

FRASERS LOGISTICS & COMMERCIAL TRUST
MINUTES OF THE ANNUAL GENERAL MEETING
HELD ON THURSDAY, 20 JANUARY 2022, AT 10.00 A.M.
BY WAY OF ELECTRONIC MEANS

Present: Unitholders

Present by way of electronic means:

As per attendance list

In attendance: Directors of Frasers Logistics & Commercial Asset Management Pte. Ltd., as manager of Frasers Logistics & Commercial Trust (“FLCT”, and the manager of FLCT, the “Manager”)

Present by way of electronic means:

Mr Ho Hon Cheong, Chairman

Mr Goh Yong Chian

Mr Paul Gilbert Say

Ms Soh Onn Cheng Margaret Jane

Mr Panote Sirivadhanabhakdi

Mr Rodney Vaughan Fehring

Mr Reinfried Helmut Otter (Reini Otter)

Present in person:

Mr Bobby Chin Yoke Choong

Mr Chia Khong Shoong

Executive Officers of the Manager

Present in person:

Mr Robert Stuart Claude Wallace, Chief Executive Officer

Ms Tricia Yeo, Chief Financial Officer

Company Secretary of the Manager

Present in person:

Ms Catherine Yeo

Representatives from Perpetual (Asia) Limited, as trustee of FLCT and KPMG LLP, as External Auditors of FLCT

Present by way of electronic means:

As per attendance list

1. Introduction

- 1.1 Prior to the commencement of the Annual General Meeting (“**AGM**” or the “**Meeting**”), Ms Catherine Yeo (“**Ms Yeo**”), the Company Secretary of the Manager, informed the Meeting that Perpetual (Asia) Limited, as trustee of FLCT (the “**Trustee**”), has nominated Mr Ho Hon Cheong (the “**Chairman**”), to preside as the Chairman of the Meeting. In accordance with the trust deed constituting FLCT dated 30 November 2015 (as amended, restated, and supplemented) (the “**Trust Deed**”), Mr Ho presided as the Chairman of the Meeting. Ms Yeo stated that, in the event of technical or other issues during this Meeting which prevent Mr Ho Hon Cheong from continuing to attend this Meeting, Mr Bobby Chin Yoke Choong, a non-executive and independent director of the Manager and Chairman of the Audit, Risk and Compliance Committee of the Manager, would be authorised to take the Chair in accordance with the Trust Deed and proceed with the Annual General Meeting. Noting that Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar, had informed that there was a sufficient number of verified unitholders of FLCT (“**Unitholders**”), who were attending the Meeting electronically such that the requisite quorum for the Meeting had been met, Ms Yeo invited the Chairman, who was joining the Meeting via video conference from Kuala Lumpur, Malaysia, to proceed with the Meeting.
- 1.2 The Chairman welcomed all Unitholders to the Meeting and informed them that, as a precautionary measure due to the current COVID-19 situation in Singapore, the AGM was conducted via electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 and the related order on the alternative arrangements for general meetings. Unitholders accessing the AGM electronically would be treated as present and may be named in the attendance lists. The Chairman requested Unitholders to bear with any technical issues or disruptions. The Chairman, on behalf of the board of directors (the “**Board**”) and the management team of the Manager, thanked all Unitholders for taking the time to pre-register for the Meeting.
- 1.3 As stated in the Manager’s announcement which sets out the alternative arrangements for the conduct of the Meeting published on the corporate website of Frasers Logistics & Commercial Trust and on SGXNet dated 23 December 2021 (the “**Announcement**”), the Chairman noted that Unitholders could submit questions in advance of or “live” at the Meeting. In respect of questions received prior to the Meeting, the Manager had published the responses to the substantial and relevant questions received from Unitholders on the corporate website of FLCT and on SGXNet on 14 January 2022. The Chairman informed that the Manager would endeavour to address the substantial and relevant questions received after the deadline and which have not been addressed earlier, as well as those received “live” at the Meeting. The Chairman further informed Unitholders that questions received from Unitholders may be moderated and/or consolidated if substantially similar questions are received and that the Manager would not be addressing questions which have been addressed in the published

responses. The Chairman informed that Unitholders who wished to raise any queries “live” during the Meeting should submit them via the AGM@Convene platform, and that the questions would be addressed at the appropriate time during the Meeting. The Chairman then invited Unitholders to view a video on how to submit questions “live” during the Meeting via the AGM@Convene platform.

