



## NEWS RELEASE

For Immediate Release

### FRASERS LOGISTICS & INDUSTRIAL TRUST MAKES FIRST PORTFOLIO ACQUISITION - SEVEN PROPERTIES TO BE ACQUIRED FOR APPROXIMATELY A\$169.3 MILLION

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- Prime, modern and predominantly freehold industrial properties fully leased or pre-committed in Australia's major industrial and logistics markets – Sydney, Melbourne and Brisbane
- New Properties have a long Weighted Average Lease Expiry of 9.6 years<sup>1</sup>, providing income stability and resilience
- Reputable tenants serving the growing consumer and third-party logistics sectors in Australia

**Singapore, 6 June 2017** – Frasers Logistics & Industrial Asset Management Pte. Ltd. (“星狮物流工业资产管  
理公司”), the manager of Frasers Logistics & Industrial Trust (“星狮物流工业信托”) (“FLT” and the manager  
of FLT, the “REIT Manager”), is pleased to announce the portfolio acquisition of seven fully leased or pre-  
committed, quality and well-located industrial properties (the “New Properties”) in Australia. This comprises  
four completed properties (“Completed Properties”) and three properties currently under development  
 (“Development Properties”) for an aggregate acquisition amount (the “Aggregate Acquisition Amount”) of  
approximately A\$169.3 million<sup>2</sup> (“Proposed Transaction”).

#### PRIME AND MODERN PROPERTIES UNDERPINNED BY QUALITY TENANTS IN AUSTRALIA'S THREE LARGEST INDUSTRIAL AND LOGISTICS MARKETS

The New Properties comprise primarily properties which have been recently constructed or are under  
development, with an average age of 2.4 years as at 31 March 2017 and are located in Australia's three  
largest industrial and logistics markets – Sydney, Melbourne and Brisbane.

The Completed Properties to be acquired are (i) 8 Stanton Road, Seven Hills, New South Wales (the “Yusen  
Logistics Facility”), (ii) Lot 1, Horsley Drive Business Park, New South Wales (the “Survitec & Phoenix  
Facility”), (iii) 89-103 South Park Drive, Dandenong South, Victoria (the “Ecolab Facility”) and (iv) 43 Efficient  
Drive, Truganina, Victoria (the “CEVA Tech Facility”). All four completed properties are being acquired from  
entities of the sponsor of FLT, Frasers Centrepoint Limited (“FCL”).

The Development Properties, also to be acquired from FCL entities, are (i) Lot 1 Pearson Road, Yatala,  
Queensland (the “Beaulieu Facility”), (ii) 29 Indian Drive, Keysborough, Victoria (the “Stanley Black &  
Decker Facility”) and (iii) 17 Hudson Court, Keysborough, Victoria (the “Clifford Hallam Facility”). (*Please  
refer to the Appendix section for key descriptions of each New Property.*)

The rental income from the New Properties are underpinned by reputable tenants of which 75.1% based on  
Adjusted GRI (as defined herein) are multinational corporations and major consumer and logistics industry  
players that include Stanley Black & Decker, Beaulieu of Australia Pty Limited, Clifford Hallam Healthcare Pty  
Limited and CEVA Logistics (Australia) Pty Ltd.

The aggregate acquisition amount was negotiated on a willing-buyer and willing-seller basis and is supported  
by independent valuations by CBRE Valuations Pty Ltd, Savills Valuations Pty Ltd (only for the CEVA Tech  
Facility) and Urbis Valuations Pty Ltd (for the New Properties save for the CEVA Tech Facility).

*DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. are the joint financial advisers, global coordinators and  
issue managers for the initial public offering of the units in Frasers Logistics & Industrial Trust (the “Offering” (collectively,  
the “Joint Global Coordinators”). DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Morgan Stanley Asia  
(Singapore) Pte., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are the joint  
bookrunners and underwriters for the Offering (collectively, the “Joint Bookrunners”). The Joint Bookrunners for the  
Offering assume no responsibility for the contents of this announcement.*

## **POSITIVE IMPACT ON THE PORTFOLIO**

Commenting on the Proposed Transaction, Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, "We are pleased to be acquiring seven assets (four completed properties and three development properties) which are well-located in Australia's three largest industrial markets. The Proposed Transaction will add further diversity to our quality tenant base and increase rental contributions from consumer sector tenants."

