



THE PROPOSED ACQUISITION OF SEVEN PROPERTIES IN AUSTRALIA

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1. INTRODUCTION

1.1 The Proposed Transaction

Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust ("**FLT**", and as manager of FLT, the "**Manager**"), is pleased to announce that Perpetual (Asia) Limited (as trustee of FLT) (the "**Trustee**"), through the Sub-Trust Trustees¹, today entered into agreements to acquire freehold and leasehold interests in seven industrial properties located in Australia (the "**New Properties**", and the entry by FLT into agreements to acquire the New Properties, the "**Proposed Transaction**"), comprising (i) four completed properties (the "**Completed Properties**") and (ii) three properties currently under development and with the completed facilities to be delivered on practical completion (the "**Development Properties**"), for an aggregate acquisition amount of approximately A\$169.3 million² (approximately S\$174.7 million³) (the "**Proposed Transaction**"). The following tables set out summaries of selected information on the New Properties:

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- 1 The "**Sub-Trust Trustees**" refer to FLT Queensland No. 1 Pty Limited, as trustee of Stanton Road Trust B, FLT Queensland No. 2 Pty Limited, as trustee of Horsley Drive Trust B, and FLT Landowner Pty Limited, as trustee of Indian Drive Trust B, Hudson Court Trust A, Pearson Road Trust B, South Park Drive Trust E and Efficient Drive Trust B.
 - 2 The aggregate acquisition amount payable is subject to adjustments arising from the actual gross lettable area ("**GLA**") being more or less than the estimated GLA of the Development Properties (the "**Development Properties Adjustments**"), with the maximum aggregate acquisition amount for the New Properties taking into account the Development Properties Adjustments being approximately A\$171.5 million (approximately S\$177.0 million).
 - 3 Unless otherwise stated, the S\$ equivalent of the A\$ figures in this Announcement has been arrived at based on an assumed exchange rate of A\$1 : S\$1.032.

Completed Properties

S/No	Address	Tenant	Remaining Tenure (years)	GLA (sq m)	Completion of Construction	WALE (years) ⁽¹⁾	NPI Yield (%) ⁽²⁾	Occupancy Rate (%)
1	8 Stanton Road, Seven Hills, New South Wales (the "Yusen Logistics Facility")	Yusen	Freehold	10,708	17 May 2002	5.1	7.39	100
2	Lot 1, Horsley Drive Business Park, New South Wales (the "Survitec & Phoenix Facility")	Survitec & Phoenix	89.3 ⁽³⁾	14,333	15 July 2016	10.3	6.57	100
3	89-103 South Park Drive, Dandenong South, Victoria (the "Ecolab Facility")	Ecolab	Freehold	10,425	13 September 2005	9.8	6.26	100
4	43 Efficient Drive, Truganina, Victoria (the "CEVA Tech Facility")	CEVA Tech	Freehold	23,088	22 February 2017	5.0	7.00	100
Sub-Total for Completed Properties			-	58,554	-	7.4	6.83	100

Notes:

- (1) "WALE" refers to the weighted average lease expiry computed through application of Adjusted Gross Rental Income (being the contracted rental income and estimated recoverable outgoings of the Completed Properties under the relevant existing lease for the first month after the completion of the Completed Properties Contracts of Sale (as defined herein), and for the Development Properties, the contracted rental income and estimated recoverable outgoings under the relevant pre-committed lease for the first month following the estimated practical completion date of the respective Development Properties) and assuming that the pre-committed tenancies for the Development Properties and the tenancies for the Completed Properties have commenced as at 31 March 2017.
- (2) The NPI Yield of each Completed Property is derived by annualising the estimated Net Property Income (refers to the gross revenue of a New Property comprising the contracted rental income and estimated recoverable outgoings less property expenses) of the relevant Completed Property to be generated under the relevant existing lease for the first month after the completion of the Completed Properties Contracts of Sale (i.e. by multiplying by 12) and dividing such amount by the consideration payable under the relevant Completed Property Contract of Sale (excluding stamp duty).
- (3) As at 31 March 2017.

Development Properties

S/No	Address	Tenant	Remaining Tenure (years)	GLA (sq m) ⁽¹⁾	Target Completion of Development	WALE Upon Completion (years) ⁽²⁾	NPI Yield (%) ⁽³⁾	Occupancy Rate (%) ⁽⁴⁾
1	Lot 1 Pearson Road, Yatala, Queensland (the "Beaulieu Facility")	Beaulieu Carpets (pre-committed)	Freehold	23,051	September 2017	15.0	6.00	100
2	29 Indian Drive, Keysborough, Victoria (the "Stanley Black & Decker Facility")	Stanley Black & Decker (pre-committed)	Freehold	21,722	November 2017	10.0	6.00	100
3	17 Hudson Court, Keysborough, Victoria (the "Clifford Hallam Facility")	CH2 (pre-committed)	Freehold	21,200	May 2018	10.0	6.25	100
Sub-Total for Development Properties			-	65,973	-	11.8	6.07	100
Total for New Properties			-	124,527	-	9.6	6.41	100

Notes:

- (1) Subject to a survey upon completion of development.
- (2) "WALE" refers to the weighted average lease expiry computed through application of Adjusted Gross Rental Income and assuming that the pre-committed tenancies for the Development Properties and the tenancies for the Completed Properties have commenced as at 31 March 2017.
- (3) The NPI Yield of each Development Property is derived by annualising the pre-committed Net Property Income of the relevant Development Property for the first month following the estimated practical completion date of the respective Development Property (i.e. by multiplying by 12) and dividing such amount by the Development Properties Acquisition Amount (as defined herein) as applicable to such Development Property.
- (4) Based on the pre-committed tenants for the relevant Development Property as at 31 March 2017.

In connection with the Proposed Transaction, FLT has today, through the relevant Sub-Trust Trustee, as trustee of the relevant Sub-Trust, entered into the following agreements (and will, in the case of the documents set out at (v), (vi) and (vii) below, enter into such documents on settlement of the relevant Contract of Sale (as defined herein)):

- (i) contracts of sale in respect of each New Property with the relevant vendor (the “**Vendor**”, and collectively the “**Vendors**”), each of which is an indirect wholly-owned subsidiary or trust of Frasers Centrepoint Limited (“**FCL**”) (the “**Contracts of Sale**”);
- (ii) as procured by the relevant Vendors of the Development Properties, development agreements in respect of each Development Property with the relevant developer (the “**Developer**”, and collectively the “**Developers**”), each of which is an indirect wholly-owned subsidiary of FCL (the “**Development Agreements**”);
- (iii) incentive reimbursement deeds in respect of the Ecolab Facility (the “**Ecolab Incentive Reimbursement Deed**”), the Clifford Hallam Facility (the “**Clifford Hallam Incentive Reimbursement Deed**”), the Stanley Black & Decker Facility (the “**Stanley Black & Decker Incentive Reimbursement Deed**”) and the Beaulieu Facility (the “**Beaulieu Incentive Reimbursement Deed**”) with the relevant Vendor and the relevant Developers (the “**Incentive Reimbursement Deeds**”);
- (iv) contingent rental support deeds in respect of each of the Development Properties with the relevant Developers (the “**Contingent Rental Support Deeds**”);
- (v) a deed of covenant¹ in respect of the CEVA Tech Facility with the relevant Vendor, the tenant occupying the CEVA Tech Facility (the “**CEVA Tech Tenant**”) and the guarantor of the CEVA Tech Tenant (the “**CEVA Tech Guarantor**”) (the “**Deed of Covenant**”);
- (vi) a deed of assignment of lease in respect of the Survitec & Phoenix Facility with Western Sydney Parklands Trust (“**WSPT**”), the relevant Vendor and Frasers Property Funds Management Limited as trustee for FLT Australia Trust (the “**HAUT Trustee**”) (the “**Deed of Assignment**”); and
- (vii) a deed of variation of lease² in respect of the Survitec & Phoenix Facility with WSPT and the HAUT Trustee (the “**Deed of Variation**”)

(collectively, the “**Transaction Documents**”).

