolde	25 May 2018	Freehold	66,251	71,050	1.6	1.6
Innovatielaan 6, De Klomp	30 June 2021	Freehold	32,410	33,503	0.8	0.8
Meppel						
Mandeveld 12, Meppel	31 October 2018	Freehold	44,143	44,045	1.0	1.0
(D) The United Kingdom						
Connexion, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	64,713	60,016	1.5	1.4
Connexion II, Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	41,165	37,343	1.0	0.8
Worcester, West Midlands	26 January 2022	Freehold	36,095	36,678	0.8	0.8
Ellesmere, Cheshire, North West England	14 July 2022	Freehold	116,878	–	2.7	–
Commercial portfolio						
(A) Singapore						
Alexandra Technopark 438A/438B/438C Alexandra Road	15 April 2020	88-year leasehold expiring 25 August 2108	700,000	678,000	16.4	15.5
Balance carried forward			5,704,346	5,288,131	133.7	120.7

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			5,704,346	5,288,131	133.7	120.7
(B) Australia						
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park") [(d)]	15 April 2020	Freehold	324,488	320,945	7.6	7.3
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, ACT 2900	15 April 2020	81-year leasehold expiring 25 June 2101	210,551	216,600	4.9	5.0
357 Collins Street, Melbourne, Victoria 3000	15 April 2020	Freehold	169,684	224,069	4.0	5.1
545 Blackburn Road, Mount Waverley, Victoria 3149	20 May 2022	Freehold	34,648	41,958	0.8	1.0
(C) The United Kingdom						
Farnborough Business Park, Farnborough, Thames Valley	30 April 2020	Freehold	231,952	228,393	5.4	5.2
Maxis Business Park, 43 Western Road, Bracknell	12 August 2020	Freehold	70,901	83,438	1.7	1.9
Blythe Valley Business Park, Shirley, Solihull	4 June 2021	Freehold	159,767	164,043	3.7	3.8
Total completed investment properties and balance carried forward			6,906,337	6,567,577	161.8	150.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

As at 30 September 2024

Group

Location of property	Acquisition date	Tenure [(a)]	Carrying amount 2024 S$'000	Carrying amount 2023 S$'000	Percentage of net assets attributable to Unitholders 2024 %	Percentage of net assets attributable to Unitholders 2023 %
Balance brought forward			6,906,337	6,567,577	161.8	150.0
Investment properties under development						
<u>Logistics and industrial portfolio</u>						
The United Kingdom						
Ellesmere Port, Cheshire, North West England	14 July 2022	Freehold	– [(e)]	81,894	–	1.8
Netherlands						
Engelandlaan 15, Maastricht Airport	17 November 2023	Freehold	22,036	–	0.5	–
Total investment properties under development			22,036	81,894	0.5	1.8
Total completed investment properties and investment properties under development			6,928,373	6,649,471	162.3	151.8
Other assets and liabilities (net)			(2,606,277)	(2,224,433)	(61.1)	(50.8)
Net assets of the Group			4,322,096	4,425,038	101.2	101.0
Net assets attributable to non-controlling interests			(52,559)	(45,337)	(1.2)	(1.0)
Unitholders' funds			4,269,537	4,379,701	100.0	100.0

(a) From the date of acquisition.
(b) Includes an option for the Group to renew the land lease for 5 further terms of 5 years upon expiry.
(c) Includes right-of-use asset.
(d) The Group has an effective interest of 50% in the property.
(e) The property has been reclassified to completed investment property during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager on 18 November 2024.

1. GENERAL

Frasers Logistics & Commercial Trust (the "Trust" or "FLCT") is a Singapore-domiciled unit trust constituted in Singapore pursuant to the Trust Deed dated 30 November 2015 (as amended) (the "Trust Deed") between Frasers Logistics & Commercial Asset Management Pte. Ltd. (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 June 2016 (the "Listing Date").

The registered office of the Manager is at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

For financial reporting purposes, the Group is regarded as a subsidiary of Frasers Property Limited, a Singapore-domiciled company. The ultimate holding company is TCC Assets Limited, which is incorporated in the British Virgin Islands.

On 15 April 2020, the Trust completed its merger with Frasers Commercial Trust ("FCOT") by way of a trust scheme of arrangement ("the Merger"). Following the completion of the transaction, FCOT was delisted from the Official List of the SGX-ST on 29 April 2020 and became a wholly-owned unlisted sub-trust of the Trust. With effect from 29 April 2020, the Trust was renamed Frasers Logistics & Commercial Trust. Accordingly, the Manager has been renamed Frasers Logistics & Commercial Asset Management Pte. Ltd. and has replaced Frasers Commercial Asset Management Ltd. ("FCOT Manager") as manager of FCOT. The Trustee of FCOT is British and Malayan Trustees Limited (the "FCOT Trustee"). The Trustee, the FCOT Trustee and the HAUT Trustee (as defined in Note 1(d)) are hereinafter collectively referred to as "the Trustees".

The principal activity of the Group 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).

The consolidated financial statements relate to the Trust and its subsidiaries. A list of significant subsidiaries is shown in Note 34.

The Group has entered into several service agreements in relation to the management of the Group and operations of its properties. The fee structures of these services are as follows:

(a)(i) Manager's management fees

Pursuant to the Trust Deed, the Manager is entitled to management fees comprising a base fee of 0.4% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the value of the Group's Deposited Property (as defined in the Trust Deed) and a performance fee of 5.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Distributable Income (as defined in the Trust Deed) of the Group in the relevant financial year (calculated before accounting for the Manager's performance fee but after accounting for the Manager's base fee and the HAUT Manager's base fee and performance fee (as defined in Note 1(b)(i)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

1. GENERAL (CONT'D)

(a)(i) *Manager's management fees* *(cont'd)*

For the purpose of calculating the base fee, if the Trust holds only a partial interest in any Deposited Property, such Deposited Property shall be pro-rated in proportion to the partial interest held.

The Manager may elect to receive the base fee and performance fee in cash or Units, or a combination of cash and Units. Management fees payable in cash and in the form of Units shall be payable quarterly in arrears (in relation to the base fee) or annually in arrears (in relation to the performance fee).

As provided for in the Trust Deed, the price of a Unit issued shall be computed based on the volume weighted average price of a Unit for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days immediately preceding the relevant period in which the fees accrue.

Any increase in the rate or any change in the structure of the Manager's management fees must be approved by an extraordinary resolution at a meeting of the holders of Units of the Trust duly convened and held in accordance with the provisions of the Trust Deed.

The Manager's change in its election to receive cash or Units or a combination of cash and Units is not considered as a change in the structure of the Manager's management fees.

In 2024, the Manager had elected to receive 49.7% (2023: 100%) of the base and performance fees in the form of Units.

(a)(ii) *Manager's acquisition fee and divestment fee*

The Manager is entitled to:

- an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) the acquisition price of any real estate (excluding stamp duty) purchased by the Trust, whether directly or indirectly through one or more special purpose vehicles ("SPVs"), plus any other payments in addition to the acquisition price made by the Trust or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of the Trust's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by the Trust, whether directly or indirectly through one or more SPVs, plus any other payments made by the Trust or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of the Trust's interest); or

  (iii) the acquisition price of any investment purchased by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

1. GENERAL (CONT'D)

(a)(ii) Manager's acquisition fee and divestment fee (cont'd)

- a divestment fee of 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) the sale price of any real estate sold or divested by the Trust, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the sale price received by the Trust or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated, if applicable, to the proportion of the Trust's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by the Trust, whether directly or indirectly through one or more SPVs, plus any other payments received by the Trust or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the Trust's interest); or

  (iii) the sale price of the investment sold or divested by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The Manager may elect to receive the acquisition fee and divestment fee in the form of cash and/or Units, provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee should be received in the form of Units.

In 2024, the manager had elected to receive 66.8% of the acquisition fee (2023: 100% of the acquisition fee and divestment fee) in the form of cash.

(a)(iii) Development management fee payable to the Manager

The Manager is entitled to receive development management fee equivalent to 3.0% of the Total Project Costs (as defined in the Trust Deed) incurred in a development project undertaken by the Manager on behalf of the Trust.

When the estimated Total Project Costs is greater than S$200.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by its independent directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent directors of the Manager shall have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of the Trust.

No acquisition fee shall be paid when the Manager receives the development management fee for a Development Project. For the avoidance of doubt, the Manager shall be entitled to receive an acquisition fee on the land costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

1. GENERAL (CONT'D)

(b)(i) Head Australian Trust Manager's management fees

The Trust has a subsidiary which is the head Australian trust in Australia, FLT Australia Trust ("HAUT"). HAUT has a manager ("HAUT Manager"), being a related party of the Group, to perform investment management services for it. Pursuant to the investment management agreement for HAUT, the HAUT Manager is entitled to a management fee comprising a base fee of 0.2% per annum (or such lower percentage as may be determined by the HAUT Manager in its absolute discretion) of the total value of HAUT's assets and a performance fee of 1.5% (or such lower percentage as may be determined by the HAUT Manager in its absolute discretion) of HAUT's net property income (after non-cash adjustments) in the relevant financial year.

(b)(ii) Acquisition fee and divestment fee payable to the HAUT Manager

In consideration for HAUT Manager providing services under the investment management agreement with HAUT, the HAUT Manager will be entitled to:

- an acquisition fee of 0.4% for acquisitions from related parties and 0.8% for all other cases of:

  (i) the acquisition price of any real estate purchased by HAUT whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by HAUT or a SPV to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of HAUT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by HAUT whether directly or indirectly through one or more SPVs, plus any other payments made by HAUT or a SPV to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of HAUT's interest); or

  (iii) the acquisition price of any investment purchased by HAUT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

- a divestment fee of 0.4% of:

  (i) the sale price of any real estate sold or divested by HAUT whether directly or indirectly through one or more SPVs, plus any other payments in addition to the sale price received by HAUT or a SPV from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of HAUT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by HAUT, whether directly or indirectly through one or more SPVs, plus any other payments received by HAUT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the HAUT's interest); or

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

1. GENERAL (CONT'D)

(b)(ii) Acquisition fee and divestment fee payable to the HAUT Manager (cont'd)

- a divestment fee of 0.4% of: (cont'd)

  (iii) the sale price of any investment sold or divested by HAUT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The HAUT Manager will also be entitled to be reimbursed for certain expenses properly incurred in relation to performance of its role under the investment management agreement. The HAUT Manager's fees may be paid in the form of cash, or the Trust's Units, or by a combination of these sources as elected by the Manager.

The base fee, performance fee, acquisition fee and divestment fee payable to the Manager shall be reduced by the amount of the relevant fee payable to the HAUT Manager.

The Manager and HAUT Manager are hereinafter collectively referred to as "the Managers".

(c) Trustee's fee

Pursuant to the Trust Deed, the Trustee's fee is charged on a scaled basis of up to 0.015% per annum of the value of the Trust's Deposited Property (as defined in the Trust Deed), subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and goods and services tax ("GST"). The Trustee's fee is payable monthly, in arrears.

(d) HAUT Trustee's fee

Pursuant to the trust deed of HAUT, the trustee of the HAUT (the "HAUT Trustee") is entitled to a fee of 0.025% per annum of the total value of HAUT's assets excluding out-of-pocket expenses and GST. The HAUT Trustee's fee is payable quarterly, in arrears.

The HAUT Trustee will also be entitled to be reimbursed for certain expenses reasonably and properly incurred in the proper performance of its duties in relation to HAUT.

(e) FCOT Trustee's fees

Pursuant to the trust deed of FCOT, the FCOT Trustee's fee is charged on a scaled basis of up to 0.015% per annum of the gross asset value of FCOT and its subsidiaries, subject to a minimum of S$36,000 per annum, excluding out-of-pocket expenses and GST. The FCOT Trustee's fee is paid quarterly, in arrears.

(f) Property managers' fees

Fees payable to the property managers, which are companies controlled by a substantial Unitholder (except for the property managers of Central Park, Caroline Chisholm Centre, Blackburn Road and 357 Collins Street (from 15 January 2024) in Australia, and certain property managers for the properties in the United Kingdom), in relation to services provided, comprise:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

1. GENERAL (CONT'D)

(f) Property managers' fees (cont'd)

(i) Property management fees

Logistics and industrial properties located in Australia

Pursuant to the Australian property management agreement, property management fees are payable as follows:

(I) a property management fee of 1.2% per annum of the Net Property Income (as defined in the Australian property management agreement) of each property; and

(II) where any property is not fully leased, A$1,000 per month per property in the event there is vacant lettable area in such property.

Logistics and industrial properties located in Germany and the Netherlands

In the event that the aggregate property management fees recovered by the property manager from the tenants under the relevant tenancy documents is more than the agreed property management fee, thereby amounting to an excess, no further amounts will be paid to the property manager. For the avoidance of doubt, the property manager will be entitled to retain for its own benefit such amounts recovered from the tenants which is excess of the agreed property management fee.

Pursuant to the master property management agreement, property management fees are payable as follows:

(I) a property management fee of up to 2.0% per annum of the Gross Revenue (as defined in the master property management agreement) of each property; and

(II) a lease management fee of up to 1.0% per annum of the Gross Revenue (as defined in the master property management agreement) of each property.

Commercial properties located in Singapore

Pursuant to the Singapore property management agreement for the Singapore commercial properties, a property management fee is payable at 3.0% per annum of the gross revenue of the properties and the property manager is entitled to employee costs reimbursement.

Commercial property located in Australia

In Australia, the property manager of 357 Collins Street is entitled to fixed property management fees with annual increases and employee costs reimbursement for the period to 15 January 2024.

(ii) Project management fee

Under the property management agreement, the property manager will be entitled to project management fee of up to 3% of the construction costs depending on the quantum of the construction costs, to be mutually agreed by the Manager and the property manager, except for the commercial properties in Singapore where the fee is to be mutually agreed between the Manager, the FCOT Trustee and the property manager.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

1. GENERAL (CONT'D)

(f) Property managers' fees (cont'd)

(iii) Marketing services commission

Under the property management agreement, the property manager will be entitled to commissions for the marketing services of up to 3 months' Gross Revenue (as defined in the property management agreement) depending on the length of the new lease or renewed leases.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 ("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 (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore ("FRSs"). The changes to material accounting policies are described in Note 2.2.

The financial statements are presented in Singapore dollars ("SGD"), which is the functional currency of the Trust and rounded to the nearest thousand (S$'000), unless otherwise stated, and have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The accounting policies set out below have been applied by the Group consistently to the periods presented in these financial statements and have been applied consistently by the Group entities.

Use of estimates and judgement

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in Note 2.10(d) - Property acquisitions and business combinations.