- 1.4 The Chairman invited Ms Yeo to introduce the Board and Management of the Manager who were present at the Meeting. Following Ms Yeo’s introduction of the Board and Management of the Manager, she thanked the representatives of the Trustee and KPMG LLP, who were attending the Meeting remotely. Ms Yeo noted that, as stated in the Announcement, Unitholders must appoint the Chairman of the Meeting as their proxy if they wish to exercise their voting rights at the Meeting, Unitholders had been advised to submit their votes by completing the proxy form circulated on 23 December 2021 (the “**Proxy Form**”) to appoint the Chairman of the Meeting as proxy to vote on their behalf. Mr Ho Hon Cheong, in his capacity as Chairman of the Meeting, would therefore be voting, or abstaining from voting, on behalf of Unitholders, in accordance with their specified instructions in their respective Proxy Forms for each of the motions to be tabled at the Meeting. The voting on all resolutions tabled at the Meeting would be conducted by poll. Ms Yeo further noted that Proxy Forms submitted at least 72 hours before the Meeting had been checked, and the number of votes for, against and abstentions from voting on each motion had been verified by RL Law LLC, the Scrutineer for the Meeting.
- 1.5 Ms Yeo then informed that Mr Ho Hon Cheong, in his capacity as Chairman of the Meeting and as proxy for Unitholders, proposed all the motions to be tabled at the Meeting.
- 1.6 The Chairman noted that the annual report of FLCT for the financial year ended 30 September 2021 (“**FY2021**”, and the annual report for FY2021, the “**Annual Report**”), the notice of AGM dated 23 December 2021 (the “**Notice of AGM**”), the Proxy Form and the Announcement were published on the corporate website of FLCT and on SGXNet on 23 December 2021. Printed copies of the Notice of AGM, Proxy Form and the Announcement were also despatched to all Unitholders for their convenience.
- 1.7 The Chairman then briefly went through the contents of the Annual Report, and the Notice of AGM was taken as read.
- 1.8 The Chairman noted that Resolutions 1, 2 and 3 as found in the Notice of AGM are ordinary resolutions, and explained that an ordinary resolution is passed if more than 50% of the total number of votes cast for and against the resolution are cast in its favour.
- 1.9 Before proceeding to the Resolutions, the Chairman invited Mr Robert Wallace, the Chief Executive Officer of the Manager (the “**CEO**”) to deliver a short presentation summarising the key highlights and performance of FLCT in FY2021, and noted that a copy of the presentation had also been uploaded on the corporate website of FLCT and on SGXNet on 19 January 2022.
- 1.10 The Chairman thanked the CEO for his presentation. The Chairman then proceeded to introduce the motions to be tabled at the Meeting, as set out in the Notice of AGM.

2. Ordinary Resolution 1:

To receive and adopt the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements for FY2021 and the Auditors' Report thereon

2.1 The Chairman introduced Resolution 1 as set out in the Notice of Meeting, as follows:

“Resolution 1 seeks Unitholders’ approval to receive and adopt the Report of the Trustee issued by Perpetual (Asia) Limited, the trustee of Frasers Logistics & Commercial Trust, the Statement by the Manager issued by Frasers Logistics & Commercial Asset Management Pte. Ltd., the manager of Frasers Logistics & Commercial Trust, the Audited Financial Statements of Frasers Logistics & Commercial Trust for the financial year ended 30 September 2021 and the Auditors’ Report thereon.”

2.2 The full text of Resolution 1, as set out in the Notice of AGM, was taken as read.

3. Ordinary Resolution 2:

To re-appoint KPMG LLP as Auditors of FLCT to hold office until the conclusion of the next Annual General Meeting, and to authorise the Manager to fix their remuneration

3.1 The Chairman introduced Resolution 2 set out in the Notice of Meeting, as follows:

“Resolution 2 seeks Unitholders’ approval for the re-appointment of KPMG LLP as the Auditors of Frasers Logistics & Commercial Trust to hold office until the conclusion of the next Annual General Meeting, and authorisation for the Manager to fix their remuneration.”