1.2 Interested Person Transactions and Interested Party Transactions (collectively, “**Related Party Transactions**”)

As at the date of this announcement, FCL and/or its subsidiaries (the “**FCL Group**”) hold an aggregate direct and indirect interest in 298,364,846 units in FLT (the “**Units**”), which is equivalent to approximately 20.8448% of the total number of Units in issue as at the date of this announcement, and is therefore regarded as a “controlling unitholder” of FLT for the purposes of both the listing manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Appendix 6 of the Code on Collective Investment

1 A tenant may require that a deed of covenant is entered into by an incoming landlord to covenant directly with the tenant that the incoming landlord will comply with the terms of the tenancy document; this Deed of Covenant does not impose additional terms on the incoming landlord than what are already set out in the tenancy document.

2 The Deed of Variation will be entered into as part of the consent process such that the Survitec & Phoenix Ground Lease (as defined herein) will be varied to provide that the HAUT Trustee guarantees the performance of the relevant Sub-Trust Trustee under the Survitec & Phoenix Ground Lease.

Schemes issued by the Monetary Authority of Singapore (the “**MAS**” and Appendix 6 of the Code on Collective Investment Schemes issued by the MAS, the “**Property Funds Appendix**”). In addition, as the Manager is a wholly-owned subsidiary of FCL, the FCL Group is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix.

As the Vendors and the HAUT Trustee are indirect wholly-owned trusts or subsidiaries of FCL through Frasers Property Australia Pty Limited (“**FPA**”) for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, each of the Vendors (each being a subsidiary of a “controlling unitholder” of FLT and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of FLT and (for the purposes of the Property Funds Appendix) an “interested party” of FLT.

Therefore, the entry by the relevant Sub-Trust Trustee into the Contracts of Sale, the Ecolab Incentive Reimbursement Deed, the Deed of Covenant, the Deed of Assignment and the Deed of Variation will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual, as well as an Interested Party Transaction under the Property Funds Appendix.

As the Developers are indirect wholly-owned subsidiaries of FCL through FPA, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, each of the Developers (each being a subsidiary of a “controlling unitholder” of FLT and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of FLT and (for the purposes of the Property Funds Appendix) an “interested party” of FLT.

Therefore, the entry by the relevant Sub-Trust Trustee into the Development Agreements, the Stanley Black & Decker Incentive Reimbursement Deed, the Beaulieu Incentive Reimbursement Deed, the Clifford Hallam Incentive Reimbursement Deed and the Contingent Rental Support Deeds will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual, as well as an Interested Party Transaction under the Property Funds Appendix.

A circular (the “**Circular**”) will be issued to unitholders of FLT (“**Unitholders**”) in due course, together with a notice of an extraordinary general meeting of Unitholders, for the purpose of seeking Unitholders’ approval for the Proposed Transaction.

2. DETAILS OF THE PROPOSED TRANSACTION

2.1 Aggregate Acquisition Amount and Valuation

The aggregate acquisition amount payable to the Vendors under the Contracts of Sale and to the Developers under the Development Agreements in cash in Australian dollars for the New Properties is approximately A\$169.3 million¹ (approximately S\$174.7 million) (the “**Aggregate Acquisition Amount**”), comprising the Completed Properties Consideration (as defined herein) and the Development Properties Acquisition Amount (as defined herein). The

¹ The Aggregate Acquisition Amount payable is subject to the Development Properties Adjustments, with the maximum aggregate acquisition amount taking into account the Development Properties Adjustments being approximately A\$171.5 million.

Aggregate Acquisition Amount was negotiated on a willing-buyer and willing-seller basis and based on the independent valuations described below.

In respect of the acquisitions of the Completed Properties, the consideration (excluding stamp duty) payable of approximately A\$74.9 million to the relevant Vendors on completion of the acquisitions of the Completed Properties comprises the consideration payable under each of the contract of sale in respect of the Yusen Logistics Facility, the contract of sale in respect of the Survitec & Phoenix Facility, the contract of sale in respect of the Ecolab Facility and the contract of sale in respect of the CEVA Tech Facility (collectively, the “**Completed Properties Contracts of Sale**”, and the consideration payable under the Completed Properties Contracts of Sale, the “**Completed Properties Consideration**”). The Completed Properties Consideration was negotiated on a willing-buyer and willing-seller basis and based on the independent valuations described below.

In respect of the acquisitions of the Development Properties, the total acquisition amount (excluding the Development Properties Adjustments and stamp duty) payable of approximately A\$94.4 million comprises:

- (i) the amount payable to the relevant Vendors under the contract of sale in respect of the Beaulieu Facility, the contract of sale in respect of the Stanley Black & Decker Facility and the contract of sale in respect of the Clifford Hallam Facility (collectively, the “**Development Properties Contracts of Sale**”) for the acquisition of the land on which the Development Properties occupies and any improvements to the land hitherto (which will be confirmed by a quantity surveyor at settlement of the Development Properties Contracts of Sale) (the “**Development Properties Contracts Acquisition Amount**”); and
- (ii) the amount payable to the Developers on practical completion of the facilities under the Development Agreements (which will occur in phases after completion of the Development Properties Contracts of Sale) (the “**Development Agreements Price**”)

(the Development Properties Contracts Acquisition Amount and the Development Agreements Price, collectively the “**Development Properties Acquisition Amount**”).

The Development Properties Acquisition Amount was negotiated on a willing-buyer and willing-seller basis and based on the independent valuations described below.

The Trustee has commissioned an independent valuer, CBRE Valuations Pty Ltd (“**CBRE**”), and the Manager has commissioned another two independent valuers, Savills Valuations Pty Ltd (only for the CEVA Tech Facility) (“**Savills**”) and Urbis Valuations Pty Ltd (save for the CEVA Tech Facility) (“**Urbis**”, and collectively with CBRE and Savills, the “**Independent Valuers**”) to respectively value the New Properties. The independent valuations of the New Properties as at 30 April 2017 are as follows:

Completed Properties

S/No	Property	Valuation by CBRE (Valuation Method) (A\$ m)	Valuation by Savills/Urbis (Valuation Method) (A\$ m)	Consideration (A\$ m)
1	Yusen Logistics Facility	16.0 (Market Capitalisation analysis and Discounted Cash Flow analysis)	16.0 (Valuation by Urbis) (Capitalisation of Income approach and Discounted Cash Flow approach)	16.0
2	Survitec & Phoenix Facility	22.4 (Market Capitalisation analysis and Discounted Cash Flow analysis)	22.5 (Valuation by Urbis) (Capitalisation of Income approach and Discounted Cash Flow approach)	21.4
3	Ecolab Facility	13.0 ⁽¹⁾ (Market Capitalisation analysis and Discounted Cash Flow analysis)	13.0 ⁽¹⁾ (Valuation by Urbis) (Capitalisation of Income approach and Discounted Cash Flow approach)	13.0
4	CEVA Tech Facility	25.3 (Market Capitalisation analysis and Discounted Cash Flow analysis)	24.7 (Valuation by Savills) (Capitalisation of Income approach, Discounted Cash Flow approach and Direct Comparison approach)	24.5

Note:

(1) Valuation includes the effects of the arrangement under the Ecolab Incentive Reimbursement Deed.