Significant accounting judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relates to valuation of investment properties as discussed below and in Note 2.7 – Estimation of provisions for current and deferred taxation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

***Significant accounting judgements and estimates** (cont'd)*

Valuation of investment properties

The Group's investment properties are stated at their fair values, which are determined annually based on independent professional valuations undertaken. The fair values are based on independent professional valuations conducted annually. The fair values of investment properties are determined using one or a combination of capitalisation method, discounted cash flow method and/or residual approach. Certain valuers have recommended that the value of the properties are to be kept under regular review given the current market conditions including inflationary pressures, rising interest rates and the ongoing war in Ukraine and Israel/Gaza. These estimated fair values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the Managers' control, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant. The carrying amount of investment properties is disclosed in the statement of financial position and the portfolio statement.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the financial year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 10 – Investment properties

Note 29 – Fair values of financial instruments

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.2 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following FRSs, amendments to and interpretation of FRSs for the first time for the annual period beginning on 1 October 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model*

Other than the below, the application of these amendments to accounting standards and interpretations did not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 October 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of FRS 12. There was also no impact on the opening retained earnings as at 1 October 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 19).

Global minimum top-up tax

The Amendments to FRS 12: International Tax Reform — Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), and require new disclosures about the Pillar Two tax exposure. The mandatory exception is effective immediately and applies retrospectively.

FLCT operates in several jurisdictions where statutory corporate income tax rates are above 15%. These jurisdictions intend to enact or have enacted new legislation to implement the global minimum top-up tax from 31 December 2023. FLCT only comes within scope of the new legislation starting from the financial year commencing 1 October 2024. The global minimum top-up tax framework is assessed on a group-wide basis and no material impact to FLCT is expected. This is on the basis that under the tax neutrality principle provided in the framework, any top-up tax should generally be imposed on a constituent entity owner rather than the investment entity itself (i.e. FLCT).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.2 Changes in material accounting policies (cont'd)

New accounting standards and amendments (cont'd)

Material accounting policy information

The Group adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosures of accounting policies, assisting entities to provide useful, entity-specific accounting policy that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

2.3 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning from 1 October 2024 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.

2.4 Revenue

Rental income from operating leases

Rental income from investment properties is recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which it is earned and the amount can be reliably measured.

Recoverable outgoings

Recoverable outgoings is recognised when the services are rendered.

2.5 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- fair value gain/loss on financial assets at fair value through profit or loss;
- amortisation of debt upfront costs; and
- interest expense.

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in statement of total return using the effective interest method.

2.7 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financing reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
    - is not a business combination and
    - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Taxes (cont'd)

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Group has obtained certain tax rulings and confirmations from the Inland Revenue Authority of Singapore ("IRAS") and the Singapore Ministry of Finance ("MOF") in respect of the Singapore taxation on certain income from the properties located in Singapore and overseas (as the case may be).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Taxes (cont'd)

(a) Tax transparency treatment

The IRAS has granted tax transparency treatment on the Trust's taxable income ("Taxable Income") that is distributed to the Unitholders and approved sub-trust status to FCOT. Broadly, the Trust's Taxable Income includes distributions made by FCOT out of income from the letting of real estate properties in Singapore and incidental property related income and income from management or holding of real estate properties ("Specified Income"). For FCOT (an approved sub-trust), tax transparency treatment will only be applicable to the part of its Specified Income that is distributed to the Trust in the same year the income is derived.

Subject to meeting the terms and conditions, for the tax transparency treatment, the Trust will not be assessed tax on the Taxable Income. Instead, the Trust will deduct income tax at the prevailing corporate tax rate, currently at 17.0% (2023: 17.0%), from the distributions made to Unitholders that are made out of the Taxable Income of the Trust, except:

(i) where the beneficial owners are individuals or qualifying Unitholders, (excluding a person acting in the capacity of a trustee), or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are qualifying Unitholders, the Trust will make the distributions to such Unitholders without deducting any income tax; and

(ii) where the beneficial owners are qualifying foreign non-individual Unitholders or foreign funds, or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are qualifying foreign non-individual investors or foreign funds, the Trust will deduct/withhold tax at the reduced rate of 10.0% from the distribution made during the period from 18 February 2005 to 31 December 2025 (both dates inclusive).

A qualifying Unitholder is a Unitholder who is:

(i) a company incorporated and resident in Singapore;

(ii) a Singapore branch of a company incorporated outside Singapore;

(iii) a body of persons (excluding companies or partnerships) incorporated or registered in Singapore, including charities registered under Charities Act (Cap. 37) or established by any written law, town councils, statutory boards, co-operative societies registered under the Co-operatives Societies Act (Cap. 62) or trade unions registered under the Trade Unions Act (Cap. 333);

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145);

(v) real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment;

(vi) an individual (including those who purchased units in the Trust through agent banks or Supplementary Retirement Scheme ("SRS") operators which act as their nominee under the CPF Investment Scheme or the Supplementary Retirement Scheme respectively); or

(vii) a nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (i) to (iv) above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Taxes (cont'd)

(a) Tax transparency treatment (cont'd)

A qualifying foreign non-individual Unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have any permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) who carries on any operation in (other than the fund manager in Singapore), but the funds used to acquire the units in the REIT are not obtained from that operation in Singapore.

A qualifying foreign fund is a fund which is not a resident of Singapore for income tax purposes and qualifies for tax exemption under Section 13D, 13U or 13V of the Singapore Income Tax Act, and:

(i) does not have any permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) carries on any operation in Singapore through a permanent establishment in Singapore (other than the fund manager in Singapore), but the funds used to acquire the units in the REIT are not obtained from that operation in Singapore.

Under the tax transparency treatment, the Trust will have to distribute at least 90.0% of its Taxable Income by a specific time. For the remaining amount of Taxable Income of the Trust not distributed, tax will be assessed on and collected from the Trust on such remaining amount (referred to as "Retained Taxable Income").

In the event where a distribution is subsequently made out of such Retained Taxable Income, the Trust will not have to make a further deduction of income tax from the distribution.

In the event that there are subsequent adjustments to the Taxable Income when the actual Taxable Income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the Taxable Income for the next distribution following the agreement with IRAS.

The above tax transparency treatment to the Trust and FCOT does not apply to gains from the sale of real estate properties in Singapore and other income not constituting Specified Income. Such gains, if determined by the IRAS to be trading gains, are assessable to tax on the trustee of the respective trust.

(b) Tax exemption on foreign sourced income

Pursuant to Section 13(12) of the Singapore Income Tax Act, the Trust and FCOT have obtained various confirmations from the IRAS and/or the MOF in respect of certain foreign sourced income (including foreign sourced dividends, foreign sourced interest income and foreign sourced trust distributions) derived from its properties located overseas. Subject to satisfying certain conditions, such income is exempt from Singapore income tax and the Trust and FCOT can distribute such income, after deduction of certain expenses, to Unitholders without tax deduction at source.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Earnings per Unit

The Group presents basic and diluted earnings per Unit. Basic earnings per Unit is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of Units outstanding during the financial year. Diluted earnings per Unit is determined by adjusting the total return/loss attributable to Unitholders and the weighted average number of Units outstanding adjusted for the effects of all dilutive potential Units.

2.9 Segment reporting

An operating segment is a component of the Group that engages in business activities from which they may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly trust expenses.

Segment capital expenditure is the total cost incurred during the year on investment properties and plant and equipment.

2.10 Basis of consolidation and business combinations

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Consolidation

The financial year of the Group ends on 30 September unless otherwise stated. The consolidated financial statements incorporate the financial statements of the Group made up to 30 September. The financial statements of subsidiaries are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the Group's significant accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(c) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2.10(a)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Basis of consolidation and business combinations (cont'd)

(c) Business combinations (cont'd)

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is recognised as equity, it is not remeasured and settlement is accounted for within unitholders' funds. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of total return.

NCI are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by another FRS.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Basis of consolidation and business combinations (cont'd)

(d) Property acquisitions and business combinations

Where a property is acquired, via corporate acquisitions or otherwise, the Manager considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The basis of the judgement is set out in Note 2.1.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. In such cases, the acquirer shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Such a transaction or event does not give rise to goodwill.

(e) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(f) Subsidiaries in the separate financial statements

Investment in subsidiaries are stated in the Trust's statement of financial position at cost less any accumulated impairment losses.

2.11 Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of each entity at rates of exchange approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the rates ruling at the reporting date. The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are recorded using the exchange rates ruling at the date of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was measured. Foreign currency differences arising on the settlement of monetary assets and liabilities or translating monetary assets and liabilities are recognised in the statement of total return. However, foreign currency differences arising from the translation of the following items are recognised in unitholders' funds:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

- qualifying cash flow hedges to the extent the hedges are effective.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Foreign currencies (cont'd)

(b) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in the foreign currency translation reserve in unitholders' funds. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, joint control or significant influence is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to the statement of total return (as the case may be) as part of the gain or loss on disposal. When only part of the interest in a subsidiary that includes a foreign operation is disposed of while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised directly in the foreign currency translation reserve in unitholders' funds.

2.12 Investment properties

Investment properties are properties held to earn rental income and capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment properties under development include properties that are being constructed or developed for future use as investment properties.

Investment properties and investment properties under development are measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investment properties and investment properties under development.

Subsequent to initial recognition, investment properties and investment properties under development are measured at fair value. Any gains or losses arising from changes in fair values of the investment properties are recognised in the statement of total return in the period in which they arise.

Fair value is determined at each reporting date in accordance with the Trust Deed. In addition, the investment properties are to be valued by independent professional valuers at least once a year, in accordance with the CIS code issued by MAS.

Investment properties are de-recognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in the statement of total return in the year of retirement or disposal.

Subsequent expenditure relating to the investment properties and investment properties under development that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments

(a) Non-derivative financial assets

At initial recognition

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of total return.

Classification

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income – debt investment;
- fair value through other comprehensive income – equity investment; or
- fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(a) Non-derivative financial assets (cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(a) Non-derivative financial assets (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

<u>Subsequent measurement and gains and losses</u>

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of total return.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(c) Non-derivative financial liabilities

A financial liability is classified as fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in the statement of total return as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in the statement of total return.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(d) Derecognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of a derivative as a hedging instrument, the Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(i) Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amounts accumulated in the hedging reserve is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in unitholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(f) Derivative financial instruments and hedge accounting *(cont'd)*

(ii) Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses, is recognised in unitholders' funds and presented in the translation reserve within unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in unitholders' funds is reclassified to the statement of total return on disposal of the foreign operation.

(g) Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12 months ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

<u>General approach</u>

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(g) Impairment of financial assets (cont'd)

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to entity in accordance with the contract and the cashflows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Based on its experience, there have been no corporate customer recoveries after six months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.15 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.17 Unitholders' funds

Unitholders' funds are classified as equity.

Expenses incurred in connection with the issuance of Units are deducted directly against unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.18 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of properties, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 Distribution policy

The Trust's distribution policy is to distribute at least 90% of the Distributable Income to the Unitholders. The actual level of distribution and payment of distributions will be at the sole discretion of the Board of Directors of the Manager.

Distributions are made on a semi-annual basis, with the amount calculated as at 31 March and 30 September each year for the six-month period ending on each of the said dates. In accordance with the Trust Deed, the Manager is required to pay distributions within 90 days of the end of each distribution period.

3. REVENUE

	Group	
	2024 S$'000	2023 S$'000
Rental income	361,939	346,653
Recoverable outgoings	83,426	73,437
Other revenue	1,309	692
	446,674	420,782

Other revenue in 2024 relates mainly to the early surrender fee and makegood income received from various tenants. Other revenue in 2023 relates mainly to early surrender fee received from various tenants and government grant income received by the Group in relation to subsidies on certain properties in the European portfolio.

4. PROPERTY OPERATING EXPENSES

	Group	
	2024 S$'000	2023 S$'000
Land and property tax	30,363	21,149
Property management fees	16,404	15,299
Property maintenance and related expenses	40,825	38,458
Property related professional fees	1,370	1,512
(Reversal)/provision of doubtful receivables	(173)	333
Statutory expenses	12,080	11,118
Other property expenses	23,831	17,912
	124,700	105,781

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

5. MANAGERS' MANAGEMENT FEES

	Group	
	2024	2023
	S$'000	S$'000
Base fee	27,506	28,090
Performance fee	10,088	10,459
	37,594	38,549

During the financial year, an aggregate of 16,860,239 (2023: 32,931,873) Units were issued or will be issued to the Managers as satisfaction of the management fees incurred, at unit prices ranging from S$1.04 to S$1.16 (2023: S$1.11 to S$1.28) per Unit, amounting to S$18,670,000 (2023: S$38,549,000).

6. NET FINANCE COSTS

	Group	
	2024	2023
	S$'000	S$'000
Finance income		
Interest income	1,948	1,620
Finance costs		
Financial liabilities measured at amortised cost:		
– Amortisation of debt upfront costs	(2,388)	(1,923)
– Interest expense on bank loans and notes	(103,094)	(83,082)
– Interest expense on lease liabilities	(4,091)	(3,832)
– Others	(630)	(665)
	(110,203)	(89,502)
Fair value loss on financial assets at FVTPL	(51)	(204)
Derivatives measured at fair value		
– Interest income	44,596	42,943
	(65,658)	(46,763)
Net finance costs	(63,710)	(45,143)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

7. TAX (CREDIT)/EXPENSE

The major components of tax (credit)/expense are:

	Note	Group 2024 S$'000	Group 2023 S$'000
Current tax expense			
– Current year		15,458	12,041
– Overprovision in respect of prior years		(2,804)	(33)
		12,654	12,008
Withholding tax expense		10,853	10,381
Deferred tax expense/(credit)			
– Origination and reversal of temporary differences	19	2,244	(28,970)
– Overprovision in respect of prior years		(2,051)	–
		193	(28,970)
		23,700	(6,581)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year is as follows:

	Group 2024 S$'000	Group 2023 S$'000
Total return/(loss) for the year before tax	174,377	(111,922)
Tax using the Singapore tax rate of 17% (2023: 17%)	29,644	(19,027)
Effect of tax rates in foreign jurisdictions	(16,594)	(10,293)
Non-deductible expenses	16,980	2,040
Tax transparency	(4,675)	(5,319)
Income not subject to tax	(14,748)	(15,665)
Deferred tax assets not recognised	7,891	31,820
Withholding tax expense	10,853	10,381
Overprovision in respect of prior years	(4,855)	(33)
Change in tax rate	–	59
Others	(796)	(544)
	23,700	(6,581)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

8. TOTAL RETURN/(LOSS) FOR THE YEAR

The following items have been included in arriving at total return/(loss) for the year:

	Group	
	2024 S$'000	2023 S$'000
Audit fees paid to:		
– auditors of the Trust and other firms affiliated with KPMG International Limited *	1,254	1,235
Non-audit fees paid to:		
– auditors of the Trust and other firms affiliated with KPMG International Limited #	89	97
Valuation fees	782	653

* The comparative information for audit and non-audit fees has been re-presented to include fees paid to affiliated firms of KPMG International Limited under "auditors of the Trust and other firms affiliated with KPMG International Limited" instead of "other auditors" due to change in the requirements in ACRA Code R410.31(a) and R410.31(b), effective for periods beginning on or after 15 December 2022.

