

This Circular is issued by Frasers Logistics & Industrial Asset Management Pte. Ltd., in its capacity as manager of Frasers Logistics & Industrial Trust ("FLT", and the manager of FLT, the "FLT Manager"). Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this circular dated 14 February 2020 ("Circular"). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in FLT ("FLT Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Consideration Units (as defined herein) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or other jurisdiction, and the Consideration Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of FLT in the United States would be made by means of a prospectus that would contain detailed information about FLT and the FLT Manager, as well as financial statements. The FLT Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

FRASERS LOGISTICS & INDUSTRIAL TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 30 November 2015 as amended, restated and supplemented)
managed by
FRASERS LOGISTICS & INDUSTRIAL ASSET MANAGEMENT PTE. LTD.
(in its capacity as manager of Frasers Logistics & Industrial Trust)



CIRCULAR TO UNITHOLDERS OF FLT ("FLT UNITHOLDERS") IN RELATION TO:

- (1) **THE PROPOSED MERGER OF FLT AND FRASERS COMMERCIAL TRUST ("FCOT") BY WAY OF A TRUST SCHEME OF ARRANGEMENT (THE "PROPOSED MERGER");**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF NEW FLT UNITS TO THE UNITHOLDERS OF FCOT AS PART OF THE CONSIDERATION FOR THE PROPOSED MERGER (THE "PROPOSED ISSUANCE OF THE CONSIDERATION UNITS"); AND**
- (3) **THE PROPOSED ACQUISITION OF A 50% INTEREST IN FARNBOROUGH BUSINESS PARK (THE "PROPOSED ASSET ACQUISITION").**

Financial Adviser in relation to the Proposed Merger and the Trust Scheme (as defined herein)



Independent Financial Adviser to the Independent Directors and the Audit, Risk and Compliance Committee of the FLT Manager and to the FLT Trustee (each as defined herein) in relation to the Proposed Merger and the Proposed Asset Acquisition

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200200144N)

IMPORTANT DATES AND TIMES FOR FLT UNITHOLDERS

Last date and time for lodgement of Proxy Form	8 March 2020 at 10.00 a.m.
Date and time of Extraordinary General Meeting	11 March 2020 at 10.00 a.m.
Place of Extraordinary General Meeting	Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

What are the Proposed Transactions?

1

Proposed Merger of FLT and FCOT

- On 2 Dec 2019, the managers of FLT and FCOT issued a joint announcement on the Proposed Merger by way of a trust scheme of arrangement
- The Scheme Consideration payable to FCOT Unitholders is **S\$1.680 per FCOT Unit⁽¹⁾**, comprising:
 - Cash Consideration: S\$0.151⁽²⁾**; and
 - Consideration Units: 1.233 new FLT units** to be issued at S\$1.240 per FLT Unit⁽³⁾

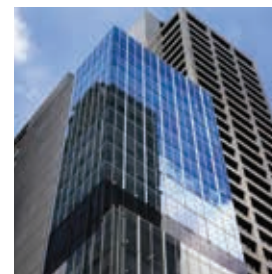
FCOT Portfolio



China Square Central⁽⁴⁾



Alexandra Technopark



357 Collins Street



Central Park



Caroline Chisholm Centre



Farnborough Business Park

6

Properties

4.7

years
WALE⁽⁵⁾

95.2%

Committed Occupancy Rate⁽⁶⁾

S\$2.2 bil

FCOT Portfolio Value⁽⁷⁾

>320k sqm

lettable area

29.0%

Gearing⁽⁸⁾

2

Proposed Acquisition of 50% Interest in FBP

- Proposed acquisition of the remaining 50% freehold interest in Farnborough Business Park ("FBP") not held by FCOT
- 100% debt funded and is expected to be DPU accretive

Farnborough Business Park

46.5

Hectares of Freehold Land

99.1%

Occupancy rate by Lettable Area⁽⁶⁾

6.6

years
WALE⁽⁵⁾

51,006

sqm
lettable area

Award Winning Business Park

approximately
18,000 sqm
of Development Potential⁽⁹⁾

(1) Based on an implied gross exchange ratio of 1.355x and an issue price of S\$1.240 per FLT Unit.

(2) The aggregate Cash Consideration to be paid to each FCOT Unitholder shall be rounded to the nearest S\$0.01.

(3) The number of Consideration Units which each FCOT Unitholder will be entitled to pursuant to the Trust Scheme, based on the FCOT Units held by such FCOT Unitholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any FCOT Unitholder pursuant to the Trust Scheme.

(4) 18, 20 and 22 Cross Street have been renamed as "Cross Street Exchange" on 1 January 2020.

(5) Refers to weighted average lease expiry ("WALE") based on gross rental income ("GRI") as at 31 December 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).

(6) Based on lettable area (including committed leases, if any) as at 31 December 2019.

(7) Based on appraised value of FCOT Portfolio as at 30 September 2019.

(8) Based on FCOT's results for 1QFY20.

(9) Based on planning permission granted.

What would the Enlarged REIT look like?

Creation of One of The Largest S-REITs Owning a Flagship Portfolio of Commercial and Industrial Assets

Broadened Investment Mandate

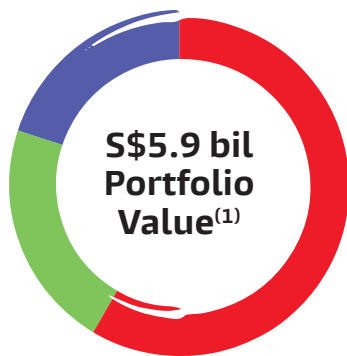
- Comprising CBD Commercial, Office and Business Parks, Logistics and Industrial

Synergistic Ecosystem

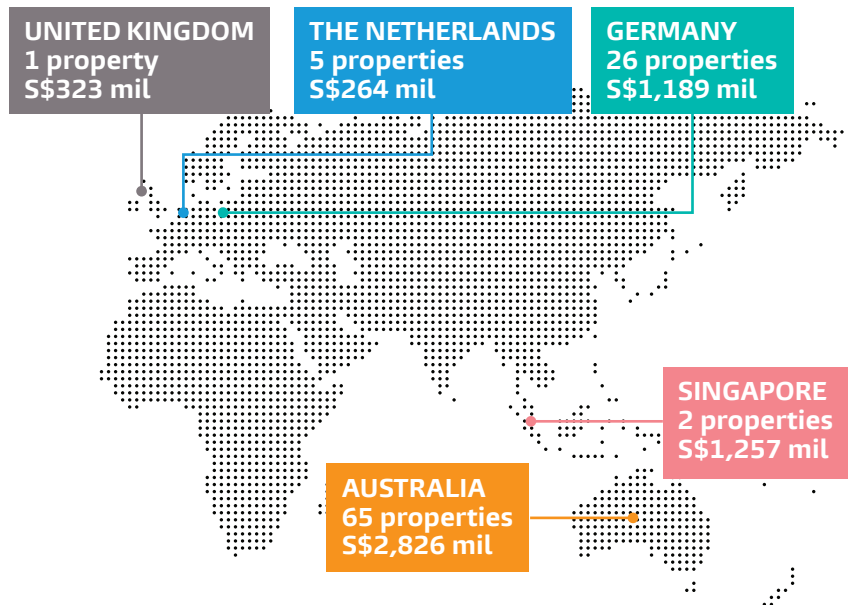
- Opportunity to create a global customer network

Full Spectrum of Commercial and Differentiated Solutions

- Offering end-to-end business solutions to customers to enhance retention
- Access income streams across the economic value chain



Logistics & Industrial	58.6%
CBD Commercial	21.6%
Office and Business Parks	19.8%



Key Figures of the Enlarged REIT

99 Properties Across 5 Countries	2.6 mil sqm Total Space Under Management	>S\$5.0 bil ROFR Pipeline
5.7 years WALE ⁽²⁾	99.5% Committed Occupancy Rate ⁽³⁾	+2.2% Post-Proposed Asset Acquisition DPU Accretion to FLT Unitholders ⁽⁴⁾

Note: All references to the portfolio of the Enlarged REIT in this Circular are as at 31 December 2019 save that it excludes 610 Heatherton Road, Clayton South, Victoria, Australia which was fully divested in January 2020. Exchange rates adopted for the Enlarged REIT are A\$1 : S\$0.9443; €1 : S\$1.5035 and £1 : S\$1.7841.

(1) Based on book value of the Enlarged REIT as at 31 December 2019. Includes 100% interest in FBP, which is based on the Agreed Property Value.

(2) Based on GRI as at 31 December 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).

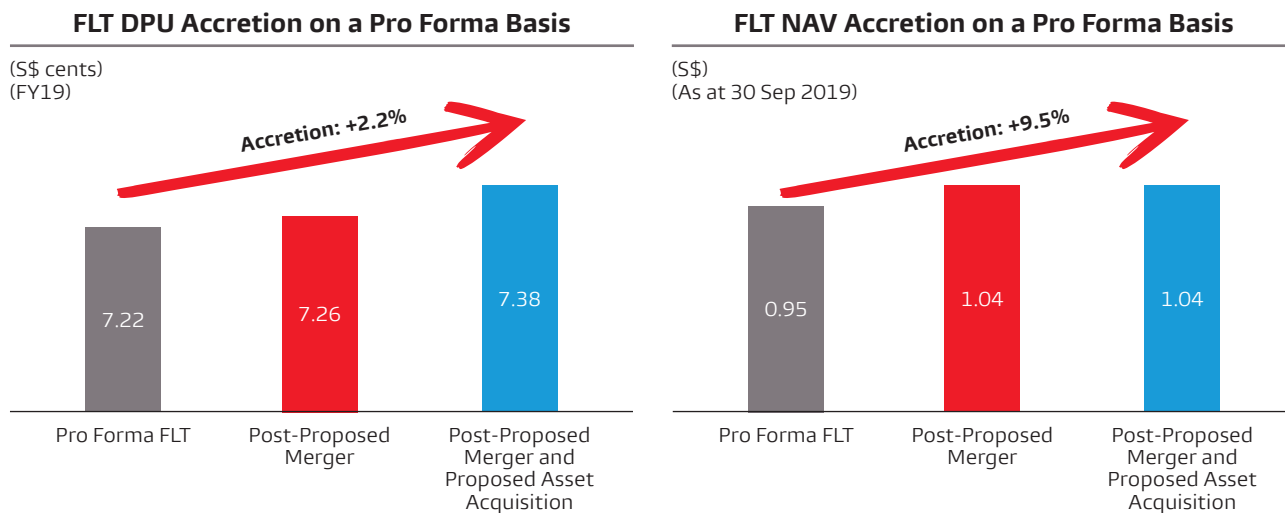
(3) Based on lettable area (including committed leases, if any) as at 31 December 2019.

(4) Pro forma DPU accretion upon completion of the Proposed Merger and the Proposed Asset Acquisition. Please refer to paragraph 8.1.1 of the Letter to FLT Unitholders in this Circular for further details.

How does the Proposed Merger benefit FLT Unitholders?

1

DPU and NAV Accretive



Note: The pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition are strictly for illustrative purposes only and were prepared based on assumptions and bases as disclosed in paragraph 8.2 of the Letter to FLT Unitholders in this Circular.

2

Enhanced Scale amongst the Top-10 Largest S-REITs

Potential for positive re-rating

- Lifted by a higher market capitalisation, enhanced free float and trading liquidity

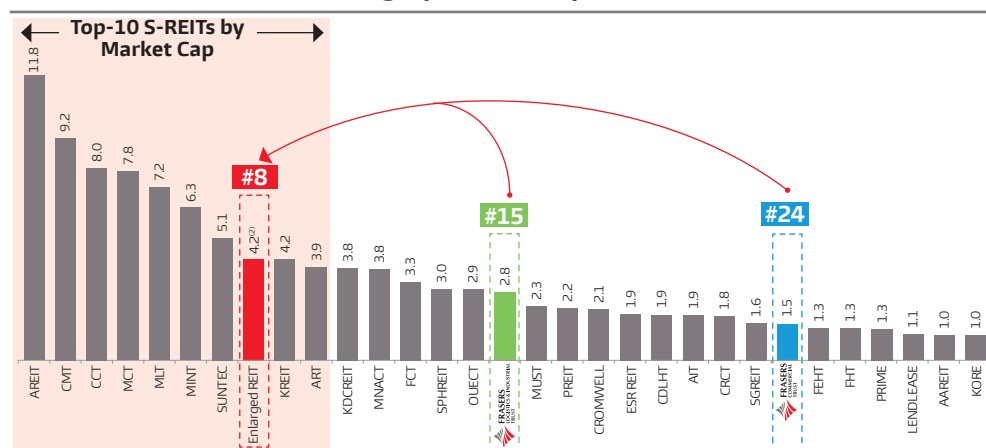
Potentially higher weightage in the FTSE EPRA/NAREIT Index

- Addition of FCOT's float

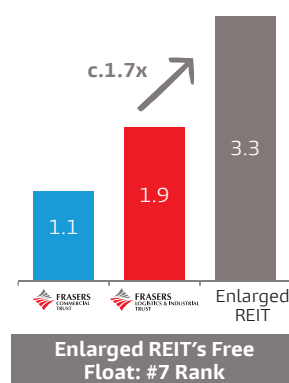
Significant increase in free float

- Potential for higher trading liquidity and positive re-rating

S-REITs Ranking by Market Capitalisation (S\$ bil)⁽¹⁾



Free Float⁽³⁾ (S\$ bil)



Source: Bloomberg as at the Latest Practicable Date.

- The chart only includes S-REITs with primary listing on the SGX-ST and market capitalisation of at least S\$1.0 billion.
- Illustrative market capitalisation of the Enlarged REIT calculated as (i) the sum of (a) the number of FLT Units outstanding as at the Latest Practicable Date; (b) the number of FLT Units to be issued to satisfy the portion of Scheme Consideration in FLT Units; (c) the number of FLT Units to be issued as consideration for the Acquisition Fee for the Proposed Merger; and (d) the number of FLT Units to be issued as consideration for the Acquisition Fee for the Proposed Asset Acquisition, and (ii) multiplied by the issue price of S\$1.240 per FLT Unit.
- Excludes the stakes held by the Sponsor, the FLT Manager, the FCOT Manager, directors and chief executive officers of the FLT Manager and the FCOT Manager, substantial FLT Unitholders and substantial FCOT Unitholders and their respective associates based on information available to the FLT Manager and the FCOT Manager as at the Latest Practicable Date. FCOT's free float of S\$1.1 billion is computed based on FCOT's free float units as at the Last Trading Date of 679.0 million FCOT Units multiplied by FCOT's Last Traded Price of S\$1.67. The Enlarged REIT's free float of S\$3.3 billion (post-Proposed Merger and Proposed Asset Acquisition) is computed based on the Enlarged REIT's free float units of 2.7 billion multiplied by the issue price of S\$1.240 per unit.