Development Properties

S/No	Property	Valuation by CBRE (Valuation Method) (A\$ m)	Valuation by Urbis (Valuation Method) (A\$ m)	Aggregate Amount payable under the Relevant Contract of Sale and Development Agreement (A\$ m)
1	Beaulieu Facility	33.8 ⁽¹⁾ (Market Capitalisation analysis and Discounted Cash Flow analysis)	33.8 ⁽¹⁾ (Capitalisation of Income approach and Discounted Cash Flow approach)	33.8
2	Stanley Black & Decker Facility	30.9 ⁽¹⁾ (Market Capitalisation analysis, Discounted Cash Flow analysis and Direct Comparison approach)	30.9 ⁽¹⁾ (Capitalisation of Income approach, Discounted Cash Flow approach and Direct Comparison approach)	30.9
3	Clifford Hallam Facility	29.8 ⁽¹⁾ (Market Capitalisation analysis, Discounted Cash Flow analysis and Direct Comparison approach)	29.8 ⁽¹⁾ (Capitalisation of Income approach, Discounted Cash Flow approach and Direct Comparison approach)	29.7

Note:

(1) Valuation includes the effects of the arrangement under the relevant Incentive Reimbursement Deeds.

The valuation of each Development Property takes into account the price of the land, any improvements on the land hitherto and any proposed development and construction to be conducted on the land in accordance with the development plan under the relevant Development Agreement, together with the tenant pre-commitment.

2.2 Estimated Total Transaction Cost

The estimated total cost of the Proposed Transaction (the “**Total Transaction Cost**”) is approximately A\$179.6 million (approximately S\$185.3 million), comprising:

- (i) the Aggregate Acquisition Amount of A\$169.3 million¹ (approximately S\$174.7 million);
- (ii) the acquisition fee payable to the Manager for the Proposed Transaction pursuant to the trust deed dated 30 November 2015 (as amended and supplemented) constituting FLT (the “**Trust Deed**”), which amounts to approximately A\$0.8 million

¹ The Aggregate Acquisition Amount payable is subject to the Development Properties Adjustments, with the maximum aggregate acquisition amount for the New Properties taking into account the Development Properties Adjustments being approximately A\$171.5 million.

(approximately S\$0.8 million) (being 0.5% of the Aggregate Acquisition Amount) (the “**Acquisition Fee**”)¹; and

- (iii) the estimated professional and other fees and expenses incurred or to be incurred by FLT in connection with the Proposed Transaction (inclusive of approximately A\$6.2 million (approximately S\$6.4 million) of stamp duty arising from the Proposed Transaction²) of approximately A\$9.5 million (approximately S\$9.8 million).

As the Proposed Transaction will constitute an Interested Party Transaction under paragraph 5 of the Property Funds Appendix, the Acquisition Fee payable to the Manager in respect of the Proposed Transaction will be in the form of Units (the “**Acquisition Fee Units**”), which shall not be sold within one year from the date of issuance.

2.3 Certain Principal Terms of the Key Transaction Documents

2.3.1 The Contracts of Sale

A Contract of Sale has been entered into for each of the New Properties between FPA (through its subsidiaries, as vendor and holder of the freehold/leasehold interest in the New Properties) and the relevant Sub-Trust Trustee of the relevant Sub-Trust (as purchaser) for the transfer of the New Properties.

Under each Contract of Sale, the relevant Vendor will transfer its freehold or leasehold interest in the relevant New Property (subject to and with the benefit of the existing tenancies) to the relevant Sub-Trust Trustee, in accordance with the following terms (among others):

- (i) the completion of the relevant Contract of Sale is subject to the satisfaction of the conditions precedent set out in the relevant Contract of Sale; and
- (ii) certain limited representations and warranties are made by the relevant Vendor including in relation to the capacity of the relevant Vendor, information disclosed, legal matters, title to the New Property and other matters in relation to the relevant New Property. Claims for breach of warranties are subject to a cap on liability and must be made within 15 months after the completion of the transfer. The amount of an individual claim must be equal to or greater than A\$50,000 in respect of a particular matter and the maximum aggregate liability of the relevant Vendor in respect of the claims must not exceed the purchase price for the relevant New Property. Furthermore, certain limited representations and warranties are made by the relevant Sub-Trust Trustee in relation to the capacity of the relevant Sub-Trust Trustee (as purchaser).

There will be outstanding incentives payable to the tenants in respect of the Yusen Logistics Facility and the Survitec & Phoenix Facility when settlement of the relevant Contract of Sale occurs. The contracts of sale in respect of the Yusen Logistics Facility and the Survitec & Phoenix Facility provide for an adjustment with regard to the outgoing incentives such that where the balance of the relevant incentive is more

1 The acquisition fee in respect of each of the Development Properties will only be paid on practical completion of the relevant facility in accordance with the terms of the relevant Development Agreement.

2 The stamp duty payable for the Proposed Transaction is calculated on the amount payable to the Vendors under the Contracts of Sale.

or less from the estimated incentive amount at settlement of the relevant Contract of Sale, the difference between the estimated incentive amount and the actual balance will be dealt with as a settlement adjustment in accordance with the adjustment provisions relating to outgoings.

2.3.2 The Development Agreements

The Development Agreements will take effect on and from the completion of the respective Development Property Contract of Sale, pursuant to which each of the Developers will continue with the development and construction of each of the Development Properties and deliver the completed Development Properties in accordance with the Development Agreements.

Immediately upon receipt of the certificate of practical completion, each of the Developers will submit a tax invoice to the relevant Sub-Trust Trustee, following which the balance under each Development Agreement is payable within seven business days. Such balance under the Development Agreement is paid after:

- (i) adjusting for any increase or reduction in annual rent payable under the occupational lease to be entered into in respect of the relevant Development Property as at practical completion arising because the premises under the occupational lease has a GLA more than or less than the estimated GLA. Based on the tolerance levels set out in the relevant agreement for lease¹, the amount of adjustment in the event of a difference between the actual GLA and the estimated GLA will not be more than A\$600,000 for the Beaulieu Facility, A\$900,000 for the Stanley Black & Decker Facility and A\$700,000 for the Clifford Hallam Facility (each of which is computed by dividing the rent increase or decrease arising from the difference in GLA by the relevant NPI Yield); and
- (ii) deducting a return on the amount paid under the Contract of Sale in respect of the relevant Development Property at an interest coupon rate equivalent to the respective NPI Yield for each Development Property (being 6.00% per annum for the Beaulieu Facility, 6.00% per annum for the Stanley Black & Decker Facility and 6.25% per annum for the Clifford Hallam Facility).

Practical completion of the development works occurs when “practical completion” has occurred under the relevant agreement for lease, a certificate of occupancy has been issued and supplied to the relevant Sub-Trust Trustee and the occupational lease has commenced.

2.3.3 The Incentive Reimbursement Deeds

Under the Incentive Reimbursement Deeds, FPA will, through the Ecolab Vendor, be reimbursing FLT for incentives (for example, rent abatement) which the Ecolab Vendor has made available or agreed to grant to the tenant of the Ecolab Facility, and will through the relevant Developer, reimburse FLT for incentives which it has granted

¹ The agreement for lease for the Beaulieu Facility states that the actual GLA must not be more than 102% or less than 98% of the estimated GLA, the agreement for lease for the Stanley Black & Decker Facility states that the actual GLA must not be more than 103% or less than 97% than the estimated GLA and the agreement for lease for the Clifford Hallam Facility states that the actual GLA must not be more than 105% or less than 95% of the estimated GLA with the rent capped at a GLA of 102.5% of the estimated GLA.

the pre-committed tenants of the Beaulieu Facility, the Stanley Black & Decker Facility and the Clifford Hallam Facility development incentives (for example, fit out contribution, rent abatement or rent credit) as part of the relevant Developer's costs and obligations.

The actual amount reimbursable under the relevant Incentive Reimbursement Deed will be based on the actual tenancies in respect of the relevant New Properties as at the time that the relevant Incentive Reimbursement Deed takes effect.

2.3.4 The Contingent Rental Support Deeds

The Contingent Rental Support Deeds have been entered into in respect of the Beaulieu Facility, the Stanley Black & Decker Facility and the Clifford Hallam Facility between the relevant Developer and the relevant Sub-Trust Trustee as trustee of the relevant Sub-Trust.