\# Non-audit fees paid to auditors of the Trust and other firms affiliated with KPMG International Limited include audit-related services of S$6,000 (2023: S$6,000).

9. EARNINGS/(LOSS) PER UNIT

Basic earnings/(loss) per Unit

The calculation of basic earnings/(loss) per Unit for the Group is based on the total return/(loss) for the year attributable to Unitholders and weighted average number of Units during the year:

	Group	
	2024 S$'000	2023 S$'000
Total return/(loss) for the year attributable to Unitholders	147,525	(103,034)
	'000	'000
Issued Units at the beginning of the year	3,728,941	3,696,167
Effect of issue of new Units:		
– In satisfaction of the Managers' management fees paid in Units	23,373	24,333
– In satisfaction of the Managers' acquisition fees paid in Units	414	–
Weighted average number of Units	3,752,728	3,720,500

Diluted earnings/(loss) per Unit

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

	Group	
	2024 S$'000	2023 S$'000
Total return/(loss) for the year attributable to Unitholders	147,525	(103,034)
	'000	'000
Weighted average number of Units used in calculation of basic earnings/(loss) per Unit	3,752,728	3,720,500
– Effect of the Managers' management fees payable in Units	9,083	24,037
– Effect of payment of Managers' acquisition fees paid in Units	391	–
Weighted average number of Units (diluted)	3,762,202	3,744,537

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

10. INVESTMENT PROPERTIES

	Completed Investment properties S$000	Investment properties under development S$000	Total S$'000
At 1 October 2022	6,841,080	90,672	6,931,752
Capital expenditure incurred	41,544	102,770	144,314
Transfer	76,521	(76,521)	–
Capitalisation of leasing incentives, net of amortisation	10,501	–	10,501
Straight-lining of rental and other adjustments	(3,935)	–	(3,935)
Net change in fair value recognised in statement of total return	(320,396)	(38,560)	(358,956)
Translation differences	(77,738)	3,533	(74,205)
At 30 September 2023	6,567,577	81,894	6,649,471

	Completed Investment properties S$000	Investment properties under development S$000	Total S$'000
At 1 October 2023	6,567,577	81,894	6,649,471
Acquisition of investment properties through acquisition of subsidiaries (including acquisition costs)	190,113	–	190,113
Acquisition of investment properties (including acquisition costs)	1,705	6,647	8,352
Capital expenditure incurred	28,813	51,596	80,409
Adjustment due to remeasurement of right-of-use assets	10,477	–	10,477
Transfer	120,049	(120,049)	–
Capitalisation of leasing incentives, net of amortisation	6,102	–	6,102
Straight-lining of rental and other adjustments	(14,636)	–	(14,636)
Net change in fair value recognised in statement of total return	(42,492)	1,739	(40,753)
Translation differences	38,629	209	38,838
At 30 September 2024	6,906,337	22,036	6,928,373

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 (Note 24).

The investment property under development ("IPUD") as at 30 September 2024 has achieved practical completion on 4 October 2024.

Investment properties are stated at fair value at the reporting date. As at 30 September 2024, 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, CIVAS (WA) Pty Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd, Knight Frank Valuation & Advisory Victoria, CBRE Valuations Pty Limited and Savills Valuations Pty Ltd (2023: CIVAS (VIC) Pty Ltd, CIVAS (NSW) Pty Ltd, CIVAS (WA) Pty Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd, Knight Frank Valuation & Advisory Victoria, CBRE Valuations Pty Limited and Savills Valuations Pty Ltd)
Germany and the Netherlands	BNP Paribas Real Estate Consult GmbH, Colliers International Valuation GmbH and Jones Lang LaSalle B.V. (2023: BNP Paribas Real Estate Consult GmbH, CBRE GmbH and Colliers International Valuation GmbH)
United Kingdom	Knight Frank LLP (2023: CBRE Limited)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

10. INVESTMENT PROPERTIES (CONT'D)

Commercial portfolio

Properties in:	Property Valuer
Australia	CBRE Valuations Pty Limited, CIVAS (WA) Pty Ltd and Savills Valuations Pty Ltd (2023: CBRE Valuations Pty Limited, CIVAS (WA) Pty Ltd and Savills Valuations Pty Ltd)
Singapore	Jones Lang LaSalle Property Consultants Pte Ltd (2023: Jones Lang LaSalle Property Consultants Pte Ltd)
United Kingdom	Knight Frank LLP (2023: CBRE Limited)

Security

As at 30 September 2024, investment properties with a carrying amount of S$683,430,000 (2023: S$667,212,000) are pledged as security to secure bank loans (see Note 18). The carrying amount of the properties excluding the right-of-use assets is S$654,069,000 (2023: S$641,024,000).

Measurement of fair value

(i) Fair value hierarchy

In 2024, the fair values of the completed investment properties were determined using the capitalisation method and/or discounted cash flow method (2023: capitalisation method and/or discounted cash flow method). The fair value of the IPUD was determined using the capitalisation method and discounted cash flow method (2023: residual approach). The valuation methods involve making certain assessments including those relating to capitalisation rate, net initial yield, discount rate and terminal yield (2023: capitalisation rate, net initial yield, discount rate, terminal yield, gross development value and estimated costs to complete).

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

	2024 S$'000	2023 S$'000
Fair value of completed IP and IPUD (based on valuation reports)	6,795,222	6,526,662
Add: Carrying amount of lease liabilities (Note 18)	133,151	122,809
Carrying amount of completed IP and IPUD	6,928,373	6,649,471

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

10. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair values of completed IP, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Australia	Europe	United Kingdom
Logistics and industrial	Capitalisation method	Capitalisation rate	5.25% – 15.00% (2023: 5.00% – 15.50%)	N.A.	N.A.
		Net initial yield [1]	N.A.	3.40% – 7.08% (2023: N.A.)	4.14% – 5.34% (2023: 4.42% – 4.69%)
	Discounted cash flow method	Discount rate	7.00 % – 11.00% (2023: 6.50% – 9.00%)	5.00% – 8.35% (2023: 4.50% – 6.90%)	N.A.
		Terminal yield	5.50% – 15.25% (2023: 5.25% – 15.25%)	4.30% – 6.30% (2023: 4.00% – 6.15%)	N.A.

Type	Valuation techniques	Significant unobservable inputs	Australia	Singapore	United Kingdom
Commercial	Capitalisation method	Capitalisation rate	6.50% – 7.25% (2023: 6.00% – 6.38%)	5.75% (2023: 5.75%)	N.A.
		Net initial yield [1]	N.A.	N.A.	5.63% – 7.28% (2023: 2.35% – 6.24%)
	Discounted cash flow method	Discount rate	6.75% – 7.75% (2023: 6.50% – 6.75%)	7.50% (2023: 7.50%)	N.A.
		Terminal yield	6.75% – 7.50% (2023: 6.25% – 6.62%)	6.00% (2023: 6.00%)	N.A.

N.A.: Not applicable

(1) Rent net of non-recoverable expenses divided by gross property value

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

10. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(ii) Valuation techniques and significant unobservable inputs (cont'd)

The following table shows the valuation techniques used in measuring the fair values of IPUD as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	United Kingdom	Europe
IPUD	Residual approach	Gross development value	N.A. (2023: S$128.8 million)	N.A.
		Estimated costs to complete	N.A. (2023: S$13.3 million)	N.A.
	Capitalisation method	Net initial yield [1]	N.A.	5.25% (2023: N.A.)
	Discounted cash flow method	Discount rate	N.A.	6.65% (2023: N.A.)
		Terminal yield	N.A.	5.20% (2023: N.A.)

N.A.: Not applicable

(1) Rent net of non-recoverable expenses divided by gross property value

Inter-relationship between key unobservable inputs and fair value measurements

The significant unobservable inputs used in the fair value measurement of completed IP are capitalisation rate, net initial yield, discount rate and terminal yield. An increase in capitalisation rate, net initial yield, discount rate and terminal yield in isolation would result in a lower fair value.

The significant unobservable inputs used in the fair value measurement of IPUD are net initial yield, discount rate and terminal yield (2023: gross development value and estimated costs to complete). An increase in net initial yield, discount rate and terminal yield in isolation would result in a lower fair value. In 2023, a decrease in gross development value and an increase in estimated costs to complete in isolation would result in a lower fair value.

Key unobservable inputs relate to:

- Capitalisation rate corresponds to a rate of return on a property based on the income that the property is expected to generate.
- Net initial yield corresponds to a rate of return on a property based on the current passing income net of estimated non-recoverable expenses.
- Discount rate represents the required rate of return, adjusted for a risk premium that reflects the risks relevant to the asset.
- Terminal yield reflects the exit capitalisation rate applied to a projected terminal cash flow.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

10. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(iii) Valuation policies and procedures

The fair values of IP 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 the current market conditions including inflationary pressures, rising interest rates and ongoing war in Ukraine and Israel/Gaza.

The appropriateness of the valuation methodologies and assumptions adopted are reviewed by the Manager along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, the independent professional valuers are required to recalibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary.

In accordance with the Group's reporting policies, the valuation process and the results of the independent valuations are reviewed once a year by the Audit, Risk and Compliance Committee before the results are presented to the Board of Directors for approval.

In relying on the valuation reports, the Manager had exercised its judgement and was satisfied that the independent valuers have the appropriate professional qualifications and experience in the location and category of the properties being valued and the valuation estimates were reflective of the current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

11. PLANT AND EQUIPMENT

	Furniture and fittings S$'000	Equipment S$'000	Computers S$'000	Total S$'000
Group				
Cost				
At 1 October 2022	237	39	7	283
Write-off	(9)	–	(1)	(10)
At 30 September 2023	228	39	6	273
At 1 October 2023	228	39	6	273
Write-off	–	–	(2)	(2)
At 30 September 2024	228	39	4	271
Accumulated depreciation				
At 1 October 2022	(130)	(16)	(7)	(153)
Depreciation	(47)	(10)	–	(57)
Write-off	9	–	1	10
At 30 September 2023	(168)	(26)	(6)	(200)
At 1 October 2023	(168)	(26)	(6)	(200)
Depreciation	(48)	(9)	–	(57)
Write-off	–	–	2	2
At 30 September 2024	(216)	(35)	(4)	(255)
Net carrying amounts				
At 1 October 2022	107	23	–	130
At 30 September 2023	60	13	–	73
At 30 September 2024	12	4	–	16

12. INVESTMENT IN SUBSIDIARIES

	Trust 2024 S$'000	Trust 2023 S$'000
Equity investments, at cost	3,118,110	2,783,993

Details of the Group's significant subsidiaries are disclosed in Note 34.

Movement in allowance for impairment loss in respect to subsidiaries was as follows:

	Trust 2024 S$'000	Trust 2023 S$'000
At 1 October	165,492	53,087
(Reversal)/Allowance of impairment loss	(5,855)	112,405
At 30 September	159,637	165,492

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Allowance for impairment loss on investment in subsidiaries

At each reporting date, the Trust carries out impairment assessment of its investment in subsidiaries to assess whether there is any indication of impairment. The Trust evaluates, amongst other factors, the future profitability of the subsidiaries, including factors such as industry performance, operational and financing cash flows. The recoverable amount of the investments could change significantly as a result of the changes in market conditions and the assumptions used in determining the recoverable amount. The recoverable amounts were estimated based on the net assets value of the subsidiaries which comprised predominantly investment properties measured at fair value determined by external valuers and categorised as Level 3 on the fair value hierarchy. Based on the assessment, the Trust recognised a net reversal of impairment loss of S$5.9 million (2023: a net allowance for impairment loss of S$112.4 million) on its investment in subsidiaries, following an overall increase (2023: decrease) in the net asset value of the subsidiaries. The estimated total recoverable amounts of the investment in subsidiaries on which impairment losses were reversed or impaired during the year were S$541.8 million as at 30 September 2024 (2023: S$480.7 million).

13. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured. Included in loans to subsidiaries are amounts of S$859,371,000 (2023: S$849,987,000) which bear interest at 2.5% to 5.5% (2023: 2.5% to 5.5%) per annum and are repayable between 2025 and 2029 (2023: 2024 and 2028). The remaining loans to subsidiaries are interest-free and are repayable by providing a 13 months' notice, with final maturity being between 2028 and 2033 (2023: 2028 and 2033). There is no impairment loss on these loans.

14. DERIVATIVE ASSETS/(LIABILITIES)

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Derivative assets				
Interest rate swaps	5,356	24,540	2,358	14,118
Foreign currency forward contracts	333	320	333	320
Cross currency swaps	3,770	6,140	3,770	6,140
Cross currency interest rate swaps	35,377	62,626	35,377	62,626
	44,836	93,626	41,838	83,204
Classified as:				
– Non-current	30,289	79,886	28,605	69,843
– Current	14,547	13,740	13,233	13,361
	44,836	93,626	41,838	83,204
Derivative liabilities				
Interest rate swaps	(6,667)	(93)	(6,667)	(93)
Foreign currency forward contracts	(135)	–	(135)	–
Cross currency swaps	(10,359)	(2,308)	(10,359)	(2,308)
Cross currency interest rate swaps	(7,884)	(3,717)	(7,884)	(3,717)
	(25,045)	(6,118)	(25,045)	(6,118)
Classified as:				
– Non-current	(24,910)	(5,871)	(24,910)	(5,871)
– Current	(135)	(247)	(135)	(247)
	(25,045)	(6,118)	(25,045)	(6,118)
Net derivative assets as a percentage of net assets	0.46%	1.98%	0.56%	2.45%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

14. DERIVATIVE ASSETS/(LIABILITIES) (CONT'D)

(a) *Interest rate swaps used for hedging*

Interest rate swaps are used by the Group to hedge its exposure to interest rate risk associated with movements in interest rates on the loans and borrowings of the Group.

As at the reporting date, the Group and the Trust have interest rate swap arrangements in place for the following amounts:

	Group Nominal amount		Trust Nominal amount	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Maturing:				
Within one year	237,033	42,574	123,304	17,574
Between one to five years	499,092	510,628	417,092	313,347
	736,125	553,202	540,396	330,921

At 30 September 2024, the fixed interest rates of the outstanding interest rate swap contracts ranged from 0.39% to 4.67% (2023: 0.26% to 4.67%) per annum.

All of the Group's interest rate swaps were designated as cash flow hedges to hedge the Group's interest rate risk arising from variable rate loans and borrowings.

(b) *Foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps*

Foreign currency forward contracts are used by the Group to hedge its foreign currency risk on distributions to Unitholders. Cross currency swaps and cross currency interest rate swaps are used by the Group to hedge its foreign currency and interest rate exposure and net investments in foreign operations.