"These modern industrial properties, which are 100.0% leased or pre-committed to incoming tenants, are also expected to be DPU accretive," added Mr Wallace.

With six out of seven of the properties being freehold assets and one with remaining leasehold land tenure of 89.3 years<sup>3</sup>, upon completion of the Proposed Transaction, FLT's portfolio comprising of freehold and long leasehold land tenure assets will increase from 89.6% to 90.5%<sup>4,5</sup>. As the New Properties are underpinned by long-term leases with a WALE of 9.6 years, the portfolio's WALE upon completion of the Proposed Transaction will increase to 6.9 years from 6.7 years as at 31 March 2017. All leases of the New Properties have annual rental increments averaging 3.1%.

The Proposed Transaction will also improve the lease expiry profile of FLT, reducing the percentage of lease 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.

Funding for the acquisitions may be through borrowings entirely or a combination of borrowings and equity. Based on the pro forma financial effects of the Proposed Transaction<sup>6</sup>, the distribution per unit of FLT ("DPU") is expected to be DPU accretive<sup>7</sup>.

Following the Proposed Transaction, the total value of FLT's portfolio will increase by 9.7% from A\$1,735.9 million<sup>8</sup> to an aggregate of approximately A\$1,905.2 million and FLT's portfolio will enlarge from 54 to 61 properties. GLA will increase 10.1% to approximately 1.35 million square metres ("sq m") from approximately 1.23 million sq m.

"These acquisitions are in line with our investment strategy to pursue asset acquisitions that provide attractive cash flows and yields. FLT will continue to assess opportunities that are complementary to the existing FLT portfolio in order to achieve long term growth in DPU, while maintaining an appropriate capital mix," added Mr Wallace.

## **STRENGTHENS FLT'S COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY**

As the industry leader with the largest Green Star performance rated industrial portfolio in Australia, FLT's commitment to environmental sustainability will be further strengthened through the acquisition of the New Properties. The Survitec & Phoenix Facility has achieved a 6-star "Green Star" Design rating. Another 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.

This Proposed Transaction is subject to approval by Unitholders at an extraordinary general meeting to be convened by FLT at a later date to be determined by the REIT Manager as the Proposed Transaction constitutes an interested person transaction under the listing manual of the Singapore Exchange Securities Trading Limited and an interested party transaction under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

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- <sup>1</sup> The weighted average lease expiry computed through application of Adjusted Gross Rental Income (“**Adjusted GRI**”) (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, 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
- <sup>2</sup> 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
- <sup>3</sup> As at 31 March 2017
- <sup>4</sup> By valuation of the existing portfolio of FLT (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)
- <sup>5</sup> Values for New Properties are based on the Aggregate Acquisition Amount
- <sup>6</sup> Based on the period from 20 June 2016 (being the date of listing of FLT on the Mainboard of the SGX-ST) (the “**Listing Date**”) to 31 March 2017
- <sup>7</sup> Strictly for illustration purposes only. **The DPU will increase from 5.33 Singapore cents to 5.38 Singapore cents**, assuming that (i) the Proposed Transaction is funded by a combination of equity and debt financing, (ii) Units are issued to the REIT Manager as acquisition fee for the acquisition of the New Properties, and (iii) the total transaction cost (which includes the Aggregate Acquisition Amount, the estimated professional and other fees and expenses incurred or to be incurred by FLT in connection with the Proposed Transaction, and stamp duty) is translated at an exchange rate of A\$1 : S\$1.0320, for the period from 20 June 2016 (being the Listing Date) through to 31 March 2017 (being a period of 284 days), 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 (being the gross revenue of a New Property comprising the gross rental income and recoverable outgoings, less property expenses) 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 contracts of sale in respect of the Completed Properties 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
- <sup>8</sup> Valuation for the Existing Portfolio of FLT as at 30 September 2016 save for the Martin Brower Property which was valued on 1 October 2016

