

SGX-ST Announcement

For immediate release

FRASERS LOGISTICS & COMMERCIAL TRUST

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

EXTENSION OF PROPERTY MANAGEMENT AGREEMENT AND LEASE AGREEMENT WITH FRASERS PROPERTY MANAGEMENT SERVICES PTY LTD

1 INTRODUCTION

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) (“**FLCT**”, and as manager of FLCT, the “**Manager**”), wishes to announce that Frasers Commercial Trust (“**FCOT**”), a wholly owned sub-trust of FLCT, through TFS Collins Pty Ltd (an indirect wholly-owned subsidiary of FCOT incorporated in Australia), in its capacity as trustee of Collins Street Landholding Trust (“**TFS Trustee**”):

- (i) has today entered into a letter of extension (“**Letter of PMA Extension**”) with Frasers Property Management Services Pty Ltd (“**FPMS**”) to extend for a period of three years the existing Agreement for the Provision of Property Management and Leasing Services entered into by TFS Trustee and FPMS which commenced on 18 August 2017 (the “**PMA**”), under which FPMS is appointed to provide property management and leasing services for 357 Collins Street, Melbourne, Victoria, Australia (the “**Property**”) (the “**Extension of PMA**”); and
- (ii) will enter into a deed of extension of lease (“**Deed of Lease Extension**”) with FPMS to extend the existing lease of Part Floor 12 of the Property (the “**Premises**”) to FPMS (“**Lease**”) for a period of three years (the “**Extension of Lease**”).

The initial term of the existing PMA and existing Lease previously entered into between the Parties each expired on 17 August 2020. FPMS is an indirect wholly-owned subsidiary of Frasers Property Limited (“**FPL**”), the sponsor of FLCT.

2 EXTENSION OF PMA

2.1 Salient Terms of the PMA

2.1.1 Term and Extension of the PMA

The extended term of the PMA is for a period of three years from 18 August 2020 until 17 August 2023, or until the PMA is earlier terminated or further extended by mutual agreement of the parties to the PMA (the “**Parties**”).

2.1.2 Fees and Reimbursements

The fees and reimbursements payable to FPMS as property manager in respect of the Property are set out below:

(i) Management Fees

FPMS, as the property manager, will be entitled to receive a fee of AUD 115,829 per annum (the “**Management Fee**”), subject to an annual increase in the Management Fee equivalent to 3%.

(ii) Leasing Fees

FPMS, as the property manager, will be entitled to receive leasing fees as follows:

- (a) for new leases of up to five years, a fee of 10% of the average annual gross rental of the initial term of the lease (“**Gross Rent**”);
- (b) for new leases of more than five years, a fee of 10% of Gross Rent plus an additional 1% for each additional year of the initial term exceeding 5 years, capped at 15%; and
- (c) for lease renewals, a lease fee of 30% of the fee computed on the basis set out in sub-paragraphs (ii)(a) or (ii)(b) above.

(iii) Reimbursements

FPMS, as the property manager, will be entitled to reimbursements for any cost and expense that may be agreed by the Parties from time to time incurred in respect of the Property.

2.2 Rationale for the Extension of PMA

The Manager is of the view that the Extension of PMA with FPMS will ensure that there will be continuity in the management of the Property after the expiry of the existing PMA. FPMS has managed the property to a high standard since 2013 and has an established relationship with the tenant customers. The Manager therefore believes that the Extension of PMA will be beneficial to FLCT and the unitholders of FLCT (“**Unitholders**”).

3 EXTENSION OF LEASE

3.1 Details of the Lease

The Lease will be extended for a period of three years from August 2020 until August 2023. The net rent will be A\$34,800.00 per annum subject to an annual rent review with a fixed increase of 4% for each year. The Lease will not be subject to an option to renew.

3.2 Rationale for the Extension of Lease

Having considered the prevailing market conditions, the attributes of the Premises and the fact that FPMS is the existing tenant of the Premises, and taking into consideration that the rental rate for the Lease is comparable with the rental rates of leases granted by FLCT to other unrelated tenants for comparable units at the Property, the Manager is of the view that the entry into of the Extension of Lease will provide continuing, predictable and stable cash flow and rental income to FLCT over the next three years.

4 INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION (COLLECTIVELY, “INTERESTED PERSON TRANSACTIONS” OR “RELATED PARTY TRANSACTIONS”)

As at the date of this Announcement, FPL and its subsidiaries (the “**FPL Group**”) hold an aggregate direct and indirect interest in 759,325,049 units in FLCT (“**Units**”), which is equivalent to approximately 22.2% of the total number of Units in issue as at the date of this Announcement, and is therefore regarded as a “controlling unitholder” of FLCT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of FPL, the FPL 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 FPMS is a subsidiary of FPL, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, FPMS (being a subsidiary of a “controlling unitholder” of FLCT and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of FLCT and (for the purposes of the Property Funds Appendix) an “interested party” of FLCT.

Therefore, the Extension of PMA and the Extension of Lease will constitute Interested Person Transactions under Chapter 9 of the Listing Manual, as well as Interested Party Transactions under the Property Funds Appendix.

Prior to the Extension of PMA and the Extension of Lease, the total value of Interested Person Transactions between FLCT and the same interested person, for the current financial year (excluding transactions with a value below S\$100,000 and transactions which have been approved by Unitholders), is approximately S\$91.1 million (which is more than 3.0% of FLCT’s latest audited net tangible assets (“**NTA**”) and the net asset value (“**NAV**”) as at 30 September 2019).