As at the reporting date, the Group and the Trust have foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps for the following amounts:

	Group Nominal amount		Trust Nominal amount	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Maturing:				
Within one year	237,017	534,034	237,017	534,034
Between one to five years	623,123	422,299	623,123	422,299
	860,140	956,333	860,140	956,333

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

15. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Cash at bank	133,032	152,218	5,260	41,791
Fixed deposits	539	519	539	519
	133,571	152,737	5,799	42,310

The Group's and the Trust's exposure to foreign currency risk on cash and cash equivalents are disclosed in Note 28(a)(i).

16. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Trade receivables	7,233	8,153	–	–
Less: Allowance for doubtful receivables	(437)	(862)	–	–
Net trade receivables	6,796	7,291	–	–
Accrued receivables	1,641	1,068	–	–
Other receivables	2,925	7,516	21	61
Amounts due from subsidiaries (non-trade)	–	–	183,700	185,251
Amounts due from related parties (non-trade)	551	857	–	–
	11,913	16,732	183,721	185,312
Rental guarantee receivable	–	307	–	–
Prepayments	12,759	10,540	111	145
GST/VAT receivables	4,555	13,376	3,918	2,359
Tax receivables	861	797	–	–
	30,088	41,752	187,750	187,816

Trade receivables

Trade receivables comprise mainly rental receivables. These are secured by way of bankers and corporate guarantees or security deposits held by the Group.

Other receivables

Other receivables of the Group mainly comprise security deposits received from tenants which are held by the third party property manager on behalf of the Group. Included in 2023 was a deferred payment from the Port Melbourne Divestment amounting to S$5,712,000.

Amounts due from subsidiaries and related parties

Amounts due from subsidiaries and related parties are unsecured, interest-free and repayable on demand. There is no impairment loss on these outstanding balances as the expected credit loss is not material.

Credit risk

The Group's and the Trust's exposure to credit risk on trade receivables are disclosed in Note 28(c).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

17. TRADE AND OTHER PAYABLES

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Current				
Trade payables	5,348	4,927	56	–
Accrued expenses	25,547	20,079	3,811	2,537
Accrued capital expenditure for investment properties	13,798	6,276	–	–
Security deposits	4,493	3,651	–	–
Other payables	4,017	6,934	167	235
Amounts due to subsidiaries (non-trade)	–	–	251,162	223,941
Amounts due to related parties (non-trade)	16,523	2,955	6,505	6
Amounts due to non-controlling interests (non-trade)	–	317	–	–
	69,726	45,139	261,701	226,719
Deferred income	170	288	–	–
Rental received in advance	17,593	13,067	–	–
GST/VAT payables	5,181	6,622	–	–
	92,670	65,116	261,701	226,719
Non-current				
Security deposits	10,985	9,215	–	–
Deferred income	–	167	–	–
	10,985	9,382	–	–
Total trade and other payables	103,655	74,498	261,701	226,719

Amounts due to subsidiaries and related parties are unsecured, interest-free and repayable on demand.

Amounts due to non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

18. LOANS AND BORROWINGS

	Group		Trust	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Current				
Bank loans				
– unsecured	496,804	512,399	383,805	512,399
– secured	59,530	10,290	–	–
Less: Unamortised transaction costs	(349)	(724)	(274)	(724)
	555,985	521,965	383,531	511,675
Lease liabilities	1,219	863	–	–
	557,204	522,828	383,531	511,675
Non-current				
Bank loans				
– unsecured	1,310,766	1,211,936	1,189,266	968,936
– secured	92,374	153,304	–	–
Fixed rate notes (unsecured)	325,000	150,000	–	–
Loan from a subsidiary (unsecured)	–	–	325,000	150,000
Less: Unamortised transaction costs	(4,540)	(3,725)	(4,025)	(3,263)
	1,723,600	1,511,515	1,510,241	1,115,673
Lease liabilities	131,932	121,946	–	–
	1,855,532	1,633,461	1,510,241	1,115,673
Total bank loans and notes	2,279,585	2,033,480	1,893,772	1,627,348
Total lease liabilities (Note 10)	133,151	122,809	–	–
Total loans and borrowings	2,412,736	2,156,289	1,893,772	1,627,348

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

18. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment structure

			Group		Trust	
	Interest rate range per annum %	Year of maturity	Face value S$'000	Carrying amount S$'000	Face value S$'000	Carrying amount S$'000
2024						
AUD bank loans	5.0 to 5.7	2024 to 2026	119,490	119,252	119,490	119,252
Euro bank loans	1.4 to 4.8	2024 to 2036	746,173	745,195	594,270	593,292
SGD bank loans	4.3 to 4.6	2025 to 2029	625,500	623,366	391,000	389,099
GBP bank loans	6.0 to 6.2	2026 to 2027	169,929	169,755	169,929	169,755
USD bank loans	6.5 to 6.8	2025 to 2027	253,832	252,914	253,832	252,914
JPY bank loans	1.0	2026	44,550	44,460	44,550	44,460
SGD fixed rate notes	2.2 to 3.9	2028 to 2029	325,000	324,643	–	–
Loan from a subsidiary (unsecured)	2.2 to 3.9	2028 to 2029	–	–	325,000	325,000
AUD lease liabilities	3.1 to 4.9	2024 to 2107	103,790	103,790	–	–
Euro lease liabilities	1.4	2080	29,361	29,361	–	–
			2,417,625	2,412,736	1,898,071	1,893,772
2023						
AUD bank loans	5.2 to 5.4	2024 to 2026	493,237	492,193	493,237	492,193
Euro bank loans	1.4 to 5.0	2024 to 2036	218,867	218,514	55,272	54,919
SGD bank loans	4.6 to 4.9	2024 to 2027	830,099	828,754	587,100	586,217
GBP bank loans	6.1 to 6.3	2026 to 2027	134,477	133,385	134,477	133,385
USD bank loans	6.4 to 6.9	2025 to 2026	165,364	164,893	165,364	164,893
JPY bank loans	0.8	2026	45,885	45,741	45,885	45,741
SGD fixed rate notes	2.2	2028	150,000	150,000	–	–
Loan from a subsidiary (unsecured)	2.2	2028	–	–	150,000	150,000
AUD lease liabilities	1.5 to 3.8	2024 to 2107	96,620	96,620	–	–
Euro lease liabilities	1.4	2080	26,189	26,189	–	–
			2,160,738	2,156,289	1,631,335	1,627,348

The interest rate range disclosed above excludes the effects of the related interest rate swaps, cross currency swaps, cross currency interest rate swaps and amortisation of borrowing costs. The secured bank loans are secured on certain investment properties (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

18. LOANS AND BORROWINGS (CONT'D)

The reconciliation of liabilities arising from financing activities were as follows:

	Other loans and borrowings S$'000	Lease liabilities S$'000	Total S$'000
Group			
Balance as at 1 October 2022	1,972,560	127,444	2,100,004
Financing cashflows*	76,699	(4,802)	71,897
The effect of changes in foreign exchange rates	(17,702)	(3,747)	(21,449)
Other changes:			
Adjustment to lease liabilities	–	82	82
Amortisation of debt transaction costs	1,923	–	1,923
Interest expense on lease liabilities	–	3,832	3,832
Total other changes	1,923	3,914	5,837
Balance as at 30 September 2023	2,033,480	122,809	2,156,289
Balance as at 1 October 2023	2,033,480	122,809	2,156,289
Financing cashflows*	261,682	(5,021)	256,661
The effect of changes in foreign exchange rates	(17,965)	795	(17,170)
Other changes:			
Adjustment to lease liabilities	–	10,477	10,477
Amortisation of debt transaction costs	2,388	–	2,388
Interest expense on lease liabilities	–	4,091	4,091
Total other changes	2,388	14,568	16,956
Balance as at 30 September 2024	2,279,585	133,151	2,412,736

* Cashflow from financing activities presented in the consolidated statement of cash flows include interest expense paid of S$58,597,000 (2023: S$40,859,000), which are included as part of accrued expenses in Note 17 - Trade and other payables. There are no material non-cash changes associated with interest payables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

19. DEFERRED TAX LIABILITIES

	At 1 October 2022 S$'000 Restated*	Recognised in statement of total return (Note 7) S$'000	Translation differences S$'000	At 30 September 2023 S$'000 Restated*	Recognised in statement of total return (Note 7) S$'000	Translation differences S$'000	At 30 September 2024 S$'000
Group							
Deferred tax assets							
Lease liabilities	19,330	(135)	(557)	18,638	1,470	116	20,224
Deferred tax liabilities							
Investment properties (including right-of-use assets)	(311,274)	29,105	8,858	(273,311)	(1,663)	(470)	(275,444)

* In accordance with the requirement of Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a single transaction*, the comparative information has been re-presented to reflect a separate deferred tax asset in relation to the Group's lease liabilities and a deferred tax liability in relation to the Group's right-of-use assets (included within investment properties).

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2024 S$'000	Group 2023 S$'000
Deductible temporary differences	73,729	61,111
Tax losses	4,015	6,763
	77,744	67,874

The deductible temporary differences do not expire under the current tax legislation.

In accordance with FRS 12 *Income Taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. The Group's acquisition of subsidiaries were accounted for as acquisition of assets and not a business combination, and affected neither accounting nor taxable profit at the point of acquisition. Accordingly, the initial recognition exemption in FRS 12 applies. As at 30 September 2024, the Group has not recognised deferred tax liabilities of S$134.9 million (2023: S$127.7 million) relating to temporary differences on the initial recognition of assets and liabilities of subsidiaries acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

20. NON-CONTROLLING INTERESTS

The non-controlling interests ("NCI") relate to the following subsidiary:

Name	Principal place of business/ Country of incorporation	Effective interest held by NCI* 2024 %	2023 %
FLT Europe B.V. and its subsidiaries	The Netherlands	5.1 to 10.1	5.1 to 9.9

* This represents the effective interest held by NCI in various subsidiaries of FLT Europe B.V. ("FLTE"). The NCI in the underlying subsidiaries of FLTE are individually immaterial.

The following summarised financial information of the above subsidiary is prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2024 S$'000	2023 S$'000
Revenue	112,803	101,467
Profit/(Loss) and total comprehensive income	51,334	(67,212)
Profit/(Loss) and total comprehensive income attributable to NCI	3,152	(2,307)
Non-current assets	2,083,561	1,905,653
Current assets	63,757	67,268
Non-current liabilities	(1,043,025)	(1,073,177)
Current liabilities	(113,441)	(56,350)
Net assets	990,852	843,394
Net assets attributable to NCI	52,559	45,337
Cash flows from operating activities	84,452	88,151
Cash flows used in investing activities	(196,798)	(2,069)
Cash flows used in financing activities	109,509	(94,643)
Net decrease in cash and cash equivalents	(2,837)	(8,561)

Dividends amounting to S$2,859,000 (2023: S$3,145,000) were paid to NCI during the year.

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For the financial year ended 30 September 2024

21. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust			
	2024		2023	
	Number of Units '000	S$'000	Number of Units '000	S$'000
Units issued				
At beginning of the year	3,728,941	3,512,953	3,696,167	3,472,154
Creation of new Units:				
– Managers' management fees paid in Units	28,072	30,835	32,774	40,799
– Managers' acquisition fees paid in Units	805	846	–	–
At end of the year	3,757,818	3,544,634	3,728,941	3,512,953
Units to be issued				
– Managers' management fees payable in Units	4,384	5,074	15,596	17,239
Total issued and issuable Units	3,762,202	3,549,708	3,744,537	3,530,192

2024

During the year, the following new Units were issued:

- 28,072,276 Units were issued at S$1.04 to S$1.14 per Unit, amounting to S$30,835,000, as satisfaction of the Managers' management fees payable in Units; and

- 804,693 Units were issued at S$1.05 per Unit, amounting to S$846,000, as satisfaction of the acquisition fees payable to the Managers for the acquisition of investment properties.

2023

During the year, 32,774,272 Units were issued at S$1.16 to S$1.28 per Unit, amounted to S$40,799,000, as satisfaction of the Managers' management fees payable in Units.

22. NET ASSET VALUE PER UNIT

	Group		Trust	
	2024	2023	2024	2023
Net asset value per Unit is based on:				
Net assets attributable to Unitholders (S$'000)	4,269,537	4,379,701	3,003,799	3,142,752
Total issued and issuable Units at end of the year ('000) (Note 21)	3,762,202	3,744,537	3,762,202	3,744,537
Net asset value per Unit (S$)	1.13	1.17	0.80	0.84

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

23. DISTRIBUTIONS PAID TO UNITHOLDERS

	Group and Trust	
	2024 S$'000	2023 S$'000
Distributions paid during the year:		
Distribution of 3.77 Singapore cents per Unit for the period from 1 April 2022 to 30 September 2022 and paid on 15 December 2022	–	139,928
Distribution of 3.52 Singapore cents per Unit for the period from 1 October 2022 to 31 March 2023 and paid on 15 June 2023	–	131,058
Distribution of 3.52 Singapore cents per Unit for the period from 1 April 2023 to 30 September 2023 and paid on 14 December 2023	131,808	–
Distribution of 3.48 Singapore cents per Unit for the period from 1 October 2023 to 31 March 2024 and paid on 18 June 2024	130,772	–
	262,580	270,986

24. LEASES

(i) Leases as lessee

The Group leases land. The leases typically run for periods ranging from 15 to 90 years, some with options to renew after the lease expiry dates. Some lease payments are subject to market review and renegotiated every five years to reflect market rentals and certain leases provide for additional rent payments that are based on changes in local price indices.

Information about leases for which the Group is a lessee is presented below.

Amounts recognised in statement of total return

	Group	
	2024 S$'000	2023 S$'000
Leases		
Interest on lease liabilities	4,091	3,832
Amounts recognised in statement of cash flows		
Payment of lease liabilities	930	969
Interest expense	4,091	3,832
Total cash outflow for leases	5,021	4,801

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The lease payments relating to lease extension periods for certain leasehold land leases had not been included in lease liabilities as the Group is not reasonably certain if the lease extension options will be exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

24. LEASES (cont'd)

(ii) Leases as lessor

The Group leases out its investment properties consisting of its owned properties as well as leased properties (Note 10). All leases are classified as operating leases from a lessor perspective.

Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment properties during 2024 was S$361,939,000 (2023: S$346,653,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2024 S$'000	2023 S$'000
Less than one year	373,469	361,483
One to two years	318,439	313,395
Two to three years	259,232	252,114
Three to four years	210,867	198,139
Four to five years	158,397	162,661
More than five years	419,313	459,173
Total	1,739,717	1,746,965

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the financial year at terms agreed between parties:

	Group	
	2024 S$'000	2023 S$'000
With related parties of the Managers:		
– Acquisition of subsidiaries	(174,390)	–
– Rental income and other income received/receivable	442	622
– Lease incentive reimbursement received/receivable	1,024	2,581
– Reimbursements to	(960)	(887)
With the Managers:		
– Base management fees paid/payable	(27,506)	(28,090)
– Performance management fees paid/payable	(10,088)	(10,459)
– Acquisition fees paid/payable	(2,552)	(459)
– Divestment fees paid/payable	–	(187)
– Reimbursements to	(50)	(80)
With the property managers who are related parties of the Manager:		
– Property management fees paid/payable	(9,569)	(9,342)
– Marketing services commission and other expenses paid/payable	(2,665)	(2,640)
With the Trustees:		
– Trustee fees paid/payable	(845)	(870)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

26. COMMITMENTS

(a) Capital commitments

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

	Group	
	2024 S$'000	2023 S$'000
Capital commitments in respect of investment properties (including investment properties under development)	24,247	61,796

(b) Guarantees

(i) The Trust has provided unsecured corporate guarantees amounting to S$184,500,000 (2023: S$193,000,000) and S$325,000,000 (2023: S$150,000,000) to banks for loans taken by certain subsidiaries and fixed rate notes issued by a subsidiary respectively.

(ii) The Trust has provided bankers' guarantees of S$nil (2023: S$41,678,000) to unrelated parties in respect of performance contracts on behalf of certain subsidiaries. No liability is expected to arise.

27. OPERATING SEGMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

27. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	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
2024							
Revenue	154,267	112,958	12,684	64,346	52,093	50,326	446,674
Property operating expenses	(43,592)	(17,641)	(1,050)	(21,413)	(17,781)	(23,223)	(124,700)
Reportable segment net property income	110,675	95,317	11,634	42,933	34,312	27,103	321,974
Finance income							1,948
Finance costs							(65,658)
Unallocated items:							
– Expenses							(43,012)
Net income							215,252
Net change in fair value of derivatives							(122)
Net change in fair value of investment properties	70,984	(6,542)	(4,249)	(83,792)	20,596	(37,750)	(40,753)
Tax expense							(23,700)
Total return for the year							150,677
Capital expenditure	6,753	16,361	37,899	10,411	2,165	6,820	80,409
Non-current assets (1)	2,683,970	2,083,561	258,851	739,371	700,016	462,620	6,928,389
2023							
Revenue	147,920	101,650	5,403	64,494	55,734	45,581	420,782
Property operating expenses	(31,744)	(13,464)	(1,047)	(19,211)	(17,364)	(22,951)	(105,781)
Reportable segment net property income	116,176	88,186	4,356	45,283	38,370	22,630	315,001
Finance income							1,620
Finance costs							(46,763)
Unallocated items:							
– Expenses							(39,740)
Net income							230,118
Net change in fair value of derivatives							(473)
Net change in fair value of investment properties	33,083	(141,915)	(59,858)	(83,059)	15,998	(123,205)	(358,956)
Gain on divestment of investment properties	17,389	–	–	–	–	–	17,389
Tax credit							6,581
Total loss for the year							(105,341)
Capital expenditure	8,206	2,069	103,270	18,739	911	11,119	144,314
Non-current assets (1)	2,571,566	1,904,529	215,931	803,571	678,073	475,874	6,649,544

(1) Excluding financial assets

There is no tenant that contributed more than 10% of the Group's total revenue in 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT

Risk management is integral to the business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit, Risk and Compliance Committee ("ARCC") of the Manager oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC. The ARCC then reports to the Board of Directors on any inadequacies, deficiencies or matters of concern of which the ARCC becomes aware or that it suspects, arising from its review of the Group's risk management policies and procedures.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's total return and unitholders' funds. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

The entities within the Group normally conduct their business in their respective functional currencies.

The Group's foreign currency risk relates mainly to cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings, that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Australian dollar ("AUD"), Euro ("EUR"), British Pound ("GBP"), Japanese Yen ("JPY"), United States dollar ("USD") and Singapore dollar ("SGD"). The Manager monitors the Group's foreign currency exposure on an ongoing basis and limits its exposure to fluctuations in foreign currency exchange rates by using derivative financial instruments or other suitable financial products, where appropriate.

It is the Manager's policy to hedge the Group's anticipated foreign currency exposure in respect of its distributions to Unitholders, net of anticipated payments required in the same currency at least six months forward by using foreign currency forward contracts.

The Group's net investments in foreign subsidiaries are hedged naturally to the extent that borrowings are taken up in their respective foreign currencies.

The Group uses cross currency swaps and cross currency interest rate swaps to hedge its currency risk. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount of their respective cash flows.

The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the critical terms match and hypothetical derivative method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

The exposure of the Group and the Trust to AUD, EUR, GBP, JPY, USD and SGD (where relevant) in Singapore dollar equivalent is as follows:

	2024					
	AUD S$'000	EUR S$'000	GBP S$'000	JPY S$'000	USD S$'000	SGD S$'000
Group						
Cash and cash equivalents	1,825	287	1,614	120	66	21
Trade and other receivables	–	(1)	(13)	–	109	–
Trade and other payables	(1,867)	(880)	(44)	–	–	–
Loans and borrowings	(119,490)	(594,270)	(169,929)	(44,550)	(253,831)	–
Net statement of financial position exposure	(119,532)	(594,864)	(168,372)	(44,430)	(253,656)	21
Less: Cross currency swaps and cross currency interest rate swaps	–	–	77,346	44,550	253,831	–
Less: Borrowings designated as net investment hedge	119,490	594,270	92,583	–	–	–
Net currency exposure	(42)	(594)	1,557	120	175	21

	2023					
	AUD S$'000	EUR S$'000	GBP S$'000	JPY S$'000	USD S$'000	SGD S$'000
Group						
Cash and cash equivalents	15,842	2,597	1,006	97	424	22
Trade and other payables	(1,199)	(576)	2	–	–	–
Loans and borrowings	(493,237)	(55,273)	(134,477)	(45,885)	(165,364)	–
Net statement of financial position exposure	(478,594)	(53,252)	(133,469)	(45,788)	(164,940)	22
Less: Cross currency swaps and cross currency interest rate swaps	383,400	–	–	45,885	165,364	–
Less: Borrowings designated as net investment hedge	109,837	55,273	134,477	–	–	–
Net currency exposure	14,643	2,021	1,008	97	424	22

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Market risk (cont'd)*

(i) *Foreign currency risk (cont'd)*

	2024				
	AUD S$'000	EUR S$'000	GBP S$'000	JPY S$'000	USD S$'000
Trust					
Cash and cash equivalents	1,757	287	1,504	120	66
Trade and other receivables	846	7,790	156,611	–	–
Trade and other payables	(20,653)	(5,157)	(208,705)	–	–
Loans and borrowings	(119,490)	(594,270)	(169,929)	(44,550)	(253,831)
Net statement of financial position exposure	(137,540)	(591,350)	(220,519)	(44,430)	(253,765)
Exposure mitigated at Group level:					
Less: Cross currency swaps and cross currency interest rate swaps	–	–	77,346	44,550	253,831
Less: Borrowings designated for net investment hedge	119,490	594,270	92,583	–	–
Net currency exposure	(18,050)	2,920	(50,590)	120	66

	2023				
	AUD S$'000	EUR S$'000	GBP S$'000	JPY S$'000	USD S$'000
Trust					
Cash and cash equivalents	15,135	2,597	436	97	424
Trade and other receivables	4,230	216	139,528	–	–
Trade and other payables	(25,368)	–	(148,677)	–	–
Loans and borrowings	(493,237)	(55,273)	(134,477)	(45,885)	(165,364)
Net statement of financial position exposure	(499,240)	(52,460)	(143,190)	(45,788)	(164,940)
Exposure mitigated at Group level:					
Less: Cross currency swaps and cross currency interest rate swaps	383,400	–	–	45,885	165,364
Less: Borrowings designated for net investment hedge	109,837	55,273	134,477	–	–
Net currency exposure	(6,003)	2,813	(8,713)	97	424

* The Trust's net currency exposure is being mitigated at the Group level as disclosed in page 271.

As at 30 September 2024, the Group and the Trust had outstanding foreign currency forward contracts with nominal amount of approximately S$40.3 million and S$40.3 million (2023: S$21.8 million and S$21.8 million) respectively to hedge future payments of distribution.

Sensitivity analysis

It is estimated that a one percentage point strengthening in the Singapore dollar against the foreign currencies would decrease the Group's total return by approximately S$415,000 (2023: S$400,000). It is also estimated that a one percentage point strengthening in the Singapore dollar against the foreign currencies would increase the Trust's total return by S$253,000 (2023: decrease by S$104,000). A one percentage point weakening in the Singapore dollar against the foreign currencies would have an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Interest rate risk

The Group adopts a policy of ensuring that at least 50% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps to hedge the variability in cash flows.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenures, repricing dates, maturities and the notional amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the critical terms of either the swaps or the loans and borrowings.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group Nominal amount		Trust Nominal amount	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Fixed rate instruments				
Financial assets	539	519	859,910	850,506
Financial liabilities	(586,326)	(411,440)	(325,000)	(150,000)
Effect of interest rate swaps	(736,125)	(553,202)	(540,396)	(330,921)
Effect of cross currency interest rate swaps	(488,245)	(731,568)	(488,245)	(731,568)
	(1,810,157)	(1,695,691)	(493,731)	(361,983)
Variable rate instruments				
Financial assets	133,032	152,218	5,260	41,791
Financial liabilities	(1,831,299)	(1,749,616)	(1,573,071)	(1,481,335)
Effect of interest rate swaps	736,125	553,202	540,396	330,921
Effect of cross currency interest rate swaps	488,245	731,568	488,245	731,568
	(473,897)	(312,628)	(539,170)	(377,055)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect total return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Market risk (cont'd)*

(ii) *Interest rate risk (cont'd)*

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased/(decreased) total return and unitholders' funds (before any tax effect) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return		Unitholders' funds	
	1% increase S$'000	1% decrease S$'000	1% increase S$'000	1% decrease S$'000
Group				
2024				
Variable rate instruments not hedged	(4,739)	4,739	–	–
Interest rate swaps	–	–	15,074	(15,579)
Cross currency interest rate swaps	–	–	4,142	(4,233)
Cash flow sensitivity (net)	(4,739)	4,739	19,216	(19,812)
2023				
Variable rate instruments not hedged	(3,126)	3,126	–	–
Interest rate swaps	–	–	10,512	(10,788)
Cross currency interest rate swaps	–	–	4,284	(4,378)
Cash flow sensitivity (net)	(3,126)	3,126	14,796	(15,166)
Trust				
2024				
Variable rate instruments not hedged	(5,392)	5,392	–	–
Interest rate swaps	–	–	13,467	(13,954)
Cross currency interest rate swaps	–	–	4,142	(4,233)
Cash flow sensitivity (net)	(5,392)	5,392	17,609	(18,187)
2023				
Variable rate instruments not hedged	(3,771)	3,771	–	–
Interest rate swaps	–	–	7,031	(7,237)
Cross currency interest rate swaps	–	–	4,284	(4,378)
Cash flow sensitivity (net)	(3,771)	3,771	11,315	(11,615)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting*

(i) *Cash flow hedges*

At 30 September, the Group and the Trust held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Carrying amount			Changes in value used for calculating hedge ineffectiveness						
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item	Hedging instrument S$'000	Hedged item S$'000	Amount reclassified from hedging reserve to statement of total return S$'000	Amount reclassified from costs of hedging reserve to statement of total return S$'000	Line item in statement of total return affected by the reclassification	Weighted average hedge rate %	Maturity date
2024										
Cash flow hedges										
Group										
Interest rate risk										
– Interest rate swaps to hedge floating rate loans and borrowings	736,125	(1,311)	Derivative financial instruments	(48,481)	48,481	11,235	–	Finance cost	1.88	2025 – 2029
Foreign exchange risk										
– Cross currency swaps to hedge foreign currency loans and borrowings	175,675	(10,981)	Derivative financial instruments	(7,690)	7,690	5,739	821	Exchange losses (net)	–	2026 – 2029
Interest rate risk and foreign exchange risk										
– Cross currency interest rate swaps to hedge foreign currency floating rate loans and borrowings	503,873	(8,739)	Derivative financial instruments	(15,286)	15,286	(11,768)	4,397	Exchange gains (net)	–	2025 – 2027

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting (cont'd)*

(i) *Cash flow hedges (cont'd)*

		Carrying amount		Changes in value used for calculating hedge ineffectiveness						
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item	Hedging instrument S$'000	Hedged item S$'000	Amount reclassified from hedging reserve to statement of total return S$'000	Amount reclassified from costs of hedging reserve to statement of total return S$'000	Line item in statement of total return affected by the reclassification	Weighted average hedge rate %	Maturity date
2024										
Cash flow hedges										
Trust										
Interest rate risk										
– Interest rate swaps to hedge floating rate loans and borrowings	540,396	(4,309)	Derivative financial instruments	(37,819)	37,819	(6,022)	–	Finance cost	2.27	2025 – 2029
Foreign exchange risk										
– Cross currency swaps to hedge foreign currency loans and borrowings	175,675	(10,981)	Derivative financial instruments	(7,690)	7,690	5,739	821	Exchange losses (net)	–	2026 – 2029
Interest rate risk and foreign exchange risk										
– Cross currency interest rate swaps to hedge foreign currency floating rate loans and borrowings	503,873	(8,739)	Derivative financial instruments	(15,286)	15,286	(11,768)	4,397	Exchange gains (net)	–	2025 – 2027

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting (cont'd)*

(i) *Cash flow hedges (cont'd)*

	Carrying amount			Changes in value used for calculating hedge ineffectiveness						
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item	Hedging instrument S$'000	Hedged item S$'000	Amount reclassified from hedging reserve to statement of total return S$'000	Amount reclassified from costs of hedging reserve to statement of total return S$'000	Line item in statement of total return affected by the reclassification	Weighted average hedge rate %	Maturity date
2023										
Cash flow hedges										
Group										
Interest rate risk										
– Interest rate swaps to hedge floating rate loans and borrowings	553,202	24,447	Derivative financial instruments	(27,924)	27,924	11,225	–	Finance cost	1.31	2024 – 2027
Foreign exchange risk										
– Cross currency swaps to hedge foreign currency loans and borrowings	148,264	(3,291)	Derivative financial instruments	(2,282)	2,282	(23,082)	519	Exchange gains (net)	–	2024 – 2026
Interest rate risk and foreign exchange risk										
– Cross currency interest rate swaps to hedge foreign currency floating rate loans and borrowings	753,695	6,547	Derivative financial instruments	(38,806)	38,806	(11,347)	9,149	Exchange gains (net)	–	2024 – 2026

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting (cont'd)*

(i) *Cash flow hedges (cont'd)*

	Carrying amount			Changes in value used for calculating hedge ineffectiveness						
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item	Hedging instrument S$'000	Hedged item S$'000	Amount reclassified from hedging reserve to statement of total return S$'000	Amount reclassified from costs of hedging reserve to statement of total return S$'000	Line item in statement of total return affected by the reclassification	Weighted average hedge rate %	Maturity date
2023										
Cash flow hedges										
Trust										
Interest rate risk										
– Interest rate swaps to hedge floating rate loans and borrowings	330,921	14,025	Derivative financial instruments	(22,387)	22,387	6,043	–	Finance cost	1.03	2024 – 2027
Foreign exchange risk										
– Cross currency swaps to hedge foreign currency loans and borrowings	148,264	(3,291)	Derivative financial instruments	(2,282)	2,282	(23,082)	519	Exchange gains (net)	–	2024 – 2026
Interest rate risk and foreign exchange risk										
– Cross currency interest rate swaps to hedge foreign currency floating rate loans and borrowings	753,695	6,547	Derivative financial instruments	(38,806)	38,806	(11,347)	9,149	Exchange gains (net)	–	2024 – 2026

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Hedge accounting (cont'd)*

(i) *Cash flow hedges (cont'd)*

The following table provides a reconciliation by risk category of components of unitholders' funds resulting from cash flow hedge accounting.

