

Fraser's Logistics & Commercial Trust to divest Cross Street Exchange in Singapore for S\$810.8 million

- ◆ Represents a **28.3% premium to the property's book value of S\$632.0 million**¹
- ◆ Post-divestment, FLCT's **portfolio weighting**² towards logistics & industrial will increase to **66.9%**, from 61.1% previously

SINGAPORE, 25 JANUARY 2022

Fraser's Logistics & Commercial Asset Management Pte. Ltd., the manager of Fraser's Logistics & Commercial Trust ("FLCT", and the manager of FLCT, the "REIT Manager"), is pleased to announce that FLCT, through its wholly-owned sub-trust Fraser's Commercial Trust, has entered into a sale and purchase agreement with an unrelated third-party purchaser, for the sale of the leasehold property at 18, 20 and 22 Cross Street, Singapore³ ("**Cross Street Exchange**") for a consideration of S\$810.8 million (the "**Consideration**").

The Consideration represents a 28.3% premium to Cross Street Exchange's book value of S\$632.0 million as at 30 September 2021. The proposed divestment of this non-core leasehold Central Business District ("**CBD**") commercial property is in line with the REIT Manager's proactive asset management and portfolio rebalancing strategies, providing opportunities to re-weight FLCT's portfolio into the logistics and industrial asset class. Post-divestment, FLCT's portfolio weighting² towards logistics & industrial will increase to 66.9%, from 61.1% previously.

The proposed divestment will also enhance FLCT's portfolio metrics, with a higher overall portfolio occupancy rate of 97.1% and a longer weighted average lease expiry profile ("**WALE**") of 5.0 years, from 96.2% and 4.8 years respectively, prior to the divestment⁴.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, "The divestment of Cross Street Exchange is transacted at an attractive premium over its book value, re-weighting our portfolio towards logistics and industrial properties. The divestment will enhance our portfolio metrics with a higher overall portfolio occupancy rate and longer WALE and will provide FLCT with significant financial strength and flexibility."

The estimated net proceeds from the divestment is approximately S\$802.7 million, after taking into account divestment fees of S\$4.1 million⁵ to be paid to the REIT Manager in cash as well as other divestment-related expenses. The net divestment proceeds may be used to fund potential acquisition opportunities, finance capital expenditure, repay existing debt, make distributions to FLCT's unitholders and/or other general corporate requirements.

Assuming that 49.2% of the net proceeds are used to repay outstanding debt, FLCT's aggregate leverage is expected to be lowered by 4.4 percentage points from 33.7% %⁶ to 29.3 %⁷ on a pro forma basis with debt headroom increased to approximately S\$3,017.2 million⁸ post-divestment.

Completion of the proposed divestment is expected to take place on 31 March 2022.

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¹ Based on the valuation by CBRE Pte. Ltd. as at 30 September 2021

² As at 30 September 2021 and based on portfolio value which excludes right-of-use assets

³ Includes four retail units at 181 South Bridge Road, Singapore

⁴ Occupancy rate and WALE based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of September 2021. Excludes straight lining rental adjustments and includes committed leases

⁵ The divestment fee is 0.5% of the Consideration and is payable to the REIT Manager pursuant to the trust deed dated 30 November 2015 constituting FLCT (as amended)

⁶ Aggregate leverage as at 30 September 2021

⁷ Aggregate leverage post-divestment on a pro forma basis as if divestment was completed on 30 September 2021

⁸ On the basis of an aggregate leverage limit of 50.0% pursuant to the Property Funds Appendix

About Cross Street Exchange

Cross Street Exchange is located at the junction of Cross Street and South Bridge Road at the fringe of Singapore's Central business District. It is comprised of a 15-storey commercial office with a retail podium, 2 clusters of heritage shop houses which houses a mix of offices, shops and restaurants and four retail units at 181 South Bridge Road.

Cross Street Exchange accounted for approximately 7.0% of FLCT's net property income as at 30 September 2021 and approximately 8.6% of FLCT's portfolio value.

About Frasers Logistics & Commercial Trust

Frasers Logistics & Commercial Trust ("**FLCT**") is a Singapore-listed real estate investment trust with a portfolio comprising 103 industrial and commercial properties, worth approximately S\$7.3 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\$40.3 billion as at 30 September 2021.

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 people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It has 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.

This news release may contain forward-looking statements or financial information that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of FLCT. The forecast financial performance or financial information of FLCT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements or financial information, which are based on the Manager’s current view of future events.

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