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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 ACQUISITION OF INTERESTS IN SIX PROPERTIES IN GERMANY,
THE NETHERLANDS AND THE UNITED KINGDOM**

Unless otherwise stated, the S\$ equivalent of the £ figures and € figures in this Announcement have been arrived at based on assumed exchange rates of £1 : S\$1.8736 and €1 : S\$1.6112, respectively.

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**”) is pleased to announce that Perpetual (Asia) Limited, as trustee of FLCT (the “**Trustee**”) has, through its wholly-owned subsidiary FLT Europe B.V. (“**FLT Europe**”), entered into a conditional share purchase agreement dated 24 May 2021 (the “**Share Purchase Agreement**”) with Frasers Property Investments (Europe) B.V. (“**FPIE**”) and FPE Investments RE11 B.V. (“**FPE11**”) (collectively, the “**EU Vendors**”) to acquire the equity interests in four property holding companies (each a “**Property Company**”, and collectively, the “**Property Companies**”) which hold interests in four freehold logistics and industrial properties located in Germany and the Netherlands, being Hermes Bad Rappenau Facility, Hermes Mainz Facility, BASF Facility and Hendi Facility (each as defined herein) (the “**New EU Properties**”, and the acquisition of the equity interests in the Property Companies, the “**EU Acquisition**”).

The Trustee has also, through the Sub-Trust Trustees¹ acting as trustees of sub-trusts wholly-owned by FLCT (collectively, the “**UK Buyers**”), entered into an asset sale and purchase agreement dated 24 May 2021 (the “**Asset Sale and Purchase Agreement**”) to acquire a freehold business park and a freehold logistics and industrial property located in the United Kingdom (“**UK**”), being BVP and Connexion (each as defined herein) respectively (the “**New UK Properties**”, and together with the New EU Properties, the “**New Properties**”) from unrelated parties of FLCT, being I.M Properties (BVP1) Limited (“**BVP1**”), I.M. Properties (BVP3) Limited, I.M. Properties Investments HSBC2 Limited and Christian Vision (collectively, the “**UK Vendors**”, and together with the EU Vendors, the “**Vendors**”) (the “**UK Acquisition**”², and together with the EU Acquisition, the “**Proposed Acquisition**”).

1 The “**Sub-Trust Trustees**” refer to FLCT UK Trustee 1 Limited and FLCT UK Trustee 2 Limited as joint trustees of BVP Trust and Connexion Trust.

2 In connection with and ancillary to the UK Acquisition, the UK Buyers and BVP Estate Pty Ltd, which is a wholly-owned subsidiary of BVP Trust, will be acquiring in aggregate 231 shares out of 310 shares of BVP Management Company Limited (“**ManCo**”). ManCo manages, among others, the estate service charge regime at the New UK Properties. The remainder of the shares in ManCo are held by unrelated parties of FLCT.

2. The Proposed Acquisition of the New Properties

2.1 About the New Properties

The New Properties are freehold and have a total lettable area of approximately 123,328 square metres (“**sqm**”). The New EU Properties are located within the key logistics hubs of Frankfurt and Mannheim in southwest Germany and in east of the Netherlands at the Food & Business Park Ede, which is close to key trading routes. The New UK Properties are strategically located in West Midlands, and within close proximity to Birmingham. The New Properties have a blended occupancy rate of 97.4%³ with a long weighted average lease to break (“**WALB**”)⁴ of 7.6 years. Further details of the New Properties are set out in the **Appendix** to this Announcement.

2.2 Valuation and Purchase Consideration

The Trustee has commissioned an independent valuer, Jones Lang LaSalle SE (“**JLL**”), and the Manager has commissioned an independent valuer, Savills (UK) Limited (“**Savills**”), to separately value each of the New EU Properties. The Manager and the Trustee have jointly commissioned an independent valuer, Knight Frank LLP (“**Knight Frank**”, and together with Savills and JLL, the “**Independent Valuers**”) to value the New UK Properties.

The aggregate appraised value of the New Properties is S\$562.4 million, comprising the sum of (a) the aggregate of the higher of the two independent valuations of each New EU Property conducted by JLL and Savills as at 30 April 2021, being €147.5 million (approximately S\$237.7 million) and (b) the valuation of the New UK Properties conducted by Knight Frank as at 30 April 2021, being £173.3 million⁵ (approximately S\$324.7 million).

Further details regarding the valuations of the New Properties are set out in the **Appendix** to this Announcement.

The agreed property purchase price⁶ for the New Properties is approximately S\$548.7 million (the “**Property Purchase Price**”) being the aggregate of:

- (a) for the New EU Properties, approximately €142.7 million (approximately S\$229.9 million) (the “**New EU Properties Purchase Price**”); and
- (b) for the New UK Properties, approximately £170.16 million (approximately S\$318.8 million) (the “**New UK Properties Purchase Price**”).

The Property Purchase Price represents a discount of approximately 2.5% to the aggregate appraised value of the New Properties.

The purchase consideration payable under the Share Purchase Agreement (the “**Share Purchase Consideration**”) of approximately €93.6 million (approximately S\$150.9 million) is based on:

3 Committed occupancy as at 31 March 2021. Based on gross rental income (“**GRI**”), being the contracted rental income and estimated recoverable outgoings for the month of March 2021. Excludes straight lining rental adjustments and include committed leases.

4 Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of March 2021. Excludes straight lining rental adjustments and include committed leases.

5 The valuations of the New UK Properties take into account the effects of the UK Incentive Reimbursement and UK Rent Guarantee (each as defined herein).

