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## FRASERS LOGISTICS & INDUSTRIAL TRUST

(a real estate investment trust constituted on 30 November 2015 under the laws of the Republic of Singapore)

### LAUNCH OF PRIVATE PLACEMENT OF NEW UNITS IN FRASERS LOGISTICS & INDUSTRIAL TRUST

#### 1. Introduction

Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust (“FLT”) (the “**Manager**”), wishes to announce the launch of a private placement (the “**Private Placement**”) of 220,000,000 new units in FLT (“**Units**”, and the new Units to be issued pursuant to the Private Placement, the “**New Units**”) at an issue price of between S\$1.143 and S\$1.173 per New Unit (both figures inclusive) (the “**Issue Price Range**”) so as to raise gross proceeds of approximately S\$258.1 million (based on an illustrative issue price per New Unit of S\$1.173, which is the higher end of the Issue Price Range (the “**Maximum Issue Price**”).

#### 2. Details of the Private Placement

The Manager has appointed DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Merrill Lynch (Singapore) Pte. Ltd. and Oversea-Chinese Banking Corporation Limited, as the joint lead managers and underwriters in relation to the Private Placement (the “**Joint Lead Managers and Underwriters**”).

The Manager has today entered into a placement agreement with the Joint Lead Managers and Underwriters (the “**Placement Agreement**”), pursuant to which the Joint Lead Managers and Underwriters have been appointed to procure subscribers for the New Units at an issue price per New Unit (the “**Issue Price**”) to be determined within the Issue Price Range, on the terms and subject to the conditions of the Placement Agreement. The New Units will be fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Placement Agreement.

The Issue Price Range of between S\$1.143 and S\$1.173 per New Unit (both figures inclusive) represents a discount of between:

- (i) 3.2% and 5.7% to the volume weighted average price (“**VWAP**”) of S\$1.2122 per unit in FLT (“**Unit**”), of trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day<sup>1</sup> on 30 July 2019 (being the date on which the Placement Agreement was entered into); and
- (ii) (for illustrative purposes only) 1.2% and 3.8% to the Adjusted VWAP<sup>2</sup> of S\$1.1877 per Unit.

The Issue Price will be determined by the Manager and the Joint Lead Managers and Underwriters following an accelerated book-building process. The Manager will make an announcement via SGXNET<sup>3</sup> once the Issue Price has been determined.

The Private Placement shall be subject to certain conditions precedent, more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

### 3. Rationale for the Private Placement

The Manager believes that the Private Placement will bring the following key benefits to the unitholders of FLT (“**Unitholders**”):

#### 3.1 Benefits of the Proposed Acquisition

The Manager intends to use the net proceeds from the Private Placement to partially fund the proposed acquisition by FLT of interests in 12 prime logistics properties located in Germany and Australia, being the Kentner Facility, the Bosch Facility, the Hermes Augsburg Facility, the EDEKA Facility, the Hermes Berlin Facility, the Amor & Mühle Facility, the Callius & WEG & GILOG Facility, the Keramag & VCK Facility, the B+S GmbH Logistik Facility, the FDM Facility, the Dana & Pinnacle & Licensing Facility and Avery Dennison & GM Kane and Sons Facility<sup>4</sup> (the “**Proposed Acquisition**”). On 30 July 2019, a unitholders’ circular has been issued to Unitholders (the “**Circular**”) together with a notice of extraordinary general meeting, for the purpose of seeking the approval of Unitholders for the Proposed Acquisition. The benefits of the Proposed Acquisition to FLT and its Unitholders has been discussed in greater detail in the Circular. A summary of these benefits is as follows:

- Deepens presence in attractive logistics markets of Germany and Australia;
- Prime, modern and high-quality portfolio;
- Strengthens the FLT portfolio;
- Distribution per Unit (“**DPU**”) accretion and consistent with the Manager’s investment strategy; and
- Consistent track record in leveraging sponsor’s platform to enhance portfolio value.

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1 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2 The Adjusted VWAP is computed based on the VWAP of trades in the Units done on the SGX-ST for the full Market Day on 30 July 2019 (being the date on which the Placement Agreement was entered into) and subtracting the Advanced Distribution (as defined herein).

3 An internet-based corporate announcement submission system maintained by the SGX-ST.

4 Each as defined in the Circular dated 30 July 2019.

### **3.2 Benefits of the Private Placement**

It is intended that the Proposed Acquisition will be financed by a combination of debt and equity so as to ensure that the Proposed Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. The Manager believes that the Private Placement, in combination with debt financing, is an efficient and overall beneficial method of raising funds to finance the Proposed Acquisition.

The increase in the total number of Units in issue and enlarged Unitholder base is expected to enhance the trading liquidity of the Units and raise the profile of FLT among investors.

## **4. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT**

The offer of New Units under the Private Placement will be made to institutional and accredited investors.

The New Units have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States or to or for the account or benefit of any U.S. person, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. The New Units are being offered and sold to non U.S. persons in offshore transactions as defined in and in reliance on Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act.

The Manager, along with the Joint Lead Managers and Underwriters, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

## **5. Use of Proceeds**

Subject to relevant laws and regulations, the Manager intends to allocate the gross proceeds of approximately S\$258.1 million (being the amount of gross proceeds to be raised based on the Maximum Issue Price) from the Private Placement in the following manner:

- (i) up to approximately S\$242.6 million (which is equivalent to 94.0% of the gross proceeds of the Private Placement) to partially fund the Proposed Acquisition<sup>5</sup>; and
- (ii) up to approximately S\$15.5 million (which is equivalent to 6.0% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses, including (i) the underwriting and placement commission and related fees and expenses payable to the Joint Lead Managers and Underwriters, and (ii) professional and other fees and expenses to be incurred by FLT in connection with the Proposed Acquisition and Private Placement.