	Group		Trust	
	2024	2023	2024	2023
	Hedging reserve		Hedging reserve	
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 October	59,802	87,726	38,543	60,930
Cash flow hedges				
Change in fair value				
Interest rate risk	(48,481)	(27,924)	(37,819)	(22,387)
Balance as at 30 September	11,321	59,802	724	38,543

(ii) *Net investment hedge*

A foreign currency exposure arises from the Group's net investments in its subsidiaries in Australia, Europe and the United Kingdom ("UK") that have Australian dollar, Euro and British Pound as their functional currencies, respectively. The risk arises from the fluctuation in spot exchange rates between the Australian dollar, Euro and British Pound (2023: Australian dollar, Euro and British Pound) against the Singapore dollar, which causes the amount of the net investments to vary.

The hedged risk in the net investment hedge is the risk of a weakening Australian dollar, Euro and British Pound (2023: Australian dollar, Euro and British Pound) against Singapore dollar that will result in a reduction in the carrying amount of the Group's net investments in its subsidiaries in Australia, Europe and the UK (2023: Australia, Europe and the UK).

Part of the Group's net investment in foreign operations are hedged through the use of cross currency swaps and cross currency interest rate swaps. The Group entered into cross currency swaps and cross currency interest rate swaps to swap fixed/floating rate Singapore dollar obligations for fixed/floating rate Australian dollar, Euro and British Pound obligations. No ineffectiveness was recognised on the net investment hedges.

At the end of the financial year, the Group has designated a portion of the net investments in the subsidiaries as net investment hedges amounting to S$1,523.1 million (2023: S$1,278.9 million), which mitigate the currency risk arising from the subsidiaries' net assets. As at 30 September 2024, a cumulative net foreign exchange gain of S$52,778,000 (2023: S$56,338,000) in respect of the Group's net investment hedges remained in unitholders' funds.

To assess hedge effectiveness, the Group determines the economic relationship between the hedge instrument and the hedge item by adopting the critical term match method. Critical term match method would be applied to assess qualitatively the economic relationship between the hedging instrument and the hedged item. The hedged item and the hedging instrument are expected to move in opposite directions as a result of a change in the hedged risk.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations with the Group, as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Trade receivables

The Manager monitors the amounts owing by lessees on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the lessees. Credit risk is also mitigated by the bankers' and corporate guarantees or security deposits held for each lessee.

At 30 September 2024 and 30 September 2023, there was no significant concentration of credit risk. The Group's maximum exposure to credit risk is represented by the carrying amounts of financial assets in the statement of financial position, before taking into account security deposits held as collateral.

Exposure to credit risk

The exposure to credit risk for net trade receivables at the reporting date by operating segment was as follows:

	Group	
	2024 S$'000	2023 S$'000
Logistics and industrial		
– Australia	1,583	401
– Europe	1,026	231
– United Kingdom	918	909
Commercial		
– Australia	974	564
– Singapore	520	438
– United Kingdom	1,775	4,748
	6,796	7,291

Expected credit loss assessment for individual tenants

In measuring the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Expected credit loss assessment for individual tenants *(cont'd)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 September:

	Group			
	2024 Gross carrying amount S$'000	2024 Impairment loss allowance S$'000	2023 Gross carrying amount S$'000	2023 Impairment loss allowance S$'000
Current (not past due)	2,409	–	2,552	–
1 – 30 days past due	3,475	(41)	3,898	(17)
31 – 60 days past due	302	(7)	416	(198)
61 – 90 days past due	200	(11)	17	(13)
More than 90 days past due	847	(378)	1,270	(634)
	7,233	(437)	8,153	(862)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant difficulties and have defaulted on payments.

The allowance for impairment losses of receivables is made based on management's assessment of the amount that is expected to be recoverable.

The Manager believes that no allowance for impairment is necessary in respect of the remaining trade receivables as they relate mainly to tenants that have a good record with the Group or have provided bankers' and corporate guarantees or sufficient security deposits as collateral, and hence ECL is negligible.

The movement in the allowance for impairment loss in respect for trade receivables during the year was as follows:

	2024 S$'000	2023 S$'000
Group		
At 1 October	862	552
(Reversal of)/Provision for impairment loss	(173)	333
Amount written off	(345)	(25)
Translation differences	93	2
At 30 September	437	862

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties who have sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Derivatives

Derivative financial instruments are only entered into with banks and financial counterparties with sound credit ratings. The credit risk related to derivative financial instruments arises from the potential failure of counterparties to meet their obligations under the contracts. It is the Group's policy to enter into derivative financial instrument transactions with credit worthy counterparties.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds.

As at 30 September 2024, the Group has S$556.3 million of bank loans which are due within one year (Note 18). The Manager has assessed the availability of credit facilities to the Group, including unutilised committed lines of credit, ability to refinance existing facilities and funds derived from operations to the Group as of 30 September 2024 and is confident that the Group will be able to meet ongoing obligations as and when they fall due.

The Manager maintains a level of cash and cash equivalents and has unutilised committed and uncommitted facilities for drawdown deemed adequate to finance the Group's operations for a reasonable period, including the servicing of financing obligations, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the CCIS issued by the MAS concerning limits on total borrowings.

As at the end of the financial year, the Group maintains several unutilised lines of credit.

The Group has contractual commitments to incur capital expenditure on its investment properties (Note 26).

The following are the remaining contractual maturities of financial liabilities. The amounts are gross, undiscounted, include contractual interest payments and exclude the impact of netting agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

			Cash flows		
	Carrying amount S$'000	Contractual cash flows S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000
Group					
2024					
Non-derivative financial liabilities					
Trade and other payables*	80,711	(80,711)	(69,726)	(7,717)	(3,268)
Loans and borrowings	2,412,736	(2,885,915)	(641,283)	(1,858,106)	(386,526)
	2,493,447	(2,966,626)	(711,009)	(1,865,823)	(389,794)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	1,311	(1,582)	4,619	(6,201)	–
Foreign currency forward contracts (gross-settled)	(198)				
– outflow		(40,253)	(40,253)	–	–
– inflow		40,321	40,321	–	–
Cross currency swaps used for hedging (gross-settled)	6,589				
– outflow		(312,120)	(9,700)	(302,420)	–
– inflow		314,497	11,421	303,076	–
Cross currency interest rate swaps used for hedging (gross-settled)	(27,493)				
– outflow		(868,593)	(209,914)	(658,679)	–
– inflow		892,154	227,159	664,995	–
	(19,791)	24,424	23,653	771	–
	2,473,656	(2,942,202)	(687,356)	(1,865,052)	(389,794)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

	Carrying amount S$'000	Contractual cash flows S$'000	Cash flows Within one year S$'000	Between one and five years S$'000	More than five years S$'000
Group					
2023					
Non-derivative financial liabilities					
Trade and other payables*	54,354	(54,354)	(45,139)	(7,038)	(2,177)
Loans and borrowings	2,156,289	(2,621,912)	(616,677)	(1,620,628)	(384,607)
	2,210,643	(2,676,266)	(661,816)	(1,627,666)	(386,784)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	(24,447)	25,547	14,226	11,321	–
Foreign currency forward contracts (gross-settled)	(320)				
– outflow		(21,784)	(21,784)	–	–
– inflow		22,104	22,104	–	–
Cross currency swaps used for hedging (gross-settled)	(3,832)				
– outflow		(123,474)	(123,474)	–	–
– inflow		129,762	129,762	–	–
Cross currency interest rate swaps used for hedging (gross-settled)	(58,909)				
– outflow		(1,520,644)	(810,275)	(710,369)	–
– inflow		1,580,071	833,031	747,040	–
	(87,508)	91,582	43,590	47,992	–
	2,123,135	(2,584,684)	(618,226)	(1,579,674)	(386,784)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

			Cash flows		
	Carrying amount S$'000	Contractual cash flows S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000
Trust					
2024					
Non-derivative financial liabilities					
Trade and other payables*	261,701	(261,701)	(261,701)	–	–
Loans and borrowings	1,893,772	(2,077,462)	(453,045)	(1,624,417)	–
	2,155,473	(2,339,163)	(714,746)	(1,624,417)	–
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	4,309	(4,631)	2,046	(6,677)	–
Foreign currency forward contracts (gross-settled)	(198)				
– outflow		(40,253)	(40,253)	–	–
– inflow		40,321	40,321	–	–
Cross currency swaps used for hedging (gross-settled)	6,589				
– outflow		(312,120)	(9,700)	(302,420)	–
– inflow		314,497	11,421	303,076	–
Cross currency interest rate swaps used for hedging (gross-settled)	(27,493)				
– outflow		(868,593)	(209,914)	(658,679)	–
– inflow		892,154	227,159	664,995	–
	(16,793)	21,375	21,080	295	–
	2,138,680	(2,317,788)	(693,666)	(1,624,122)	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

28. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

			Cash flows		
	Carrying amount S$'000	Contractual cash flows S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000
Trust					
2023					
Non-derivative financial liabilities					
Trade and other payables*	226,719	(226,719)	(226,719)	–	–
Loans and borrowings	1,627,348	(1,788,076)	(587,955)	(1,200,121)	–
	1,854,067	(2,014,795)	(814,674)	(1,200,121)	–
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	(14,025)	14,710	8,353	6,357	–
Foreign currency forward contracts (gross-settled)	(320)				
– outflow		(21,784)	(21,784)	–	–
– inflow		22,104	22,104	–	–
Cross currency swaps used for hedging (gross-settled)	(3,832)				
– outflow		(123,474)	(123,474)	–	–
– inflow		129,762	129,762	–	–
Cross currency interest rate swaps used for hedging (gross-settled)	(58,909)				
– outflow		(1,520,644)	(810,275)	(710,369)	–
– inflow		1,580,071	833,031	747,040	–
	(77,086)	80,745	37,717	43,028	–
	1,776,981	(1,934,050)	(776,957)	(1,157,093)	–

* Excluding deferred income, rental received in advance and GST/VAT payables

The maturity analyses above show the contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity. Derivative financial instruments held are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement. The interest payments on floating rate loans and borrowings in the table above reflect market forward interest rates at the year end and these amounts may change as market interest rates changes. The future cash flows on derivative instruments may be different from the amounts in the above table as interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analyses could occur significantly earlier, or at significantly different amounts.

29. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) *Classifications and fair values*

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2024										
Financial assets measured at fair value										
Interest rate swaps	14	–	–	5,356	–	5,356	–	5,356	–	5,356
Foreign currency forward contracts	14	–	333	–	–	333	–	333	–	333
Cross currency swaps	14	–	–	3,770	–	3,770	–	3,770	–	3,770
Cross currency interest rate swaps	14	–	–	35,377	–	35,377	–	35,377	–	35,377
		–	333	44,503	–	44,836				
Financial assets not measured at fair value										
Cash and cash equivalents	15	133,571	–	–	–	133,571				
Trade and other receivables*	16	11,913	–	–	–	11,913				
		145,484	–	–	–	145,484				

* Excluding rental guarantee receivable, prepayments, GST/VAT receivables and tax receivables

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2024										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(6,667)	–	(6,667)	–	(6,667)	–	(6,667)
Foreign currency forward contracts	14	–	(135)	–	–	(135)	–	(135)	–	(135)
Cross currency swaps	14	–	–	(10,359)	–	(10,359)	–	(10,359)	–	(10,359)
Cross currency interest rate swaps	14	–	–	(7,884)	–	(7,884)	–	(7,884)	–	(7,884)
		–	(135)	(24,910)	–	(25,045)				
Financial liabilities not measured at fair value										
Trade and other payables**	17	–	–	–	(80,711)	(80,711)				
Loans and borrowings***	18	–	–	–	(2,279,585)	(2,279,585)	(317,665)	(1,954,092)	–	(2,271,757)
		–	–	–	(2,360,296)	(2,360,296)				

** Excluding deferred income, rental received in advance and GST/VAT payables

*** Excluding lease liabilities

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values* *(cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2023										
Financial assets measured at fair value										
Interest rate swaps	14	–	–	24,540	–	24,540	–	24,540	–	24,540
Foreign currency forward contracts	14	–	320	–	–	320	–	320	–	320
Cross currency swaps	14	–		6,140		6,140	–	6,140	–	6,140
Cross currency interest rate swaps	14	–	–	62,626	–	62,626	–	62,626	–	62,626
Trade and other receivables – Rental guarantee receivable	16	–	307	–	–	307	–	–	307	307
		–	627	93,306	–	93,933				
Financial assets not measured at fair value										
Cash and cash equivalents	15	152,737	–	–	–	152,737				
Trade and other receivables*	16	16,732	–	–	–	16,732				
		169,469	–	–	–	169,469				

* Excluding rental guarantee receivable, prepayments, GST/VAT receivables and tax receivables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group										
30 September 2023										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(93)	–	(93)	–	(93)	–	(93)
Cross currency swaps	14	–	–	(2,308)	–	(2,308)	–	(2,308)	–	(2,308)
Cross currency interest rate swaps	14	–	–	(3,717)	–	(3,717)	–	(3,717)	–	(3,717)
		–	–	(6,118)	–	(6,118)				
Financial liabilities not measured at fair value										
Trade and other payables**	17	–	–	–	(54,354)	(54,354)				
Loans and borrowings***	18	–	–	–	(2,033,480)	(2,033,480)	(136,938)	(1,877,976)	–	(2,014,914)
		–	–	–	(2,087,834)	(2,087,834)				