Under the Contingent Rental Support Deeds, in the event that the proposed pre-committed tenancies in respect of the Beaulieu Facility, the Clifford Hallam Facility and/or the Stanley Black & Decker Facility do not commence on the date of practical completion of each respective Development Property, the relevant Developers will pay FLT an amount equivalent to the initial rent for the first year of the term (increased in accordance with the relevant lease as if that lease had commenced) of the proposed pre-committed lease (disregarding incentives) as if the proposed pre-committed tenancies had commenced and rent was being paid in accordance with the terms of the proposed pre-committed lease (the "**Guaranteed Amount**"). The obligations of the relevant Developers and amounts payable under the Contingent Rental Support Deeds are limited to the Guaranteed Amount and the recoverable outgoings that FLT would have received during the period in which the arrangements under the Contingent Rental Support Deeds are active in respect of the relevant pre-committed tenancies.

In addition, if any of the Beaulieu Facility, the Stanley Black & Decker Facility and the Clifford Hallam Facility is or becomes vacant before the proposed lease commencement dates, the relevant Sub-Trust will appoint the relevant Developer to procure leasing of the vacant property.

Please refer to the Circular for further details of the Transaction Documents.

3. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED TRANSACTION

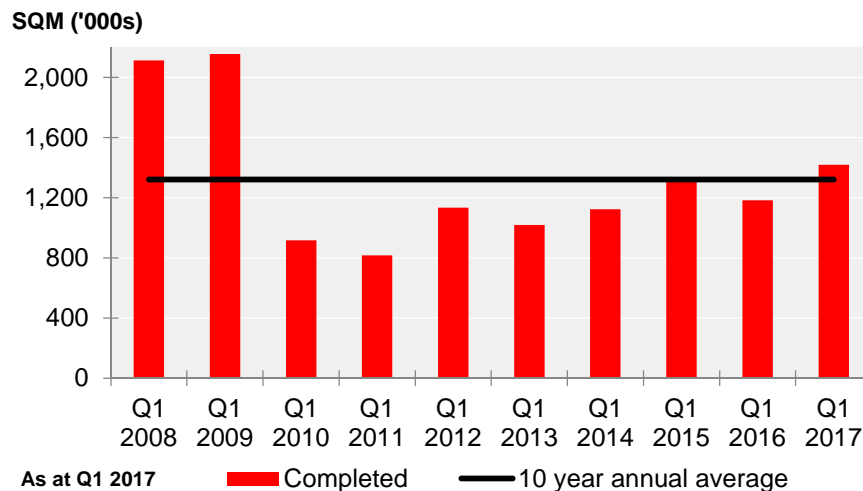
The Manager believes that the Proposed Transaction will bring the following key benefits to the Unitholders:

(1) Attractive Investment in Australian Industrial Market Segment while maintaining Geographical Diversification

Prevailing trends and occupier themes in the industrial market at present are favourable for owners of well-located and well-specified logistics and distribution facilities. The New Properties are located in the preferred Australian eastern seaboard markets of Sydney, Melbourne and Brisbane, which are Australia's top

three industrial markets. At present, there are attractive demand and supply dynamics for these markets. Industrial supply has maintained around the 10-year annual average, below the previous peak of construction cycle in 2008, is predominantly driven by pre-commitment, and is concentrated in the Melbourne and Sydney markets. Occupier demand continues to be well supported by infrastructure projects across Melbourne and Sydney coupled with improved business confidence levels.

National Industrial Total Supply¹



Current market fundamentals of relatively limited supply, growing demand and a focus on tenant retention are expected to result in ongoing high occupancy rates for prime grade industrial properties in Australia and favourable conditions for market rental growth in existing completed industrial properties.

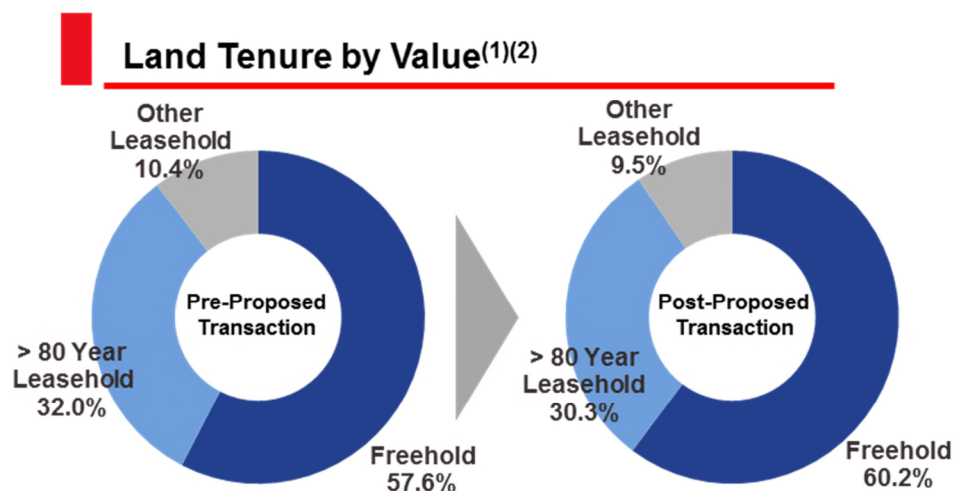
FLT's existing portfolio (the "Existing Portfolio") is well-diversified geographically across five states in Australia. The New Properties maintain FLT's diversification with the properties located within each of Australia's three largest capital cities, being Sydney, Melbourne and Brisbane.

(2) Prime, Modern and Predominantly Freehold Industrial Portfolio underpinned by Quality Tenants and Long Leases

The New Properties are freehold and long leasehold in nature, with six out of seven being freehold assets and one with remaining leasehold land tenure of 89.3 years (as at 31 March 2017). With the completion of the Proposed Transaction, FLT's portfolio comprising of freehold and long leasehold land tenure assets will increase from

¹ Source: Jones Lang LaSalle Real Estate Data Solution. Information extracted from the relevant reports and/or publications published by Jones Lang LaSalle Real Estate Data Solution, which have not been prepared for inclusion in this announcement. Accordingly, Jones Lang LaSalle Real Estate Data Solution is not liable for such information. While the Manager has taken reasonable actions to ensure that the information from the reports and/or publications published by Jones Lang LaSalle Real Estate Data Solution is reproduced in its proper form and context, and that the relevant information has been extracted accurately and fairly from such reports, neither the Manager nor any other party has conducted an independent review of the information contained in such reports nor verified the accuracy of the contents of the relevant information.

89.6% (based on the Appraised Value¹ of the Existing Portfolio) to 90.5% (based on the aggregate of the Appraised Value of the Existing Portfolio and the Aggregate Acquisition Amount²).



(1) Valuation for Existing Portfolio as at 30 September 2016 (save for the Martin Brower Property which was valued on 1 October 2016)

(2) Values for New Properties are based on Aggregate Acquisition Amount

The New Properties comprise primarily properties which have been recently constructed or are under development, with an average age of 2.4 years, resulting in lower capital expenditure requirements for maintenance or refurbishment of the properties in the near term.

The Completed Properties are 100% occupied and in the case of the Development Properties, fully pre-committed.

The New Properties are underpinned by long-term leases with WALE averaging 9.6 years based on Adjusted Gross Rental Income, increasing the portfolio WALE of FLT (following the completion of the Proposed Transaction) to 6.9 years from 6.7 years as at 31 March 2017.

All the leases of the New Properties have fixed rental increments built-in, ranging from 2.85% to 3.50%, allowing the average fixed rental increment for the Enlarged Portfolio to remain at approximately 3.2%, similar to that of the Existing Portfolio (as disclosed in the prospectus of FLT dated 10 June 2016).

(3) Increase in Diversification of Existing Portfolio's Tenant Base

The New Properties are underpinned by reputable tenants of which 75.1% (based on Adjusted Gross Rental Income) are multinational corporations and/or their subsidiaries, and will contribute positively to the Existing Portfolio's high quality well-diversified tenant base.