6 Based on a 100% effective interest.

- (i) the estimated aggregate net assets and liabilities of the Property Companies⁷ as at completion of the EU Acquisition, taking into account the New EU Properties Purchase Price of approximately €142.7 million (approximately S\$229.9 million) for the New EU Properties which was negotiated on a willing-buyer and willing-seller basis (taking into account the independent valuations of the New EU Properties described herein), adjusted for the effective interests in the Property Companies that FLT Europe will be acquiring (subject to further post-completion adjustments based on the actual aggregate net assets and liabilities of the Property Companies at completion of the EU Acquisition) (the “**Share Consideration**”); and
- (ii) the amount of inter-company loans owing by the Property Companies to the EU Vendors as at completion of the EU Acquisition to be assigned to FLT Europe in full satisfaction of the inter-company loans owing by the Property Companies to the EU Vendors (the “**Loan Consideration**”).

The assets sale and purchase consideration payable under the Asset Sale and Purchase Agreement (the “**Asset Purchase Consideration**”) of £170.16 million (approximately S\$318.8 million) is based on the New UK Properties Purchase Price, which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations of the New UK Properties described herein.

The aggregate of the Share Purchase Consideration (being the sum of the Share Consideration and the Loan Consideration) and the Asset Purchase Consideration (collectively, the “**Purchase Consideration**”) is approximately S\$469.7 million. The Purchase Consideration will be paid by FLT Europe and the UK Buyers to the respective Vendors in cash.

2.3 Certain Terms and Conditions of the Share Purchase Agreement

The principal terms of the Share Purchase Agreement include, among others, that the completion of the EU Acquisition is subject to the satisfaction of certain conditions precedent, which include: (i) the relevant EU Vendors and/or the relevant Property Companies having obtained all required consents and waivers in respect of the EU Acquisition in relation to the loans entered into by the relevant EU Vendors and the relevant Property Companies and (ii) the Manager procuring financing for the EU Acquisition on terms reasonably satisfactory to the Manager.

2.4 Indemnity in relation to Taxation

In connection with the Share Purchase Agreement, FLT Europe will enter into a deed of indemnity (the “**Deed of Indemnity**”) with the EU Vendors pursuant to which the EU Vendors will, among others, and subject as provided under the Deed of Indemnity, jointly and severally agree with and undertake to FLT Europe to pay to FLT Europe or a Property Company at FLT Europe’s direction on the due date for payment an amount equal to certain claims for taxation.

2.5 Certain Terms and Conditions of the Asset Sale and Purchase Agreement

The principal terms of the Asset Sale and Purchase Agreement include, among others, the

⁷ Including their existing debt facilities to be assumed by FLT Europe amounting to approximately €46.1 million (approximately S\$74.3 million)

following:

- (a) the UK Vendors are entitled to all income from, but are responsible for all outgoings in respect of, their relevant parts of the New UK Properties for any period up to (and including) the date of completion of the UK Acquisition and income and outgoings are to be apportioned accordingly with the apportionment on the date of completion of the UK Acquisition to be split equally between the UK Vendors and the UK Buyers;
- (b) the UK Vendors will provide 24 months' guarantee of rent, rates, insurance, service charge and estate charge cover for the existing vacant space of up to 4,427 sqm at BVP. The 24-month period shall commence on completion of the UK Acquisition and the aggregate of such UK Rent Guarantee Amount⁸ shall be held in an escrow account which will be in the name of the Sub-Trust Trustees in their capacity as joint trustees of BVP Trust (the "**Escrow Account**") for withdrawal by the UK Buyers in accordance with the terms of the escrow arrangement. The rates element shall not apply to those parts of the New UK Properties which no longer have to pay rates or pay reduced rates by way of a rates mitigation scheme. Once any vacant space is let, the UK Vendors shall remain liable to cover (i) the rent for the relevant rent free period until the lease expiry or, if earlier, the expiry of the 24 month cover period, (ii) the amount of any capital contributions paid to the tenant for any new letting and (iii) the shortfall between the rent achieved in any new lease of vacant space and the UK Rent Guarantee Amount for the target annual rent for the relevant vacant space (the "**UK Rent Guarantee**");
- (c) the UK Vendors will allow to the UK Buyers, by way of a deduction from the Asset Purchase Consideration, an amount equal to (i) any unexpired rent free periods for the period from the date of completion of the UK Acquisition to their expiry; and (ii) any unexpired concessionary rent periods for the period from the date of completion of the UK Acquisition to their expiry (the "**UK Incentive Reimbursement**"); and
- (d) the UK Vendors will provide cover for the rent and estate service charge due from Virgin Active Limited under the lease entered into between BVP1 and Virgin Active Limited dated 20 July 2001 (the "**Virgin Active Lease**") for the period from 1 July 2021 until the earlier of 30 June 2023 or the date on which the UK Buyers terminate the Virgin Active Lease (if any) (the "**Virgin Active Rent Security Arrangement**"). The UK Buyers can request payment of any arrears of annual rent that are due under the Virgin Active Lease but have not been paid within one month of the due date. The Virgin Active Rent Security Amount⁹ shall be held in the Escrow Account for withdrawal by the UK Buyers in accordance with the terms of the escrow arrangement.

8 "**UK Rent Guarantee Amount**" means an amount equivalent to £3.9 million (approximately S\$7.3 million) over the 24-month period for the vacant space at BVP, which reflects market rental value.

9 "**Virgin Active Rent Security Amount**" means approximately £1.4 million (approximately S\$2.6 million). The Virgin Active Rent Security Amount is based on the existing contractually agreed rental rate under the Virgin Active Lease. The leased area under the Virgin Active Lease is 4,806 sqm.

