

FRASERS LOGISTICS & COMMERCIAL TRUST ACQUIRES A PRIME FREEHOLD SUBURBAN COMMERCIAL PROPERTY IN AUSTRALIA

- ◆ Prime freehold suburban commercial property in Mount Waverley, Victoria, Australia, for an **asset purchase consideration of A\$60.25 million (approximately S\$58.4 million¹)**
- ◆ **100%² occupancy rate with a WALE of 5.0 years²**

SINGAPORE, 19 MAY 2022

Frasers Logistics & Commercial Asset Management Pte. Ltd., the manager of Frasers Logistics & Commercial Trust (“**FLCT**” and the manager of FLCT, the “**REIT Manager**”), is pleased to announce the proposed acquisition of a fully leased freehold suburban commercial property in Mount Waverley, Victoria, Australia (the “**Property**”) from an unrelated third party, Fortune Building No.3 Pty Ltd (the “**Acquisition**”). The asset purchase consideration for the Property is A\$60.25 million (approximately S\$58.4 million) (the “**Purchase Consideration**”).

The Purchase Consideration was negotiated on a willing buyer and willing seller basis and taking into consideration the independent valuation conducted by CIVAS (VIC) Pty Limited (“**Colliers**”) at A\$60.25 million (approximately S\$58.4 million)³ as at 30 April 2022. The Colliers valuation is based on the capitalisation and discounted cash flow approaches and referenced comparable market transactions. The acquisition is expected to complete on 20 May 2022.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, “The acquisition is aligned with our strategy to pursue strategic opportunities which provides attractive yields and enables us to leverage our management expertise in Australia. With the Property being 100% leased to reputable tenants in diverse industries, the Acquisition is expected to further enhance FLCT’s quality tenant mix and portfolio metrics, while providing unitholders with a stable income stream.”

KEY ATTRIBUTES OF THE ACQUISITION

The Property is strategically located at 545 Blackburn Road, Mount Waverley, Victoria, Australia, within the heart of the City of Monash, one of the most populated municipalities in Victoria. The City of Monash has the highest concentration of employment outside Melbourne’s CBD and the precinct continues to see growth and demand from businesses and investors due to its diverse industry, infrastructure investment and long-established residential markets within and around it.⁴

The Property is a five-storey A Grade suburban office building with a total net lettable area of 7,297 square metres (“**sqm**”) comprising two retail tenancies on the ground level and four upper levels of office space. It is 100% leased to nine tenants with a weighted average lease expiry (“**WALE**”) of approximately 5.0 years as at 31 March 2022. The building has a National Australian Built Environment Rating System energy rating of 4.5 stars.

According to JLL Research⁵, the Melbourne south-eastern office market recorded a positive net absorption of 14,221 sqm in 2021, which continued into the first quarter of 2022 with a positive net absorption of 1,684 sqm, backed by positive relocation activity from large tenants. Occupier demand is expected to be positive with recovery post-COVID-19 in the Melbourne south-eastern office market. Thus, the Manager is of the view that

¹ Unless otherwise stated, the S\$ equivalent of the A\$ figures in this press release have been arrived at based on an assumed exchange rate of A\$1:S\$0.97.

² Based on gross rental income (“**GRI**”), being the contracted rental income and estimated recoverable outgoings for the month of March 2022. Excludes straight lining rental adjustments and include committed leases.

³ The valuation of the Property does not take into account the effects of outstanding tenant incentives and landlord’s works, which will be reimbursed by Fortune Building No.3 Pty Ltd by way of a cash adjustment on settlement, and the Purchase Consideration amount is also prior to the adjustment on settlement of such reimbursement.

⁴ Source: Monash Council Submission, 25 January 2022 (<https://www.invest.vic.gov.au/opportunities/precincts/monash-national-employment-and-innovation-cluster>)

⁵ Source: JLL Real Estate Intelligence Service, Melbourne South-East Suburbs Office Market 1Q22.

good quality buildings such as the Property continue to be the preferred products in this market as flight to quality opportunities arise.

The Property will be FLCT's fourth commercial asset in Australia, increasing FLCT's exposure to the Australian market to 51.8% of its total portfolio value, from 51.3% prior to the Acquisition⁶. Post-Acquisition, based on the portfolio metrics as at 31 March 2022, portfolio occupancy rate will increase to 96.2% from 96.1% with a WALE at 4.6 years.

FUNDING AND FINANCIAL EFFECTS

The total cost of the Acquisition is estimated to be A\$65.0 million (approximately S\$63.1 million), comprising the Purchase Consideration as well as the stamp duty payable, professional and other fees and expenses in connection with the Acquisition and the acquisition fee. The Acquisition will be funded from the divestment proceeds of Cross Street Exchange in Singapore⁷.

The Acquisition is not expected to have any material effect on FLCT's net tangible assets.

OTHER INFORMATION

Based on the relative figures as computed on the bases set out in Rule 1006 of the listing manual of Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the Acquisition is a "Non-Discloseable Transaction" within the meaning of Rule 1006 of the Listing Manual.

END

⁶ Based on the book value of FLCT's portfolio as at 31 March 2022 and excludes right-of-use assets for the existing portfolio, and based on the Purchase Consideration for the Property.

⁷ Please refer to the announcements dated 2 December 2021 and 25 January 2022 for details.

About the Property

Completed in November 2016, the Property is a new and modern standalone office building in Melbourne's eastern and south-eastern commercial precinct, sited in a preferred location within the Monash precinct with convenient access to various major arterial roads. The Property is also only 480 metres to the Monash Freeway, which provides connectivity to both the eastern suburbs and is only 18 kilometres south-east of Melbourne's CBD.

Major tenants of the Property include General Mills Australia, Sushi Sushi, Bank of Melbourne, ECI Software Solutions and MST Lawyers. The Property is the Australian corporate headquarters of General Mills and Sushi Sushi.

About Frasers Logistics & Commercial Trust

Frasers Logistics & Commercial Trust ("**FLCT**") is a Singapore-listed real estate investment trust with a portfolio comprising 101 industrial and commercial properties, worth approximately S\$6.7 billion, diversified across five major developed markets – Australia, Germany, Singapore, the United Kingdom and the Netherlands. FLCT was listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 20 June 2016 as Frasers Logistics & Industrial Trust and was subsequently renamed Frasers Logistics & Commercial Trust on 29 April 2020 following the completion of a merger with Frasers Commercial Trust.

FLCT's investment strategy is to invest globally in a diversified portfolio of income-producing properties used predominantly for logistics or industrial purposes located globally, or commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) located in the Asia-Pacific region or in Europe (including the United Kingdom). FLCT is sponsored by Frasers Property Limited.

FLCT is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index), Straits Times Index and Global Property Research (GPR) 250.

For more information about FLCT, visit www.frasersproperty.com/reits/flct

About Frasers Property Limited

Frasers Property Limited ("**Frasers Property**") and together with its subsidiaries, the "**Frasers Property Group**" or the "**Group**", is a multi-national developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and headquartered in Singapore, the Group has total assets of approximately S\$40.7 billion as at 31 March 2022.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("**REITs**") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [LinkedIn](#).

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The value of the units in FLCT (“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 FLCT, or Frasers Property (as the sponsor of FLCT).

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.

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