

SGX-ST ANNOUNCEMENT

For immediate release

COMPLETION OF ACQUISITION OF TWO PROPERTIES IN AUSTRALIA AND THE UNITED KINGDOM

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the announcement of Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics & Industrial Trust) (“FLCT”) dated 3 August 2020 titled “Acquisition of Interests in Two Properties in Australia and the United Kingdom and Divestment of Remaining 50% Interest in the Property at 99 Sandstone Place, Parkinson, Queensland, Australia” (the “Announcement”).

Unless otherwise stated, the S\$ equivalent of the A\$ figures and £ figures in this Announcement have been arrived at based on assumed exchange rates of A\$1 : S\$0.9872 and £1 : S\$1.7969, respectively.

Further to the Announcement, Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.), in its capacity as manager of FLCT (the “**Manager**”), is pleased to announce that FLCT has today (i) through the Sub-Trust Trustee, completed the Proposed Australian Acquisition, and (ii) through its wholly-owned subsidiary, FLCT UK Pte. Ltd., completed the Proposed UK Acquisition (collectively, the completion of the Proposed Australian Acquisition and the Proposed UK Acquisition are referred to as the “**Completion**”). Immediately upon the Completion, FLCT wholly-owns (i) the Australian Property (through the Sub-Trust Trustee) and (ii) the UK Property (through the Target Company which is now a wholly-owned subsidiary of FLCT through FLCT UK Pte. Ltd.).

The Asset Purchase Consideration is A\$22.5 million (approximately S\$22.2 million). The estimated UK Purchase Consideration is £37.7 million (approximately S\$67.7 million), and is subject to adjustment post-completion of the Proposed UK Acquisition. The Asset Purchase Consideration and the estimated UK Purchase Consideration have been fully funded through internal resources and existing debt facilities.

The acquisition fee payable to the Manager for the Proposed Acquisitions amounts to approximately S\$0.7 million and will be paid entirely in units in FLCT as soon as practicable following Completion.

BY ORDER OF THE BOARD

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

Catherine Yeo
Company Secretary
12 August 2020

IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (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 in FLCT ("**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 FLCT. 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, 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 FLCT and the Manager is not necessarily indicative of the future performance of FLCT and the Manager.

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*”¹ that acquires Units is required under the FATA to notify and receive a prior no objections notification (“**FIRB Approval**”) in respect of its investment in FLCT from the Australian Treasurer through the Foreign Investment Review Board (“**FIRB**”) if any of the circumstances set out below apply at the time the Units are acquired:

- (a) if FLCT is considered to be an “Australian Land Trust”² (“**ALT**”) at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);
- (b) if FLCT is not an ALT, but has gross Australian assets in excess of a specified threshold prescribed under FATA (as at the date of this Announcement, the threshold prescribed under FATA is temporarily reduced to A\$0 and will rise to A\$275.0 million when the temporary changes are lifted) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a substantial interest (20% or more held solely or together with associates) in FLCT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or

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.

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

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

Exemptions from ALT requirements

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

- (a) where the relevant person is not a foreign government investor and the relevant person's interest in FLCT would not be valued in excess of a specified threshold prescribed under the FATA (at the date of this announcement, the threshold prescribed under the FATA is A\$0, unless the ALT has ‘sensitive’ land holdings, in which case the threshold is A\$0)⁵; and

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

- foreign government or separate government entity; or
- a corporation, or trustee of a trust, or general partner of a limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
 - foreign governments or separate government entities of more than one country (or parts of more than one foreign country), together with any one or more associates, hold an interest of at least 40%;
- a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.

The FATA deems foreign government related entities from the same country to be associated. The effect is that an entity will be a foreign government investor where one or more foreign government related entities from the same country have in aggregate a 20% or more interest in the subject entity.

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

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

5 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.

- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLCT and will not be in a position to influence or participate in the central management and control of FLCT or to influence, participate in or determine the policy of FLCT⁶.

Significant actions

As at 30 June 2020, the value of the Australian land assets comprised in FLCT's portfolio is 47.9% of the total asset value of FLCT. Consequently, FLCT is not considered to be an ALT.

As at 30 June 2020, FLCT has gross Australian assets of approximately A\$3,036.6 million, which is above the A\$0 threshold.

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

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