2.6 Rent Guarantees

The board of directors of the Manager is of the view that the UK Rent Guarantee and the Virgin Active Rent Security Arrangement are on normal commercial terms and are not prejudicial to the interests of FLCT and holders of units of FLCT (“**Unitholders**”) on the bases that: (i) they allow FLCT to continue to receive market based rental income in relation to certain potential vacant areas in BVP and both the UK Rent Guarantee and the Virgin Active Rent Security Arrangement are determined based on comparable market rents in comparable properties in the area where BVP is located and (ii) the amount payable under the UK Rent Guarantee and the Virgin Active Rent Security Arrangement will be held in the Escrow Account.

2.7 Estimated Total Transaction Cost

The estimated total cost of the Proposed Acquisition (the “**Total Transaction Cost**”) is approximately S\$501.1 million, comprising:

- (a) the Purchase Consideration of approximately S\$469.7 million, comprising the Share Purchase Consideration of €93.6 million (approximately S\$150.9 million) and the Asset Purchase Consideration of £170.16 million (approximately S\$318.8 million);
- (b) the acquisition fee payable to the Manager for the Proposed Acquisition pursuant to the trust deed dated 30 November 2015 (as amended and supplemented) constituting FLCT (the “**Trust Deed**”), which amounts to approximately S\$4.3 million (the “**Acquisition Fee**”) ¹⁰; and
- (c) the estimated professional, stamp duty, and other fees and expenses incurred or to be incurred by FLCT in connection with the Proposed Acquisition of approximately S\$27.1 million.

2.8 Payment of Acquisition Fee in Units

As the EU Acquisition will constitute an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, the Acquisition Fee ¹¹ payable to the Manager in respect of the EU Acquisition will be in the form of units of FLCT (“**Units**”), which shall not be sold within one year from the date of issuance.

3. Proposed Method of Financing the Proposed Acquisition and Financial Effects

The Manager intends to finance the Total Transaction Cost, less the Acquisition Fee (which the Manager has elected to be paid fully through the issue of Units to the Manager), estimated to be approximately S\$496.8 million, through a combination of:

- (a) debt financing; and

¹⁰ The Acquisition Fee (a) in respect of each of the New EU Properties is 0.5% of the New EU Properties Purchase Price (in proportion to the effective interests which FLCT will hold in each of the New Property) and (b) in respect of each of the New UK Properties is 1.0% of the New UK Properties Purchase Price, and is payable as soon as practicable after completion of the acquisition of the New Properties.

¹¹ Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Proposed Acquisition in respect of which the Acquisition Fee is payable.

- (b) the proceeds from an equity fund raising (“**Equity Fund Raising**”) to be carried out by the Manager to part finance the Proposed Acquisition.

The final decision regarding the proportion of debt and equity to be employed to fund the Total Transaction Cost, less the Acquisition Fee, will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions and interest rate environment to provide overall distribution per Unit (“**DPU**”) and net asset value (“**NAV**”) per Unit accretion to Unitholders while maintaining a healthy level of aggregate leverage.

The Manager will announce the details of the Equity Fund Raising on the SGXNET when it launches the Equity Fund Raising.

4. Rationale for and Key Benefits of the Proposed Acquisition

The Proposed Acquisition will bring the following benefits:

4.1 Capitalise on strong logistics industry tailwinds

- (a) The UK and Germany are the two largest e-commerce markets in Europe and among the top 10 globally;
- (b) The COVID-19 pandemic has accelerated online retail spending in the UK and witnessed a year-on-year increase of 46.0% in online retail sales as a percentage of total retail sales in the UK¹²; Online penetration increased 20.7% year-on-year in 2020 for Germany and 24.6% year-on-year in the same period for the Netherlands¹³; and
- (c) Strong e-commerce growth has led to strong demand for logistics real estate in Germany, the Netherlands and the UK.

4.2 Maiden entry into the UK logistics sector through the acquisition of an integrated logistics and business park

- (a) The New UK Properties are situated within West Midlands and in proximity to Birmingham, the second largest populated city after London. Being situated in the heart of UK and within the “Golden Triangle” region¹⁴, the New UK Properties have direct access to over 90% of the UK’s population within a four-hour drive;
- (b) It is forecasted that the Birmingham industrial market is to grow at 3.1% per annum between 2021 to 2025 due to strong demand coupled with limited supply of logistics space in West Midlands¹⁵; and
- (c) The New UK Properties offer a synergistic mix of logistics and business space enabling existing and new occupiers to conduct end-to-end business operations and progress alongside the growth within the mixed-use campus.

¹² Source: UK’s Office for National Statistics (“**ONS**”). ONS has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

¹³ Source: eMarketer. eMarketer has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

¹⁴ From Northamptonshire to East Midlands Airport and Tamworth area with proximity to major motorways, notably the M1 and M6, which leads to major cities such as London and Manchester.

¹⁵ Source: CBRE Limited.

4.3 Strengthens foothold in key European logistics markets

- (a) The New EU Properties are well positioned in the key logistics hub of Frankfurt and Mannheim in Germany and in the Food & Business Park Ede, Netherlands which is close to key trading routes. Demand for logistics space in Germany and the Netherlands continued to increase by 19.0% and 8.7%, respectively year-on-year in the first quarter of 2021¹⁶;
- (b) The New EU Properties are high quality and modern logistics facilities with high specifications which would require little near-term capital expenditure and equipped with installations that meet a wide range of e-commerce and logistics requirements; and
- (c) Located in close proximity to FLCT's existing European assets, the New EU Properties will continue to be managed leveraging on Frasers Property Limited's ("FPL") integrated asset and property management platform in Europe.