The Proposed Transaction will further reduce FLT's concentration risk on any single

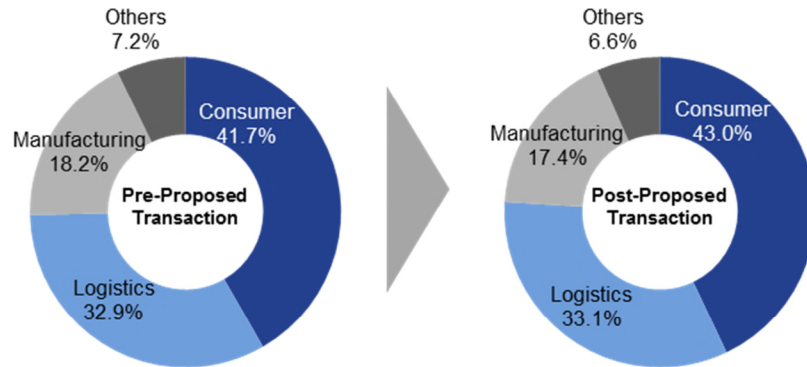
1 The "Appraised Value" refers to the value of the Existing Portfolio as at 30 September 2016 (save for the property located at Lot 3 Horsley Drive Business Park, Cnr Horsley Drive & Cowpasture Road, Wetherill Park, New South Wales (the "Martin Brower Property") which was valued on 1 October 2016).

2 Without taking into account any adjustments under the Development Agreements.

tenant. Besides Coles (a subsidiary of Wesfarmers Limited), no single tenant accounts for more than 5.0% of Adjusted Gross Rental Income in the Enlarged Portfolio¹. In addition, the Enlarged Portfolio will have an increased component (by Adjusted Gross Rental Income) in consumer sector tenants from 41.7% to 43.0%.

Breakdown of Tenants By Trade

(by Adjusted Gross Rental Income)



(4) Positive Impact on the Enlarged Portfolio

Based on the pro forma financial effects of the Proposed Transaction on the distribution per Unit (“DPU”) for the period from 20 June 2016 (being the date of listing of FLT on the SGX-ST) (the “Listing Date”) to 31 March 2017, the DPU is expected to be DPU accretive².

Upon completion of the Proposed Transaction, FLT’s aggregate Appraised Value and GLA will be enlarged by 9.7%³ and 10.1%, respectively.

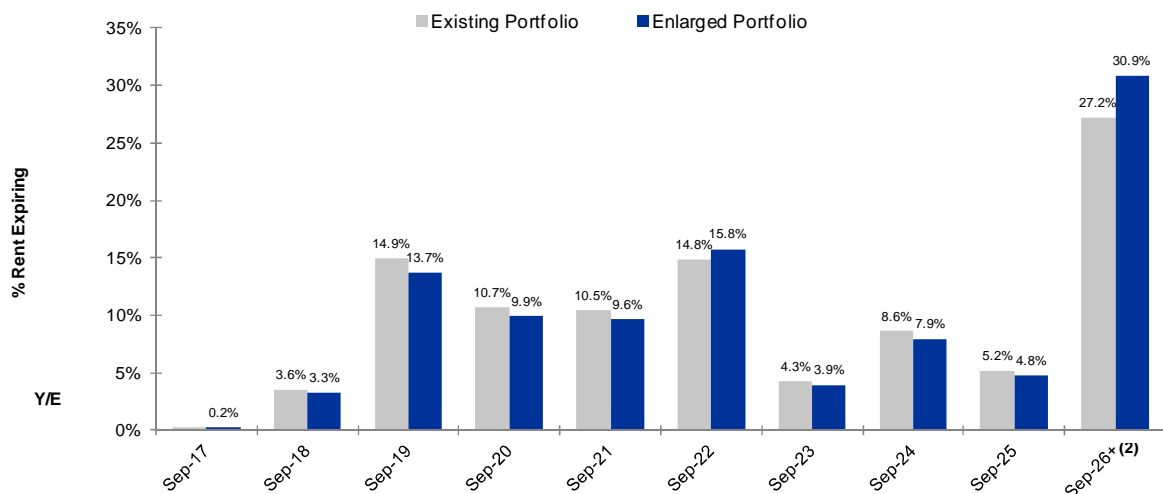
The Proposed Transaction will improve the lease expiry profile of FLT, reducing the percentage of leases expiring in the next two years ending September 2018 and September 2019 from 3.6% and 14.9% to 3.3% and 13.7%, respectively. In addition, there will not be more than 16% lease expiries in any single financial year up to 30 September 2025.

1 The “Enlarged Portfolio” refers to the Existing Portfolio and the New Properties, collectively.

2 Please refer to Paragraph 5.1 of this announcement for the pro forma financial effects of the Proposed Transaction on the DPU.

3 Derived by the Aggregate Acquisition Amount as a percentage of the Appraised Value of the Existing Portfolio.

Lease Expiry by Adjusted Gross Rental Income⁽¹⁾



- (1) The contracted rental income and estimated recoverable outgoings of the Completed Properties under the relevant existing lease for the first month after the completion of the Completed Properties Contracts of Sale, and for the Development Properties, the contracted rental income and estimated recoverable outgoings under the respective pre-committed leases for the first month following the estimated practical completion date of the respective Development Properties
- (2) Expiry of the remaining leases and pre-committed leases in the financial year ending 30 September 2026 and beyond

(5) Strengthens FLT's Portfolio Sustainability Attributes

FLT presently has the largest Green Star performance rated industrial portfolio in Australia. As sustainability gains traction in the Australian real estate industry, the Manager expects the Proposed Acquisition to further reinforce FLT's current position in this aspect.

Out of the seven New Properties, one, being the Survitec & Phoenix Facility, has achieved a 6-star "Green Star" Design rating, representing world leadership in sustainability. Four properties, being the CEVA Tech Facility, the Beaulieu Facility, the Stanley Black & Decker Facility and the Clifford Hallam Facility, are targeting a minimum 5-star "Green Star" As-Built rating, representing 'Australian Excellence' in sustainability construction. The potential benefits arising from the required sustainability features for "Green Star" ratings include:

- i. reducing ongoing occupancy costs;
- ii. assisting in retaining tenants at lease expiry;
- iii. attracting new tenants, especially those using sustainability as a criteria for choosing their distribution centres;
- iv. decreasing building obsolescence; and
- v. minimising vacancy downtime.

(6) Consistent with the Manager's Investment Strategy

By providing stable and attractive cash flows to Unitholders with potential opportunities for future income and capital growth, the Proposed Transaction is in line with the Manager's acquisition growth strategy which is to source for and pursue

asset acquisition opportunities that provide attractive cash flows and yields, and which satisfy the Manager's investment mandate for FLT to enhance its returns to Unitholders and potential for future income and asset growth. This would enable FLT to deliver regular and stable distributions to the Unitholders and to achieve long term growth in distributions and NAV per Unit, while maintaining an appropriate capital structure.

(7) Opportunity to Purchase the Development Properties on Attractive Terms

The Proposed Transaction presents FLT with an opportunity to acquire the Development Properties at attractive terms. As the total amount payable under the Development Agreements for FPA to deliver the completed facilities is fixed, FLT is not subject to the risks of construction cost overruns. The amount payable under the Development Properties Contracts of Sale is paid on completion of the Development Properties Contracts of Sale, with the balance of the total amount for the Development Properties payable only when FPA delivers the completed facilities. In addition, the coupon on the amount paid under the Development Properties Contracts of Sale, which is at a rate equivalent to the NPI Yield for each Development Property, will be applied to offset against the balance sum payable under the Development Agreements, thus reducing the overall financing costs on the acquisition of the Development Properties. In addition, there are pre-committed tenants for the Development Properties, coupled with the arrangements under the Contingent Rental Support Deeds to mitigate the risks of the pre-committed tenants not commencing the leases as scheduled.