** Excluding deferred income, rental received in advance and GST/VAT payables

*** Excluding lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2024										
Financial assets measured at fair value										
Interest rate swaps	14	–	–	2,358	–	2,358	–	2,358	–	2,358
Foreign currency forward contracts	14	–	333	–	–	333	–	333	–	333
Cross currency swaps	14	–	3,770	–	–	3,770	–	3,770	–	3,770
Cross currency interest rate swaps	14	–	35,377	–	–	35,377	–	35,377	–	35,377
		–	39,480	2,358	–	41,838				
Financial assets not measured at fair value										
Loans to subsidiaries	13	1,831,288	–	–	–	1,831,288	–	1,727,745	–	1,727,745
Cash and cash equivalents	15	5,799	–	–	–	5,799				
Trade and other receivables*	16	183,721	–	–	–	183,721				
		2,020,808	–	–	–	2,020,808				

* Excluding prepayments and GST/VAT receivables

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values* (cont'd)

	Note	Carrying amount					Fair value			
		Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2024										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(6,667)	–	(6,667)	–	(6,667)	–	(6,667)
Foreign currency forward contracts	14	–	(135)	–		(135)	–	(135)	–	(135)
Cross currency swaps	14	–	(10,359)	–	–	(10,359)	–	(10,359)	–	(10,359)
Cross currency interest rate swaps	14	–	(7,884)	–	–	(7,884)	–	(7,884)	–	(7,884)
		–	(18,378)	(6,667)	–	(25,045)				
Financial liabilities not measured at fair value										
Trade and other payables	17	–	–	–	(261,701)	(261,701)				
Loans and borrowings	18	–	–	–	(1,893,772)	(1,893,772)	(317,665)	(1,568,772)	–	(1,886,437)
		–	–	–	(2,155,473)	(2,155,473)				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2023										
Financial assets measured at fair value										
Interest rate swaps	14	–	–	14,118	–	14,118	–	14,118	–	14,118
Foreign currency forward contracts	14	–	320	–	–	320	–	320	–	320
Cross currency swaps	14	–	6,140	–	–	6,140	–	6,140	–	6,140
Cross currency interest rate swaps	14	–	54,541	8,085	–	62,626	–	62,626	–	62,626
		–	61,001	22,203	–	83,204				
Financial assets not measured at fair value										
Loans to subsidiaries	13	1,905,989	–	–	–	1,905,989	–	1,687,248	–	1,687,248
Cash and cash equivalents	15	42,310	–	–	–	42,310				
Trade and other receivables*	16	185,312	–	–	–	185,312				
		2,133,611	–	–	–	2,133,611				

* Excluding prepayments and GST/VAT receivables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classifications and fair values (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost S$'000	Fair value through profit or loss S$'000	Fair value – hedging instruments S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust										
30 September 2023										
Financial liabilities measured at fair value										
Interest rate swaps	14	–	–	(93)	–	(93)	–	(93)	–	(93)
Cross currency swaps	14	–	(1,483)	(825)	–	(2,308)	–	(2,308)	–	(2,308)
Cross currency interest rate swaps	14	–	(3,717)	–	–	(3,717)	–	(3,717)	–	(3,717)
		–	(5,200)	(918)	–	(6,118)				
Financial liabilities not measured at fair value										
Trade and other payables	17	–	–	–	(226,719)	(226,719)				
Loans and borrowings	18	–	–	–	(1,627,348)	(1,627,348)	(136,938)	(1,477,348)	–	(1,614,286)
		–	–	–	(1,854,067)	(1,854,067)				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(b) *Valuation techniques and significant unobservable inputs*

The following table shows the valuation techniques used in measuring Level 2 fair values.

Type	Valuation techniques
Financial instruments measured at fair value	
Group and Trust	
Interest rate swaps, foreign currency forward contracts, cross currency swaps and cross currency interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.
Group	
Rental guarantee receivable (classified under trade and other receivables)	*Discounted cash flows:* The fair value is based on the present value of the expected future receipts, discounted at the market interest rate at the measurement date.
Financial instruments not measured at fair value	
Group and Trust	
Loans and borrowings	*Discounted cash flows:* The fair values are based on the present value of future payments, discounted at the market interest rate at the measurement date.
Trust	
Loans to subsidiaries	*Discounted cash flows:* The fair values are based on the present value of future receipts, discounted at the market rate of interest at the measurement date.

There were no transfers between the levels of the fair value hierarchy during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

30. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure to support the business and maximise Unitholders' value.

As at 30 September 2024, the FLCT Group's aggregate leverage ratio [(1)] was 33.0% (2023: 30.2%) with an interest coverage ratio [(2)] of 5.0 times (2023: 7.1 times), which were within the guidelines prescribed under the Property Fund Guidelines of the CIS Code issued by MAS.

The Group was in compliance with all externally imposed capital requirements for the financial years ended 30 September 2024 and 30 September 2023 respectively.

There were no substantial changes in the Group's and the Trust's approach to capital management during the year.

(1) The impact of FRS 116 *Leases* and non-controlling interests has been excluded for the purpose of computing the Aggregate Leverage Ratio.

(2) 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. Borrowing costs exclude interest expense on lease liabilities (effective from 28 December 2021).

31. FINANCIAL RATIOS

	2024 %	2023 %
Expense to weighted average net assets [(1)]		
– with performance fee of Managers	1.00	0.96
– without performance fee of Managers	0.77	0.74
Expense to net asset value [(2)]	3.88	3.40
Portfolio turnover ratio [(3)]	–	–

(1) The expense ratios are computed in accordance with the guidelines of the Investment Manager Association of Singapore. The expenses used in the computation relate to the expenses of the Group, excluding property expenses, interest expense, foreign exchange gains and losses and tax expense of the Group.

(2) The expense ratio is computed based on total operating expense, including property expenses and all fees and charges paid/payable to the Managers and the interested parties as a percentage of net asset value as at the end of the financial year.

(3) The portfolio turnover ratios are computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

32. ACQUISITION OF SUBSIDIARIES

In 2024, the Group acquired 89.9% equity interests in four property holding companies which held interests in four logistics and industrial properties located in Germany.

The acquisitions were accounted for as acquisition of assets.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition for the subsidiaries acquired in 2024.

	$'000
Investment properties	188,293
Trade receivables	351
Cash and cash equivalents	577
Trade and other payables	(8,155)
Tax receivables	277
Shareholders' loan	(112,502)
Total identifiable net assets	68,841
Less: Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	(6,953)
Identifiable net assets acquired	61,888
Consideration transferred	
Cash paid	174,390
Effect of the acquisition on cash flows	
Consideration for equity interest	61,888
Add: Shareholders' loan assumed	112,502
	174,390
Add: Acquisition costs incurred	1,820
Less: Acquisition fee paid in Units	(846)
Less: Cash at bank of subsidiaries acquired	(577)
Net cash outflow	174,787

33. SUBSEQUENT EVENTS

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

- On 17 October 2024, FLCT Singapore 1 Trust, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with an unrelated third party of the Group to acquire a leasehold logistic property at 2 Tuas South Link 1 at a purchase price of S$140.3 million. The acquisition was completed on 5 November 2024.

- On 5 November 2024, FLCT's wholly-owned subsidiaries entered into share purchase agreements with the existing minority shareholders of the property holding companies of 28 of its German properties to reduce its effective interest in each of the German properties to 89.9% for sale consideration of €23.3 million (approximately S$33.3 million).

- On 6 November 2024, the Manager declared a distribution of 3.32 Singapore cents per Unit to Unitholders in respect of the period from 1 April 2024 to 30 September 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. LIST OF SIGNIFICANT SUBSIDIARIES

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2024 %	2023 %
Direct subsidiaries					
FLT Australia Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLCT Treasury Pte. Ltd. (1)	Provision of treasury service	Singapore	Singapore	100.0	100.0
FLT Europe Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe Treasury Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe 1 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe 2 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLT Europe 3 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLCT UK Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLCT Industrial UK Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLCT Commercial UK Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLT Australia Trust (2) (3)	Investment holding	Australia	Australia	100.0	100.0
Frasers Commercial Trust (1)	Property investment and investment holding	Singapore	Singapore	100.0	100.0
Indirect subsidiaries					
<u>Subsidiaries of FLT Australia Trust</u>					
Atlantic Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Atlantic Drive Trust C	Property investment	Australia	Australia	100.0	100.0
Atlantic Drive Trust D	Property investment	Australia	Australia	100.0	100.0
Aylesbury Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Bam Wine Court Trust A	Property investment	Australia	Australia	100.0	100.0
Blackburn Road Trust A	Property investment	Australia	Australia	100.0	100.0
Boundary Road Trust A	Property investment	Australia	Australia	100.0	100.0
Boundary Road Trust B	Property investment	Australia	Australia	100.0	100.0
Canterbury Road Trust A	Property investment	Australia	Australia	100.0	100.0
Distribution Place Trust A	Property investment	Australia	Australia	100.0	100.0
Doriemus Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Earnshaw Road Trust A	Property investment	Australia	Australia	100.0	100.0
Efficient Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Efficient Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Eucalyptus Place Trust A	Property investment	Australia	Australia	100.0	100.0
Flint Street Trust A	Property investment	Australia	Australia	100.0	100.0
Gibbon Road Trust A	Property investment	Australia	Australia	100.0	100.0
Hanson Place Trust A	Property investment	Australia	Australia	100.0	100.0
Horsley Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Horsley Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Horsley Drive Trust C	Property investment	Australia	Australia	100.0	100.0
Hudson Court Trust A	Property investment	Australia	Australia	100.0	100.0
Hudson Court Trust B	Property investment	Australia	Australia	100.0	100.0
Indian Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Indian Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Jets Court Trust A	Property investment	Australia	Australia	100.0	100.0
Jets Court Trust B	Property investment	Australia	Australia	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. LIST OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2024 %	2023 %
***Indirect subsidiaries** (cont'd)*					
Subsidiaries of FLT Australia Trust (cont'd)					
Kangaroo Avenue Trust A	Property investment	Australia	Australia	100.0	100.0
Kangaroo Avenue Trust B	Property investment	Australia	Australia	100.0	100.0
Kangaroo Avenue Trust C	Property investment	Australia	Australia	100.0	100.0
Link Road Trust A	Property investment	Australia	Australia	100.0	100.0
Magnesium Place Trust A	Property investment	Australia	Australia	100.0	100.0
Magnesium Place Trust B	Property investment	Australia	Australia	100.0	100.0
Magnesium Place Trust C	Property investment	Australia	Australia	100.0	100.0
Pacific Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Pacific & Atlantic Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Paltridge Road Trust A	Property investment	Australia	Australia	100.0	100.0
Pearson Road Trust A	Property investment	Australia	Australia	100.0	100.0
Pearson Road Trust B	Property investment	Australia	Australia	100.0	100.0
Platinum Street Trust A	Property investment	Australia	Australia	100.0	100.0
Queensport Road Trust A	Property investment	Australia	Australia	100.0	100.0
Reconciliation Rise Trust A	Property investment	Australia	Australia	100.0	100.0
Reconciliation Rise Trust B	Property investment	Australia	Australia	100.0	100.0
Shettleston Street Trust A	Property investment	Australia	Australia	100.0	100.0
Siltstone Place Trust A	Property investment	Australia	Australia	100.0	100.0
Sky Road East Trust A	Property investment	Australia	Australia	100.0	100.0
Sky Road East Trust B	Property investment	Australia	Australia	100.0	100.0
South Centre Road Trust A	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust A	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust C	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust D	Property investment	Australia	Australia	100.0	100.0
South Park Drive Trust E	Property investment	Australia	Australia	100.0	100.0
Springhill Road Trust A	Property investment	Australia	Australia	100.0	100.0
Stanton Road Trust A	Property investment	Australia	Australia	100.0	100.0
Stanton Road Trust B	Property investment	Australia	Australia	100.0	100.0
Station Road Trust A	Property investment	Australia	Australia	100.0	100.0
Stradbroke Street Trust A	Property investment	Australia	Australia	100.0	100.0
Sunline Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Sunline Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Wayne Goss Drive Trust A	Property investment	Australia	Australia	100.0	100.0
Wayne Goss Drive Trust B	Property investment	Australia	Australia	100.0	100.0
Wellington Road Trust A	Property investment	Australia	Australia	100.0	100.0
Subsidiary of FLT Europe Pte. Ltd.					
FLT Europe B.V. (2)	Investment holding	The Netherlands	The Netherlands	100.0	100.0
Subsidiaries of FLT Europe B.V.					
AI Gewerbepark Obertshausen B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
AI Gewerbepark Ratingen B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
AI Gewerbepark Tamm B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
BV Maschinen GmbH	Investment holding	Luxembourg	Luxembourg	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. LIST OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2024 %	2023 %
***Indirect subsidiaries** (cont'd)*					
Subsidiaries of FLT Europe B.V. (cont'd)					
CCP IV Garching B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
FLT Achern B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
FLT Freiberg B.V.	Property investment	The Netherlands	The Netherlands	94.8	94.8
FLT Gottmadingen B.V.	Property investment	The Netherlands	The Netherlands	90.1	90.1
FLT GUMES Verwaltung Objekt Bielefeld-Sennestadt B.V.	Property investment	The Netherlands	The Netherlands	93.1	93.1
FLT INV 1 B.V.	Investment holding	The Netherlands	The Netherlands	94.9	94.9
FLT INV 2 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 3 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 4 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 5 B.V.	Investment holding	The Netherlands	The Netherlands	94.9	94.9
FLT INV 6 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 7 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 8 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 9 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 10 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 11 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 12 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 13 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 14 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 15 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 16 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 17 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 18 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 19 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 20 B.V.	Investment holding	The Netherlands	The Netherlands	100.0	100.0
FLT INV 21 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 22 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 23 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 24 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 25 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 26 B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT INV 27 B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 28 B.V.	Property Investment	The Netherlands	The Netherlands	100.0	100.0
FLT INV 29 B.V.	Property investment	The Netherlands	The Netherlands	89.9	–
FLT INV 30 B.V.	Property investment	The Netherlands	The Netherlands	89.9	–
FLT INV 31 B.V.	Property investment	The Netherlands	The Netherlands	89.9	–
FLT INV 32 B.V.	Property investment	The Netherlands	The Netherlands	89.9	–
FLT Isenbuttel B.V.	Property investment	The Netherlands	The Netherlands	94.8	94.8
FLT Marl GmbH	Investment holding	Germany	The Netherlands	94.9	94.9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. LIST OF SIGNIFICANT SUBSIDIARIES (cont'd)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2024 %	2023 %
***Indirect subsidiaries** (cont'd)*					
Subsidiaries of FLT Europe B.V. (cont'd)					
FLT Marl Investment GmbH & Co. KG	Property investment	Germany	The Netherlands	94.9	94.9
FLT Moosthenning 1 B.V.	Property investment	The Netherlands	The Netherlands	94.8	94.8
FLT Moosthenning 2 B.V.	Property investment	The Netherlands	The Netherlands	94.8	94.8
FLT Moosthenning (SP) B.V.	Property investment	The Netherlands	The Netherlands	100.0	100.0
FLT Nuremberg B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
FLT Rheinberg B.V.	Property investment	The Netherlands	The Netherlands	94.9	94.9
FLT Vaihingen B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
Frankenthal B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
Gewerbepark Bergheim B.V.	Property investment	The Netherlands	The Netherlands	94.0	94.0
Subsidiaries of Frasers Commercial Trust					
Frasers Commercial Sub No. 1 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
Frasers Commercial Sub No. 2 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
Frasers Commercial Sub No. 4 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
FCOT Treasury Pte. Ltd. (1)	Provision of treasury services	Singapore	Singapore	100.0	100.0
Frasers Commercial (UK) Sub. 1 Pte. Ltd. (1)	Investment holding	Singapore	Singapore	100.0	100.0
Frasers Commercial Investments No. 1 Pte. Ltd.(1)	Investment holding	Singapore	Singapore	100.0	100.0
Frasers Commercial Investments No. 3 Pty Ltd	Investment holding	Cayman Islands	Cayman Islands	100.0	100.0
Frasers Commercial Investments No. 4 Pty Ltd	Investment holding	Cayman Islands	Cayman Islands	100.0	100.0
Central Park Landholding Trust	Property investment	Australia	Australia	100.0	100.0
Collins Street Landholding Trust	Property investment	Australia	Australia	100.0	100.0
Athllon Drive Landholding Trust	Property investment	Australia	Australia	100.0	100.0
ARC Trust	Investment holding	Australia	Australia	100.0	100.0
Farnborough Business Park Ltd	Property investment	Jersey	Jersey	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. LIST OF SIGNIFICANT SUBSIDIARIES (cont'd)