4.4 Complements and strengthens the FLCT portfolio

- (a) FLCT's portfolio will benefit from enhanced geographical diversification and an increase in proportion of freehold assets from 65.1% to 67.9%¹⁷;
- (b) Portfolio WALB and weighted average lease to expiry¹⁸ ("WALE") are both expected to be lengthened by 0.3 years to 4.7 years and 5.0 years, respectively; and
- (c) The New Properties will contribute to further diversification of FLCT's quality tenant base and reduce tenants' concentration, bringing the top 10 tenants' GRI contribution down from 24.0% to 23.4%.

4.5 DPU and NAV per Unit accretive acquisition

- (a) The Proposed Acquisition is in line with the Manager's acquisition growth strategy to acquire good quality income-producing assets that provide attractive cash flows and yields; and
- (b) Based on the proposed method of financing and on a pro forma basis for the period from 1 October 2020 to 31 March 2021 ("1H FY2021"), the Proposed Acquisition is expected to be DPU accretive and NAV per Unit accretive to Unitholders. Please refer to paragraph 5.1 of this Announcement for the pro forma financial effects of the Proposed Acquisition.

¹⁶ Source: BNP Paribas Real Estate Q1 2021. BNP Paribas Real Estate has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

¹⁷ Based on the existing portfolio book value and Property Purchase Price for the New Properties.

¹⁸ Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of March 2021. Excludes straight lining rental adjustments and include committed leases.

5. Certain Financial Information Relating to the Proposed Acquisition

5.1 Pro Forma Financial Effects of the Proposed Acquisition based on the FLCT Unaudited Financial Statements

The pro forma financial effects of the Proposed Acquisition for 1H FY2021 on the DPU and NAV per Unit for 1H FY2021 presented below are strictly for illustrative purposes only and were prepared based on the FLCT unaudited financial statements for 1H FY2021 (“**1H FY2021 Unaudited Financial Statements**”) which was announced on 6 May 2021, taking into account the Total Transaction Cost, and incorporating certain assumptions including (but not limited to) the following:

- (i) approximately 220.0 million new Units are issued at the illustrative Unit price of S\$1.363 (the “**Illustrative Issue Price**”) to raise gross proceeds of approximately S\$299.8 million under the Equity Fund Raising;
- (ii) Acquisition Fee of approximately S\$4.3 million is paid in Units to the Manager in respect of the New Properties Acquisition issued at the Illustrative Issue Price;
- (iii) the balance of the Total Transaction Cost is financed by borrowings; and
- (iv) the Total Transaction Cost and the financial results of the New Properties are translated at an exchange rate of £1 : S\$1.8736 and €1 : S\$1.6112.

For the avoidance of doubt, the estimated financial results in respect of the New Properties have taken into account the effective interests which FLCT will be acquiring in the New Properties.

As the merger between FLCT and Frasers Commercial Trust took effect in the middle of the financial year ended 30 September 2020 (“**FY2020**”), being 15 April 2020, the Manager believes that presenting the pro forma financial effects of the Proposed Acquisition based on FLCT’s audited financial statements for FY2020 (the “**FY2020 Audited Financial Statements**”) as disclosed in the annual report of FLCT issued on 18 December 2020 would not provide an accurate representation of the pro forma financial effects of the Proposed Acquisition. Notwithstanding the foregoing, the Manager will provide the pro forma financial effects of the Proposed Acquisition based on the FY2020 Audited Financial Statements where applicable in the footnotes of the following tables in this paragraph 5 in order to comply with the requirements under Rule 1010 of the listing manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**” and the listing manual, the “**Listing Manual**”).

5.1.1 Pro Forma DPU

The pro forma financial effects of the Proposed Acquisition on the DPU for 1H FY2021 are strictly for illustrative purposes only, as if (a) FLCT had purchased the New Properties and the Proposed Acquisition had been completed on 1 October 2020, and (b) FLCT operated all the New Properties for the full period of 1H FY2021, based on the assumptions set out in paragraph 5.1 above, are as follows:

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	Pro Forma Effects of the Proposed Acquisition for 1H FY2021	
	1H FY2021 Unaudited Financial Statements	Immediately after completion of the Proposed Acquisition
Net Property Income¹⁹ (S\$ m)	179.8	191.6
Distributable Income (S\$ m)	130.4	141.3 ⁽¹⁾
No. of Units ('000)	3,428,684 ⁽²⁾	3,652,636 ⁽³⁾
DPU (Singapore cents)	3.800	3.868 ⁽⁴⁾⁽⁵⁾
DPU accretion (%)	-	1.8 ⁽⁵⁾

Notes:

- (1) Taking into account the Manager's management fees and related tax effects. Also includes capital distributions from the New UK Properties relating to the UK Incentive Reimbursement and UK Rent Guarantee.
- (2) Number of issued and issuable Units entitled to distribution as at 31 March 2021 as stated in the 1H FY2021 Unaudited Financial Statements.
- (3) Based on the issued and issuable Units as at 31 March 2021 in note (2) above and including (a) new Units issued under the Equity Fund Raising and (b) new Units issued at the Illustrative Issue Price as payment of 100% of the Manager's base management fees and Acquisition Fee for the Proposed Acquisition.
- (4) The pro forma financial effect of the Proposed Acquisition on the DPU for FY2020, as if (a) FLCT had purchased the New Properties and the Proposed Acquisition had been completed on 1 October 2019, and (b) FLCT operated all the New Properties for the full period of FY2020, based on the assumptions set out in paragraph 5.1 and note (1) above, would have been 7.270 Singapore cents immediately after completion of the Proposed Acquisition compared to the actual DPU for FY2020 of 7.120 Singapore cents.
- (5) Assuming the Equity Fund Raising is based on 240 million new Units, the DPU for 1H FY2021 after the Proposed Acquisition would be 3.851 Singapore cents and the DPU accretion would be 1.3%.