The Proposed Acquisition will be subject to the approval of Unitholders to be sought at an extraordinary general meeting of Unitholders. In the event that FLT does not proceed with the Proposed Acquisition, the net proceeds from the Private Placement may be re-deployed to fund future investments and/or to repay existing indebtedness.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at its absolute discretion for other purposes,

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<sup>5</sup> The balance of the Proposed Acquisition will be funded by debt.

including, without limitation, to repay existing indebtedness.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds from the Private Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

## 6. Authority to issue Units

The issue of the New Units under the Private Placement is being carried out pursuant to a general mandate (the “**General Mandate**”) given to the Manager at the annual general meeting (“**AGM**”) held on 24 January 2019.

Pursuant to the General Mandate, the Manager may, during the period from 24 January 2019 to (i) the conclusion of the next AGM of FLT or (ii) the date by which the next AGM of FLT is required by applicable laws and regulations or the trust deed of FLT to be held, whichever is earlier, issue new Units and/or securities, warrants, debentures or other instruments convertible into Units (“**Convertible Securities**”) such that the number of new Units (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the total number of Units in issue as at 24 January 2019 (the “**Base Figure**”), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro-rata basis to existing Unitholders shall not be more than 20.0% of the Base Figure.

The Base Figure, being the number of Units in issue as at 24 January 2019, was 2,022,125,479 Units.

## 7. Advanced Distribution

FLT’s policy is to distribute its distributable income on a semi-annual basis to Unitholders.

In connection with the Private Placement, however, the Manager intends to declare in respect of the Units in issue immediately prior to the issue of the New Units (the “**Existing Units**”), a distribution of the distributable income for the period from 1 April 2019 to the day immediately preceding the date on which the New Units will be issued under the Private Placement (the “**Advanced Distribution**”).

The next distribution following the Advanced Distribution will comprise FLT’s distributable income for the period from the date on which the New Units are issued under the Private Placement to 30 September 2019. Semi-annual distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by FLT up to the day immediately prior to the date of issue of the New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The current expectation of the Manager is that the quantum of the DPU under the Advanced

Distribution is estimated to be 2.45 Singapore cents per Unit<sup>6</sup>. The actual quantum of the distribution per Unit under the Advanced Distribution (which may differ from the estimate above) will be announced on a later date after the management accounts of FLT for the relevant period have been finalised.

For the avoidance of doubt, holders of the New Units will not be entitled to participate in the distribution of any distributable income accrued by FLT prior to the date of issue of the New Units (including the Advanced Distribution). The New Units are expected to be issued and commence trading on the SGX-ST on 8 August 2019.

(Please see the announcement dated 30 July 2019 issued by the Manager in relation to the notification of the time and date on which the transfer books and register of Unitholders will be closed to determine Unitholders' entitlement to the Advanced Distribution.)

## **8. Status of the New Units**

Other than the Advanced Distribution to which the New Units will not be entitled, the New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the right to any distributable income from the date on which the New Units are issued under the Private Placement to 30 September 2019 as well as all distributions thereafter.

## **9. Application to the SGX-ST for Approval-in-Principle**

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

## **BY ORDER OF THE BOARD**

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

**Catherine Yeo**  
Company Secretary  
30 July 2019

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6 The estimated distribution for the period from 1 April 2019 to the day immediately prior to the date on which the New Units will be issued pursuant to the Private Placement is based on the Manager's estimate of FLT's revenue and expenses for the relevant period on a pro-rata basis. This amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ.

## **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 or Perpetual (Asia) Limited, as trustee of FLT. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

This announcement is for information purposes only and does not constitute an offer for sale or 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 or to or for the account or benefit of any U.S. person, 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.

### **Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:**

The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## ADDITIONAL INFORMATION – AUSTRALIA'S FOREIGN INVESTMENT REGIME

Australia's foreign investment regime is set out in the Australian Foreign Acquisitions and Takeovers Act 1975 (“**FATA**”) and the Australian Government’s Foreign Investment Policy.

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

A “foreign person”<sup>7</sup> that acquires Units is required under the FATA to notify and receive a prior no objections notification (“**FIRB Approval**”) in respect of its investment in 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:

- (a) if FLT is considered to be an “Australian Land Trust”<sup>8</sup> (“**ALT**”) at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);
- (b) if FLT is not an ALT, but has gross Australian assets in excess of a specified threshold prescribed under FATA (as at the date of this announcement, the threshold prescribed under FATA is A\$266.0 million) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a substantial interest (20% or more held solely or together with associates) in FLT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or
- (c) any investor that is a Foreign Government Investor<sup>9</sup> acquiring a “direct interest”<sup>10</sup> in FLT will require FIRB Approval 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\$266.0 million.

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7 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.

8 An ALT is a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

9 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.

10 A “**direct interest**” is defined to mean:

- an interest of at least 10% in the entity or business, or

## Exemptions from ALT requirements

There are two relevant exemptions from the requirement to obtain FIRB Approval under the FATA that would otherwise apply if FLT was considered to be an ALT:

- (a) where the relevant person is not a foreign government investor and 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\$266.0 million, unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$58.0 million)<sup>11</sup>; 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 FLT or to influence, participate in or determine the policy of FLT.<sup>12</sup>

## Significant actions

As at 30 June 2019, the value of the Australian land assets comprised in FLT's portfolio is 64.4% of the total asset value of FLT. Consequently, FLT is considered to be an ALT.

As at 30 June 2019, FLT has gross Australian assets of approximately A\$2,025.6 million, which is above A\$266.0 million.

Any investor that is a "foreign person" acquiring Units on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

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- 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.

11 This applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). It is the value of the interest being acquired, rather than the value of the underlying land that is determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes transport logistics facilities, mines and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

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