As the aggregate value of the Extension of PMA and the Extension of Lease of approximately S\$2.9 million, when aggregated with the existing total value of Interested Person Transactions between FLCT and the same interested person of S\$91.1 million for the current financial year and excluding transactions with a value below S\$100,000 and transactions which have been approved by Unitholders, is S\$94.0 million which is approximately 4.5% of both the latest audited NTA and NAV of FLCT as at 30 September 2019, being more than 3.0% of FLCT’s latest audited NTA but less

than 5.0% of FLCT's latest audited NTA, the entry into of the Extension of PMA and the Extension of Lease are not subject to the approval of Unitholders.

4.1 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 FLCT¹, transactions with a value below S\$100,000², the Renewed Southeast Insurance³, the merger of FLCT and Frasers Commercial Trust by way of a trust scheme of arrangement⁴, the acquisition of 50% interest in Farnborough Business Park⁵ and the acquisition of interests in two properties in Australia and the United Kingdom⁶, FLCT has not entered into any other Related Party Transaction during the course of the current financial year from 1 October 2019 to the date of this announcement.

5 STATEMENT OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

The audit, risk and compliance committee of the Manager is of the view that the Extension of PMA and the Extension of Lease are based on normal commercial terms and are not prejudicial to the interests of FLCT and its minority Unitholders.

6 OTHER INFORMATION

6.1 Interests of the Directors and Substantial Unitholders

As at the date of this Announcement, the interests of the Directors in the Extension of PMA and the Extension of Lease are as follows:

- (i) Mr Panote Sirivadhanabhakdi is a Non-Executive Director of the Manager, a director and the Group Chief Executive Officer of FPL, a director of other entities within the FPL Group

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 FLCT, to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect FLCT.

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

³ The "**Renewed Southeast Insurance**" refers to the insurance policy with Southeast Insurance Public Company Limited, an entity within the TCC Group, which was renewed for a further term of one year commencing 1 October 2019 and expiring on 30 September 2020. The value of the Renewed Southeast Insurance is approximately A\$1.3 million (approximately S\$1.2 million).

⁴ Please refer to FLCT's announcement on 2 December 2019. The merger of FLCT and Frasers Commercial Trust by way of a trust scheme of arrangement was approved by Unitholders on 11 March 2020.

⁵ Please refer to FLCT's announcement on 2 December 2019. The acquisition of 50% interest in Farnborough Business Park was approved by Unitholders on 11 March 2020.

⁶ Please refer to FLCT's announcement on 3 August 2020. The acquisition of interests in two properties in Australia and the United Kingdom did not require Unitholders' approval.

other than the Manager, a director of various entities within the TCC Group⁷ (which is the controlling shareholder of the FPL 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 Chia Khong Shoong is a Non-Executive Director of the Manager, the Chief Corporate Officer of FPL and a director of various subsidiaries of FPL other than the Manager;
- (iii) Mr Rodney Vaughan Fehring is a Non-Executive Director of the Manager, the Chief Executive Officer of Frasers Property Australia Pty Limited (“FPA”), a subsidiary of FPL, and a director of various subsidiaries of FPL other than the Manager; and
- (iv) Mr Reinfried Helmut Otter is a Non-Executive Director of the Manager, the Chief Executive Officer of Frasers Property Industrial, a strategic business unit of FPL, and a director of various subsidiaries of FPL other than the Manager.

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	% ⁽¹⁾
	No. of Units held	% ⁽¹⁾	No. of Units held	% ⁽¹⁾		
Mr Ho Hon Cheong	-	-	1,123,100	0.0329	1,123,100	0.0329
Mr Goh Yong Chian	800,000	0.0234	-	-	800,000	0.0234
Mr Paul Gilbert Say	-	-	165,000	0.0048	165,000	0.0048
Mr Chin Yoke Choong	136,082	0.0040	100,000 ⁽²⁾	0.0029	236,082	0.0069
Ms Soh Onn Cheng Margaret Jane ⁽³⁾	-	-	18,495	0.0005	18,495	0.0005
Mr Panote Sirivadhanabhakdi ⁽⁴⁾	-	-	118,559,700	3.4735	118,559,700	3.4735
Mr Chia Khong Shoong	-	-	220,000	0.0064	220,000	0.0064
Mr Rodney Vaughan Fehring	-	-	132,000	0.0039	132,000	0.0039
Mr Reinfried Helmut Otter	-	-	-	-	-	-

Notes:

- (1) The percentage is based on 3,413,220,092 Units in issue as at the date of this Announcement.
- (2) Mr Chin Yoke Choong has a deemed interest in 100,000 Units which are held directly by his spouse.
- (3) Ms Soh Onn Cheng Margaret Jane has a deemed interest in 12,330 Units which are held in her Supplementary Retirement Scheme account and 6,165 Units which are held directly by her spouse.
- (4) Mr Panote Sirivadhanabhakdi is deemed interested in 118,559,700 Units held by TCC Group Investments Limited.

⁷ “TCC Group” refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

6.2 Director's Service Contracts

No person is proposed to be appointed as a director in connection with the Extension of PMA and the Extension of Lease or any other transactions contemplated in relation to the Extension of PMA and the Extension of Lease.

BY ORDER OF THE BOARD

Frasers Logistics & Commercial Asset Management Pte. Ltd.

As manager of Frasers Logistics & Commercial Trust

Company Registration No. 201528178Z

Catherine Yeo
Company Secretary
18 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 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 the 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 the 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 the Unitholders may only deal in their Units through trading 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.