5.1.2 Pro Forma NAV

The pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 31 March 2021, as if the Proposed Acquisition had been completed on 31 March 2021, are as follows:

	Pro Forma Effects of the Proposed Acquisition as at 31 March 2021	
	1H FY2021 Unaudited Financial Statements	Immediately after completion of the Proposed Acquisition
NAV (S\$ m)	3,903.3	4,203.0
No. of Units ('000)	3,432,943 ⁽¹⁾	3,656,086 ⁽²⁾
NAV per Unit (S\$)	1.14	1.15 ⁽³⁾

Notes:

- (1) Number of Units issued and issuable as at 31 March 2021 as stated in the 1H FY2021 Unaudited Financial Statements.
- (2) Based on the issued and issuable Units as at 31 March 2021 in note (1) above and including (a) new Units issued under the Equity Fund Raising, and (b) new Units issuable as payment of Acquisition Fee for the Proposed Acquisition.
- (3) The pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 30 September 2020, as if the Proposed Acquisition had been completed on 30 September 2020, would have been S\$1.12 immediately after completion of the Proposed Acquisition compared to the actual NAV per Unit as at 30 September 2020 of S\$1.10.

19 "Net Property Income" means gross rental income less property operating expenses.

5.1.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FLCT as at 31 March 2021, as if FLCT had completed the Proposed Acquisition on 31 March 2021.

	1H FY2021 Unaudited Financial Statements	Immediately after completion of the Proposed Acquisition
Total assets (S\$ m)	6,727.7	7,311.7
Total debt (S\$ m)	2,318.9	2,590.1
Total Unitholders' funds (excluding non-controlling interests) (S\$ m)	3,903.3	4,203.0
Total capitalisation (S\$ m)	6,222.2	6,793.1
Gearing ratio ⁽¹⁾ (%)	35.5	36.2

Note:

(1) Calculated based on total debt divided by total assets. The impact of FRS 116 Leases (adopted with effect from 1 October 2019) has been excluded for the purpose of computing the gearing ratio.

6. Listing Manual Requirements

6.1 Major Transaction

Chapter 10 of the Listing Manual 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 proposed acquisition 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:

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

Rule 1006(d) of the Listing Manual is not applicable as FLCT will not be issuing any units as consideration for the Proposed Acquisition.

6.2 Relative Figures computed on the Bases set out in Rule 1006

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

Comparison of:	The Proposed Acquisition	FLCT	Relative Figure (%)
Net Property Income ⁽¹⁾ (S\$ m)	11.8	179.8 ⁽²⁾	6.6
Purchase Consideration against Market Capitalisation (S\$ m)	469.7	4,914.0 ⁽³⁾	9.6

Notes:

- (1) In the case of a REIT, Net Property Income is a close proxy to the net profits attributable to its assets.
- (2) Based on FLCT's actual Net Property Income for 1H FY2021 Unaudited Financial Statements.
- (3) Based on the weighted average price of the Units transacted on the SGX-ST on 21 May 2021, being the market day preceding the date of signing of the Share Purchase Agreement and the Asset Sale and Purchase Agreement, of S\$1.4332 per Unit.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction under Rule 1010 of the Listing Manual. The Manager is of the view that the Proposed Acquisition is in the ordinary course of FLCT's business as the New Properties being acquired are within the investment mandate of FLCT, the New EU Properties and the New UK Properties are in the same asset class and countries as the existing properties in FLCT's portfolio and, accordingly, the Proposed Acquisition accordingly does not change the risk profile of FLCT.

However, the proposed EU Acquisition is an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, in respect of which an immediate announcement of the EU Acquisition pursuant to Rule 905 of the Listing Manual must be made.

6.3 Interested Person Transaction and Interested Party Transaction (collectively, "Related Party Transactions")

Under Chapter 9 of the Listing Manual, where the Trustee proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 3.0% of FLCT's latest audited net tangible assets ("NTA"), FLCT is required to make an immediate announcement. Where the value of such transaction is equal to or exceeds 5.0% of FLCT's latest audited NTA, Unitholders' approval is required in respect of the transaction.

Based on FLCT's FY2020 Audited Financial Statements, the NTA of FLCT as at 30 September 2020 was S\$3,770.5 million. Accordingly, if the value of a transaction which is proposed to be entered into by the Trustee during the current financial year ending 30 September 2021 with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year ending 30 September 2021, equal to or greater than S\$113.1 million, such a transaction would need to be immediately announced. In addition, where the value of such transaction is equal to or greater than S\$188.5 million, Unitholders' approval would be required in respect of the transaction.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for an immediate announcement to be made for an interested party transaction by the Trustee which value is equal to or is greater than 3.0% of FLCT's latest audited NAV and to obtain Unitholders' approval where the value of such interested party transaction is equal to or greater than 5.0% of FLCT's latest audited NAV. Based on FLCT's FY2020 Audited Financial Statements, the NAV of FLCT as at 30 September 2020 was S\$3,770.5 million. Accordingly, if the value of a transaction which is proposed to be entered into by the Trustee with an interested party during the current financial year ending 30 September 2021 is equal to or greater than S\$113.1 million, an immediate announcement would need to be made, and if the value of such transaction is equal to or greater than S\$188.5 million, such a transaction would also be subject to approval from Unitholders.