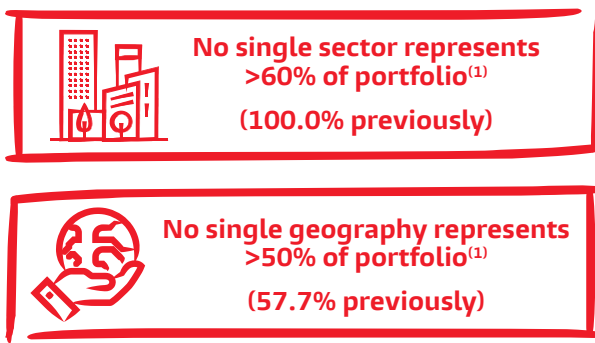
How does the Proposed Merger benefit FLT Unitholders?

(cont'd)

3

Enhanced Portfolio Quality and Diversification

Enhanced Diversification



Addition of High-quality Tenants

Amazon	British Telecom
Berkley Insurance	Commonwealth Bank of Australia
Commonwealth of Australia	JustCo
Fluor	Rio Tinto
Google Asia Pacific	Olympus
Omron	Suntory

4

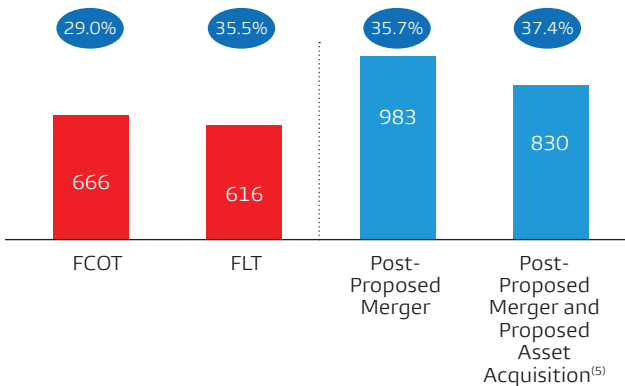
Enhanced Growth Trajectory

- Enlarged capital base providing enhanced flexibility and ability to drive long-term growth
- Access to sizeable >\$5.0 billion (1.9 million sqm in lettable area) ROFR pipeline from the Sponsor
- Ability to continue leveraging the Sponsor's integrated development and asset management capabilities
- Additionally, the FCOT portfolio is also well poised to benefit from embedded organic growth drivers arising from recent AEIs undertaken and improving market conditions

Enlarged Debt Headroom⁽²⁾⁽³⁾

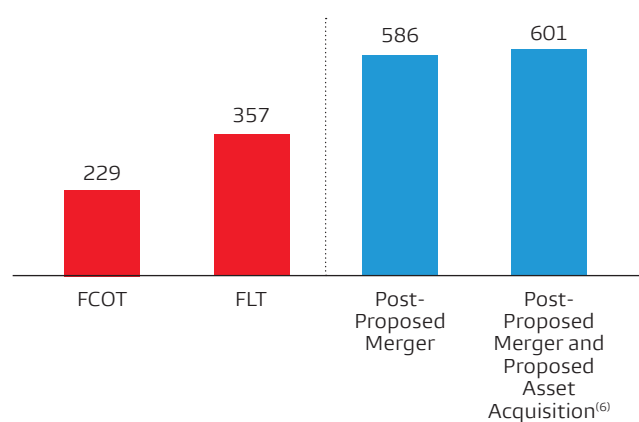
(\$ mil)
(As at 31 Dec 2019)

Gearing (%)



AEIs and Development Headroom⁽³⁾⁽⁴⁾

(\$ mil)
(As at 31 Dec 2019)



(1) Based on book value of the Enlarged REIT as at 31 December 2019. Includes 100% interest in FBP, which is based on the Agreed Property Value.

(2) Prior to reaching the 45.0% aggregate leverage regulatory limit under the Property Funds Appendix.

(3) As at 31 December 2019 at an exchange rate of A\$1: S\$0.9443.

(4) Based on 10% of Deposited Property of the Enlarged REIT.

(5) Assumes the estimated total cost of the Proposed Asset Acquisition (excluding the Acquisition Fee which is payable in FLT units) is fully funded by debt.

(6) Based on 100% interest in FBP at the Agreed Property Value.

Why are we acquiring the remaining 50% of FBP?

1

Strategic expansion in the attractive Thames Valley business park market

2

Award winning and high-quality business park

3

DPU-accretive acquisition and consistent with the Enlarged REIT's investment strategy

4

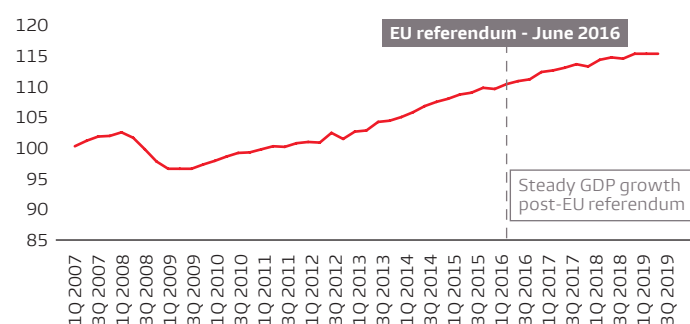
Embedded growth potential – c. additional 18,000 sqm⁽¹⁾ of office space through developments

Attractive environment to support consolidation of FBP on the back of resilient economic fundamentals and a robust industry outlook

Resilient Economic Fundamentals in the UK

UK GDP (Seasonally Adjusted)

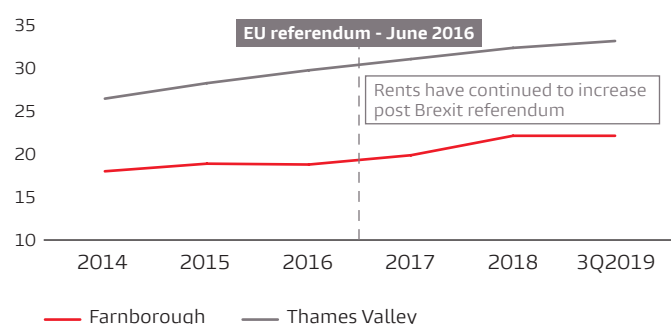
Index 1Q 2007 = 100



Source: FCOT FY19 Annual Report

Thames Valley and Farnborough Area Prime Rents

(£ per sq ft per Annum)



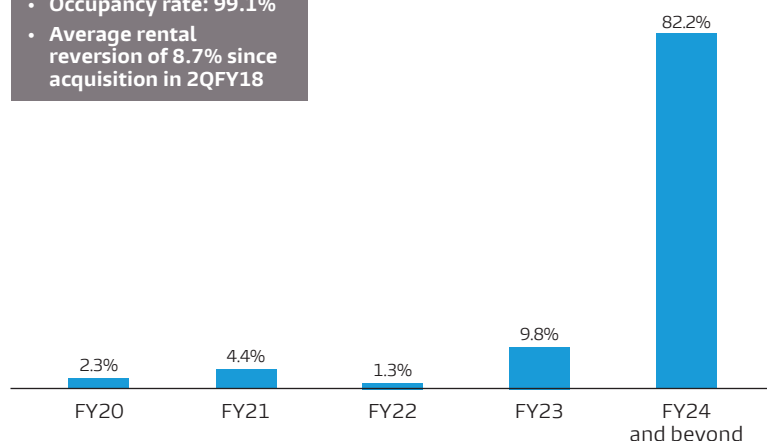
Source: FCOT FY19 Annual Report

High-quality and strategically located business park with strong defensive attributes

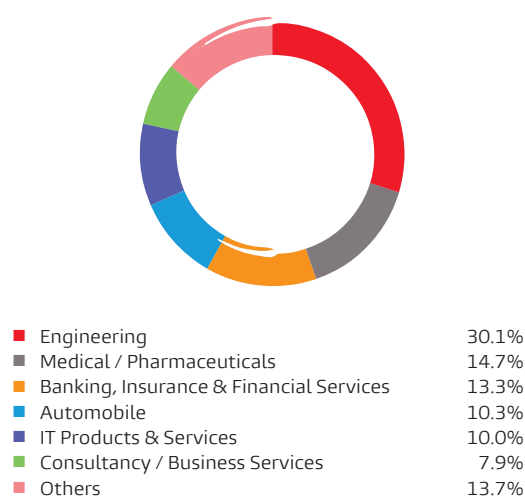
Strong and diversified tenant base

Lease Expiry Profile by GRI

- WALE: 6.6 years
- Occupancy rate: 99.1%
- Average rental reversion of 8.7% since acquisition in 2QFY18



Diversified Trade Sector Mix by GRI



High Quality Tenants

Aetna	Audi Dealership	Syneos Health	Redhat
Fluor	BMW Dealership	TI Media	RBS

(1) Based on planning permission granted.

What does the Independent Financial Adviser recommend?

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Merger and the Proposed Asset Acquisition are on **normal commercial terms** and are **not prejudicial to the interests of FLT and its minority unitholders**.

Accordingly, the IFA advises the Audit, Risk and Compliance Committee and the Independent Directors to recommend that the FLT Unitholders **VOTE IN FAVOUR** of the resolution in connection with the Proposed Merger and the resolution in connection with the Proposed Asset Acquisition to be proposed at the EGM.

What do the Independent Directors recommend?

The Proposed Merger

The Independent Directors have considered the relevant factors, including the terms of the Proposed Merger and the rationale for the Proposed Merger as set out in paragraph 6 of this Circular, as well as the IFA's opinion as set out in the IFA Letter in Appendix B to this Circular, and recommend that FLT Unitholders **VOTE IN FAVOUR** of Resolution 1, the Ordinary Resolution relating to the Proposed Merger, and Resolution 2, the Ordinary Resolution relating to the Proposed Issuance of the Consideration Units.

The Proposed Asset Acquisition

The Independent Directors have considered the relevant factors, including the terms of the Proposed Asset Acquisition and the rationale for the Proposed Asset Acquisition as set out in paragraph 6 of this Circular, as well as the IFA's opinion as set out in the IFA Letter in Appendix B to this Circular, and recommend that FLT Unitholders **VOTE IN FAVOUR** of Resolution 3, the Ordinary Resolution relating to the Proposed Asset Acquisition.



What must happen for the Proposed Merger and the Proposed Asset Acquisition to be approved?

FLT Unitholders are to vote on the following resolutions either in person at the EGM or by proxy:

Resolution 1 (Ordinary Resolution)

The proposed merger of FLT and FCOT by way of a trust scheme of arrangement (the “**Proposed Merger**”)

Resolution 2 (Ordinary Resolution)

The proposed allotment and issuance of new FLT Units to the FCOT Unitholders as part of the consideration for the Proposed Merger

Resolution 3 (Ordinary Resolution)

The proposed acquisition of a 50% interest in FBP (the “**Proposed Asset Acquisition**”)

Resolution 1 and Resolution 2 are inter-conditional on each other being passed
Resolution 3 is conditional upon Resolution 1 and Resolution 2 being passed but not vice versa

What do I need to do in relation to the Proposed Merger and the Proposed Asset Acquisition?

It is important that you read the instructions for the meeting carefully.



YOUR VOTE COUNTS



Please vote in person or proxy



Attend the EGM in person

Wednesday, 11 March 2020, 10.00 a.m.,
 Level 3, Summit 2, Suntec Singapore
 Convention & Exhibition Centre,
 1 Raffles Boulevard,
 Suntec City, Singapore 039593

OR



Appoint a proxy to vote at the EGM

Last date and time for
 lodgement of Proxy Form
 8 March 2020 at 10.00 a.m.



FLT Unitholders vote during EGM

3 possible outcomes for the Proposed Merger
 and Proposed Asset Acquisition:

OUTCOME 1:

FLT Unitholders vote **in favour** of
 Resolutions 1, 2 and 3.

The Proposed Merger will go
 through, and FLT will acquire
 all the issued and paid-up
 units of FCOT. FLT **will** acquire
 the remaining 50% interest in
 Farnborough Business Park.

OUTCOME 2:

FLT Unitholders vote **against**
 any of Resolutions 1 or 2.

The Proposed Merger **will not** go
 through and FLT will not acquire
 all of the issued and paid-up
 units of FCOT.
 FLT **will not** acquire the
 remaining 50% interest in
 Farnborough Business Park.

OUTCOME 3:

FLT Unitholders vote **in favour**
 of both Resolutions 1 and 2, but
 vote against Resolution 3.

The Proposed Merger **will** go
 through and FLT will acquire all
 the issued and paid-up units of
 FCOT, but FLT **will not** acquire
 the remaining 50% interest in
 Farnborough Business Park.

Note: Resolution 1 and Resolution 2 are also conditional upon the Trust Scheme becoming effective in accordance with its terms. The Proposed Asset Acquisition is also conditional upon, among others, the completion of the Proposed Merger.

What if FLT Unitholders are unable to attend the EGM?

If you are unable to attend the EGM in person, you may appoint someone you know, or the Chairman of the EGM, to vote on your behalf by completing the Proxy Form.

1

Locate the Proxy Form

The Proxy Form is enclosed with this Circular, or can be obtained from FLT's Unit Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd

50 Raffles Place

#32-01

Singapore Land Tower

Singapore 048623

Operating hours: Monday to Friday, 8.30 a.m. to 5.30 p.m.

2

Complete the Proxy Form

- A.** Fill in your name and particulars.
- B.** You may fill in the details of the appointee(s) or leave the section blank. The Chairman of the EGM will be the appointee if the section is left blank.
- C.** Indicate your vote in the box labelled **FOR** or **AGAINST** for each of the Resolutions.
- D.** If you are an individual, you or your attorney **MUST SIGN** and indicate the date. If you are a corporation, the Proxy Form must be executed under your common seal or signed by a duly authorised officer or attorney.

FRASERS LOGISTICS & INDUSTRIAL TRUST
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE)
PURSUANT TO A TRUST DEED DATED 30 NOVEMBER 2015
(AS AMENDED, RESTATED AND SUPPLEMENTED)

PROXY FORM
EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. A Relevant Intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Note 2 for the definition of Relevant Intermediary).

2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

3. PLEASE READ THE NOTES TO THE PROXY FORM.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 14 February 2020 (the "Notice").

I/We _____ (Name), _____ (NRIC No./Passport No.)
of _____ (Address)
being a holder/s of units in Frasers Logistics & Industrial Trust ("FLT", and the units of FLT, the "Units"),
hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of unitholdings in FLT (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of unitholdings in FLT (Note 2)	
			No. of Units	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Conventional & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM. Unless expressly defined all capitalised terms shall have the meaning in the circular issued to unitholders dated 14 February 2020.