4. PROPOSED METHOD OF FINANCING THE PROPOSED TRANSACTION AND FINANCIAL EFFECTS

The Manager intends to finance the Total Transaction Cost, excluding the Acquisition Fee to be paid in Units, from either (i) debt facilities entirely or (ii) a combination of equity and debt financing.

The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the Proposed Transaction will be made by the Manager at the appropriate time taking into account the then prevailing market conditions.

5. CERTAIN FINANCIAL INFORMATION RELATING TO THE PROPOSED TRANSACTION

The pro forma financial effects of the Proposed Transaction on the DPU and NAV per Unit presented below were prepared based on the announced unaudited financial statements of FLT in respect of the period from 20 June 2016 (being the Listing Date) to 31 March 2017 (the "**FLT Unaudited Financial Statements**") and the management accounts for the New Properties for the period from the Listing Date through to 31 March 2017 (being a period of 284 days) (translated from A\$ to S\$ at the exchange rates prevailing for the same period), taking into account the Total Transaction Cost, and certain assumptions including (but not limited to) the following:

- (i) new Units are issued under a private placement to part finance the Proposed Transaction (the "**Private Placement**");

- (ii) new Units are issued as Acquisition Fee Units for the New Properties;
- (iii) the balance of the Total Transaction Cost is financed by borrowings; and
- (iv) the Total Transaction Cost is translated at an exchange rate of A\$1 : S\$1.032.

5.1 Pro Forma DPU

The pro forma financial effects of the Proposed Transaction on the DPU for the period from 20 June 2016 (being the Listing Date) through to 31 March 2017 (being a period of 284 days), are strictly for illustration purposes only, and as if (a) FLT had purchased the New Properties and the Proposed Transaction had completed on the Listing Date, (b) all the Completed Properties are generating Net Property Income for the period from the Listing Date through to 31 March 2017 based on the estimated Net Property Income to be generated under the existing leases commencing from the date of the completion of the Completed Properties Contracts of Sale and for a period of 284 days, and (c) all the Development Properties are generating Net Property Income for the period from the Listing Date through to 31 March 2017 based on the estimated Net Property Income to be generated from the pre-committed leases commencing from the estimated date of the practical completion of each of the Development Properties (estimated to be in September 2017 for the Beaulieu Facility, November 2017 for the Stanley Blacker & Decker Facility and May 2018 for the Clifford Hallam Facility) and for a period of 284 days, are as follows:

FOR ILLUSTRATION PURPOSES ONLY

	Pro Forma Effects of the Proposed Transaction for the period from Listing Date to 31 March 2017	
	Before the Proposed Transaction	After the Proposed Transaction ⁽¹⁾
Net Property Income of FLT (A\$m)	103.6	111.7 ⁽²⁾
Distributable Income (A\$m)	76.3	81.3
No. of Units ('000)	1,431,360 ⁽³⁾	1,510,751 ⁽⁴⁾
DPU (Australian cents)	5.33	5.38
DPU (Singapore cents)	5.33 ⁽⁵⁾	5.38 ⁽⁵⁾

Notes:

- (1) Taking into account the Private Placement and that the balance of the Total Transaction Cost is financed with borrowings. Should the Total Transaction Cost be financed entirely by borrowings, the DPU will be higher than that presented in this illustration.
- (2) Assumes an estimated Net Property Income of the Completed Properties under the existing leases for a period of 284 days commencing from the date of the completion of the Completed Properties Contracts of Sale and an estimated Net Property Income of the Development Properties under the pre-committed leases for a period of 284 days commencing from the respective date of practical completion of each of the Development Properties.
- (3) Number of issued and issuable Units entitled to distribution as at 31 March 2017 as stated in the FLT Unaudited Financial Statements.
- (4) Based on the issued and issuable Units as at 31 March 2017 in note (3) above and includes (a) Units issued under the Private Placement, and (b) new Units issuable as payment of the Manager's base management fees and acquisition fees for the New Properties.
- (5) This is based on the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FLT Unaudited Financial Statements.

The pro forma financial effects of the Proposed Transaction on the DPU for the period from the Listing Date through to 31 March 2017 (being a period of 284 days) (a) as if FLT had purchased the New Properties and the Proposed Transaction had completed on the Listing Date, and (b) using the actual Net Property Income of the Completed Properties from the Listing Date through to 31 March 2017, are as follows:

	Pro Forma Effects of the Proposed Transaction for the period from Listing Date to 31 March 2017	
	Before the Proposed Transaction	After the Proposed Transaction ⁽¹⁾
Net Property Income of FLT (A\$m)	103.6	105.2 ⁽²⁾⁽³⁾
Distributable Income (A\$m)	76.3	74.7
No. of Units ('000)	1,431,360 ⁽⁴⁾	1,510,751 ⁽⁵⁾
DPU (Australian cents)	5.33	4.95
DPU (Singapore cents)	5.33 ⁽⁶⁾	4.95 ⁽⁶⁾

Notes:

- (1) Taking into account the Private Placement and that the balance of the Total Transaction Cost is financed with borrowings. Should the Total Transaction Cost be financed entirely by borrowings, the DPU will be higher than that presented in this illustration.
- (2) Includes the actual Net Property Income of the Completed Properties from 20 June 2016 to 31 March 2017 for a period of 284 days, including (i) the actual Net Property Income from the Yusen Logistics Facility from the lease that commenced on 1 April 2011 and varied on 20 May 2017; (ii) the actual Net Property Income for the Survitec & Phoenix Facility from 15 July 2016, when the lease commenced; (iii) the actual Net Property Income for the Ecolab Facility where the lease ended on 31 July 2016 and remained vacant until the new lease commenced on 1 June 2017; and (iv) the actual Net Property Income for the CEVA Tech Facility where the lease commenced on 27 February 2017.
- (3) There is no Net Property Income contribution from the Development Properties for the period of 284 days from 20 June 2016 to 31 March 2017.
- (4) Number of issued and issuable Units entitled to distribution as at 31 March 2017 as stated in the FLT Unaudited Financial Statements.
- (5) Based on the issued and issuable Units as at 31 March 2017 in note (4) above and includes (a) new Units issued under the Private Placement, and (b) new Units issuable as payment of the Manager's base management fees and acquisition fees for the New Properties.
- (6) This is based on the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FLT Unaudited Financial Statements.

5.2 Pro Forma NAV

The pro forma financial effects of the Proposed Transaction on the NAV per Unit as at 31 March 2017, as if the Proposed Transaction had been completed on 31 March 2017, are as follows:

	Pro Forma Effects of the Proposed Transaction as at 31 March 2017	
	Before the Proposed Transaction	After the Proposed Transaction ⁽¹⁾
NAV (A\$m)	1,277 ⁽²⁾	1,350
No. of Units ('000)	1,435,122 ⁽³⁾	1,513,978 ⁽⁴⁾
NAV per Unit (A\$)	0.89	0.89

Notes:

- (1) Taking into account the Private Placement and that the balance of the Total Transaction Cost is financed with borrowings. Should the Total Transaction Cost be financed entirely by borrowings, the NAV per Unit will be higher than that presented in this illustration.
- (2) Based on the FLT Unaudited Financial Statements.
- (3) Number of Units issued and issuable as at 31 March 2017.
- (4) Based on the issued and issuable Units as at 31 March 2017 in note (3) above and includes (a) new Units issued under the Private Placement, and (b) new Units issuable as payment of the Manager's acquisition fees for the New Properties.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this announcement, the interests of the Directors in the Proposed Transaction are as follows:

- (i) Mr Panote Sirivadhanabhakdi is a Non-Executive Director of the Manager, a director and the Group Chief Executive Officer of FCL, a director of other entities within the FCL Group other than the Manager, a director of various entities within the TCC Group¹ (which is the controlling shareholder of the FCL Group) and holds 20.0% of the issued share capital of TCC Group Investments Limited. Mr Panote Sirivadhanabhakdi is also the son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi;
- (ii) Mr Michael Bowden Newsom is a Non-Executive Director of the Manager, General Counsel of FPA and a director of various wholly-owned subsidiaries of FPA; and
- (iii) Mr Lim Ee Seng is a Non-Executive Director of the Manager, was the previous Group Chief Executive Officer of FCL and is currently a senior advisor to the TCC Group and advisor to FCL.

