

## FRASERS LOGISTICS & COMMERCIAL TRUST

(a real estate investment trust constituted on 30 November 2015 under the laws of the Republic of Singapore)

### DIVESTMENT OF CROSS STREET EXCHANGE

#### 1. INTRODUCTION

##### 1.1 Proposed Transaction

Frasers Logistics & Commercial Asset Management Pte. Ltd., as manager of Frasers Logistics & Commercial Trust (“**FLCT**”, and as manager of FLCT, the “**Manager**”), wishes to announce that Frasers Commercial Trust (“**FCOT**”) (through British and Malayan Trustees Limited, acting as trustee of FCOT), a wholly-owned sub-trust of FLCT (the “**Vendor**”), has on 24 January 2022 entered into a sale and purchase agreement (the “**SPA**”) with SCC Straits Pte. Ltd., an unrelated third party purchaser (the “**Purchaser**”) for the sale (the “**Divestment**”) of the unexpired residue of FCOT’s 99-year leasehold interest (commencing from 3 February 1997) in respect of Lot 617A of Town Subdivision 4, Singapore together with the development thereon and known as Cross Street Exchange (the “**Property**”).

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

#### 2. DETAILS OF THE DIVESTMENT

##### 2.1 Consideration for the Divestment

The consideration payable by the Purchaser in connection with the Divestment is S\$810.8 million (the “**Divestment Consideration**”). The Divestment Consideration was negotiated on a willing-buyer and willing-seller basis, taking into account the independent valuation by CBRE Pte. Ltd. (“**CBRE**”) as at 30 September 2021 as part of FLCT’s annual valuation. The open market value of the Property as at 30 September 2021 determined by CBRE is S\$632.0 million, based on capitalisation and discounted cash flow methods, and the Divestment Consideration represents a premium of 28.3% to the independent valuation and will be satisfied in cash.

##### 2.2 Estimated Total Cost of the Divestment

The estimated total cost of the Divestment (“**Total Divestment Cost**”) is approximately S\$8.1 million comprising:

- (i) the divestment fee payable to the Manager in cash for the Divestment pursuant to the trust deed dated 30 November 2015 (as amended) constituting FLCT of approximately S\$4.1 million (being 0.5% of the Divestment Consideration); and
- (ii) the estimated professional and other fees and expenses incurred or to be incurred by FLCT in connection with the Divestment of approximately S\$4.0 million.

## 2.3 Use of Divestment Proceeds

After taking into account the estimated Total Divestment Cost of S\$8.1 million, it is estimated that the net proceeds from the Divestment would be S\$802.7 million (the “**Divestment Net Proceeds**”). The Divestment will result in a net gain of approximately S\$170.7 million<sup>1</sup>.

The Divestment Net Proceeds may be used to fund potential acquisition opportunities, finance capital expenditure, repay existing debt, make distributions to unitholders of FLCT (“**Unitholders**”) and/or other general corporate requirements.

## 2.4 Principal terms of the SPA

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

- (i) the Divestment Consideration of S\$810.8 million (inclusive of the plant and equipment located in or on or which otherwise relate to the Property which are owned by the Vendor (“**Plant and Equipment**”)), exclusive of any applicable GST;
- (ii) the Property being sold subject to (inter alia):
  - (a) the Instrument of Lease dated 31 December 2020 and entered into between the Vendor and Frasers Hospitality China Square Trustee Pte. Ltd. (as trustee-manager of Frasers Hospitality China Square Trust) (the “**Hotel Lease**”);
  - (b) all existing tenancies and licences as at the due diligence cut off deadline on 23 January 2022 and the new tenancies and licences entered into by the Vendor with third parties after the due diligence cut off deadline and before completion of the sale and purchase of the Property and the Plant and Equipment (“**Completion**”);
  - (c) the existing contracts for the provision of (i) services relating to the maintenance of the Property and the Plant and Equipment, and (ii) security and other services for the Property, entered into by or on behalf of the Vendor with third parties (“**Building Maintenance Contracts**”) as at the due diligence cut off deadline on 23 January 2022 and any new Building Maintenance Contracts entered into after the due diligence cut off deadline, if such contracts are capable of assignment and subsisting as at Completion;
  - (d) all contracts in respect of certain capex / repair works which are intended to be carried out, being carried out and/or are carried out to the Property, which are not completed by Completion (“**Capex/Repair Works**”, and the contracts in respect thereof, the “**Works Contracts**”);
  - (e) the electricity retail agreement with Keppel Electricity Pte Ltd (the “**Supplier**”) for the supply of electricity to the Property (the “**Electricity Retail Agreement**”); and
  - (f) there being no acquisition or notice of acquisition or intended acquisition by the

