

## 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)

## THE PROPOSED DIVESTMENT OF A COMMERCIAL PROPERTY IN AUSTRALIA

### 1. Introduction

Fraser's Logistics & Commercial Asset Management Pte. Ltd., as manager of Fraser's Logistics & Commercial Trust ("**FLCT**", and as manager of FLCT, the "**Manager**") is pleased to announce that TFS Collins Pty Ltd, as trustee of Collins Street Landholding Trust (an indirect wholly-owned sub-trust of FLCT) (the "**Vendor**"), has on 16 July 2025 entered into a contract of sale (the "**SPA**") with, among others<sup>1</sup>, an unrelated third party, Three Five Seven Collins Street Pty Ltd, as trustee for Three Five Seven Collins Street Trust (the "**Purchaser**") to sell the entire interest in the property located in Australia at 357 Collins Street, Melbourne in Victoria (being the land in Plan of Consolidation 368689P, certificate of title volume 10899 folio 728) together with the building erected thereon known as "357 Collins Street" and the plant and equipment (the "**Property**") (the "**Proposed Divestment**").

Completion of the Proposed Divestment is expected to take place by 30 September 2025.

### 2. Details of the Proposed Divestment

#### 2.1. Consideration for the Proposed Divestment

The sale price for the Property is A\$195.3 million (approximately S\$164.1 million) and the consideration payable by the Purchaser in connection with the Proposed Divestment after netting off the outstanding tenant lease incentive liabilities as at Completion (as defined herein) which will be transferred to the Purchaser is expected to be A\$192.1 million (approximately S\$161.4 million) (the "**Divestment Consideration**"). The Divestment Consideration was negotiated on a willing-buyer and willing-seller basis, taking into account the independent valuation by Savills Valuations Pty Ltd ("**Savills**"), commissioned by the Manager and the trustee of FLCT. The open market value of the Property as at 1 June 2025 determined by Savills is A\$191.0 million (approximately S\$160.4 million), based on the capitalisation and discounted cash flow methods, and takes into account the outstanding tenant lease incentive liabilities to be adjusted for on Completion. The Divestment Consideration represents 0.6% premium to the independent valuation and will be satisfied by the Purchaser in cash.

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*Note: Unless otherwise stated, the S\$ equivalent of the A\$ figures in this Announcement have been arrived at based on assumed exchange rates of A\$1 : S\$0.84*

<sup>1</sup> British and Malayan Trustees Limited (in its capacity as trustee of Fraser's Commercial Trust) is also a party to the SPA as guarantor in relation to the Vendor's warranties under the SPA.

## 2.2. Estimated Total Cost of the Proposed Divestment

The estimated total cost of the Proposed Divestment ("**Total Divestment Cost**") is approximately S\$2.1 million comprising:

- (i) the divestment fee payable to the Manager for the Proposed Divestment pursuant to the trust deed dated 30 November 2015 (as amended and supplemented) constituting FLCT, which amounts to approximately S\$0.8 million which will be paid in cash; and
- (ii) the estimated professional and other fees and expenses incurred or to be incurred by FLCT in connection with the Proposed Divestment of approximately S\$1.3 million.

## 2.3. Use of Divestment Proceeds

After taking into account the estimated Total Divestment Cost of S\$2.1 million, it is estimated that the net proceeds from the Proposed Divestment would be S\$159.3 million (the "**Divestment Net Proceeds**"). The Divestment Net Proceeds may be used to fund potential acquisition opportunities, repay existing debt, and/or other general corporate and working capital requirements.

## 2.4. Certain Terms and Conditions of the SPA

The principal terms of the SPA include, among others, the following:

- (i) the Divestment Consideration of A\$192.1 million (inclusive of the improvements/plant and equipment located in or on or which otherwise relate to the Property which are owned by the Vendor), exclusive of any applicable goods and services tax;
- (ii) the Property being sold subject to, *inter alia*:
  - (a) the completion of the Proposed Divestment taking place on 30 September 2025 or any other date by written agreement between the Vendor and the Purchaser ("**Completion**");
  - (b) on Completion, certain specified and existing tenant lease incentives shall be adjusted in favour of the Purchaser, and certain new tenant lease incentives shall be adjusted in favour of the Vendor; and
  - (c) certain limited representations and warranties are made by the Vendor including in relation to the capacity of the Vendor and title to the Property; and
- (iii) the Property is sold on an "as is where is" basis.

### **3. Rationale for the Proposed Divestment**

The Manager believes that the Proposed Divestment will bring the following key benefits to Unitholders:

#### **3.1 Active portfolio management strategy and focus on logistics and industrial asset classes**

The Proposed Divestment aligns with FLCT's proactive asset management and portfolio rebalancing strategies, providing opportunities to further re-weight FLCT's portfolio towards the logistics and industrial asset class. The Proposed Divestment supports FLCT's long-term strategic objective of increasing its logistics & industrial portfolio allocation.