## **APPENDIX**

### **COMPLETED PROPERTIES**

#### **Yusen Logistics Facility (8 Stanton Road, Seven Hills, New South Wales)**

Completed in 2002, this facility is tenanted to Yusen Logistics (Australia) Pty Limited, a global third party logistics provider headquartered in Tokyo, Japan and listed on the Tokyo Stock Exchange. The Yusen Logistics Facility comprises a two-storey office and high-clearance warehouse facility with 14 loading doors. The accommodation extends to 10,708m<sup>2</sup> and occupies a site of 16,460m<sup>2</sup>. Located in the established industrial precinct of Seven Hills, the Yusen Logistics Facility is within proximity to the M2 and M7 Motorways and is located approximately 34 km from Sydney's central business district ("CBD"). The Sydney Airport and Port Botany are approximately 46 km and 48 km from the Yusen Logistics Facility, respectively.

#### **Survitec & Phoenix Facility (Lot 1, Horsley Drive Business Park, New South Wales)**

Completed in July 2016, the Survitec & Phoenix Facility comprises a standalone high-clearance warehouse with 14 loading doors, sub-divided into two tenancies. Each tenancy is provided with a separate two-storey office and extensive hardstand areas with car parking for a total of 83 vehicles. The accommodation extends in total to 14,333m<sup>2</sup> and the Survitec & Phoenix Facility occupies a site of 27,320m<sup>2</sup>. Located within the recently developed Horsley Drive Business Park, on the edge of the established Wetherill Park industrial precinct, the Survitec & Phoenix Facility is located approximately 45 km from Sydney's CBD, 45 km from Sydney Airport and 53 km from Port Botany. The location benefits from excellent road transport links given its proximity to the M7 and M4 Motorways.

One of the tenants, Survitec, is a UK company providing marine, offshore, defence and aerospace safety survival solutions whilst another tenant, Phoenix Distribution (NSW) Pty Ltd is an independent logistics provider serving Sydney and Brisbane, providing distribution services, warehousing & storage and supply chain solutions.

#### **Ecolab Facility (89-103 South Park Drive, Dandenong South, Victoria)**

Completed in 2005, the Ecolab Facility is tenanted to Ecolab Pty Ltd, a global provider of water, hygiene and energy technologies and services to the food, energy, healthcare, industrial and hospitality markets, headquartered in Minnesota and listed on NYSE. This facility comprises a single-level office and high-clearance warehouse facility with 7 loading doors. The accommodation extends to 10,425m<sup>2</sup> and occupies a site of 21,034m<sup>2</sup>. The Ecolab Facility is centrally located amidst numerous arterial roads and transport networks and within the established South Park Industrial Estate. The Ecolab Facility is located approximately 68 km and 46 km from Melbourne Airport and the Port of Melbourne respectively and 38 km south-east from Melbourne's CBD.

#### **CEVA Tech Facility (43 Efficient Drive, Truganina, Victoria)**

Completed in February 2017, the CEVA Tech Facility comprises a single-level office and high-clearance warehouse facility with 13 loading doors. The accommodation extends to 23,088m<sup>2</sup> and occupies a site of 35,941m<sup>2</sup>. The CEVA Tech Facility is situated within the established West Park Industrial Estate within proximity of the Deer Park By-Pass linking with the Western Ring Road and West Gate Freeway. The CEVA Tech Facility is located approximately 25 km west of Melbourne's CBD and 26 km and 21 km of the Melbourne Airport and Port of Melbourne, respectively.

The tenant, CEVA Logistics (Australia) Pty Ltd, headquartered in Netherlands, is a provider of logistics and freight management solutions worldwide to technology, industrial, consumer, retail, automotive and energy sectors.

## **DEVELOPMENT PROPERTIES**

### **Beaulieu Facility (Lot 1 Pearson Road, Yatala, Queensland)**

The Beaulieu Facility is a new development, due for completion in September 2017. The Beaulieu Facility comprises a single-level office and high-clearance warehouse facility with 7 loading doors. The accommodation extends to 23,051 m<sup>2</sup> and occupies a site of 48,888 m<sup>2</sup>. The Beaulieu Facility is positioned within proximity to the Pacific Highway, providing access between the Gold Coast and Brisbane's CBD. The Brisbane Airport and Port of Brisbane are located approximately 46 km and 51 km from the Beaulieu Facility, respectively.