As at the date of this Announcement, FPL and its subsidiaries (the "**FPL Group**") holds an aggregate direct and indirect interest in 773,743,495 Units, which is equivalent to approximately 22.57% 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 each of FPIE and FPE11, being the EU Vendors, is an indirect subsidiary of FPL, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, each of the EU Vendors (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 entry by FLT Europe into the Share Purchase Agreement and the Deed of Indemnity will constitute Interested Person Transactions under Chapter 9 of the Listing Manual, as well as Interested Party Transactions under the Property Funds Appendix.

Given that the Share Purchase Consideration is approximately S\$150.9 million (which is 4.0% of both the latest audited NTA and the NAV of FLCT as at 30 September 2020), the value of the Proposed Acquisition exceeds 3.0% but does not exceed 5.0% of the NTA and the NAV of FLCT. Accordingly, the Manager is required to make an immediate announcement of the Proposed Acquisition pursuant to Rule 905 of the Listing Manual and paragraph 5 of the Property Funds Appendix.

For the information of the Unitholders, as at the date of this Announcement, save for the Proposed Acquisition and any transaction whose value is less than S\$100,000, the value of all other existing interested person transactions:

- (a) entered into between FLCT and FPL Group and its associates during the course of the current financial year ending 30 September 2021 up to the date of this Announcement that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S\$17.2 million, which is approximately 0.4% of the latest audited NTA of FLCT based on FLCT's FY2020 Audited Financial Statements; and
- (b) entered into during the course of the current financial year ending 30 September 2021 up to the date of this Announcement, between FLCT and all interested persons (including FPL and its associates) is approximately S\$17.2 million which is

approximately 0.4% of the latest audited NTA of FLCT based on FLCT's FY2020 Audited Financial Statements.

6.4 Statement of the Audit and Risk Committee

The audit, risk and compliance committee of the Manager is of the opinion that the EU Acquisition is based on normal commercial terms and is not prejudicial to the interests of FLCT and its minority Unitholders.

6.5 Interests of Directors

As at the date of this Announcement, the interests of the Directors in the Proposed Acquisition are as follows:

- (a) 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 other than the Manager, a director of various entities within the TCC Group²⁰ (which is the controlling shareholder of the FPL Group) and holds 20.0% of the issued share capital of TCC Group Investments Limited ("TCCGI"). Mr Panote Sirivadhanabhakdi is also the son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi;
- (b) Mr Chia Khong Shoong is a Non-Executive Director of the Manager, the Group Chief Corporate Officer of FPL and is employed by a related corporation of the Manager. He is also a director and/or executive of certain entities within the FPL Group other than the Manager;
- (c) Mr Rodney Vaughan Fehring is a Non-Executive Director of the Manager and the Executive Chairman of Frasers Property Australia Pty Limited, which is a subsidiary of FPL. He is also the chairman of the management boards of Frasers Property Industrial and Frasers Property United Kingdom, which are business units within the FPL Group; and
- (d) Mr Reinfried Helmut Otter (Reini Otter) is a Non-Executive Director of the Manager, the Chief Executive Officer of Frasers Property Industrial, which is a business unit within the FPL Group and is employed by a related corporation of the Manager. He is also a director and/or executive of certain entities within the FPL Group 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	0.03	1,123,100	0.03
Mr Goh Yong Chian	800,000	0.02	-	-	800,000	0.02
Mr Paul Gilbert Say	-	-	165,000	n.m.	165,000	n.m.

²⁰ "TCC Group" refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

Mr Chin Yoke Choong	136,082	n.m.	100,000	n.m.	236,082	0.01
Ms Soh Onn Cheng Margaret Jane	-	-	18,495	n.m.	18,495	n.m.
Mr Panote Sirivadhanabhakdi	-	-	118,559,700	3.46 ⁽²⁾	118,559,700	3.46
Mr Chia Khong Shoong	-	-	220,000	0.01	220,000	0.01
Mr Rodney Vaughan Fehring	-	-	132,000	n.m.	132,000	n.m.
Mr Reinfried Helmut Otter	-	-	-	-	-	-

Notes:

- (1) All references to percentage units of the issued Units in paragraph 6.5 of this Announcement are based on the total issued Units as at the date of this Announcement, being 3,428,683,921 Units in issue. Percentages are rounded to two decimal places. "n.m." means not meaningful.
- (2) Mr Panote Sirivadhanabhakdi holds 20.0% of the issued share capital of TCCGI and is deemed interested in TCCGI's deemed interest in 118,559,700 Units.

Save as disclosed above and based on information available to the Manager as at the date of this Announcement, none of the Directors has an interest, direct or indirect, in the Proposed Acquisition.

6.6 Directors' Service Contracts

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

7. Documents for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager²¹ 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:

- (a) the Share Purchase Agreement;
- (b) the Asset Sale and Purchase Agreement;
- (c) the Deed of Indemnity;
- (d) the valuation summaries and the full valuation reports on the New Properties issued by the Independent Valuers;
- (e) the FLCT FY2020 Audited Financial Statements; and
- (f) the FLCT 1H FY2021 Unaudited Financial Statements.

²¹ Prior appointment with the Manager (telephone: +65 6813 0588) will be appreciated.

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

Fraser's Logistics & Commercial Asset Management Pte. Ltd.