Based on the Register of Directors' Unitholdings maintained by the Manager, the direct and deemed interests of the Directors in the Units as at the date of this announcement are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
Mr Ho Hon Cheong	583,000	0.0407	438,000	0.0306	1,021,000	0.0713
Mr Goh Yong Chian	300,000	0.0210	5,000	0.0003	305,000	0.0213
Mr Paul Gilbert Say	-	-	150,000	0.0105	150,000	0.0105
Mr Panote Sirivadhanabhakdi	-	-	89,887,000 ⁽¹⁾	6.2798 ⁽¹⁾	89,887,000	6.2798
Mr Lim Ee Seng	400,000	0.0279	-	-	400,000	0.0279
Mr Michael Bowden Newsom	-	-	60,000	0.0042	60,000	0.0042

Note:

- (1) Mr Panote Sirivadhanabhakdi holds 20.0% of the issued share capital of TCC Group Investments Limited and is deemed interested in TCC Group Investments Limited's direct interest in 89,887,000 Units.

¹ "TCC Group" refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Unitholdings as at 5 June 2017 are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
Australand Property Limited	292,155,000	20.4110 ⁽⁹⁾	-	-	292,155,000	20.4110 ⁽⁹⁾
FCL Investments (Industrial) Pte. Ltd. ⁽¹⁾	6,209,846	0.4338 ⁽⁹⁾	292,155,000	20.4110 ⁽⁹⁾	298,364,846	20.8448 ⁽⁹⁾
Frasers Centrepoint Limited ⁽²⁾	-	-	298,364,846	20.8448 ⁽⁹⁾	298,364,846	20.8448 ⁽⁹⁾
TCC Group Investments Limited ⁽³⁾	89,887,000	6.2798 ⁽⁹⁾	-	-	89,887,000	6.2798 ⁽⁹⁾
Sumitomo Mitsui Trust Holdings, Inc. ⁽⁴⁾	-	-	71,834,100	5.026 ⁽¹⁰⁾	71,834,100	5.026 ⁽¹⁰⁾
Sumitomo Mitsui Trust Bank, Limited ⁽⁵⁾	-	-	71,814,200	5.024 ⁽¹⁰⁾	71,814,200	5.024 ⁽¹⁰⁾
Nikko Asset Management Co., Ltd. ⁽⁶⁾	-	-	71,600,600	5.009 ⁽¹⁰⁾	71,600,600	5.009 ⁽¹⁰⁾
Nikko Asset Management International Limited ⁽⁷⁾	-	-	71,534,100 ⁽⁸⁾	5.005 ⁽⁸⁾⁽¹⁰⁾	71,534,100	5.005 ⁽¹⁰⁾

Notes:

- (1) Australand Property Limited, as trustee of Australand Property Trust, had declared a trust in favour of FCL Investments (Industrial) Pte. Ltd. pursuant to a declaration of trust dated 21 June 2016. Pursuant to the declaration of trust, Australand Property Limited, as trustee of Australand Property Trust, holds Units upon trust absolutely for FCL Investments (Industrial) Pte. Ltd.. Accordingly, FCL Investments (Industrial) Pte. Ltd. is deemed interested in the Units held by Australand Property Limited, as trustee of Australand Property Trust.
- (2) FCL is interested in the Units held by Australand Property Limited, as trustee of Australand Property Trust, as Australand Property Trust is indirectly wholly-owned by FCL. FCL is also interested in the Units held by FCL Investments (Industrial) Pte. Ltd., as FCL Investments (Industrial) Pte. Ltd. is indirectly wholly-owned by FCL. Each of InterBev Investment Limited, International Beverage Holdings Limited, Thai Beverage Public Company Limited, TCC Assets Limited, Siriwana Company Limited, Maxtop Management Corp., Risen Mark Enterprise Ltd., Golden Capital (Singapore) Limited, MM Group Limited, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed interested in the Units held by FCL based on their respective shareholdings (direct or indirect) as at 5 June 2017.
- (3) TCC Group Investments Limited is a British Virgin Islands company that is owned equally by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi in equal proportions. As each of them holds 20.0% of the issued share capital of TCC

Group Investments Limited, they are each deemed interested in TCC Group Investments Limited's direct interest in the Units.

- (4) Sumitomo Mitsui Trust Holdings, Inc. ("**SMTH**") has a deemed interest in the Units, on the basis of its controlling interest in each of Sumitomo Mitsui Trust Asset Management Co., Ltd. ("**SMTAM**") and Sumitomo Mitsui Trust Bank, Limited ("**SMTB**"). SMTB in turn has a controlling interest in Nikko Asset Management Co., Ltd. ("**NAM**") which has a controlling interest in Nikko Asset Management International Limited ("**NAMIL**"). NAMIL has a controlling interest in Nikko Asset Management Asia Limited ("**NAMAsia**") and separately holds more than 20% of the shareholdings of Affin Hwang Asset Management Berhad ("**AHAM**"). AHAM has a controlling interest in AIIMAN Asset Management ("**AIIMAN**"). Therefore, SMTH is deemed to have an interest in the Units held in aggregate by portfolios managed by SMTB, SMTAM, NAM, NAMAsia, AHAM and AIIMAN.
- (5) SMTB has a deemed interest in the Units: (i) held in aggregate by portfolios managed by it; and (ii) on the basis of its deemed interest arising out of its controlling interest in NAM which has a controlling interest in NAMIL. NAMIL in turn has a controlling interest in NAMAsia and separately holds more than 20% of the shareholdings of AHAM. AHAM has a controlling interest in AIIMAN Asset Management ("**AIIMAN**"). Therefore, SMTB is deemed to have an interest in the Units held in aggregate by portfolios managed by NAM, NAMAsia, AHAM and AIIMAN.
- (6) NAM has a deemed interest in the Units: (i) held in aggregate by portfolios managed by it; and (ii) on the basis of its deemed interest arising out of its controlling interest in NAMIL. NAMIL has a controlling interest in NAMAsia and separately holds more than 20% of the shareholdings of AHAM. AHAM has a controlling interest in AIIMAN. Therefore, NAM is deemed to have an interest in the Units held in aggregate by portfolios managed by NAMAsia, AHAM and AIIMAN.
- (7) NAMAsia and AHAM are wholly-owned subsidiaries and associates of NAMIL respectively. As NAMIL holds more than 20% shareholding in NAMAsia and AHAM respectively, it is deemed to have an interest in the Units held in aggregate by the portfolios managed by NAMAsia and AHAM.
- (8) The number of Units that NAMIL has a deemed interest in based on the notification ("**Substantial Unitholder Notification**") given by NAMIL to the Manager and which was released by the Manager on SGXNET on 31 March 2017, and the unitholding percentage of NAMIL set out in the Substantial Unitholder Notification was 5.005%.
- (9) The percentage interest is based on the total number of Units in issue of 1,431,359,846 Units as at 5 June 2017.
- (10) The percentage interest is based on the total number of Units in issue of 1,429,342,538 Units as set out in the Substantial Unitholder Notification.

7. OTHER INFORMATION

7.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Transaction or any other transactions contemplated in relation to the Proposed Transaction.

7.2 Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:

- (i) the net profits attributable to the assets acquired compared with FLT's net profits; and
- (ii) the aggregate value of the consideration given compared with FLT's market capitalisation.