NO.	ORDINARY RESOLUTION RELATING TO:	For*	Against*	Abstain*
1.	To approve the Proposed Merger (conditional upon the passing of Resolution 2)			
2.	To approve the Proposed Issuance of Consideration Units (conditional upon the passing of Resolution 1)			
3.	To approve the Proposed Asset Acquisition (conditional upon the passing of Resolutions 1 and 2)			

* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please tick (✓) in the "For" or "Against" box provided. Alternatively, please indicate the number of votes as appropriate. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a "0" in the "Abstain" box provided. Alternatively, please indicate the number of Units that your proxy/proxies is/are directed to abstain from voting.

Dated this _____ day of _____, 2020

Signature(s) of Unitholder(s)/Common Seal _____

Email Address of Unitholder(s) (optional): _____

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM

Total Number of Units Held (Note 5)

- E.** Indicate the number of FLT Units you hold.


E

What if FLT Unitholders are unable to attend the EGM? (cont'd)

3

Return the completed Proxy Form

Return the completed and signed Proxy Form in the enclosed pre-addressed envelope to FLT's Unit Registrar, **NO LATER THAN 10.00 a.m. on 8 March 2020, SUNDAY**. The envelope is prepaid for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.

 <p>FRASERS LOGISTICS & INDUSTRIAL TRUST</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>BUSINESS REPLY SERVICE PERMIT NO. 09470</p> </div> <p style="text-align: center;"> </p> <p style="text-align: center;">The Company Secretary Fraser's Logistics & Industrial Asset Management Pte. Ltd. (as manager of Fraser's Logistics & Industrial Trust) c/o Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623</p>	<p>Postage will be paid by addressee. For posting in Singapore only.</p>
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What are the Important Dates and Times?

IMPORTANT DATES AND TIMES	
Last date and time for lodgement of Proxy Form	8 March 2020 at 10.00 a.m.
Date and time of Extraordinary General Meeting	11 March 2020 at 10.00 a.m.
Place of Extraordinary General Meeting	Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

Who can FLT unitholders contact for any queries?



Financial Adviser to the FLT Manager
Telephone: +65 6678 0102

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CORPORATE INFORMATION

Board of Directors of the FLT Manager	:	Mr Ho Hon Cheong (Chairman, Independent and Non-Executive Director) Mr Goh Yong Chian (Independent and Non-Executive Director) Mr Paul Gilbert Say (Independent and Non-Executive Director) Mr Panote Sirivadhanabhakdi (Non-Executive Director) Mr Chia Khong Shoong (Non-Executive Director) Mr Rodney Vaughan Fehring (Non-Executive Director)
Registered Office of the FLT Manager	:	438 Alexandra Road #21-00 Alexandra Point Singapore 119958
Trustee of FLT (the “FLT Trustee”)	:	Perpetual (Asia) Limited 8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
Legal Adviser to the FLT Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the FLT Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
FLT 805 Auditor	:	PricewaterhouseCoopers LLP 7 Straits View, Marina One, East Tower, Level 12 Singapore 018936
Financial Adviser to FLT in respect of the Proposed Merger and the Trust Scheme (the “Financial Adviser” or “BofA Securities”)	:	Merrill Lynch (Singapore) Pte. Ltd. 50 Collyer Quay #14-01 OUE Bayfront Singapore 049321
Legal Adviser to the Financial Adviser	:	Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

Independent Financial Adviser to the Independent Directors and the Audit, Risk and Compliance Committee of the FLT Manager and to the FLT Trustee : Deloitte & Touche Corporate Finance Pte Ltd
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809

Independent Valuers in relation to the Proposed Asset Acquisition : BNP Paribas Real Estate Advisory & Property Management UK Limited
5 Aldermanbury Square
London
EC2V 7HR
(appointed by the FLT Manager)

Knight Frank LLP
55 Baker Street
London
W1U 8AN
(appointed by the FLT Trustee)

OVERVIEW

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 69 to 78 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

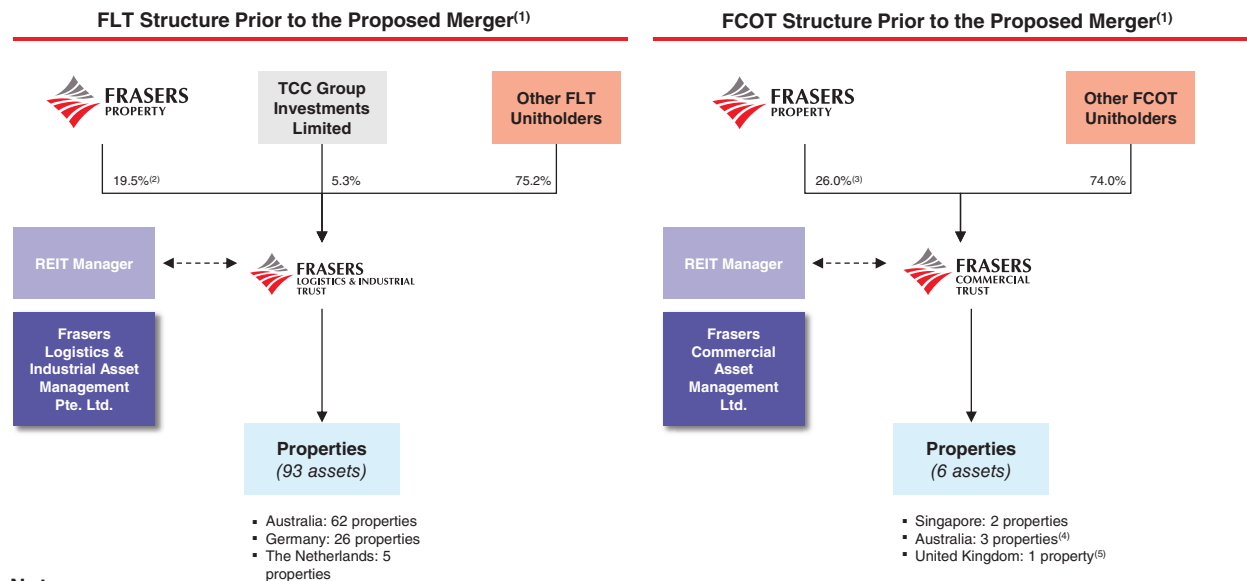
INTRODUCTION

Overview of the Proposed Merger

On 2 December 2019, the respective boards of directors of the FLT Manager and Frasers Commercial Asset Management Ltd., as manager of FCOT (the “**FCOT Manager**”), jointly announced the Proposed Merger.

The Proposed Merger will be effected through the acquisition by the FLT Trustee of all the issued and paid-up units in FCOT (the “**FCOT Units**”) held by the unitholders of FCOT (the “**FCOT Unitholders**”) by way of a trust scheme of arrangement (the “**Trust Scheme**”) in compliance with the Singapore Code on Take-overs and Mergers (the “**Takeover Code**”).

The following diagram illustrates the current structure of FLT and FCOT prior to the Proposed Merger and the Proposed Asset Acquisition as at the Latest Practicable Date (as defined herein):

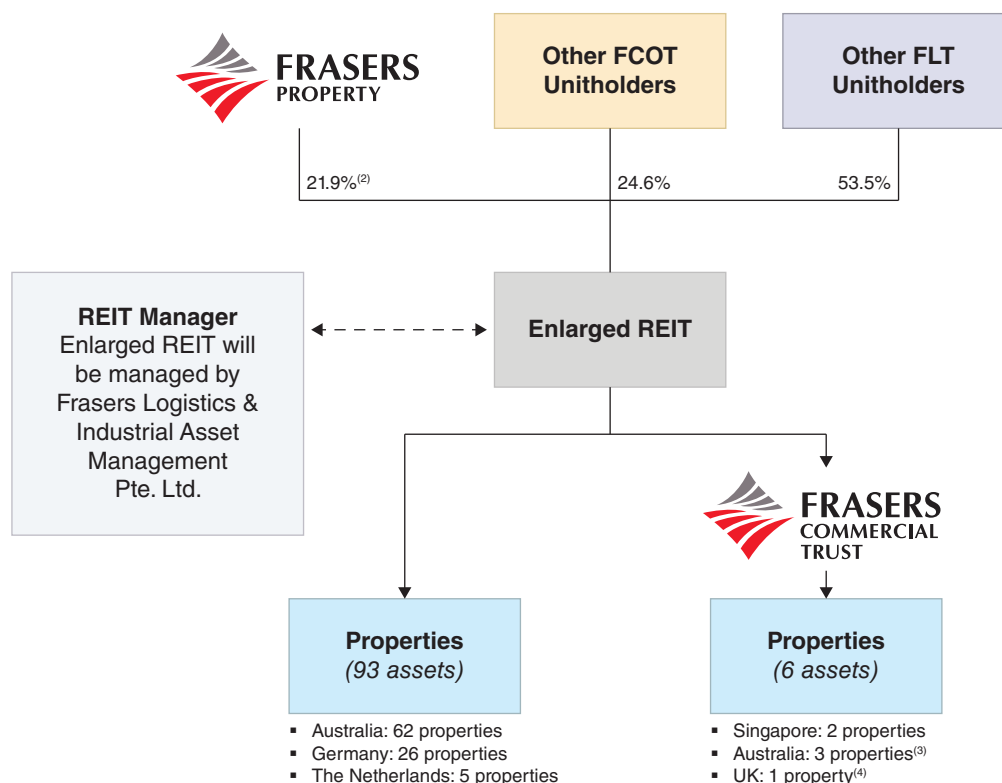


Notes:

- (1) Based on the unitholding structure as at the Latest Practicable Date.
- (2) Comprises FLT Units (as defined herein) held directly and/or indirectly by FPL (as defined herein) and the FLT Manager.
- (3) Comprises FCOT Units held directly and/or indirectly by FPL and the FCOT Manager.
- (4) FCOT holds a 50% indirect interest in Central Park, Western Australia. The remaining 50% is held by an independent third party.
- (5) FCOT presently holds a 50% indirect interest in FBP (as defined herein).

The following diagram illustrates the indicative structure of the enlarged FLT currently envisaged immediately upon completion of the Proposed Merger and the Proposed Asset Acquisition (the “**Enlarged REIT**”):

Enlarged REIT Structure⁽¹⁾



Notes:

- (1) On a pro forma basis, based on the aggregate of (i) unitholdings as at the Latest Practicable Date, (ii) approximately 1.1 billion issued and paid-up units of FLT (“**FLT Units**”) to be issued to FCOT Unitholders as part of the Scheme Consideration (as defined herein), (iii) approximately 9.0 million FLT Units issued as consideration for the Acquisition Fee for the Proposed Merger and (iv) approximately 0.6 million FLT Units issued as consideration for the Acquisition Fee for the Proposed Asset Acquisition.
- (2) Comprises FLT Units held directly and/or indirectly by FPL, the FLT Manager and the FCOT Manager.
- (3) FCOT holds a 50% indirect interest in Central Park, Western Australia. The remaining 50% is held by an independent third party.
- (4) FCOT presently holds a 50% indirect interest in FBP. Subject to completion of the Proposed Merger and the Proposed Asset Acquisition, the Enlarged REIT will hold a 100% interest in FBP through FCOT.

The Proposed Merger will be effected as follows:

(i) Approval of the Proposed Merger and the Proposed Issuance of the Consideration Units:

The FLT Manager is seeking the approval of the unitholders of FLT (the “**FLT Unitholders**”) through an extraordinary general meeting of FLT Unitholders to be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, notice of which is given on pages F-1 to F-2 of this Circular (the “**Extraordinary General Meeting**” or “**EGM**”), to acquire FCOT via the Trust Scheme, as the transaction would constitute an “interested person transaction” and a “major acquisition” under the listing manual of the SGX-ST (the “**Listing Manual**”) and an “interested party transaction” under the Property Funds Appendix

(as defined herein), with the FCOT Unitholders receiving a combination of cash and Consideration Units (as defined herein) in exchange for the FCOT Units. The FLT Manager is also seeking the approval of the FLT Unitholders for the Proposed Issuance of the Consideration Units.

(ii) Approval of the Trust Scheme and the Trust Deed Amendments:

FCOT will convene a court sanctioned Trust Scheme meeting of the FCOT Unitholders to seek the necessary approvals to effect the Trust Scheme (the **"Trust Scheme Meeting"**). FCOT will also convene an extraordinary general meeting immediately prior to the Trust Scheme Meeting to seek the necessary approvals to amend the trust deed constituting FCOT dated 12 September 2005 made between British and Malayan Trustees Limited, in its capacity as trustee of FCOT (the **"FCOT Trustee"**), and the FCOT Manager (as amended and supplemented from time to time) (the **"FCOT Trust Deed"**) to include, among others, provisions for the implementation of the Trust Scheme (the **"Trust Deed Amendments"**).

(iii) Post-Merger:

On completion of the Proposed Merger, the FLT Trustee would hold 100% of the FCOT Units.

(iv) Delisting FCOT:

FCOT will be delisted from the Main Board of the SGX-ST.

(v) The New Investment Mandate of the Enlarged REIT:

The new investment mandate of the Enlarged REIT will be to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes; or
- (b) commercial purposes (comprising primarily office space in a CBD (as defined herein) (**"CBD office space"**)) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom),

(the **"New Investment Mandate"**).

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate.

It is proposed that upon the New Investment Mandate coming into effect, the existing rights of first refusal (**"ROFRs"**), and the existing ROFRs, **"Existing ROFRs"**) granted by the sponsor of both FCOT and FLT, Frasers Property Limited (**"FPL"** or the **"Sponsor"**), to the FCOT Trustee and the FLT Trustee will be consolidated into one ROFR to be granted by the Sponsor to the trustee of the Enlarged REIT (the **"Resulting ROFR"**).

For further details on the terms of the Resulting ROFR, please see **paragraph 3.6** of the Letter to FLT Unitholders.

Overview of the Proposed Asset Acquisition

Conditional upon, among others, the completion of the Proposed Merger and the approval of the FLT Unitholders, FLT will be acquiring from a wholly-owned subsidiary of the Sponsor, a 50% interest in Farnborough Business Park (the “**Target Property**” or “**FBP**”) through the acquisition of 50% of the issued share capital of Farnborough Business Park Ltd, being the company holding the Target Property (the “**Target Property Company**”). The remaining 50% of the Target Property Company is currently held by a wholly-owned subsidiary of FCOT. For the avoidance of doubt, the Proposed Merger will not be conditional upon the Asset Acquisition Resolution (as defined herein) being passed or the completion of the Proposed Asset Acquisition.