As manager of Fraser's Logistics & Commercial Trust

Company Registration No. 201528178Z

Catherine Yeo

Company Secretary

24 May 2021

APPENDIX

Further Details of the New Properties

The following table sets out a summary of selected information on the New Properties

New EU Properties²²

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	Lettable Area (sqm) ⁽¹⁾	Valuation by JLL (€ m) ⁽²⁾	Valuation by Savills (€ m) ⁽²⁾	Property Purchase Price (€ m) ⁽³⁾	WALB (years) ⁽¹⁾	Occupancy (%) ⁽¹⁾
Country: Germany											
1	Buchäckerring 18, 74906 Bad Rappenau, Baden-Württemberg, Germany (the "Hermes Bad Rappenau Facility")	Hermes Germany GmbH	Third-party logistics	94.9	Freehold	13,125	41.0	40.4	40.4	11.0	100.0

²² The New EU Properties are held by the Property Companies, which are FPE Investments RE 5 B.V., FPE Investments RE 6 B.V., FPE Investments RE 10 B.V. and Frankenthal S.A.

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	Lettable Area (sqm) ⁽¹⁾	Valuation by JLL (€ m) ⁽²⁾	Valuation by Savills (€ m) ⁽²⁾	Property Purchase Price (€ m) ⁽³⁾	WALB (years) ⁽¹⁾	Occupancy (%) ⁽¹⁾
2	Genfer Allee 6, 55129 Mainz, Rheinland-Pfalz, Germany (the " Hermes Mainz Facility ")	Hermes Germany GmbH	Third-party logistics	94.9	Freehold	13,148	55.2	55.2	54.7	11.5	100.0
3	Am Römig 8,67227 Frankenthal, Rheinland-Pfalz, Germany (the " BASF Facility ")	BASF SE	Manufacturing	94.0	Freehold	20,579	30.1	29.8	29.6	8.6	100.0
Country: Netherlands											
4	Trafostraat 190, Ede, Destillatiestraat 2, 6745 XS De Klomp, and Innovatielaan	Hendi B.V.	Consumer and retail products	100.0	Freehold	15,263	20.7	21.2	18.0	20.0	100.0

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	Lettable Area (sqm) ⁽¹⁾	Valuation by JLL (€ m) ⁽²⁾	Valuation by Savills (€ m) ⁽²⁾	Property Purchase Price (€ m) ⁽³⁾	WALB (years) ⁽¹⁾	Occupancy (%) ⁽¹⁾
	6, 6745 XW De Klomp, Netherlands (the "Hendi Facility") ⁽⁴⁾										
Total for the New EU Properties						62,115	147.0	146.6	142.7	12.1	100.0

New UK Properties

S/No	Address	Major Tenants	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	Lettable Area (sqm) ⁽¹⁾	Valuation by Knight Frank (£ m) ⁽²⁾	Property Purchase Price (£ m) ⁽³⁾	WALB (years) ⁽¹⁾	Occupancy (%) ⁽¹⁾
1	Blythe Valley Park, Shirley, Solihull ²³ ("BVP")	Gymshark Limited Lounge Underwear Limited Regus Limited	Various	100.0	Freehold	41,679	134.1 ⁽⁵⁾⁽⁶⁾	132.0	5.1	95.7

23 BVP will be held by the Sub-Trust Trustees in their capacity as joint trustees of BVP Trust. BVP Trust is jointly owned by BVP Property Co Limited and FLCT UK 2 Pte Ltd. BVP Property Co Limited is wholly-owned by FLCT UK 2 Pte Ltd, which is in turn wholly-owned by FLCT Commercial UK Pte Ltd. FLCT Commercial UK Pte Ltd is a wholly-owned subsidiary of FLCT.

S/No	Address	Major Tenants	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	Lettable Area (sqm) ⁽¹⁾	Valuation by Knight Frank (£ m) ⁽²⁾	Property Purchase Price (£ m) ⁽³⁾	WALB (years) ⁽¹⁾	Occupancy (%) ⁽¹⁾
2	Connexion, Blythe Valley Park, Shirley, Solihull ²⁴ ("Connexion")	Gymshark Limited Hofer Powertrain Products UK Limited Lounge Underwear Limited	Consumer and retail products, Manufacturing	100.0	Freehold	19,534	39.2 ⁽⁷⁾	38.16	9.5	100.0
Total for the New UK Properties						61,213	173.3	170.16	5.6	96.3
Total for New Properties (S\$ m)						123,328	562.4⁽⁸⁾	548.7	7.6	97.4

Notes:

- (1) As at 31 March 2021.
- (2) Valuation as at 30 April 2021 and is based on a 100% effective interest in each New Property.
- (3) The Property Purchase Price is based on a 100% effective interest in each New Property.
- (4) Currently under development and expected to be completed by June 2021.
- (5) Valuation takes into account the effects of the UK Incentive Reimbursement and UK Rent Guarantee.
- (6) Excluding the UK Rent Guarantee, the valuation would be £131.0 million.
- (7) Valuation takes into account the effects of the UK Incentive Reimbursement.
- (8) Being the aggregate of the higher of the two valuations between JLL and Savills for the New EU Properties and Knight Frank's valuation for the New UK Properties.

²⁴ Connexion will be held by the Sub-Trust Trustees in their capacity as joint trustees of Connexion Trust. Connexion Trust is jointly owned by Connexion Property Co Limited and FLCT UK 1 Pte Ltd. Connexion Property Co Limited is wholly-owned by FLCT UK 1 Pte Ltd, which is in turn wholly-owned by FLCT Industrial UK Pte Ltd. FLCT Industrial UK Pte Ltd is a wholly-owned subsidiary of FLCT.

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.

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any securities of FLCT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, the United Kingdom, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States, and any such new Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.

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 Units is subject to investment risks, including the possible loss of the principal amount invested.

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.