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<sup>1</sup> The net gain is calculated by subtracting the net book value of the Property as at 30 September 2021 which is S\$632.0 million and the Total Divestment Cost of approximately S\$8.1 million from the Divestment Consideration of S\$810.8 million. The Divestment Consideration of S\$810.8 million, is approximately S\$178.8 million in excess of the book value of the Property of S\$632.0 million as at 30 September 2021.

government or other competent authority affecting the Property or part(s) of the Property which either singly or in aggregate, constitutes more than five percent (5%) of the land area of the Property ("**Material Part**");

- (iii) in respect of the Capex/Repair Works which are not completed by Completion, the Purchaser is entitled to retain from the Divestment Consideration, a sum equivalent to the aggregate of the amounts which remain to be paid to the respective contractor under the respective Works Contracts, in the estimated aggregate sum of S\$700,000 (exclusive of GST), which is to be applied towards meeting payments due to the respective contractors in accordance with the terms of the respective Works Contract. If the amount retained is insufficient to meet the actual costs of completing the Capex/Repair Works, then to the extent that such cost overruns are not due to or do not arise from any act, default or omission of the Purchaser, the Vendor shall pay to the Purchaser such costs overruns;
- (iv) the Vendor has agreed with certain tenants that they may yield up their tenanted premises in an "as is, where is" state and condition without reinstatement, upon expiry of their respective terms and such tenants had agreed to pay to the Vendor, the estimated costs and expenses of reinstatement of their respective tenanted premises. The Vendor has agreed with the Purchaser that such reinstatement works sum shall be deducted from the amounts payable by the Purchaser to the Vendor on Completion;
- (v) the right of termination by the Purchaser if there is damage or destruction to the Property (excluding the demised premises as described in the Hotel Lease) and/or the Plant and Equipment (or any part(s) thereof respectively) after the date of the SPA and prior to Completion, where (a) the expected costs and expense of restoration, replacement or repair exceed five (5%) per cent of the Divestment Consideration (excluding GST) and it would not be reasonably practicable to fully repair or restore the Property and/or the Plant and Equipment within a period of 12 months from the date of occurrence of the damage; or (b) an aggregate of more than 30,000 square feet of the gross floor area of the buildings erected on the Property is rendered unfit for use or occupation or unsafe or cannot be lawfully used, and it would not be reasonably practicable to fully repair or restore the buildings to render the same fit for use and occupation or safe or to be lawfully used, as the case may be, within a period of 12 months from the date of occurrence of the damage ("**Material Damage**"). In the event of any damage to the demised premises (as described in the Hotel Lease), such damage or destruction shall not be taken into account in determining whether there is Material Damage or otherwise, to the Property and/or Plant and Equipment, or part(s) thereof respectively, and the Vendor shall not be under any obligation to restore, repair or replace the same;
- (vi) the right of rescission by the Purchaser if any legal requisition reply is unsatisfactory;
- (vii) certain representations and warranties (including representations and warranties on the supply of information and title) being made by the Vendor;
- (viii) the necessary consents and deeds for the Divestment have been obtained and entered into; and
- (ix) certain ancillary documents related to the Divestment being entered into.

### 3. THE RATIONALE FOR THE TRANSACTION

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

#### 3.1 Unlock value at optimal stage of life cycle to enhance value for Unitholders

The Divestment Consideration of S\$810.8 million represents a 28.3% premium over the book value and independent valuation of S\$632.0 million as at 30 September 2021. The premium from the Divestment thus provides FLCT with a compelling rationale to divest the Property.