SUMMARY OF APPROVALS SOUGHT

The FLT Manager seeks approval from the FLT Unitholders for:

- (1) **Resolution 1:** the Proposed Merger (***Ordinary Resolution***¹);
- (2) **Resolution 2:** the Proposed Issuance of the Consideration Units (***Ordinary Resolution***¹); and
- (3) **Resolution 3:** the Proposed Asset Acquisition (***Ordinary Resolution***¹).

FLT UNITHOLDERS SHOULD NOTE THAT RESOLUTION 1 AND RESOLUTION 2 (COLLECTIVELY, THE “PROPOSED MERGER RESOLUTIONS”) ARE INTER-CONDITIONAL ON EACH OTHER. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT APPROVED, NONE OF THE PROPOSED MERGER RESOLUTIONS WILL BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED MERGER AND THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS.

FLT UNITHOLDERS SHOULD ALSO NOTE THAT RESOLUTION 3, WHICH RELATES TO THE PROPOSED ASSET ACQUISITION (THE “ASSET ACQUISITION RESOLUTION”), WILL BE CONDITIONAL UPON THE PROPOSED MERGER RESOLUTIONS BEING APPROVED BY THE FLT UNITHOLDERS AT THE SAME EGM BUT THE PROPOSED MERGER RESOLUTIONS WILL NOT BE CONDITIONAL UPON THE ASSET ACQUISITION RESOLUTION BEING PASSED OR THE COMPLETION OF THE PROPOSED ASSET ACQUISITION. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT PASSED, THE ASSET ACQUISITION RESOLUTION WILL NOT BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED ASSET ACQUISITION.

RESOLUTION 1: THE PROPOSED MERGER (ORDINARY RESOLUTION)

On 2 December 2019, the board of directors of the FLT Manager announced that FLT is proposing to acquire all the FCOT Units via the Trust Scheme. The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the “**Scheme Conditions**”) set out in **Appendix A** to this Circular by 30 June 2020 (or such other date as the Parties (as defined herein) may agree in writing) (the “**Long-Stop Date**”).

¹ “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of FLT Unitholders convened in accordance with the provisions of the FLT Trust Deed (as defined herein).

Information on FLT

FLT was listed on the Main Board of the SGX-ST on 20 June 2016. FLT is a Singapore real estate investment trust (“**REIT**”) constituted by a trust deed dated 30 November 2015 made between the FLT Trustee and the FLT Manager (as amended and supplemented from time to time) (the “**FLT Trust Deed**”) and established with the investment objective of investing globally in a diversified portfolio of income-producing real estate assets which are predominantly used for logistics or industrial purposes (which include office components ancillary to the foregoing purposes). As at 6 February 2020, being the latest practicable date prior to the date of this Circular (the “**Latest Practicable Date**”), FLT’s portfolio comprises 93 properties¹ located across Australia, Germany and the Netherlands.

Based on the audited consolidated financial statements with respect to FLT and its subsidiaries (“**FLT Group**”, and each entity in the FLT Group, a “**FLT Group Entity**”) for the financial year ended 30 September 2019 (“**FY2019**”, and the audited consolidated financial statements for FY2019, the “**2019 FLT Audited Financial Statements**”), certain key financial information with respect to the FLT Group is set out as follows:

FLT Group (as at 30 September 2019)	A\$ million (S\$ million equivalent)²
Net assets attributable to FLT Unitholders	A\$2,313.8 (approximately S\$2,153.5)
Net tangible assets attributable to FLT Unitholders	A\$2,313.8 (approximately S\$2,153.5)
Total return before tax (FY2019)	A\$272.4 (approximately S\$253.5)
Aggregate valuation of portfolio ³	A\$3,554.1 (approximately S\$3,307.8)

FLT is managed by the FLT Manager, a wholly-owned subsidiary of the Sponsor. Incorporated on 7 July 2015, the FLT Manager currently holds a capital markets services licence (“**CMS Licence**”) for REIT management pursuant to the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”).

Information on FCOT

FCOT was listed on the Main Board of the SGX-ST on 30 March 2006. It is a Singapore REIT constituted by the FCOT Trust Deed and established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of real estate assets located in the Asia-Pacific region and Europe including the United Kingdom used for commercial purposes (comprising primarily office, business space and/or business park purposes). As at the Latest Practicable Date, FCOT’s portfolio comprises six properties located across Singapore, Australia and the United Kingdom.

¹ All references to FLT’s portfolio in this Circular are as at 31 December 2019, save that it excludes 610 Heatherton Road, Clayton South, Victoria, Australia which was fully divested in January 2020.

² Unless otherwise stated, the S\$ equivalent of the A\$ figures in this Circular have been arrived at based on the exchange rate as at 30 September 2019 of A\$1 : S\$0.9307.

³ Excludes 610 Heatherton Road, Clayton South, Victoria, Australia which was fully divested in January 2020.

Based on the audited consolidated financial statements with respect to FCOT and its subsidiaries (“**FCOT Group**”, and each entity in the FCOT Group, a “**FCOT Group Entity**”) for FY2019 (the “**2019 FCOT Audited Financial Statements**”), certain key financial information with respect to the FCOT Group is set out as follows:

FCOT Group (as at 30 September 2019)	S\$ million
Net assets	1,481.5
Net tangible assets	1,481.5
Total return before tax (FY2019)	160.0
Aggregate valuation of portfolio	2,226.9

FCOT is managed by the FCOT Manager, a wholly-owned subsidiary of the Sponsor. Incorporated on 15 March 2005 in Singapore, the FCOT Manager currently holds a CMS Licence for REIT management pursuant to the SFA.

Implementation Agreement

In connection with the Proposed Merger, the FLT Trustee, the FLT Manager, the FCOT Trustee and the FCOT Manager (each a “**Party**”, and collectively, the “**Parties**”) have on 2 December 2019 entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Parties will implement the Trust Scheme.

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the date falling on the Business Day (as defined herein) immediately preceding the Effective Date (as defined herein) (the “**Relevant Date**”), subject to the prior consultation with the Securities Industry Council (the “**SIC**”), and the SIC giving its approval for, or stating that it has no objection to, such termination, in certain circumstances specified in the Implementation Agreement.

Upon the termination of the Implementation Agreement by either (i) the FLT Trustee and the FLT Manager or (ii) the FCOT Trustee and the FCOT Manager in accordance with its terms, no Party shall have a claim against any other Party, except in relation to certain surviving provisions such as those relating to, amongst others, confidentiality, costs and expenses and governing law.

(See **paragraph 3.2** of the Letter to FLT Unitholders for further details.)

Scheme Consideration

In consideration of the transfer of FCOT Units, each of the FLT Trustee and the FLT Manager agrees, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of **S\$1.680** (the “**Scheme Consideration**”) for each FCOT Unit held by each FCOT Unitholder as at the Books Closure Date¹, which shall be satisfied by:

- (i) firstly, the payment by the FLT Trustee of a sum of S\$0.151 in cash (the “**Cash Consideration**”); and

¹ “**Books Closure Date**” means the date to be announced (before the Effective Date) by the FCOT Manager on which the Transfer Books and the Register of FCOT Unitholders of FCOT will be closed in order to determine the entitlements of the FCOT Unitholders in respect of the Trust Scheme.

- (ii) secondly, the allotment and issuance (or the procurement of such allotment and issuance) by the FLT Manager of 1.233 new FLT Units at an issue price of S\$1.240¹ per FLT Unit (the “**Consideration Units**”), such Consideration Units to be credited as fully paid,

in accordance with the terms and conditions of the Implementation Agreement. The Scheme Consideration implies a gross exchange ratio of 1.355x which is based on the Scheme Consideration of S\$1.680 per FCOT Unit divided by issue price of S\$1.240 per FLT Unit.

The Scheme Consideration was determined based on commercial negotiations between the FLT Manager and the FCOT Manager. Factors taken into account in arriving at the Scheme Consideration included (without limitation): (i) the implied value of the Scheme Consideration relative to the historical trading prices and NAV (as defined herein) of FLT and FCOT; and (ii) the DPU (as defined herein) accretion to the FCOT Unitholders on a pro forma basis.

The aggregate Cash Consideration to be paid to each FCOT Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each FCOT Unitholder will be entitled to pursuant to the Trust Scheme, based on the FCOT Units held by such FCOT Unitholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any FCOT Unitholder pursuant to the Trust Scheme.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a FCOT Unitholder will receive S\$15.10 in cash and 123 Consideration Units for every 100 FCOT Units held by it as at the Books Closure Date.

The Consideration Units shall:

- (i) when issued, be duly authorised, validly issued and fully paid-up and shall rank *pari passu* in all respects with the existing FLT Units as at the date of their issue;² and
- (ii) be issued free from all and any restrictions on transfers and other Encumbrances (as defined herein) (subject to the limitations on ownership of FLT Units as set out in the FLT Trust Deed, further details of which will be set out in the scheme document to be despatched to the FCOT Unitholders (the “**Scheme Document**”) and no person has or shall have any rights of pre-emption over the Consideration Units.

Immediately upon completion of the Proposed Merger and the Proposed Asset Acquisition, the Sponsor and its related corporations (the “**Sponsor Group**” or “**FPL Group**”) will hold approximately 21.9% of the total issued units in the Enlarged REIT.

(Please refer to page 2 for the indicative structure of the Enlarged REIT currently envisaged immediately upon completion of the Proposed Merger.)

Scheme Conditions

The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions set out in the Implementation Agreement and reproduced in **Appendix A** to this Circular by the Long-Stop Date.

¹ The issue price of S\$1.240 per FLT Unit is equal to the 1-month VWAP (as defined herein) of S\$1.240 per FLT Unit. The 1-month VWAP is with reference to the period from 25 October 2019 to 27 November 2019 taking into consideration the public holiday falling on 28 October 2019 (Monday).

² For the avoidance of doubt, the Consideration Units shall not be entitled to the FLT Permitted Distributions (as defined herein) (please see **paragraph 3.5** of the Letter to FLT Unitholders for further details).

The Trust Scheme will become effective on the date (the “**Effective Date**”) of the written notification to the Monetary Authority of Singapore (“**MAS**”) of the grant of the order of the Court (as defined herein) sanctioning the Trust Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore (the “**Trust Scheme Court Order**”), which shall be effected by or on behalf of the FLT Manager within 25 Business Days (as defined herein) from the date on which the last Scheme Condition set out in paragraphs (a), (b), (c), (d), (e), (f) and (k) of **Appendix A** to this Circular is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement, the FCOT Manager and the FLT Manager are each permitted to announce, declare, make or pay distributions in cash to the FCOT Unitholders and the FLT Unitholders (as the case may be) only if such distributions are announced, declared, paid or made by the FCOT Manager or the FLT Manager (as the case may be), in the ordinary course of business and the usual quantum¹ in respect of the period from 1 October 2019 up to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day immediately following (i) the latest completed financial quarter of FCOT or (ii) the latest completed financial half year of FLT (as the case may be) preceding the Effective Date, up to the day immediately before the Effective Date (respectively, the “**FCOT Permitted Distributions**” and “**FLT Permitted Distributions**”).

As mentioned above, the FCOT Unitholders shall have the right to receive and retain the FCOT Permitted Distributions (if any) in addition to the Scheme Consideration.

Rationale for the Proposed Merger

The rationale for the Proposed Merger is set out below:

- (i) DPU and NAV Accretive to FLT Unitholders
- (ii) Flagship Portfolio of Commercial and Industrial Assets
- (iii) Creation of a Top-10 S-REIT (as defined herein)
- (iv) Enhanced Portfolio Quality and Diversification
- (v) Growth Trajectory from Enlarged Capital Base and ROFR Pipeline

(See **paragraph 6** of the Letter to FLT Unitholders for further details.)

FLT’s Future Intentions for the Enlarged REIT

Assuming the completion of the Proposed Merger:

- (i) the FLT Manager intends to expand the investment mandate of the Enlarged REIT pursuant to the FLT Trust Deed. Please see **paragraph 3.6** of the Letter to FLT Unitholders for further details. The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course;

¹ As disclosed in FLT’s annual report for FY2019, FLT’s distribution policy is to distribute at least 90% of its distributable income and such distributions are paid on a semi-annual basis. As disclosed in FCOT’s annual report for FY2019, FCOT’s distribution policy is to distribute at least 90% of its taxable income (other than gains from the sale of real estate properties that are typically determined by the Inland Revenue Authority of Singapore to be trading gains) and tax-exempt income, and such distributions are typically paid on a quarterly basis.

- (ii) as at the Latest Practicable Date, the functional currency of FLT is Australian dollars, and dual currency trading in Australian dollars and Singapore dollars is available in respect of the FLT Units, which may be traded through either the counter traded in Singapore dollars or the counter traded in Australian dollars. Following completion of the Proposed Merger, the FLT Manager intends to change the functional currency of the Enlarged REIT to Singapore dollars (which is also the functional currency of FCOT) and close the counter traded in Australian dollars. The change in functional currency of the Enlarged REIT and the closure of the counter traded in Australian dollars are not expected to have any material adverse impact on the FLT Unitholders. The FLT Manager also intends to remove the option of FLT Unitholders to elect to receive distributions declared, paid or made by the FLT Manager in Australian dollars;
- (iii) in view of the Enlarged REIT, the nominating and remuneration committee of the FLT Manager (the “**Nominating and Remuneration Committee**”) will review the composition of the board of directors and management of the FLT Manager. The appointment of any new directors or key management staff of the FLT Manager (if any) will be subject to the approval of the board of directors of the FLT Manager and (if applicable) the MAS;
- (iv) it is intended that the FCOT Manager will be replaced by the FLT Manager as soon as practicable upon completion of the Proposed Merger such that the FLT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing FCOT. The FCOT Manager will be entitled to a prorated performance fee accruing from 1 October 2019 to the date of the delisting of FCOT and a prorated base fee accruing from the day following the latest completed financial quarter of FCOT preceding the Effective Date to the date of the delisting of FCOT in accordance with the existing trust deed constituting FCOT. There will be no double counting of management fees to the FCOT Manager and the FLT Manager in respect of the FCOT Portfolio between the Effective Date and the date of the delisting of FCOT. Further, the fee structure of FCOT with respect to the fees payable to the manager of FCOT will be amended to reflect the fee structure in the FLT Trust Deed such that the existing fee structure of FLT is retained. There is currently no intention to make any changes to the fees and charges payable to the FCOT Trustee under the FCOT Trust Deed; and
- (v) conditional upon, among others, the approval by the FLT Unitholders, FLT intends to acquire from a wholly-owned subsidiary of FPL, a 50% interest in the Target Property through the acquisition of 50% of the issued share capital of the Target Property Company, being the company holding the Target Property. The remaining 50% of the issued share capital of the Target Property Company is currently held by a wholly-owned subsidiary of FCOT.