Name of subsidiaries	Principal activity	Country of incorporation	Principal place of business	Effective interest held by the Trust 2024 %	Effective interest held by the Trust 2023 %
***Indirect subsidiaries** (cont'd)*					
Subsidiaries of FLCT UK Pte. Ltd.					
Maxis Business Park Limited	Property investment	Jersey	Jersey	100.0	100.0
Subsidiaries of FLCT Industrial UK Pte. Ltd.					
Connexion Property Co Limited	Investment holding	Jersey	Jersey	100.0	100.0
Connexion Trust	Property investment	Jersey	Jersey	100.0	100.0
FLCT UK 1 Pte Ltd (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLCT Ellesmere Port Property Co Limited	Investment holding	Jersey	Jersey	100.0	100.0
FLCT Ellesmere Trust	Property investment	Jersey	Jersey	100.0	100.0
FLCT UK 3 Pte Ltd (1)	Investment holding	Singapore	Singapore	100.0	100.0
FLCT UK 4 Pte Ltd (1)	Investment holding	Singapore	Singapore	100.0	100.0
Worcester Property Co Limited	Property investment	Jersey	Jersey	100.0	100.0
Subsidiaries of FLCT Commercial UK Pte. Ltd.					
BVP Property Co Limited	Investment holding	Jersey	Jersey	100.0	100.0
BVP Trust	Property investment	Jersey	Jersey	100.0	100.0
FLCT UK 2 Pte Ltd (1)	Investment holding	Singapore	Singapore	100.0	100.0

(1) Audited by KPMG LLP, Singapore.

(2) Audited by other member firms of KPMG International.

(3) Held by the Trust and FLT Australia Pte. Ltd. with equity interest of 50% each.

UNITHOLDERS' STATISTICS

As at 25 November 2024

UNITHOLDERS' STATISTICS

As at 25 November 2024

3,762,201,517 Units (voting rights; one vote per Unit)
Market Capitalisation S$3,423,603,380 (based on closing price of S$0.910 per Unit on 25 November 2024)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	725	2.58	32,977	0.00
100 – 1,000	2,586	9.19	1,824,642	0.05
1,001 – 10,000	14,084	50.06	72,474,596	1.93
10,001 - 1,000,000	10,685	37.98	471,205,899	12.52
1,000,001 AND ABOVE	52	0.19	3,216,663,403	85.50
TOTAL	**28,132**	**100.00**	**3,762,201,517**	**100.00**

TWENTY LARGEST UNITHOLDERS

As at 25 November 2024
As shown in the Register of Unitholders

No	Name	No. of Units	%
1	OCBC SECURITIES PRIVATE LIMITED	858,926,976	22.83
2	CITIBANK NOMINEES SINGAPORE PTE LTD	683,612,690	18.17
3	DBS NOMINEES (PRIVATE) LIMITED	497,608,709	13.23
4	HSBC (SINGAPORE) NOMINEES PTE LTD	295,651,723	7.86
5	DBSN SERVICES PTE. LTD.	211,221,922	5.61
6	RAFFLES NOMINEES (PTE.) LIMITED	195,231,717	5.19
7	DB NOMINEES (SINGAPORE) PTE LTD	130,794,549	3.48
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	42,470,511	1.13
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	35,253,513	0.94
10	ABN AMRO CLEARING BANK N.V.	28,907,936	0.77
11	PHILLIP SECURITIES PTE LTD	25,816,421	0.69
12	IFAST FINANCIAL PTE. LTD.	19,919,769	0.53
13	FRASERS LOGISTICS & COMMERCIAL ASSET MANAGEMENT PTE LTD	19,816,938	0.53
14	MAYBANK SECURITIES PTE. LTD.	16,516,044	0.44
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	16,255,266	0.43
16	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	15,531,485	0.41
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	14,062,531	0.37
18	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	12,165,605	0.32
19	UOB KAY HIAN PRIVATE LIMITED	11,491,834	0.31
20	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	9,751,144	0.26
	TOTAL	**3,141,007,283**	**83.50**

UNITHOLDERS' STATISTICS

As at 25 November 2024

SUBSTANTIAL UNITHOLDERS

As at 25 November 2024

Substantial Unitholders	Direct Interest Number of Units	Direct Interest %	Deemed Interest Number of Units	Deemed Interest %	Total Number of Units Held	%
Frasers Property Industrial Trust Holdings II Pte Ltd	844,272,958	22.44	–	–	844,272,958	–
Frasers Property Limited (1)	–	–	864,089,896	22.97	864,089,896	22.97
TCC Assets Limited (2)	–	–	864,089,896	22.97	864,089,896	22.97
Charoen Sirivadhanabhakdi (3)	–	–	864,089,896	22.97	864,089,896	22.97
The estate of the late Khunying Wanna Sirivadhanabhakdi (4)	–	–	864,089,896	22.97	864,089,896	22.97

Notes:

(1) Frasers Property Limited ("**FPL**") holds a 100% direct interest in Frasers Logistics & Commercial Asset Management Pte. Ltd. ("**FLCAM**") and a 100% indirect interest in Frasers Property Industrial Trust II Holdings Pte. Ltd. ("**FPITH**"). Each of FLCAM and FPITH directly holds units in FLCT. FPL therefore has a deemed interest in the units in FLCT in which each of FLCAM and FPITH has an interest, by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore ("**SFA**").

(2) TCC Assets Limited ("**TCCA**") holds a majority interest in FPL;
- FPL holds a 100% direct interest in FLCAM and a 100% indirect interest in FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

TCCA therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(3) Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in FLCAM and a 100% indirect interest in FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

(4) The estate of the late Khunying Wanna Sirivadhanabhakdi and Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in FLCAM and a 100% indirect interest in FPITH; and
- Each of FLCAM and FPITH directly holds units in FLCT.

The estate of the late Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FLCT in which FPL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 October 2024

Directors	Direct Interest No. of Units held	Deemed Interest No. of Units held
Mr Goh Yong Chian	800,000	–
Mr Kyle Lee Khai Fatt	–	–
Mr Phang Sin Min	–	–
Ms Soh Onn Cheng Margaret Jane	–	18,495
Mr Panote Sirivadhanabhakdi	–	118,559,700
Mr Reinfried Helmut Otter	–	–

FREE FLOAT

Based on information available to the Manager as at 25 November 2024, approximately 74% of the Units are held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

INTERESTED PERSON TRANSACTIONS

NAME OF INTERESTED PERSONS	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY2024 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) FY2024 S$'000
Frasers Logistics & Commercial Asset Management Pte. Ltd. ("FLCAM")	Associates of controlling shareholder of REIT Manager and controlling unitholder of FLCT		
– Manager's base management fees paid/payable		(22,348)	–
– Manager's performance management fees paid/payable		(8,429)	–
– Manager's acquisition fees paid/payable		(2,552)	–
– Reimbursement of expenses		(50)	–
FLT Australia Management Pty Ltd ("HAUT Manager")			
– Manager's base management fees paid/payable		(5,159)	–
– Manager's performance management fees paid/payable		(1,659)	
Frasers Property Management Services Pty Limited			
– Property management fees paid/payable		(174)	–
– Rental and other property income		13	–
– Proposed property management fees paid/payable (357 Collins Street)		(616)	–
– Proposed management office rental (357 Collins Street)		41	–
– Proposed lease renewal fees (357 Collins Street)		(96)	–
Frasers Property Australia Pty Limited and its subsidiaries ("FPA Group")			
– Incentives reimbursement		796	–
– Reimbursement of expenses		(965)	–
Frasers Property Funds Management Limited (in its capacity as trustee of FLT Australia Trust)			
– Trustee fees payable		(61)	–
FPI Property Management Services Pty Limited			
– Property management fees paid/payable		(2,407)	–
– Facility management fees paid/payable		(1,009)	–
– Marketing services commissions paid/payable		(1,486)	–
FPI Queensland Pty Limited			
– Proposed assignment of leases		1,274	–
Perpetual (Asia) Limited	FLCT Trustee		
– Trustee fees paid/payable		(565)	–
– Disbursements / out of pocket expenses paid		(5)	–

INTERESTED PERSON TRANSACTIONS

NAME OF INTERESTED PERSONS	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY2024 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) FY2024 S$'000
FPE Advisory B.V.	Associates of controlling shareholder of REIT Manager and controlling unitholder of FLCT		
– Property management fees paid/payable		(2,069)	–
– Leasing fees		(428)	–
Frasers Property Investments (Holland) B.V.			
– Incentives reimbursement		228	–
British and Malayan Trustees Limited	FCOT Trustee		
– Trustee fees paid/payable		(220)	–
Frasers Management (UK) Limited	Associates of controlling shareholder of REIT Manager and controlling unitholder of FLCT		
– Lease commission and development management fee		(320)	–
– Estimated project management fees		(427)	–
Frasers Property Investments (Europe) BV and FPE Investments RE11 B.V.			
– Purchase consideration for Reboot		(174,390)	–
Frasers Property Commercial Management Pte Ltd			
– Property management fees paid/payable and payroll-related expenses		(3,294)	–
– Marketing services commissions paid/payable		(211)	–
– Other expenses ("myICEportal" for ATP)		(193)	–
– Other expenses		(27)	–
Frasers Property Corporate Services Pte Ltd			
– Rental and other property income		366	–
– Other expenses		(10)	–

Fees payable to the Manager, the HAUT Manager, Frasers Property Funds Management Limited (in its capacity as trustee of FLT Australia Trust), Perpetual (Asia) Limited and certain of the fees payable to Frasers Property Management Services Pty Limited, FPA Group and FPI Property Management Services Pty Limited on the basis of, and in accordance with, the terms and conditions set out in the Trust Deed dated 30 November 2015 (as amended) and/or the prospectus dated 10 June 2016 (see "The REIT Manager and Corporate Governance – Related Party Transactions – Exempted Agreements") are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

Save as disclosed above, there were no other interested person transactions (excluding transactions of less than $100,000 each) entered into during the financial year under review nor any material contracts entered into by the Trust that involved the interests of the CEO, any Director or any controlling unitholder of the Trust.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Ho Hon Cheong
Chairman, Non-Executive and Independent Director

Mr Kyle Lee Khai Fatt
Non-Executive and Independent Director

Mr Goh Yong Chian
Non-Executive and Independent Director

Mr Phang Sin Min
Non-Executive and Independent Director

Ms Soh Onn Cheng Margaret Jane
Non-Executive and Independent Director

Mr Panote Sirivadhanabhakdi
Non-Executive and Non-Independent Director

Mr Reinfried Helmut Otter (Reini Otter)
Non-Executive and Non-Independent Director

AUDIT, RISK AND COMPLIANCE COMMITTEE ("ARCC")

Mr Kyle Lee Khai Fatt
Chairman
Mr Ho Hon Cheong
Mr Goh Yong Chian
Mr Phang Sin Min

NOMINATING AND REMUNERATION COMMITTEE ("NRC")

Mr Ho Hon Cheong
Chairman
Mr Kyle Lee Khai Fatt
Mr Goh Yong Chian
Mr Panote Sirivadhanabhakdi

THE MANAGER

Frasers Logistics & Commercial Asset Management Pte. Ltd.
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
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Fax: +65 6813 0578
www.frasersproperty.com/reits/flct

REGISTERED ADDRESS

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6536 1360

AUDITORS

KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
Phone: +65 6213 3388
Fax: +65 6225 0984
Partner in charge: Lim Pang Yew, Victor
Appointed since financial year ended 30 September 2022

COMPANY SECRETARY OF THE MANAGER

Ms Catherine Yeo

TRUSTEE

Perpetual (Asia) Limited
16 Collyer Quay #07-01
Singapore 049318
Phone: +65 6908 8203
Fax: +65 6438 0255

BANKERS

Bank of China Limited, Singapore Branch
Crédit Industriel et Commercial, Singapore Branch
DBS Bank Ltd.
Malayan Banking Berhad, Singapore Branch
Oversea-Chinese Banking Corporation Limited
Sumitomo Mitsui Trust Bank Limited, Singapore Branch
The Bank of East Asia Limited, Singapore Branch
The Bank of Nova Scotia, Singapore Branch
United Overseas Bank Limited

Notes:
- The composition of the Board of Directors, the ARCC and the NRC are shown as at 30 September 2024
- Mr Chia Khong Shoong retired as a non-executive and non-independent director with effect from 1 March 2024
- Mr Ho Hon Cheong retired as the Chairman and a non-executive and independent director of the Board of Directors, the Chairman of the NRC and a member of the ARCC with effect from 1 October 2024
- Mr Phang Sin Min was appointed as the Chairman of the Board of Directors, and a member and the Chairman of the NRC with effect from 1 October 2024
- For changes to the composition of the Board and Board Committees after 30 September 2024, please refer to the SGX announcement dated 27 September 2024

FRASERS LOGISTICS & COMMERCIAL TRUST

Managed by Frasers Logistics & Commercial Asset Management Pte. Ltd.
Company Registration Number: 201528178Z

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