The pre-committed tenant, Beaulieu of Australia Pty Limited, is one of the largest carpet manufacturers in Australia and the market leader in providing the most comprehensive range of environmental sustainable floor coverings in Australia.

### **Stanley Black & Decker Facility (29 Indian Drive, Keysborough, Victoria)**

The Stanley Black & Decker Facility is a new development, due for completion in November 2017. The accommodation extends to 21,772m<sup>2</sup> and occupies a site of 40,250m<sup>2</sup>. The facility includes a single-level office and high-clearance warehouse. The Stanley Black & Decker Facility is located within the Key Industrial Park within proximity of the Eastlink and the Monash Freeway providing access to Melbourne's broader freeway network. The Stanley Black & Decker Facility is located approximately 25 km south east of Melbourne's CBD and 46 km from Melbourne Airport.

The pre-committed tenant, Stanley Black & Decker, is a Fortune 500 manufacturer of industrial tools and household hardware and provider of security products and locks, with headquarters in New Britain, Connecticut and is listed on the NYSE.

### **Clifford Hallam Facility (17 Hudson Court, Keysborough, Victoria)**

The Clifford Hallam Facility is a new development, due for completion in May 2018. The accommodation extends to 21,200m<sup>2</sup> and occupies a site of 35,162m<sup>2</sup>. The facility comprises a two-level office and high clearance temperature controlled warehouse with 8 loading doors. The Clifford Hallam Facility is located within the Key Industrial Park within proximity of the Eastlink and the Monash Freeway providing access to Melbourne's broader freeway network. The Clifford Hallam Facility is located approximately 25 km south east of Melbourne's CBD and 46 km from Melbourne Airport.

The pre-committed tenant, Clifford Hallam Healthcare Pty Limited, is Australia's leading and only fully integrated provider of medical consumables, pharmaceuticals, veterinary and equipment products.

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## About Frasers Logistics & Industrial Trust

Frasers Logistics & Industrial Trust (“**FLT**”) is the first Singapore-listed real estate investment trust with an initial pure-play Australian industrial portfolio. FLT offers investors a unique opportunity to invest in 54 Australian industrial real estate assets concentrated within major industrial markets in Australia, which include Melbourne, Sydney and Brisbane. Coupled with assets in Adelaide and Perth, the book value of FLT’s portfolio is approximately A\$1.75 billion as at 31 March 2017.

FLT’s investment strategy is to invest globally in a diversified portfolio of income-producing industrial properties. With strong connectivity to key infrastructure, FLT’s modern portfolio consists predominantly of freehold and long leasehold land tenure assets with a well-diversified tenant base.

For more information about FLT, visit [www.fraserslogistictrust.com](http://www.fraserslogistictrust.com).

## About Frasers Centrepoint Limited

Frasers Centrepoint Limited (“**FCL**”) is a full-fledged international real estate company and one of Singapore’s top property companies with total assets of S\$25 billion as at 31 March 2017. FCL has three strategic business units – Singapore, Australia and Hospitality, which focus on residential, commercial, retail and industrial properties in Singapore and Australia, and the hospitality business spanning more than 80 cities across Asia, Australia, Europe, and the MENA region. FCL also has an International Business unit that focuses on China, Southeast Asia, and the United Kingdom.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). FCL is also a sponsor and its subsidiaries are the managers of three REITs listed on the SGX-ST, Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust that are focused on retail properties, office and business space properties, logistics and industrial properties respectively, as well as one stapled trust listed on the SGX-ST, Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) that is focused on hospitality properties.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com).

## **IMPORTANT NOTICE**

This news release is for information purposes only and does not constitute or form part of an offer, solicitation, recommendation or invitation of any offer, to buy or subscribe for any securities of FLT in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied on in connection with, any investment decision, contract or commitment whatsoever.

The value of the units in FLT ("Units") and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by the REIT Manager, Perpetual (Asia) Limited, in its capacity as trustee of FLT, or FCL (as the sponsor of FLT).

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the REIT Manager redeem or purchase 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 news release may contain forward-looking statements or financial information that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of FLT. The forecast financial performance or financial information of FLT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements or financial information, which are based on the REIT Manager's current view of future events.

This news release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about FLT, the REIT Manager and its management, as well as financial statements.

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