Save as set out above, there is presently no intention to (i) introduce any major changes to the business of FCOT, (ii) re-deploy the fixed assets of FCOT, or (iii) discontinue the employment of the employees of the FCOT Manager, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Proposed Merger.

However, the board of directors of the FLT Manager retains and reserves the right and flexibility at any time to consider any options in relation to the Enlarged REIT which may present themselves and which it may regard to be in the interest of the Enlarged REIT.

There may be interested person transactions (as defined in the Listing Manual) and interested party transactions (as defined in the Property Funds Appendix (as defined herein)) entered into in the ordinary course of business of the enlarged FLT Group upon completion of the Merger. FLT will comply with the Listing Manual and Property Funds Appendix and make the relevant disclosures under Rule 905 of the Listing Manual and the Property Funds Appendix if the aggregate value of such interested person transactions or interested party transactions entered into in the same financial year (excluding the interested person transactions or interested party transactions which have been approved by the FLT Unitholders) is 3% or more of the latest audited net tangible assets or net asset value of the FLT Group.

(See **paragraph 4** of the Letter to FLT Unitholders for further details.)

The Proposed Merger as a “Major Acquisition” and “Interested Person Transaction”

The Proposed Merger is a “major transaction” which requires the approval of the FLT Unitholders under Chapter 10 of the Listing Manual. Further, the Proposed Merger is an “interested person transaction” under Chapter 9 of the Listing Manual, as well as an “interested party transaction” under Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the “**Property Funds Appendix**”) requiring the approval of the independent FLT Unitholders.

Accordingly, the FLT Manager is seeking the approval of the FLT Unitholders by way of an Ordinary Resolution for the Proposed Merger.

(See **paragraph 9** of the Letter to FLT Unitholders for further details.)

Value of FCOT Units

Based on the 2019 FCOT Audited Financial Statements:

- (i) the net asset value (“**NAV**”) and net tangible asset (“**NTA**”) of FCOT as at 30 September 2019 were S\$1,481,493,000; and
- (ii) the total return before tax attributable to the FCOT Units as at 30 September 2019 was approximately S\$159,973,000.

Based on the volume weighted average price (“**VWAP**”) of S\$1.623 per FCOT Unit with reference to the one-month period¹ up to and including 27 November 2019 (the “**Last Trading Date**”), the latest available open market value of the FCOT Units on the Last Trading Date was approximately S\$1.670.

Estimated Total Cost of Proposed Merger

The total cost of the Proposed Merger is currently estimated to be approximately S\$1,586.1 million comprising:

- (i) the Scheme Consideration of approximately S\$1,539.9 million (as at the Latest Practicable Date)²;
- (ii) the Acquisition Fee (as defined herein)⁴ for the Proposed Merger amounting to approximately S\$11.2 million, which is payable to the FLT Manager pursuant to the FLT Trust Deed³, and is payable in FLT Units to the FLT Manager; and

¹ The 1-month VWAP is with reference to the period from 25 October 2019 to 27 November 2019 taking into consideration the public holiday falling on 28 October 2019 (Monday).

² The Scheme Consideration comprises the aggregate Cash Consideration of S\$138.4 million and the issuance of the Consideration Units at an issue price of S\$1.240 per Consideration Unit calculated based on 916,622,020 FCOT Units in issue as at 6 February 2020, being the Latest Practicable Date. The actual Scheme Consideration will depend on the number of issued FCOT Units as at the Books Closure Date.

³ Calculated based on the illustrative issue price of S\$1.240 per FLT Unit. The Acquisition Fee in respect of the Proposed Merger is 0.5% of the underlying value of the real estate of FCOT (based on the latest annual valuation commissioned by FCOT as at 30 September 2019), and will only be paid on completion of the Proposed Merger.

⁴ “**Acquisition Fee**” means the acquisition fee for the Proposed Merger or, as the case may be, the Proposed Asset Acquisition which is payable to the FLT Manager pursuant to the FLT Trust Deed.

- (iii) the estimated professional and other fees, stamp duty and other expenses of approximately S\$35.0 million incurred or to be incurred by the Enlarged REIT in connection with the Proposed Merger.

Payment of Acquisition Fee in Units

As the Proposed Merger will constitute an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, the Acquisition Fee¹ payable to the FLT Manager in respect of the Proposed Merger will be in the form of FLT Units, which shall not be sold within one year from the date of issuance.

Method of Financing

The FLT Manager intends to finance the Proposed Merger (excluding the Acquisition Fee in respect of the Proposed Merger which will be paid in FLT Units) with (a) the payment of cash to the FCOT Unitholders from new debt facilities, and (b) the issuance of the Consideration Units to the FCOT Unitholders.

(See **paragraph 3.9** of the Letter to FLT Unitholders for further details.)

RESOLUTION 2: THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS (ORDINARY RESOLUTION)

As part of the consideration for the acquisition of all the FCOT Units pursuant to the Proposed Merger, Consideration Units will be issued to the FCOT Unitholders based on an exchange ratio of 1.233 Consideration Units for every one FCOT Unit (the “**Exchange Ratio**”). As at the Latest Practicable Date, approximately 1,130.2 million Consideration Units will be issued to the FCOT Unitholders, representing approximately 50.0% of the total number of FLT Units in issue as at the Latest Practicable Date².

The Consideration Units will not be entitled to the FLT Permitted Distributions. The Consideration Units will, upon issue, rank *pari passu* in all respects with the existing FLT Units, as at the date of their issue.

The approval of the FLT Unitholders is required for the Proposed Issuance of the Consideration Units to the FCOT Unitholders as well as for the Proposed Issuance of part of the Consideration Units to certain FCOT Unitholders which are also interested persons or interested parties of FLT including the controlling unitholders and controlling shareholders of the FLT Manager (such as the Sponsor and its subsidiaries) pursuant to Chapter 9 of the Listing Manual and the Property Funds Appendix.

Accordingly, the FLT Manager is seeking the approval of FLT Unitholders by way of an Ordinary Resolution of FLT Unitholders for the Proposed Issuance of the Consideration Units.

(See **paragraph 11** of the Letter to FLT Unitholders for further details.)

¹ Based on the FLT Trust Deed, when the Acquisition Fee is paid in the form of FLT Units, the FLT Manager shall be entitled to receive such number of FLT Units as may be purchased for the relevant amount of the Acquisition Fee at the prevailing market price of a FLT Unit being the VWAP for a FLT Unit for all trades on the SGX-ST for the period of 10 Business Days immediately preceding the relevant Business Day on which the Acquisition Fee is paid. Such issue price may or may not be the same price as the issue price for the Consideration Units.

² Based on 916,622,020 FCOT Units and 2,258,877,908 FLT Units in issue on 6 February 2020, being the Latest Practicable Date.

FLT UNITHOLDERS SHOULD NOTE THAT THE PROPOSED MERGER RESOLUTIONS ARE INTER-CONDITIONAL ON EACH OTHER. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT APPROVED, NONE OF THE PROPOSED MERGER RESOLUTIONS WILL BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED MERGER AND THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS.

RESOLUTION 3: THE PROPOSED ASSET ACQUISITION (ORDINARY RESOLUTION)

On 2 December 2019, in connection with the Proposed Asset Acquisition, the FLT Trustee has, through its wholly-owned subsidiary, FLT Europe Pte. Ltd. (the “**Target Property Purchaser**”), entered into a conditional share purchase agreement (the “**Share Purchase Agreement**”) with, among others¹, Frasers Property HoldCo (Jersey) Limited (as vendor) (the “**Vendor**”) in relation to the sale and purchase of a 50% interest in the property known as Farnborough Business Park through the acquisition of 50% of the issued share capital of the Target Property Company, comprising one ordinary share (the “**Sale Share**”) from the Vendor, a wholly-owned subsidiary of the Sponsor. The remaining 50% interest in the Target Property Company is currently held by a wholly-owned subsidiary of FCOT.

The Proposed Asset Acquisition will be conditional upon, among others, the completion of the Proposed Merger and the approval by the FLT Unitholders of the Proposed Asset Acquisition. For the avoidance of doubt, the Proposed Merger will not be conditional upon the Asset Acquisition Resolution being passed or the completion of the Proposed Asset Acquisition. Upon completion of the Proposed Merger and the Proposed Asset Acquisition, it is intended that FLT will indirectly hold a 100% interest in the Target Property through FCOT.

Information on the Target Property

Farnborough Business Park is located in United Kingdom with a lettable area of approximately 51,006 square metres (“**sqm**”) and is sited on freehold land.

The table below sets out a summary of selected information on the Target Property.

Property Address	Site Area (hectares)	Lettable Area (sqm)	WALE⁽¹⁾ (years) (as at 31 December 2019)	Occupancy Rate (as at 31 December 2019)⁽²⁾	Land Tenure
Farnborough, Hampshire GU14 7JP, United Kingdom	46.5	51,006	6.6	99.1%	Freehold

Note:

- (1) “**WALE**” refers to the weighted average lease expiry based on gross rental income (“**GRI**”) as at 31 December 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).
- (2) Based on lettable area (including committed leases, if any).

¹ Frasers Property International Pte. Ltd. is also a party to the Share Purchase Agreement as guarantor to guarantee the performance of the Vendor’s obligations under the Share Purchase Agreement.

Purchase Consideration

The total purchase consideration payable by the Target Property Purchaser in connection with the Proposed Asset Acquisition (the “**Purchase Consideration**”) to be paid wholly in cash is the sum of:

- (i) the consideration for the Sale Share (“**Share Consideration**”) being the adjusted net asset value as at the date of completion of the Proposed Asset Acquisition (the “**Asset Acquisition Completion**”), taking into account 50% of the agreed value of the Target Property of £181.0 million (approximately S\$316.8 million)¹ (the “**Agreed Property Value**”). The Agreed Property Value was arrived at on a willing-buyer and willing-seller basis taking into account the two independent valuations obtained for the Target Property; and
- (ii) the entire amount outstanding as at the date of the Asset Acquisition Completion under the existing shareholder’s loan extended by the Vendor to the Target Property Company (the “**Loan Consideration**”) which is to be fully discharged on Asset Acquisition Completion.

Valuation

The FLT Trustee has commissioned an independent property valuer, Knight Frank LLP (“**KF**”), and the FLT Manager has commissioned another independent property valuer, BNP Paribas Real Estate Advisory & Property Management UK Limited (“**BNPP**”) (together with KF, the “**Independent Valuers**”), to value the Target Property.

KF, in its report stated that the market value of the Target Property as at 30 November 2019 is £182.7 million (approximately S\$319.7 million) on 100% basis. In arriving at the open market value, KF relied on the capitalisation approach and direct comparison methods.

Separately, BNPP in its report stated that the market value of the Target Property as at 30 November 2019 is £180.5 million (approximately S\$315.9 million) on 100% basis. In arriving at the open market value, BNPP relied on the capitalisation approach and direct comparison methods.

The Agreed Property Value of the Target Property of £181.0 million (approximately S\$316.8 million) is not higher than the two independent valuations conducted by the Independent Valuers and represents a discount of 0.9% to the independent valuation conducted by KF.

50% of the Agreed Property Value is taken into account when determining the adjusted net asset value of the Target Property Company for purposes of computing the Purchase Consideration.

(See **Appendix D** of this Circular for further details regarding the valuations of the Target Property.)

Certain Terms and Conditions of the Proposed Asset Acquisition

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

- (i) the completion of the Proposed Merger;
- (ii) the passing at an EGM of FLT Unitholders of the resolution to approve the Proposed Asset Acquisition; and

¹ For the purposes of the Proposed Asset Acquisition, the S\$ equivalent of the £ figures have been arrived at based on the exchange rate of £1 : S\$1.75.

- (iii) the Purchaser having obtained adequate financing to fund the Proposed Asset Acquisition.

Rationale for the Proposed Asset Acquisition

The rationale for the Proposed Asset Acquisition is set out below:

- (i) Strategic Expansion in the Attractive Thames Valley Business Park Market
- (ii) Award Winning and Strategically Located Business Park
- (iii) DPU Accretive and Consistent with the Enlarged REIT's Investment Strategy
- (iv) Embedded Growth Potential

(See **paragraph 6** of the Letter to FLT Unitholders for further details.)

Estimated Total Cost of the Proposed Asset Acquisition

The total cost of the Proposed Asset Acquisition is currently estimated to be approximately S\$159.9 million comprising:

- (i) the estimated Purchase Consideration of £90.1 million (approximately S\$157.7 million), being the sum of (a) the estimated consideration for the Sale Share of £45.5 million (approximately S\$79.6 million) which is subject to adjustment post-Asset Acquisition Completion, and (b) the Loan Consideration of £44.6 million (approximately S\$78.1 million);
- (ii) the Acquisition Fee of approximately S\$0.8 million representing 0.5% of 50% of the Agreed Property Value of the Target Property, which is payable in FLT Units to the FLT Manager for the Proposed Asset Acquisition; and
- (iii) the estimated professional and other fees and expenses of approximately S\$1.4 million incurred or to be incurred by the Enlarged REIT in connection with the Proposed Asset Acquisition.

Payment of Acquisition Fee in Units

As the Proposed Asset Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee payable to the FLT Manager in respect of the Proposed Asset Acquisition will be in the form of FLT Units¹, which shall not be sold within one year from the date of issuance.

Method of Financing

The FLT Manager intends to finance the Proposed Asset Acquisition (excluding the Acquisition Fee in respect of the Proposed Asset Acquisition which will be paid in new FLT Units) with debt financing.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Listing Manual, the FLT Manager and the FLT Trustee have appointed Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the "IFA") to advise the audit, risk and compliance committee of the FLT Manager (the "**Audit, Risk and Compliance Committee**"), the directors of the FLT Manager who are considered independent for the purposes of the Proposed Merger and the Proposed Asset Acquisition being an interested person transaction and an interested party transaction (the "**Independent Directors**") and the FLT

¹ The issue price at which new FLT Units will be issued in payment of the Acquisition Fee will be determined based on the 10 Business Days VWAP of FLT Unit in accordance with the FLT Trust Deed, and such issue price may or may not be the same price as the issue price for the Consideration Units.

Trustee, as to whether the Proposed Merger and the Proposed Asset Acquisition are on normal commercial terms and are not prejudicial to the interests of FLT and its minority unitholders. The views of the Audit, Risk and Compliance Committee and the Independent Directors are set out in **paragraphs 14 and 15** of the Letter to FLT Unitholders.

ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

Accordingly, the Sponsor and its associates will abstain from voting (either in person or by proxy) on the Proposed Merger Resolutions and the Asset Acquisition Resolution.

FLT will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

IMPORTANT NOTICE

The value of FLT Units and the income derived from them may fall as well as rise. FLT Units are not obligations of, deposits in, or guaranteed by, the FLT Manager, the FLT Trustee or any of their affiliates. An investment in FLT Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the FLT Manager or any of its affiliates to redeem their FLT Units while the FLT Units are listed. It is intended that FLT Unitholders may only deal in their FLT Units through trading on the SGX-ST. Listing of the FLT Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FLT is not necessarily indicative of the future performance of FLT.

This Circular 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the FLT Manager's current view of future events. The major assumptions are certain expected levels of property rental income and property expenses over the relevant period, which are considered by the FLT Manager to be appropriate and reasonable as at the date of this Circular.

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 the Australian Government's Foreign Investment Policy.

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

A "foreign person"¹ that acquires FLT Units is required under the FATA to notify and receive a prior no objections notification ("**FIRB Approval**") in respect of its investment in FLT from the Australian Treasurer through the Foreign Investment Review Board ("**FIRB**") if any of the circumstances set out below apply at the time the FLT Units are acquired:

- (a) if FLT is considered to be an "Australian Land Trust"² ("**ALT**") at the time of acquisition, all foreign persons acquiring FLT Units (including existing holders of FLT Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);

¹ A "foreign person" is broadly defined in the FATA and includes:

- an individual not ordinarily resident in Australia; or
- 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
- 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
- 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
- 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
- a foreign government.

² 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.

- (b) if FLT is not an ALT, but has gross Australian assets in excess of a specified threshold prescribed under FATA (as at 31 December 2019, the threshold prescribed under FATA is A\$266.0 million) 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 FLT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or
- (c) any investor that is a Foreign Government Investor¹ acquiring a “direct interest”² in FLT will require FIRB Approval at the time of acquisition, regardless of whether FLT is considered to be an ALT or whether FLT has gross Australian assets in excess of A\$266.0 million.

Exemptions from ALT requirements

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

- (a) where the relevant person is not a foreign government investor and the relevant person’s interest in FLT would not be valued in excess of a specified threshold prescribed under the FATA (as at 31 December 2019, the threshold prescribed under the FATA is A\$266.0 million, unless the ALT has ‘sensitive’ land holdings, in which case the threshold is A\$58.0 million)³; and
- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLT and will not be in a position to influence or participate in the central management and control of FLT or to influence, participate in or determine the policy of FLT⁴.

¹ A “foreign government investor” means an entity that is:

- foreign government or separate government entity; or
- 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%;
- 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.

² A “direct interest” is defined to mean:

- an interest of at least 10% in the entity or business, or
- 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
- 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.

³ 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 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.

⁴ This applies where an ALT is listed on an official stock exchange (whether in Australia or not).

Significant actions

As at 31 December 2019, the value of the Australian land assets comprised in FLT's portfolio is 57.1% of the total asset value of FLT. Consequently, FLT is considered to be an ALT.

As at 31 December 2019, FLT has gross Australian assets of approximately A\$2,260.5 million, which is above A\$266.0 million.

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

This Circular is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

This Circular is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. There will be no public offer of securities in the United States.

INDICATIVE TIMETABLE

The timetable below for the events which are scheduled to take place after the Extraordinary General Meeting is indicative only and is subject to change at the FLT Manager's absolute discretion as well as applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	8 March 2020 at 10.00 a.m.
Date and time of the Extraordinary General Meeting for the FLT Unitholders at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593	:	11 March 2020 at 10.00 a.m.
Date and time of the Trust Scheme Meeting for the FCOT Unitholders	:	11 March 2020 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the extraordinary general meeting of FCOT to be held, whichever is later)
If the approval for the Proposed Merger and the Proposed Issuance of the Consideration Units is obtained at the Extraordinary General Meeting:		
Expected date of Court hearing of the application to sanction the Trust Scheme	:	25 March 2020
Expected last day of trading of the FCOT Units on the SGX-ST	:	31 March 2020
Expected Books Closure Date	:	2 April 2020 at 5.00 p.m.
Expected Effective Date of the Trust Scheme	:	3 April 2020
Expected date for crediting of the Consideration Units	:	15 April 2020
Expected date of the issuance of the Consideration Units	:	15 April 2020
Expected date and time for commencement of trading of the Consideration Units on the SGX-ST	:	16 April 2020 at 9.00 a.m.
Expected date for the delisting of FCOT	:	20 April 2020

LETTER TO FLT UNITHOLDERS

FRASERS LOGISTICS & INDUSTRIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 30 November 2015 as amended, restated and supplemented)

Board of Directors of the FLT Manager

Mr Ho Hon Cheong (Chairman, Independent and Non-Executive Director)
Mr Goh Yong Chian (Independent and Non-Executive Director)
Mr Paul Gilbert Say (Independent and Non-Executive Director)
Mr Panote Sirivadhanabhakdi (Non-Executive Director)
Mr Chia Khong Shoong (Non-Executive Director)
Mr Rodney Vaughan Fehring (Non-Executive Director)

Registered Office of the FLT Manager

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

14 February 2020

To: The FLT Unitholders

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The FLT Manager is convening the EGM to seek the FLT Unitholders' approval for:

- (i) **Resolution 1:** the Proposed Merger (*Ordinary Resolution*¹);
- (ii) **Resolution 2:** the Proposed Issuance of the Consideration Units (*Ordinary Resolution*¹);
- (iii) **Resolution 3:** the Proposed Asset Acquisition (*Ordinary Resolution*¹);

FLT UNITHOLDERS SHOULD NOTE THAT THE PROPOSED MERGER RESOLUTIONS ARE INTER-CONDITIONAL ON EACH OTHER. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT APPROVED, NONE OF THE PROPOSED MERGER RESOLUTIONS WILL BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED MERGER AND THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS.

FLT UNITHOLDERS SHOULD ALSO NOTE THAT THE ASSET ACQUISITION RESOLUTION WILL BE CONDITIONAL UPON THE PROPOSED MERGER RESOLUTIONS BEING APPROVED BY THE FLT UNITHOLDERS AT THE SAME EGM BUT THE PROPOSED MERGER RESOLUTIONS WILL NOT BE CONDITIONAL UPON THE ASSET ACQUISITION RESOLUTION BEING PASSED OR THE COMPLETION OF THE PROPOSED ASSET ACQUISITION. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT PASSED, THE ASSET ACQUISITION RESOLUTION WILL NOT BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED ASSET ACQUISITION.

¹ "Ordinary Resolution" means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of FLT Unitholders convened in accordance with the provisions of the FLT Trust Deed.

2. INFORMATION ON FCOT AND THE FCOT UNITHOLDERS

2.1 FCOT

FCOT was listed on the Main Board of the SGX-ST on 30 March 2006. It is a Singapore REIT constituted by the FCOT Trust Deed and established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of real estate assets located in the Asia-Pacific region and Europe including the United Kingdom used for commercial purposes (comprising primarily office, business space and/or business park purposes). As at the Latest Practicable Date, FCOT's portfolio comprises six properties located across Singapore, Australia and the United Kingdom.

Based on the 2019 FCOT Audited Financial Statements, certain key financial information with respect to the FCOT Group is set out as follows:

FCOT Group (as at 30 September 2019)	S\$ million
Net assets	1,481.5
Net tangible assets	1,481.5
Total return before tax (FY2019)	160.0
Aggregate valuation of portfolio	2,226.9

FCOT is managed by the FCOT Manager, a wholly-owned subsidiary of the Sponsor. Incorporated on 15 March 2005 in Singapore, the FCOT Manager currently holds a CMS Licence for REIT management pursuant to the SFA.

2.2 The board of directors of the FCOT Manager comprises the following:

- 2.2.1** Mr Bobby Chin Yoke Choong, Chairman, Independent and Non-Executive Director;
- 2.2.2** Mr Chang Tou Chen, Independent and Non-Executive Director;
- 2.2.3** Ms Soh Onn Cheng Margaret Jane, Independent and Non-Executive Director;
- 2.2.4** Mr Chia Khong Shoong, Non-Executive Director;
- 2.2.5** Mr Low Chee Wah, Non-Executive Director; and
- 2.2.6** Mr Christopher Tang Kok Kai, Non-Executive Director.

2.3 FCOT has a portfolio comprising six office buildings and business park/space, with a combined appraised value of approximately S\$2.2 billion as at 30 September 2019, located in Singapore, Australia and the United Kingdom, comprising:

- 2.3.1** China Square Central¹, located at 18, 20 & 22 Cross Street and four retail units at 181 South Bridge Road, China Square Central, Singapore 048423/2/1 and 058743;
- 2.3.2** Alexandra Technopark, located at 438A/B/C Alexandra Road, Singapore 119967/68/76;
- 2.3.3** 357 Collins Street, located at 357 Collins Street, Melbourne, Victoria 3000, Australia;

¹ 18, 20 and 22 Cross Street have been renamed as "Cross Street Exchange" on 1 January 2020.

- 2.3.4** Caroline Chisholm Centre, located in Block 4 Section 13, Tuggeranong, ACT 2900, Australia;
- 2.3.5** Central Park¹, located at 152-158 St Georges Terrace, Perth, WA 6000, Australia; and
- 2.3.6** Farnborough Business Park², located at Farnborough, Thames Valley, Hampshire GU14 7JP, United Kingdom,

(collectively, the “**FCOT Portfolio**”).

The following table sets out certain key information relating to the FCOT Portfolio on a portfolio basis and each FCOT property on an individual basis.

S\$2,226 mil FCOT Portfolio Value ⁽¹⁾	95.2% Committed Occupancy Rate ⁽²⁾	4.7 years WALE	>320k sqm Lettable Area	29.0% Gearing		
						
China Square Central⁽³⁾	357 Collins Street	Central Park	Caroline Chisholm Centre	Alexandra Technopark	Farnborough Business Park	
Sector	Central Business District (“CBD”) Commercial			Office and Business Parks		
Country						
Ownership	100%	100%	50%	100%	100%	50%
Lettable Area (sqm)	36,252	31,930	66,225	40,244	95,939	51,006
Committed Occupancy Rate	90.8%	97.9%	83.0%	100.0%	97.2%	99.1%
Property Value⁽¹⁾	S\$648 mil	S\$305 mil	S\$289 mil (50%)	S\$228 mil	S\$606 mil	S\$151 mil (50%)
WALE	3.7 years	3.6 years	7.9 years	5.5 years	3.5 years	6.6 years

Notes:

Unless stated otherwise, FCOT’s portfolio metrics are as per the financial quarter ended 31 December 2019 (“1QFY20”).

- (1) Based on the appraised portfolio value of the FCOT Portfolio or, as the case may be, each FCOT property, as at 30 September 2019.
- (2) Based on lettable area (including committed leases) as at 31 December 2019.
- (3) 18, 20 and 22 Cross Street have been renamed as “Cross Street Exchange” on 1 January 2020.

¹ FCOT holds a 50% indirect interest in Central Park.

² FCOT presently holds a 50% indirect interest in the Target Property Company, which in turn owns FBP.

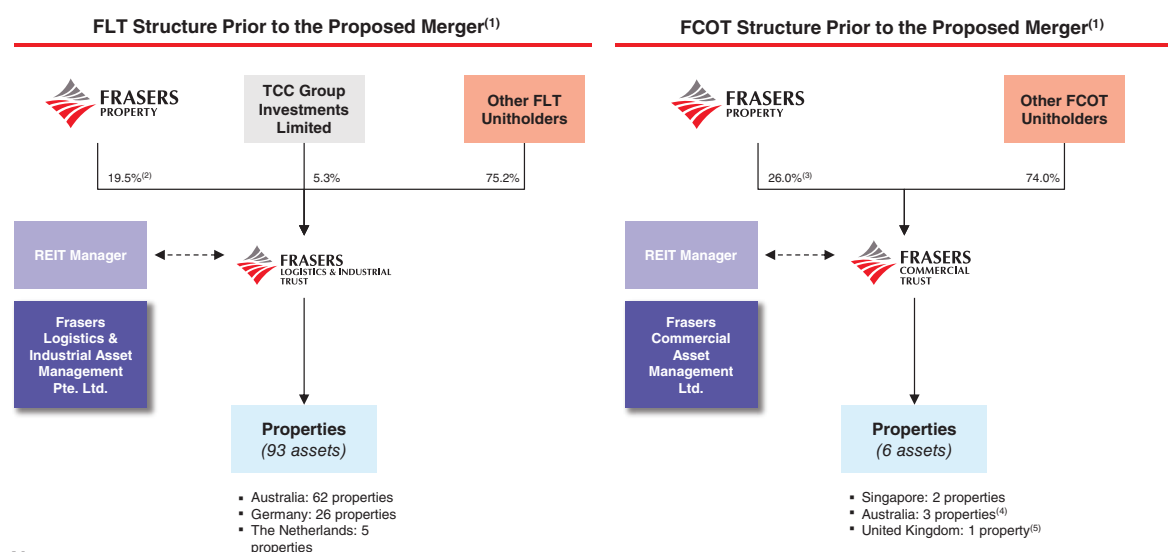
3. THE PROPOSED MERGER AND THE TRUST SCHEME

3.1 Structure of the Proposed Merger

On 2 December 2019, the respective boards of directors of the FLT Manager and the FCOT Manager jointly announced the Proposed Merger.

The Proposed Merger will be effected through the acquisition by the FLT Trustee of all the issued and paid-up units in FCOT Units held by FCOT Unitholders by way of the Trust Scheme in compliance with the Takeover Code.