3.2 The Chairman informed that the Audit, Risk and Compliance Committee of the Manager, with the Board’s endorsement, had nominated KPMG LLP for re-appointment as auditors of FLCT, and that KPMG LLP had expressed their willingness to accept the re-appointment.

3.3 The full text of Resolution 2, as set out in the Notice of AGM, was taken as read.

4. Ordinary Resolution 3:

To authorise the Manager to issue Units and to make or grant convertible instruments

4.1 The Chairman invited Ms Yeo to explain Resolution 3, as follows:

“This Resolution seeks Unitholders’ approval to authorise Frasers Logistics & Commercial Asset Management Pte. Ltd., the manager of Frasers Logistics & Commercial Trust, to issue Units and/or to make or grant instruments, which are convertible into Units, and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a pro rata basis to Unitholders. The mandate, if approved and unless revoked or varied, shall be effective from the date of this Meeting until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting is required by applicable law or regulations to be held, whichever is earlier. The basis of calculating the number of Units that may be issued

is described in the full text of this Resolution and the Explanatory Notes to this Resolution in the Notice of AGM.”

- 4.2 The full text of Resolution 3 and the Explanatory Notes to the Resolution, as set out in the Notice of AGM, were taken as read.

5. **Key Questions and Answers**

- 5.1 The Chairman informed the Meeting that the Manager would now be addressing the substantial and relevant questions received prior to the Meeting and which had not been addressed earlier, as well as those received “live” during the Meeting via the AGM@Convene platform.
- 5.2 The first question was, given that FLCT’s gearing level of 33.7% as at 30 September 2021 is low compared to other listed REITs and trusts, which are averaging at about 40%, whether there are any plans to lever FLCT’s gearing up to a higher but still comfortable level, e.g. in the higher 30% range, bearing in mind that the gearing limit imposed by the Monetary Authority of Singapore has now been increased to 50%. Ms Tricia Yeo, the Chief Financial Officer (the “CFO”) responded that FLCT’s current gearing of 33.7% is at a level which the Manager is very comfortable with, and it would prefer to keep the gearing level under 40%. Even at a 40% gearing level, this would provide a headroom of just under S\$800 million, which the Manager would seek to deploy very judiciously, and look to grow in a meaningful manner in view of the expected interest rate hikes. The CFO also stated that FLCT would monitor its costs of funding very closely as they assess growth opportunities and asset enhancement initiatives.
- 5.3 The next questions were, given the number of assets held by FLCT in Singapore, Australia and Europe, where the CEO would be residing in order to manage FLCT’s properties and run its operations, as well as whether the CEO would be flying to each of the property locations, or whether FLCT would be relying on the management teams working on the ground at the locations of each of the properties. The Chairman responded that the CEO has been residing in and running FLCT’s operations from Singapore since the beginning of 2021. The CEO further elaborated that he currently resides in Singapore, and has visited Australia, the United Kingdom, the Netherlands and Germany in 2021. The CEO also stated that FLCT has people on the ground in each market to help manage the properties from an asset and portfolio standpoint, and the Manager is very comfortable with the level of support provided. Given the 103 properties owned by FLCT, the CEO stated that he relies on the management teams in each market to manage the portfolio.
- 5.4 The next question was, given FLCT’s low gearing ratio and the favourable interest rate environment, why a private placement of new units in FLCT (“Units”) in May 2021 was opted for instead of raising funds through borrowings. The CFO stated that, at the time of the approximately S\$500 million acquisition of six new properties in Germany, the Netherlands and the United Kingdom in FY2021, FLCT’s gearing was slightly higher at around the 36% range. Based on the capital structure for the acquisition at that time and with the placement raising approximately S\$300 million, FLCT’s gearing was kept at around 36%. With the placement of new Units and the cost of funding, FLCT was able to deliver an accretion to Unitholders, taking into consideration the intention to keep gearing at a comfortable level.