Comparison of:	The Proposed Transaction	FLT	Relative Figure
Net Property Income ⁽¹⁾ (A\$ million)	1.6 ⁽²⁾	103.6 ⁽³⁾	1.5%
Aggregate Acquisition Amount against market capitalisation (S\$ million)	174.7 ⁽⁴⁾	1,461.3 ⁽⁵⁾	12.0%

Notes:

- (1) In the case of a REIT, Net Property Income is a close proxy to the net profits attributable to its assets.
- (2) Includes the actual Net Property Income of the Completed Properties from 20 June 2016 to 31 March 2017 for a period of 284 days, including (i) the actual Net Property Income from the Yusen Logistics Facility from the lease that commenced on 1 April 2011 and varied on 20 May 2017; (ii) the actual Net Property Income for the Survitec & Phoenix Facility from 15 July 2016, when the lease commenced; (iii) the actual Net Property Income for the Ecolab Facility where the lease ended on 31 July 2016 and remained vacant until the new lease commenced on 1 June 2017; and (iv) the actual Net Property Income for the CEVA Tech Facility where the lease commenced on 27 February 2017.
- (3) Based on FLT's actual Net Property Income from 20 June 2016 to 31 March 2017 in FLT's Unaudited Financial Statements.
- (4) Based on an exchange rate of A\$1 : S\$1.032. The Aggregate Acquisition Amount payable is subject to the Development Properties Adjustments, with the maximum aggregate acquisition amount for the New Properties taking into account the Development Properties Adjustments being approximately S\$177.0 million.
- (5) Based on the weighted average price of the Units transacted on the SGX-ST on 5 June 2017, being the market day preceding the date of signing of the Contracts of Sale and Development Agreements, of S\$1.0209 per Unit.

As seen in the table above, while the relative figures in relation to the Proposed Transaction computed on the base set out in Rule 1006(b) does not exceed 5%, the relative figure in relation to the Proposed Transaction computed on the base set out in Rule 1006(c) exceeds 5% but does not exceed 20%.

7.3 Audit, Risk and Compliance Committee Statement

Ernst & Young Corporate Finance Pte Ltd has been appointed as the independent financial adviser (the "IFA") to the independent directors of the Manager and the audit, risk and compliance committee of the Manager (the "Audit, Risk and Compliance Committee") in relation to the Proposed Transaction, to provide an opinion whether the Proposed Transaction is based on normal commercial terms and is not prejudicial to the interests of FLT and its minority Unitholders. The Audit, Risk and Compliance Committee will form its own view after reviewing the opinion of the IFA (the "IFA Letter"), which will be set out in the Circular.

7.4 Existing Related Party Transactions

Except for those transactions which have been specifically approved by Unitholders upon purchase of the Units during the initial public offering and listing of FLT¹, transactions with a value below S\$100,000², the Martin Brower Additional Adjustment³ in respect of the Martin Brower Property of approximately A\$1.1 million and the Renewed Southeast Insurance⁴ of approximately A\$0.8 million (further details of the Martin Brower Additional Adjustment and the Renewed Southeast Insurance will be set out in the Circular), both the Trustee and the Manager have not entered into any Related Party Transaction with FCL or its respective subsidiaries and associates during the course of the current financial period ending 30 September 2017 up to the date of this announcement.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager⁵ at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, from the date of this announcement up to and including the date falling three months after the date of the Circular:

- (i) the Contracts of Sale;
- (ii) the Development Agreements;
- (iii) the Incentive Reimbursement Deeds;
- (iv) the Contingent Rental Support Deeds;
- (v) the Deed of Covenant;
- (vi) the Deed of Assignment;
- (vii) the Deed of Variation;
- (viii) the valuation summaries on the New Properties issued by the Independent Valuers; and
- (ix) the unaudited financial statements of FLT in respect of the period from 20 June 2016 (being the date of listing of FLT on the Mainboard of the SGX-ST) to 31 March 2017.

The Trust Deed will also be available for inspection at the registered office of the Manager, for so long as FLT is in existence.

1 The Trustee has entered into certain ongoing Interested Person Transactions which are exempted from Rules 905 and 906 of the Listing Manual, having been specifically approved by Unitholders upon purchase of the Units during the initial public offering and listing of FLT, to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect FLT.

2 Rules 905(1), 905(2) and 906 of the Listing Manual do not apply to any transaction below S\$100,000.

3 The “**Martin Brower Additional Adjustment**” refers to the further adjustment to the agreed price of the Martin Brower Property to take into account the additional property value resulting from the rent increase from the solar panel system installed for the tenant.

4 The “**Renewed Southeast Insurance**” refers to the insurance policy with Southeast Insurance Public Company Limited which was renewed on 30 September 2016 for a term of one year expiring on 30 September 2017.

5 Prior appointment with the Manager (telephone number: +65 6813 0588) will be appreciated.

By Order of the Board

Frasers Logistics & Industrial Asset Management Pte. Ltd.
(Company Registration No. 201528178Z)
(as manager of Frasers Logistics & Industrial Trust)

Catherine Yeo
Company Secretary

6 June 2017

IMPORTANT NOTICE

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

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

The value of the Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited, as trustee of FLT or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

ADDITIONAL INFORMATION – FLT’S INTERESTS IN AUSTRALIAN LAND TRUST

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

Investors who are “foreign persons”¹ that acquire Units are required under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) (“FATA”) to notify and receive a prior statement of no objection (“FIRB Clearance”) of their investment in FLT from the Australian Treasurer through the Foreign Investment Review Board (“FIRB”) if any of the circumstances set out below apply at the time the Units are acquired:

- i. if FLT is considered to be an “Australian Land Trust”² (“ALT”) at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Clearance unless an exemption applies (see below); and
- ii. any investor that is a Foreign Government Investor³ acquiring a “direct interest”⁴ in FLT will require FIRB Clearance at the time of acquisition, regardless of whether FLT is considered to be an ALT or whether FLT has gross Australian assets in excess of A\$252.0 million.

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

- an individual not ordinarily resident in Australia; or
- a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- a foreign government investor.

2 Previously, this was an “Australian Urban Land Trust Estate”. An ALT is similarly defined, being a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

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

- foreign government or separate government entity; or
- a corporation, or trustee of a trust, or general partner of a limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
 - foreign governments or separate government entities of more than one country (or parts of more than one foreign country), together with any one or more associates, hold an interest of at least 40%;
- a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country. The FATA deems foreign government related entities from the same country to be associated. The effect is that an entity will be a foreign government investor where one or more foreign government related entities from the same country have in aggregate a 20% or more interest in the subject entity.

4 A “direct interest” is now defined to mean:

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

Exemptions from ALT requirements

The FATA contains two relevant exemptions from the requirement to obtain FIRB Clearance that would otherwise apply if FLT was considered to be an ALT:

- (a) the relevant person's interest in FLT would not be valued in excess of a specified threshold prescribed under the FATA (at the date of this announcement, the threshold prescribed under the FATA is A\$252.0 million, unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$55.0 million)¹; and
- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLT and will not be in a position to influence or participate in the central management and control of the land entity or to influence, participate in or determine the policy of the land entity².

Current details of FLT

As at 31 March 2017, the value of the Australian land interests comprised in FLT's portfolio is 95.3% of the total asset value of FLT. Consequently, FLT is considered to be an ALT.

As at 31 March 2017, FLT has gross Australian assets of approximately A\$1,763.2 million, which is above A\$252.0 million.

Any investor acquiring Units on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

1 This is a new exemption that was introduced into the FATA on and from 1 December 2015 and applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). Previously, there was no applicable monetary threshold. FIRB has also confirmed that it is the value of the interest being acquired, rather than the value of the underlying land that is determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes mines and critical infrastructure (for example, an airport or port).

2 This exemption reflects the "**passive investor administrative exemption**" that was previously available, and applies where an ALT is listed on an official stock exchange (whether in Australia or not).