The following diagram illustrates the current structure of FLT and FCOT prior to the Proposed Merger and the Proposed Asset Acquisition as at the Latest Practicable Date:

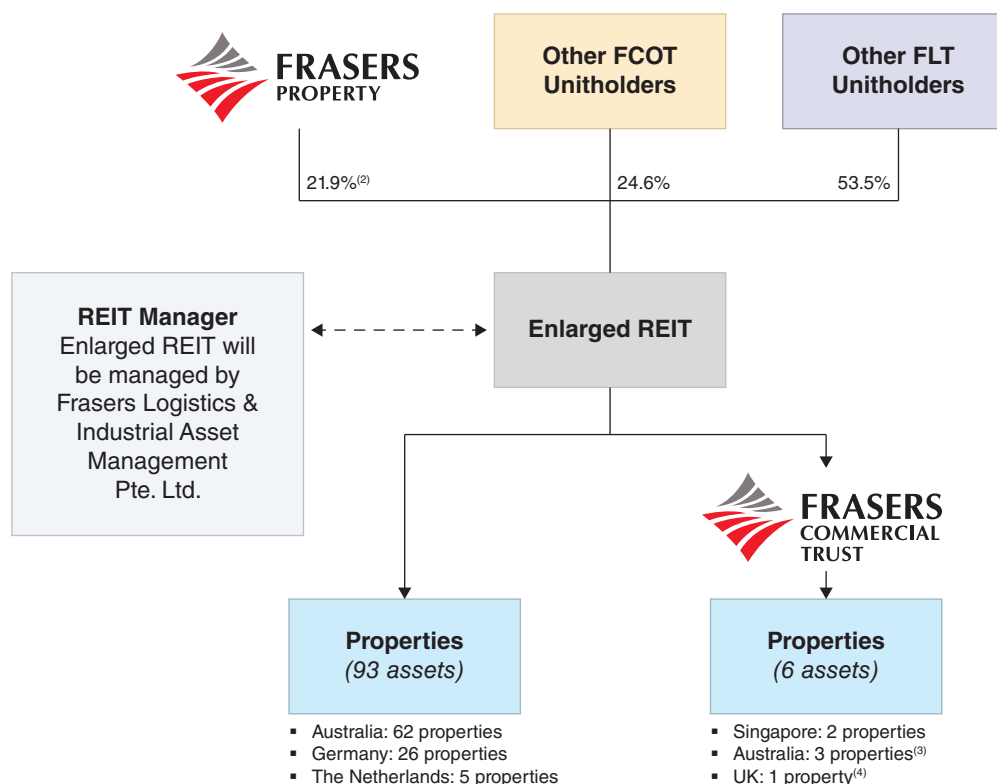


Notes:

- (1) Based on the unitholding structure as at the Latest Practicable Date.
- (2) Comprises FLT Units held directly and/or indirectly by FPL and the FLT Manager.
- (3) Comprises FCOT Units held directly and/or indirectly by FPL and the FCOT Manager.
- (4) FCOT holds a 50% indirect interest in Central Park, Western Australia. The remaining 50% is held by an independent third party.
- (5) FCOT presently holds a 50% indirect interest in FBP.

The following diagram illustrates the indicative structure of the Enlarged REIT currently envisaged immediately upon completion of the Proposed Merger and the Proposed Asset Acquisition:

Enlarged REIT Structure⁽¹⁾



Notes:

- (1) On a pro forma basis, based on the aggregate of (i) unitholdings as at the Latest Practicable Date, (ii) approximately 1.1 billion FLT Units to be issued to FCOT Unitholders as part of the Scheme Consideration (as defined below), (iii) approximately 9.0 million FLT Units issued as consideration for the Acquisition Fee for the Proposed Merger and (iv) approximately 0.6 million FLT Units issued as consideration for the Acquisition Fee for the Proposed Asset Acquisition.
- (2) Comprises FLT Units held directly and/or indirectly by FPL, the FLT Manager and the FCOT Manager.
- (3) FCOT holds a 50% indirect interest in Central Park, Western Australia. The remaining 50% is held by an independent third party.
- (4) FCOT presently holds a 50% indirect interest in FBP. Subject to completion of the Proposed Merger and the Proposed Asset Acquisition, the Enlarged REIT will hold a 100% interest in FBP through FCOT.

The Proposed Merger will be effected as follows:

(i) Approval of the Proposed Merger and Issuance of the Consideration Units:

The FLT Manager is seeking the approval of the FLT Unitholders through an EGM to be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, notice of which is given on pages F-1 to F-2 of this Circular, to acquire FCOT via the Trust Scheme, as the transaction would constitute an “interested person transaction” and a “major acquisition” under the Listing Manual and an “interested party transaction” under the Property Funds Appendix, with the FCOT Unitholders receiving a combination of cash and Consideration Units in exchange for the FCOT Units. The FLT Manager is also seeking the approval of the FLT Unitholders for the Proposed Issuance of the Consideration Units.

(ii) Approval of the Trust Scheme and the Trust Deed Amendments:

FCOT will convene a court sanctioned Trust Scheme Meeting to seek the necessary approvals to effect the Trust Scheme. FCOT will also convene an extraordinary general meeting immediately prior to the Trust Scheme Meeting to seek the necessary approvals for the Trust Deed Amendments.

(iii) Post-Merger:

On completion of the Proposed Merger, the FLT Trustee would hold 100% of the FCOT Units.

(iv) Delisting FCOT:

FCOT will be delisted from the Main Board of the SGX-ST.

(v) The New Investment Mandate of the Enlarged REIT:

The New Investment Mandate of the Enlarged REIT will be amended to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes, or
- (b) commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom).

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course.

It is proposed that upon the New Investment Mandate coming into effect, the Sponsor will grant a Resulting ROFR to the trustee of the Enlarged REIT which tracks the scope of the New Investment Mandate.

3.2 Implementation Agreement

In connection with the Proposed Merger, the FLT Trustee, the FLT Manager, the FCOT Trustee and the FCOT Manager have on 2 December 2019 entered into the Implementation Agreement setting out the terms and conditions on which the Parties will implement the Trust Scheme.

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the date falling on the Business Day immediately preceding the Effective Date, subject to the prior consultation with the SIC, and the SIC giving its approval for, or stating that it has no objection to, such termination, in certain circumstances specified in the Implementation Agreement.

Upon the termination of the Implementation Agreement by either (i) the FLT Trustee and the FLT Manager or (ii) the FCOT Trustee and the FCOT Manager in accordance with its terms, no Party shall have a claim against any other Party, except in relation to certain surviving provisions such as those relating to, amongst others, confidentiality, costs and expenses and governing law.

Upon the Trust Scheme becoming effective and binding in accordance with its terms, all the FCOT Units will be transferred to the FLT Trustee:

- (i) fully paid;
- (ii) free from any Encumbrances; and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the date of the Joint Announcement (as defined herein) and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared by FCOT on or after the date of the Joint Announcement, except for the FCOT Permitted Distributions.

3.3 Scheme Consideration

In consideration of the transfer of FCOT Units, each of the FLT Trustee and the FLT Manager agrees, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the Scheme Consideration for each FCOT Unit held by each FCOT Unitholder as at the Books Closure Date:

- (i) firstly, the payment by the FLT Trustee of the Cash Consideration i.e. a sum of S\$0.151 in cash; and
- (ii) secondly, the allotment and issuance (or the procurement of such allotment and issuance) by the FLT Manager of the Consideration Units i.e. 1.233 new FLT Units at an issue price of S\$1.240¹ per FLT Unit, such Consideration Units to be credited as fully paid,

in accordance with the terms and conditions of the Implementation Agreement. The Scheme Consideration implies a gross exchange ratio of 1.355x which is based on the Scheme Consideration of S\$1.680 per FCOT Unit divided by issue price of S\$1.240 per FLT Unit.

The Scheme Consideration was determined based on commercial negotiations between the FLT Manager and the FCOT Manager. Factors taken into account in arriving at the Scheme Consideration included (without limitation): (i) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of FLT and FCOT; and (ii) the DPU accretion to the FCOT Unitholders on a pro forma basis.

The aggregate Cash Consideration to be paid to each FCOT Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each FCOT Unitholder will be entitled to pursuant to the Trust Scheme, based on the FCOT Units held by such FCOT Unitholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any FCOT Unitholder pursuant to the Trust Scheme.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a FCOT Unitholder will receive S\$15.10 in cash and 123 Consideration Units for every 100 FCOT Units held by it as at the Books Closure Date.

¹ The issue price of S\$1.240 per FLT Unit is equal to the 1-month VWAP of S\$1.240 per FLT Unit. The 1-month VWAP is with reference to the period from 25 October 2019 to 27 November 2019 taking into consideration the public holiday falling on 28 October 2019 (Monday).

The Consideration Units shall:

- (i) when issued, be duly authorised, validly issued and fully paid-up and shall rank *pari passu* in all respects with the existing FLT Units as at the date of their issue¹;
- (ii) be issued no later than seven Business Days from the Effective Date; and
- (iii) be issued free from all and any restrictions on transfers and other Encumbrances (subject to the limitations on ownership of FLT Units as set out in the FLT Trust Deed, further details of which will be set out in the Scheme Document) and no person has or shall have any rights of pre-emption over the Consideration Units.

Immediately upon completion of the Proposed Merger and the Proposed Asset Acquisition, the Sponsor Group will hold approximately 21.9% of the total issued units in the Enlarged REIT.

(Please refer to page 2 for the indicative structure of the Enlarged REIT currently envisaged immediately upon completion of the Proposed Merger.)

3.4 Scheme Conditions

The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions set out in the Implementation Agreement and reproduced in **Appendix A** to this Circular by the Long-Stop Date.

The Trust Scheme will become effective on the date of the written notification to the MAS of the grant of the Trust Scheme Court Order, which shall be effected by or on behalf of the FLT Manager within 25 Business Days from the date on which the last Scheme Condition set out in paragraphs (a), (b), (c), (d), (e), (f) and (k) of **Appendix A** to this Circular is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

3.5 Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement, the FCOT Manager and the FLT Manager are each permitted to announce, declare, make or pay distributions in cash to the FCOT Unitholders and the FLT Unitholders (as the case may be) only if such distributions are announced, declared, paid or made by the FCOT Manager or the FLT Manager (as the case may be), in the ordinary course of business and the usual quantum² in respect of the period from 1 October 2019 up to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day immediately following (i) the latest completed financial quarter of FCOT or (ii) the latest completed financial half year of FLT (as the case may be) preceding the Effective Date, up to the day immediately before the Effective Date.

As mentioned above, the FCOT Unitholders shall have the right to receive and retain the FCOT Permitted Distributions (if any) in addition to the Scheme Consideration.

¹ For the avoidance of doubt, the Consideration Units shall not be entitled to the FLT Permitted Distributions (as defined herein) (please see **paragraph 3.5** of this Letter to FLT Unitholders for further details).

² As disclosed in FLT's annual report for FY2019, FLT's distribution policy is to distribute at least 90% of its distributable income and such distributions are paid on a semi-annual basis. As disclosed in FCOT's annual report for FY2019, FCOT's distribution policy is to distribute at least 90% of its taxable income (other than gains from the sale of real estate properties that are typically determined by the Inland Revenue Authority of Singapore to be trading gains) and tax-exempt income, and such distributions are typically paid on a quarterly basis.

3.6 Expansion of Investment Mandate

On 2 December 2019, the FLT Manager announced that in connection with and subject to the completion of the Proposed Merger, it intends to expand the investment mandate of the Enlarged REIT pursuant to the FLT Trust Deed. Under the FLT Trust Deed, the FLT Manager may from time to time change its investment policies subject to compliance with the Listing Manual so long as it has given not less than 30 days' prior notice of the change to the FLT Trustee and the FLT Unitholders by way of an announcement to the SGX-ST.

The New Investment Mandate is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes, or
- (b) commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom).

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course.

Upon the New Investment Mandate coming into effect, the Existing ROFRs granted by the Sponsor to the FCOT Trustee and the FLT Trustee will be consolidated into the Resulting ROFR. It is intended that the Relevant Assets (as defined herein) covered by the Resulting ROFR will mirror the New Investment Mandate and the Resulting ROFR will subsist for so long as:

- (i) FLT is listed on and quoted for on the Main Board of the SGX-ST;
- (ii) Frasers Logistics & Industrial Asset Management Pte. Ltd. or any of its related corporations remains the manager of FLT;
- (iii) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of FLT; and
- (iv) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of FLT.

The “**Existing ROFRs**” refer to the following ROFRs which have been granted by the Sponsor to FLT and FCOT respectively:

- (a) the ROFR granted by the Sponsor to FLT in 2016 (the “**FLT ROFR**”);
- (b) the ROFR granted by the Sponsor to FCOT in 2009 (the “**FCOT 2009 ROFR**”); and
- (c) the ROFR granted by the Sponsor to FCOT in 2017 (the “**FCOT 2017 ROFR**”, and together with the FCOT 2009 ROFR, the “**FCOT ROFRs**”).

The table below sets out a comparison of the scope of assets covered by the Existing ROFRs and the scope of assets covered by the Resulting ROFR.

Existing ROFRs	Resulting ROFR
<p><u>FLT ROFR</u> The scope of the FLT ROFR covers any proposed disposal of completed income-producing real estate assets located globally, which are used for logistics or industrial purposes and where such real estate assets used for “logistics” or “industrial” purposes also include office components ancillary to the foregoing purposes.</p> <p><u>FCOT ROFRs</u></p> <p>1. <u>FCOT 2009 ROFR</u>: The scope of the FCOT 2009 ROFR covers any proposed disposal or acquisition of completed income producing property located in the Asia-Pacific region used for commercial purposes (comprising primarily office and/or business space purposes).</p> <p>2. <u>FCOT 2017 ROFR</u>: The scope of the FCOT 2017 ROFR covers any proposed disposal of real estate assets located in Europe (including the United Kingdom) used for commercial purposes (comprising primarily office, business space and/or business park purposes).</p>	<p>The scope of the Resulting ROFR covers any proposed disposal of completed income-producing real estate:</p> <p>(a) used for logistics or industrial purposes and located globally, and such real estate assets used for “logistics” or “industrial” purposes may also include office components ancillary to the foregoing purposes, or</p> <p>(b) used for commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom),</p> <p>(“Relevant Asset”).</p> <p>For the purposes of and notwithstanding anything to the contrary in the Resulting ROFR, where the Enlarged REIT does not own an asset in a certain asset class and the scope of the Enlarged REIT’s investment mandate is amended to exclude that asset class, the definition of “Relevant Asset” shall be deemed to be modified accordingly to exclude that asset class.</p>

Unlike the FCOT ROFRs, the Resulting ROFR will cease to refer to the terminology of “business space purposes”. This is because the scope of the Resulting ROFR follows the scope of the New Investment Mandate, which does not use this terminology. In connection with the Proposed Merger, the investment mandate of the Enlarged REIT will be expanded to include the asset classes of the Existing ROFRs, including assets used for logistics, industrial, commercial and business park purposes. In light of the foregoing, the intention is to shift away from the terminology of “business space purposes” in order to streamline the language of the Resulting ROFR and more accurately describe the combined scope of the asset classes which will be held by the Enlarged REIT following the Proposed Merger.

Further, unlike the FCOT 2009 ROFR, the Resulting ROFR will also cease to cover any offer to acquire Relevant Assets received by the Sponsor and will only apply to proposed disposal of a Relevant Asset by the Sponsor or its subsidiaries for the purpose of consistency with the FCOT 2017 ROFR and the FLT ROFR and which are in line with the requirements in Practice Note 4.1 of the Listing Manual.