- 5.5** The next questions were, with FLCT's low gearing level and ample headroom, whether the Manager intends to consider more acquisitions by FLCT, and if so, whether acquisitions of logistics properties in less developed regions such as Eastern Europe would be considered since logistics properties in developed regions seem to be very expensive. The CEO stated that FLCT's debt headroom allows for some flexibility when it comes to growth. However, FLCT will not be growing just for the sake of growth but is focused on improving the portfolio. The CEO also stated that there are no immediate plans for FLCT to acquire logistics properties in Eastern European markets as the Manager prefers to develop in markets where FLCT has feet on the ground. The CEO acknowledged that while the developed markets are more expensive, there are still opportunities for growth in the cheaper debt markets and through other types of funding, and by developing sites that FLCT already owns. The Chairman stated that as FLCT is a long-term investor, country risk is therefore an important factor for the Manager to consider prior to investing in an asset.
- 5.6** The next question was, assuming the stabilisation of the COVID-19 pandemic situation, whether the Manager would expect the demand for logistics properties to decline. The CEO responded that FLCT is experiencing good occupier demand for FLCT's industrial properties, which the Manager expects will continue due to a general trend towards e-commerce. In relation to customers, it is expected that the demand for such properties will continue to grow, but not at the levels seen in the past 12 to 18 months. The CEO also noted that, from an investment demand viewpoint, there has been a strong demand for industrial properties in all the markets, and FLCT expects such demand to grow, but, similarly, not at the same rates as the previous year.
- 5.7** The next questions were regarding how FLCT's cost of debt, which is at a rate of 1.6%, was achieved, whether such a rate is sustainable and what impact the interest rate hikes would have on the cost of debt of FLCT. The CFO stated that FLCT has managed to achieve the interest rate of 1.6% because at the time when its debts matured, base rates were relatively low, and FLCT managed to lock in the refinancing rates on a long-term basis. The CFO also noted that the Manager is mindful of the currencies under which such borrowings were obtained, being a mix of Singapore Dollars, Euros, Australian Dollars and Great Britain Pounds. On the impact of interest rate hikes, the CFO stated that FLCT is quite appropriately leveraged, and close to 73% of FLCT's borrowings are at a fixed rate. Assuming a 1% increase is applied to the floating rate debt, this could result in a 2.4% negative impact on the distribution per Unit. The CFO also stated that the Manager would closely monitor FLCT's percentage of debt hedged at a fixed rate to allow for financial flexibility.
- 5.8** The last question was regarding how the growth of FLCT, with its scale and portfolio size having increased dramatically in the last two years, was managed while sustaining overall performance, and if there would ever be a point where FLCT becomes too large and management quality declines. The CEO stated that he is very comfortable with the management of FLCT, and that FLCT has feet on the ground for every asset that has been acquired. Since most of its assets have been transferred across from the sponsor of FLCT, there has been a seamless transition of the management of each property. The CEO assured that management quality has been maintained for FLCT, which he hopes are apparent from its results and performance, including the 100% occupancy rate for the logistics & industrial portfolio.

6. **Voting and Declaration of Results**

- 6.1 The Chairman, having introduced and explained all the motions to be tabled at the Meeting, proceeded to put Resolutions 1, 2 and 3 to vote by poll. The results of the polls on each of the Resolutions were as follows:

Resolution 1

For		Against	
No. of Units	%	No. of Units	%
2,131,223,575	99.97%	686,629	0.03%

Resolution 2

For		Against	
No. of Units	%	No. of Units	%
2,128,050,599	99.82%	3,926,217	0.18%

Resolution 3

For		Against	
No. of Units	%	No. of Units	%
2,010,083,612	94.26%	122,352,599	5.74%

- 6.2 Based on the results of the poll, the Chairman declared Resolutions 1, 2 and 3 as carried.

7. **Closure**

- 7.1 The Chairman thanked the Unitholders for their attendance and support on behalf of the Board and the management team of the Manager, and declared the Meeting closed at 10.50 a.m.

CONFIRMED BY,
MR HO HON CHEONG
CHAIRMAN OF MEETING