#### 3.2 Active portfolio management strategy and focus on core asset classes

The Divestment is in line with FLCT's proactive asset management and portfolio rebalancing strategies and provides opportunities to re-weight FLCT's portfolio into logistics and industrial asset class.

The Divestment further demonstrates FLCT's ability to maximise and unlock capital value for Unitholders at an optimal stage of the Property's life cycle.

#### 3.3 Opportunity to optimise capital structure and increase financial flexibility

Assuming that 49.2% of the Divestment Net Proceeds are used to repay outstanding debt, FLCT's aggregate leverage is expected to reduce from 33.7%<sup>2</sup> to 29.3%<sup>3</sup> on a pro forma basis with debt headroom increased to approximately S\$3,017.2 million<sup>4</sup> post-Divestment. This enhances FLCT's financial strength and flexibility to fund potential acquisition opportunities.

### 4. FINANCIAL EFFECTS OF THE DIVESTMENT

#### 4.1 Pro Forma Financial Effects of the Divestment

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the 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 2021 (the "**FY2021 Audited Financial Statements**"), taking into account the Divestment Consideration, the Total Divestment Cost and assuming that 49.2% of the Divestment Net Proceeds would be used to repay outstanding borrowings.

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2 Aggregate leverage as at 30 September 2021.

3 Aggregate leverage post-Divestment on a pro forma basis as if Divestment was completed on 30 September 2021.

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

#### 4.1.1 Pro Forma NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Divestment on FLCT's NAV per Unit as at 30 September 2021, as if the Divestment was completed on 30 September 2021, are as follows:

|                     | Effects of the Divestment           |                      |
|---------------------|-------------------------------------|----------------------|
|                     | FY2021 Audited Financial Statements | After the Divestment |
| NAV (S\$ m)         | 4,574.6                             | 4,745.4              |
| No. of Units ('000) | 3,686,126 <sup>(1)</sup>            | 3,686,126            |
| NAV per Unit (S\$)  | 1.24                                | 1.29                 |

**Note:**

- (1) Number of Units issued and issuable as at 30 September 2021 as stated in the FY2021 Audited Financial Statements.

#### 4.1.2 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Divestment on FLCT's DPU for FY2021, as if the Divestment was completed on 1 October 2020 are as follows:

|                                      | Effects of the Divestment           |                          |
|--------------------------------------|-------------------------------------|--------------------------|
|                                      | FY2021 Audited Financial statements | After the Divestment     |
| Distributable Income (S\$ m)         | 270.1                               | 257.6 <sup>(1)</sup>     |
| No. of Units ('000)                  | 3,686,126 <sup>(2)</sup>            | 3,685,336 <sup>(3)</sup> |
| DPU (Singapore cents) <sup>(4)</sup> | 7.68                                | 7.33                     |

**Notes:**

- (1) Assumes 49.2% of the Divestment Net Proceeds are used to repay outstanding borrowings on 1 October 2020.
- (2) Number of Units issued and issuable as at 30 September 2021 as stated in the FY2021 Audited Financial Statements.
- (3) Adjusted for estimated management fees to the Manager issued in Units in the financial year ended 30 September 2021 attributable to the Property.

### 4.1.3 Pro Forma Gearing

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma gearing of FLCT as at 30 September 2021, as if the Divestment was completed on 30 September 2021, is as follows:

|   | Effects of the Divestment           |                                     |
|---|-------------------------------------|-------------------------------------|
|   | FY2021 Audited Financial Statements | After the Divestment <sup>(1)</sup> |
| Gross borrowings (S\$ m) <sup>(2)</sup> | 2,531.6                             | 2,136.4                             |
| Total assets (S\$ m) <sup>(2)</sup>     | 7,521.8                             | 7,290.1                             |
| Aggregate leverage (%) <sup>(2)</sup>   | 33.7                                | 29.3                                |

**Notes:**

- (1) Assumes 49.2% of the Divestment Net Proceeds are used to repay outstanding borrowings as at 30 September 2021.
- (2) Excludes the effect of FRS 116 Leases.