The past performance of FLCT and the Manager is not necessarily indicative of the future performance of FLCT and the Manager.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

ADDITIONAL INFORMATION – AUSTRALIA'S FOREIGN INVESTMENT REGIME

Australia's foreign investment regime is set out in the Australian *Foreign Acquisitions and Takeovers Act 1975* (“**FATA**”) and associated regulations and the Australian Government's Foreign Investment Policy.

Notifiable actions (i.e. mandatory notification) for Australian Land Trusts

A “*foreign person*”²⁵ that acquires Units is required under the FATA to notify and receive a prior no objection notification (“**FIRB Approval**”) in respect of its investment in FLCT from the Australian Treasurer through the Foreign Investment Review Board (“**FIRB**”) if any of the circumstances set out below apply at the time the Units are acquired:

- (a) if FLCT is considered to be an “Australian Land Trust”²⁶ (“**ALT**”) at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);
- (b) if FLCT is not an ALT, but has gross Australian assets that meet a specified threshold prescribed under FATA or the consideration value meets the specified threshold (as at the date of this Announcement, the threshold prescribed under FATA is A\$281 million²⁷) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a substantial interest (20% or more held solely or together with associates) in FLCT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or

25 A “**foreign person**” is broadly defined in the FATA and includes:

- (a) an individual not ordinarily resident in Australia; or
- (b) a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- (c) a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- (d) the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- (e) the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- (f) a foreign government.

26 An ALT is a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

27 Where the investor is from certain free trade agreement partners (Chile, China, Hong Kong, Japan, New Zealand, Peru, Singapore, South Korea, the United States, and any other country for which the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), done at Santiago on 8 March 2018, is in force) a higher threshold of A\$1,216 million applies.

- (c) any investor that is a Foreign Government Investor²⁸ acquiring a “direct interest”²⁹ in FLCT will require FIRB Approval at the time of acquisition, regardless of whether FLCT is considered to be an ALT or whether FLCT has gross Australian assets in excess of the applicable threshold;
or
- (d) if FLCT is a national security business³⁰ (or if it holds any interests in national security land³¹ or national security businesses) any investor acquiring a direct interest in FLCT will require FIRB Approval at the time of acquisition of a “direct interest”, regardless of the value of the interest, whether FLCT is considered to be an ALT or whether FLCT has gross Australian assets in excess of the applicable threshold.

Exemptions from ALT requirements

There are two relevant exemptions from the requirement to obtain FIRB Approval under the FATA that would otherwise apply if FLCT was considered to be an ALT:

- (a) where the relevant person is not a foreign government investor and the relevant person's interest in FLCT would not be valued in excess of a specified threshold prescribed under the FATA (at

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- 28 A “**foreign government investor**” means an entity that is:
- (a) foreign government or separate government entity; or
 - (b) a corporation, or trustee of a trust, or general partner of a limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
 - foreign governments or separate government entities of more than one country (or parts of more than one foreign country), together with any one or more associates, hold an interest of at least 40%;
 - (c) a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.
- The FATA deems foreign government related entities from the same country to be associated. The effect is that an entity will be a foreign government investor where one or more foreign government related entities from the same country have in aggregate a 20% or more interest in the subject entity.
- 29 A “**direct interest**” is defined to mean:
- (a) an interest of at least 10% in the entity or business, or
 - (b) an interest of at least 5% in the entity or business if the person who acquires the interest has entered a legal arrangement relating to the businesses of the person and the entity or business, or
 - (c) an interest of any percentage in the entity or business if the person who has acquired the interest is in a position to:
 - participate or influence the central management and control of the entity or business; or
 - influence, participate or determine the policy of the entity or business.
- 30 A “**national security business**” is currently defined as a business that:
- develops, manufactures or supplies critical goods or critical technology that are, or are intended to be, for a military use, or an intelligence use, by defence and intelligence personnel, the defence force of another country, or a foreign intelligence agency;
 - provides, or intends to provide, critical services to defence and intelligence personnel, the defence force of another country, or a foreign intelligence agency;
 - stores or has access to information that has a security classification;
 - stores or maintains personal information of defence and intelligence personnel collected by the Australian Defence Force, the Defence Department or an agency in the national intelligence community which, if accessed, could compromise Australia’s national security;
 - collects, as part of an arrangement with the Australian Defence Force, the Defence Department or an agency in the national intelligence community, personal information on defence and intelligence personnel which, if disclosed, could compromise Australia’s national security; or
 - stores, maintains or has access to personal information on defence and intelligence personnel which, if disclosed, could compromise Australia’s national security.
- 31 “**National security land**” is currently defined as:
- Defence premises – land owned or occupied by Defence; or
 - Land in which an agency in the national intelligence community has an interest (if this interest is publicly known or could be known after making reasonable inquiries).

- the date of this announcement, the threshold prescribed under the FATA is A\$281 million³², unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$61 million³³; and
- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLCT and will not be in a position to influence or participate in the central management and control of FLCT or to influence, participate in or determine the policy of FLCT.³⁴

Significant actions

As at 31 March 2021, the value of the Australian land assets comprised in FLCT's portfolio is 46.3% of the total asset value of FLCT. Consequently, FLCT is not considered to be an ALT. As at 31 March 2021, FLCT had gross Australian assets of approximately S\$3,114.1 million, which is above the general A\$281 million threshold applicable to trusts that are not ALTs.

Any investor that is a "foreign person" acquiring Units on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

32 See footnote 27 above.

33 This applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). It is the value of the interest being acquired, rather than the value of the underlying land that is in the usual course determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes transport logistics facilities, mines and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

34 This applies where an ALT is listed on an official stock exchange (whether in Australia or not).