#### **3.2 Unlock value through strategic capital recycling**

The Divestment Consideration of A\$192.1 million (approximately S\$161.4 million), assuming Completion by 30 September 2025, approximates to the book value of the Property as at 31 March 2025 of S\$159.7 million<sup>2</sup> and is a 0.6% premium over the independent valuation of A\$191.0 million as at 1 June 2025. The latest independent valuation as at 1 June 2025 is the same as the independent valuation of A\$191.0 million as at 30 September 2024. The Proposed Divestment at approximately book value to FLCT allows FLCT to unlock value from a commercial asset.

#### **3.3 Opportunity to exit from challenging Melbourne CBD office market**

The Proposed Divestment allows FLCT to strategically exit the challenging Melbourne CBD office market, which continues to suffer from remote work culture, leading to an elevated vacancy level of 18.6%<sup>3</sup>. Subdued tenant demand has also resulted in rising incentives.

#### **3.4 Enhanced portfolio metrics and operational efficiency**

Post-divestment, FLCT's portfolio is expected to achieve improved operational metrics with a higher overall portfolio occupancy rate of 95.2% and a longer weighted average lease expiry profile of 4.8 years, from 93.9% and 4.6 years respectively, prior to the Proposed Divestment<sup>4</sup>.

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<sup>2</sup> The book value of the Property as at 31 March 2025 is adjusted to S\$159.7 million (as compared to the book value based on the 1HY2025 Unaudited Financial Statements (as defined herein)) due to divestment related accounting adjustments.

<sup>3</sup> Jones Lang LaSalle Real Estate Intelligence Service –Melbourne CBD Office Snapshot 1Q25.

<sup>4</sup> Occupancy rate and weighted average lease expiry based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of March 2025. Excludes straight lining rental adjustments and includes committed leases.

## 4. Pro Forma Financial Effects

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Divestment on the net asset value (“NAV”) per unit of FLCT (“Unit”), distribution per Unit (“DPU”) and gearing presented below are strictly for illustrative purposes and were prepared based on the audited consolidated financial statements of FLCT for the financial year ended 30 September 2024 (the “FY2024 Audited Financial Statements”) and the unaudited condensed interim financial statements of FLCT for the six months period ended 31 March 2025 (“1HFY2025” and the “1HY2025 Unaudited Financial Statements”), taking into account the Divestment Consideration, the Total Divestment Cost and assuming that 100% of the Divestment Net Proceeds would be used to repay outstanding borrowings.

### 4.1 Pro Forma NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Divestment on FLCT’s NAV per Unit as at 30 September 2024, as if the Proposed Divestment was completed on 30 September 2024, are as follows:

	Effects of the Proposed Divestment	
	FY2024 Audited Financial Statements	Immediately after completion of the Proposed Divestment
NAV (\$ m)	4,269.5	4,269.3
No. of Units ('000)	3,762,202 <sup>(1)</sup>	3,762,202
NAV per Unit (\$)	1.13	1.13

**Note:**

(1) Number of Units issued and issuable as at 30 September 2024 as stated in the FY2024 Audited Financial Statements.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Divestment on FLCT’s NAV per Unit as at 31 March 2025, as if the Proposed Divestment was completed on 31 March 2025, are as follows:

	Effects of the Proposed Divestment	
	1HFY2025 Unaudited Financial Statements	Immediately after completion of the Proposed Divestment
NAV (\$ m)	4,075.6	4,075.2
No. of Units ('000)	3,770,695 <sup>(1)</sup>	3,770,695
NAV per Unit (\$)	1.08	1.08

**Note:**

(1) Number of Units issued and issuable as at 31 March 2025 as stated in the 1HFY2025 Unaudited Financial Statements.

## 4.2 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Divestment on FLCT's DPU for FY2024, as if the Proposed Divestment was completed on 1 October 2023, are as follows:

	Effects of the Proposed Divestment	
	FY2024 Audited Financial Statements	Immediately after completion of the Proposed Divestment
<b>Distributable Income (S\$ m)</b>	255.5	253.1 <sup>(1)</sup>
<b>No. of Units ('000)</b>	3,762,202 <sup>(2)</sup>	3,761,835 <sup>(3)</sup>
<b>DPU (Singapore cents)<sup>(4)</sup></b>	6.80	6.74

**Note:**

- (1) Assumes 100% of the Divestment Net Proceeds are used to repay outstanding borrowings on 1 October 2023.
- (2) Number of Units issued and issuable as at 30 September 2024 as stated in the FY2024 Audited Financial Statements.
- (3) Adjusted for estimated management fees to the Manager issued in Units in the financial year ended 30 September 2024 attributable to the Property.
- (4) Excluding Capital Distribution – Divestment Gains, FY2024 Actual DPU and FY2024 Proforma DPU immediately after completion of the Proposed Divestment would have been 5.69 Singapore cents and 5.63 Singapore cents respectively.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Divestment on FLCT's DPU for 1HFY2025, as if the Proposed Divestment was completed on 1 October 2024, are as follows:

	Effects of the Proposed Divestment	
	1HFY2025 Unaudited Financial Statements	Immediately after completion of the Proposed Divestment
<b>Distributable Income (S\$ m)</b>	113.0	112.7 <sup>(1)</sup>
<b>No. of Units ('000)</b>	3,769,558 <sup>(2)</sup>	3,769,394 <sup>(3)</sup>
<b>DPU (Singapore cents)<sup>(4)</sup></b>	3.00	2.99

**Note:**

- (1) Assumes 100% of the Divestment Net Proceeds are used to repay outstanding borrowings on 1 October 2024.
- (2) Number of Units issued and issuable as at 31 March 2025 as stated in the 1HFY2025 Unaudited Financial Statements.
- (3) Adjusted for estimated management fees to the Manager issued in Units in the financial period ended 31 March 2025 attributable to the Property.
- (4) Excluding Capital Distribution – Divestment Gains, 1HFY2025 Actual DPU and 1HFY2025 Proforma DPU immediately after completion of the Proposed Divestment would have been 2.52 Singapore cents and 2.51 Singapore cents respectively.

### 4.3 Pro Forma Gearing

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma gearing of FLCT as at 31 March 2025, as if the Proposed Divestment was completed on 31 March 2025, is as follows:

	Effects of the Proposed Divestment	
	1HFY2025 Unaudited Financial Statements	Immediately after completion of the Proposed Divestment
Aggregate leverage <sup>(1)</sup> (%)	36.1	34.6

**Note:**

(1) Calculated based on total gross borrowings divided by total assets. The impact of FRS 116 Leases and non-controlling interests have been excluded for the purpose of computing the aggregate leverage ratio.

## 5. Listing Manual Requirements

### 5.1 Disclosure under Rule 1010(13) of the Listing Manual

Chapter 10 of the Listing Manual<sup>5</sup> governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by FLCT. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse take-overs.

A transaction by FLCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison under Rule 1006 of the Listing Manual:

- (i) the NAV of the assets to be disposed of, compared with FLCT's NAV pursuant to Rule 1006(a) of the Listing Manual;
- (ii) the net profits attributable to the assets disposed of, compared with FLCT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (iii) the aggregate value of the consideration given or received, compared with FLCT's market capitalisation based on the total number of issued Units excluding treasury Units pursuant to Rule 1006(c) of the Listing Manual.

Rule 1006(d) of the Listing Manual does not apply in relation to the Proposed Divestment as no Units will be issued as consideration for the Proposed Divestment.

The relative figures computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual in respect of the Proposed Divestment are as follows:

	<b>Proposed Divestment (S\$ million)</b>	<b>FLCT (S\$ million)</b>	<b>Relative figure (%)</b>
<b>NAV</b>	(0.4) <sup>(1)</sup>	4,075.6 <sup>(2)</sup>	0.0
<b>Net Property Income<sup>(3)</sup></b>	3.0 <sup>(4)</sup>	167.4 <sup>(5)</sup>	1.8
<b>Divestment Consideration against market capitalisation</b>	161.4	3,193.1 <sup>(6)</sup>	5.1

**Note:**

- (1) As at 31 March 2025, assumes Divestment Net Proceeds would be used to repay outstanding borrowings and includes net loss on divestment of S\$0.4 million. The difference between the adjusted book value of the Property of S\$159.7 million as at 31 March 2025 and the Divestment Net Proceeds of S\$159.3 million is S\$0.4 million.
- (2) Based on FLCT's actual NAV as at 31 March 2025 as stated in the 1HFY2025 Unaudited Financial Statements.
- (3) In the case of a REIT, Net Property Income is a close proxy to the net profits attributable to its assets.
- (4) Based on the six month-period ended 31 March 2025.
- (5) Based on FLCT's actual Net Property Income for 1HFY2025 as stated in the 1HFY2025 Unaudited Financial Statements.
- (6) Based on the volume-weighted average price of the Units transacted on the SGX-ST on 15 July 2025, being the market day preceding the date of signing of the SPA, of S\$0.847 per Unit.

The Manager is of the view that the Proposed Divestment is in the ordinary course of FLCT's business. As such, the Proposed Divestment is not subject to the Chapter 10 requirements of the Listing Manual.

## 5.2 Interests of Directors and Substantial Unitholders

Based on the information available to the Manager as at the date of this announcement, none of the Directors or Substantial Unitholders has an interest, direct or indirect, in the Proposed Divestment.

## 5.3 Directors' Service Contracts

No person is proposed to be appointed as a Director of the Manager in connection with the Proposed Divestment or any other transactions contemplated in relation to the Proposed Divestment.

## 6. Documents for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>6</sup> at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958 from the date of this Announcement up to and including the date falling three months after the date of this Announcement:

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<sup>6</sup> Prior appointment with the Manager (telephone: +65 6813 0588) will be appreciated.

- (a) the SPA; and
- (b) the valuation report of Savills.

The Trust Deed will also be available for inspection at the registered office of the Manager, for so long as FLCT is in existence.

**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

**16 July 2025**



## 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) and property expenses, 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.