## 5 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 Divestment.

## 6 OTHER INFORMATION

### 6.1 Directors' Service Contracts

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

### 6.2 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by an issuer into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual:

- (i) the net asset value of the assets to be disposed of, compared with FLCT's net asset value;
- (ii) the net profits attributable to the assets acquired or disposed of, compared with FLCT's net profits; and
- (iii) the aggregate value of the consideration given, compared with FLCT's market capitalisation based on the total number of issued Stapled Securities.

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

The relative figures for the Divestment using the applicable bases of comparison described above are set out in the table below.

| Comparison of   | The Property | FLCT                   | Relative figure (%) |
|---|--------------|------------------------|---------------------|
| NAV (\$\$ m)  | 170.7        | 4,574.6 <sup>(1)</sup> | 3.7                 |
| Net Property Income (\$\$ m) <sup>(2)</sup>                     | 20.1         | 366.7 <sup>(3)</sup>   | 5.5                 |
| Divestment Consideration against market capitalisation (\$\$ m) | 810.8        | 5,344.9 <sup>(4)</sup> | 15.2                |

**Notes:**

- (1) Based on FLCT's actual NAV as at 30 September 2021 as stated in the FY2021 Audited Financial Statements.
- (2) In the case of a REIT, Net Property Income is a close proxy to the net profits attributable to its assets.
- (3) Based on FLCT's actual Net Property Income for FY2021 as stated in the FY2021 Audited Financial Statements.
- (4) Based on the weighted average price of the Units transacted on the SGX-ST on 21 January 2022, being the market day preceding the date of signing of the SPA, of S\$1.45 per Unit.

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

### 6.3 Documents for Inspection

A copy of each of the (1) SPA, and (2) valuation report of CBRE are available for inspection by appointment only at the registered office of the Manager<sup>5</sup> at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours for a period of three months commencing from the date of this announcement.

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

**25 January 2022**

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<sup>5</sup> Prior appointment will be appreciated.

## **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”<sup>6</sup> 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”<sup>7</sup> (“**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\$289 million<sup>8</sup>) 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

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6 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);
- (f) a foreign government; or
- (g) any other person, or any other person that meets the conditions, prescribed by the regulations.

7 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.

8 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\$1,250 million applies.

- (c) any investor that is a Foreign Government Investor<sup>9</sup> acquiring a “direct interest”<sup>10</sup> 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 business<sup>11</sup> (or if it holds any interests in national security land<sup>12</sup> 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

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9 A “foreign government investor” means an entity that is:

- (a) a foreign government or separate government entity; or
- (b) a corporation, or trustee of a trust, or general partner of an unincorporated 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.

10 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.

11 A business is a ‘national security business’ if:

- (a) the business is carried on wholly or partly in Australia whether or not in anticipation of profit or gain; and
- (b) it is publicly known, or could be known upon the making of reasonable inquiries, that the business is of a kind referred to below:
  - a responsible entity (within the meaning of the *Security of Critical Infrastructure Act 2018* (Cth) (**‘the SOCI Act’**)) for an asset;
  - an entity that is a direct interest holder in relation to a critical infrastructure asset (within the meaning of those terms in the SOCI Act);
  - a carrier or nominated carriage service provider to which the *Telecommunications Act 1997* (Cth) applies;
  - 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 that has been collected as part of an arrangement with the Australian Defence Force, the Defence Department or an agency within the national intelligence community, which, if disclosed, could compromise Australia’s national security.

12 ‘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).

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 the date of this announcement, the threshold prescribed under the FATA is A\$281 million<sup>13</sup>, unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$61 million)<sup>14</sup>; 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.<sup>15</sup>

### **Significant actions**

As at 30 September 2021, the value of the Australian land assets comprised in FLCT's portfolio is 45.1% of the total asset value of FLCT. Consequently, FLCT is not considered to be an ALT. As at 30 September 2021, FLCT had gross Australian assets of approximately S\$3,460.5 million, which is above the general A\$289 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.

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13 See footnote 8 above.

14 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, telecommunication structures and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

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