3.7 Estimated Total Cost of Proposed Merger

The total cost of the Proposed Merger is currently estimated to be approximately S\$1,586.1 million comprising:

- (i) the Scheme Consideration of approximately S\$1,539.9 million (as at the Latest Practicable Date)¹;
- (ii) the Acquisition Fee for the Proposed Merger amounting to approximately S\$11.2 million, which is payable to the FLT Manager pursuant to the FLT Trust Deed², and is payable in FLT Units to the FLT Manager; and
- (iii) the estimated professional and other fees, stamp duty and other expenses of approximately S\$35.0 million incurred or to be incurred by the Enlarged REIT in connection with the Proposed Merger.

3.8 Payment of Acquisition Fee in Units

As the Proposed Merger will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee³ payable to the FLT Manager in respect of the Proposed Merger will be in the form of FLT Units, which shall not be sold within one year from the date of issuance.

3.9 Method of Financing

The FLT Manager intends to finance the Proposed Merger (excluding the Acquisition Fee in respect of the Proposed Merger which will be paid in FLT Units) with (a) the payment of cash to the FCOT Unitholders from new debt facilities, and (b) the issuance of the Consideration Units to the FCOT Unitholders.

The Consideration Units will be issued and credited as fully paid to the FCOT Unitholders upon the Trust Scheme becoming effective in accordance with its terms. The issue of the Consideration Units requires approval of the FLT Unitholders by way of an Ordinary Resolution.

As announced by the FLT Manager on 23 January 2020, approval in-principle has been obtained from the SGX-ST for the listing and quotation of up to 1.4 billion Consideration Units on the Main Board of the SGX-ST.

¹ The Scheme Consideration comprises the aggregate Cash Consideration of S\$138.4 million and the issuance of the Consideration Units at an issue price of S\$1.240 per Consideration Unit calculated based on 916,622,020 FCOT Units in issue as at 6 February 2020, being the Latest Practicable Date. The actual Scheme Consideration will depend on the number of issued FCOT Units as at the Books Closure Date.

² Calculated based on the illustrative issue price of S\$1.240 per FLT Unit. The Acquisition Fee in respect of the Proposed Merger is 0.5% of the underlying value of the real estate of FCOT (based on the latest annual valuation commissioned by FCOT as at 30 September 2019), and will only be paid on completion of the Proposed Merger.

³ Based on the FLT Trust Deed, when the Acquisition Fee is paid in the form of FLT Units, the FLT Manager shall be entitled to receive such number of FLT Units as may be purchased for the relevant amount of the Acquisition Fee at the prevailing market price of a FLT Unit being the VWAP for a FLT Unit for all trades on the SGX-ST for the period of 10 Business Days immediately preceding the relevant Business Day on which the Acquisition Fee is paid. Such issue price may or may not be the same price as the issue price for the Consideration Units.

The SGX-ST's approval in-principle for the listing and quotation of the Consideration Units is subject to the following:

- (i) the independent FLT Unitholders' approval of all the resolutions necessary to effect the Proposed Merger; and
- (ii) approval of the Court for the implementation of the Trust Scheme.

The SGX-ST's in-principle approval is not an indication of the merits of the Proposed Merger, the Consideration Units, FLT and/or its subsidiaries.

4. FLT'S FUTURE INTENTIONS FOR THE ENLARGED REIT

Assuming the completion of the Proposed Merger:

- (i) the FLT Manager intends to expand the investment mandate of the Enlarged REIT pursuant to the FLT Trust Deed.

The New Investment Mandate of the Enlarged REIT will be to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes, or
- (b) commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom).

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course.

Upon the New Investment Mandate coming into effect, the Existing ROFRs granted by the Sponsor to the FCOT Trustee and the FLT Trustee will be consolidated into the Resulting ROFR;

- (ii) as at the Latest Practicable Date, the functional currency of FLT is Australian dollars, and dual currency trading in Australian dollars and Singapore dollars is available in respect of the FLT Units, which may be traded through either the counter traded in Singapore dollars or the counter traded in Australian dollars. Following completion of the Proposed Merger, the FLT Manager intends to change the functional currency of the Enlarged REIT to Singapore dollars (which is also the functional currency of FCOT) and close the counter traded in Australian dollars. The change in functional currency of the Enlarged REIT and the closure of the counter traded in Australian dollars are not expected to have any material adverse impact on the FLT Unitholders. The FLT Manager also intends to remove the option of FLT Unitholders to elect to receive distributions declared, paid or made by the FLT Manager in Australian dollars;

- (iii) in view of the Enlarged REIT, the Nominating and Remuneration Committee of the FLT Manager will review the composition of the board of directors and management of the FLT Manager. The appointment of any new directors or key management staff of the FLT Manager (if any) will be subject to the approval of the board of directors of the FLT Manager and (if applicable) the MAS;
- (iv) it is intended that the FCOT Manager will be replaced by the FLT Manager as soon as practicable upon completion of the Proposed Merger such that the FLT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing FCOT. The FCOT Manager will be entitled to a prorated performance fee accruing from 1 October 2019 to the date of the delisting of FCOT and a prorated base fee accruing from the day following the latest completed financial quarter of FCOT preceding the Effective Date to the date of the delisting of FCOT in accordance with the existing trust deed constituting FCOT. There will be no double counting of management fees to the FCOT Manager and the FLT Manager in respect of the FCOT Portfolio between the Effective Date and the date of the delisting of FCOT. Further, the fee structure of FCOT with respect to the fees payable to the manager of FCOT will be amended to reflect the fee structure in the FLT Trust Deed such that the existing fee structure of FLT is retained. There is currently no intention to make any changes to the fees and charges payable to the FCOT Trustee under the FCOT Trust Deed; and
- (v) conditional upon, amongst others, the approval by the FLT Unitholders, FLT intends to acquire from a wholly-owned subsidiary of FPL a 50% interest in the Target Property through the acquisition of 50% of the issued share capital of the Target Property Company, being the company holding the Target Property. The remaining 50% of the issued share capital of the Target Property Company is currently held by a wholly-owned subsidiary of FCOT.

Save as set out above, there is presently no intention to (i) introduce any major changes to the business of FCOT, (ii) re-deploy the fixed assets of FCOT, or (iii) discontinue the employment of the employees of the FCOT Manager, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Proposed Merger.

However, the board of directors of the FLT Manager retains and reserves the right and flexibility at any time to consider any options in relation to the Enlarged REIT which may present themselves and which it may regard to be in the interest of the Enlarged REIT.

There may be interested person transactions (as defined in the Listing Manual) and interested party transactions (as defined in the Property Funds Appendix) entered into in the ordinary course of business of the enlarged FLT Group upon completion of the Merger. FLT will comply with the Listing Manual and Property Funds Appendix and make the relevant disclosures under Rule 905 of the Listing Manual and the Property Funds Appendix if the aggregate value of such interested person transactions or interested party transactions entered into in the same financial year (excluding the interested person transactions or interested party transactions which have been approved by the FLT Unitholders) is 3% or more of the latest audited net tangible assets or net asset value of the FLT Group.

5. THE PROPOSED ASSET ACQUISITION

On 2 December 2019, in connection with the Proposed Asset Acquisition, the FLT Trustee has, through the Target Property Purchaser, entered into the Share Purchase Agreement with, among others¹, the Vendor in relation to the sale and purchase of a 50% interest in the property known as Farnborough Business Park through the acquisition of 50% of the issued share capital of the Target Property Company, comprising the Sale Share from the Vendor, a wholly-owned subsidiary of the Sponsor. The remaining 50% interest in the Target Property Company is currently held by a wholly-owned subsidiary of FCOT.

FLT's current investment mandate covers real estate assets used for logistics or industrial purposes and does not include FBP which is a business park. The investment mandate of FLT will be expanded to include real estate assets used for business park purposes which will then allow FLT to acquire FBP, only upon the trust scheme becoming effective. Further, FCOT currently has a ROFR over FBP and hence it is contemplated that FLT will acquire the 50% interest in FBP only if the Proposed Merger proceeds and that the remaining 50% interest in FBP is to be acquired by FLT through FCOT. Accordingly, the Proposed Asset Acquisition will be conditional upon, among others, the completion of the Proposed Merger and the approval by the FLT Unitholders of the Proposed Asset Acquisition. If the FLT Unitholders do not vote in favour of the Proposed Merger Resolutions, FLT will not be acquiring the remaining 50% interest in FBP. For the avoidance of doubt, the Proposed Merger will not be conditional upon the Asset Acquisition Resolution being passed or the completion of the Proposed Asset Acquisition. Upon completion of the Proposed Merger and the Proposed Asset Acquisition, it is intended that FLT will indirectly hold 100% interest in the Target Property through FCOT.

5.1 Information on the Target Property

Farnborough Business Park is located in United Kingdom with a lettable area of approximately 51,006 sqm and is sited on freehold land.

The table below sets out a summary of selected information on the Target Property.

Property Address	Site Area (hectares)	Lettable Area (sqm)	WALE (years) (as at 31 December 2019)	Occupancy Rate (as at 31 December 2019)	Land Tenure
Farnborough, Hampshire GU14 7JP, United Kingdom	46.5	51,006	6.6	99.1%	Freehold

¹ Frasers Property International Pte. Ltd. is also a party to the Share Purchase Agreement as guarantor to guarantee the performance of the Vendor's obligations under the Share Purchase Agreement.

5.2 Purchase Consideration

The total Purchase Consideration payable by the Target Property Purchaser in connection with the Proposed Asset Acquisition to be paid wholly in cash is the sum of:

- (i) the Share Consideration being the adjusted net asset value as at the date of the Asset Acquisition Completion, taking into account 50% of the Agreed Property Value of £181.0 million (approximately S\$316.8 million)¹. The Agreed Property Value was arrived at on a willing-buyer and willing-seller basis taking into account the two independent valuations obtained for the Target Property; and
- (ii) the entire amount outstanding as at the date of the Asset Acquisition Completion under the Loan Consideration which is to be fully discharged on Asset Acquisition Completion.

5.3 Valuation

The FLT Trustee has commissioned an independent property valuer, KF, and the FLT Manager has commissioned another independent property valuer, BNPP, to value the Target Property.

KF, in its report stated that the market value of the Target Property as at 30 November 2019 is £182.7 million (approximately S\$319.7 million) on 100% basis. In arriving at the open market value, KF relied on the capitalisation approach and direct comparison methods.

Separately, BNPP in its report stated that the market value of the Target Property as at 30 November 2019 is £180.5 million (approximately S\$315.9 million) on 100% basis. In arriving at the open market value, BNPP relied on the capitalisation approach and direct comparison methods.

The Agreed Property Value of the Target Property of £181.0 million (approximately S\$316.8 million), is not higher than the two independent valuations conducted by the Independent Valuers and represents a discount of 0.9% to the independent valuation conducted by KF.

50% of the Agreed Property Value is taken into account when determining the adjusted net asset value of the Target Property Company for purposes of computing the Purchase Consideration.

(See **Appendix D** to this Circular for further details regarding the valuations of the Target Property.)

5.4 Certain Terms and Conditions of the Proposed Asset Acquisition

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

- (i) the completion of the Proposed Merger;
- (ii) the passing at an EGM of FLT Unitholders of the resolution to approve the Proposed Asset Acquisition; and
- (iii) the Purchaser having obtained adequate financing to fund the Proposed Asset Acquisition.

¹ For the purposes of the Proposed Asset Acquisition, the S\$ equivalent of the £ figures have been arrived at based on the exchange rate of £1: S\$1.75.

5.5 Estimated Total Cost of Proposed Asset Acquisition

The total cost of the Proposed Asset Acquisition is currently estimated to be approximately S\$159.9 million comprising:

- (i) the estimated Purchase Consideration of £90.1 million (approximately S\$157.7 million), being the sum of (a) the estimated consideration for the Sale Share of £45.5 million (approximately S\$79.6 million) which is subject to adjustment post-Asset Acquisition Completion, and (b) the Loan Consideration of £44.6 million (approximately S\$78.1 million);
- (ii) the Acquisition Fee of approximately S\$0.8 million representing 0.5% of 50% of the Agreed Property Value of the Target Property, which is payable in new FLT Units to the FLT Manager for the Proposed Asset Acquisition; and
- (iii) the estimated professional and other fees and expenses of approximately S\$1.4 million incurred or to be incurred by the Enlarged REIT in connection with the Proposed Asset Acquisition.

5.6 Payment of Acquisition Fee in Units

As the Proposed Asset Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee payable to the FLT Manager in respect of the Proposed Asset Acquisition will be in the form of FLT Units¹, which shall not be sold within one year from the date of issuance.

5.7 Method of Financing

The FLT Manager intends to finance the Proposed Asset Acquisition (excluding the Acquisition Fee in respect of the Proposed Asset Acquisition which will be paid in new FLT Units) with debt financing.

6. RATIONALE FOR THE PROPOSED MERGER AND THE PROPOSED ASSET ACQUISITION

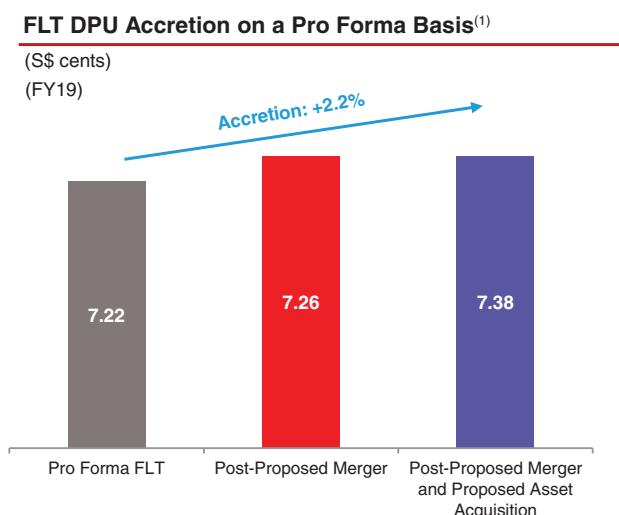
This **paragraph 6** sets out the rationale for the Proposed Merger and the Proposed Asset Acquisition. For further details on the pro forma financial information referred to in this **paragraph 6**, please see **paragraph 8** of the Letter to FLT Unitholders. The bases and assumptions on which the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition have been prepared are set out in **paragraph 8.2** below.

¹ The issue price at which new FLT Units will be issued in payment of the Acquisition Fee will be determined based on the 10 Business Days VWAP of FLT Unit in accordance with the FLT Trust Deed, and such issue price may or may not be the same price as the issue price for the Consideration Units.

PROPOSED MERGER

6.1 DPU and NAV Accretive to FLT Unitholders¹

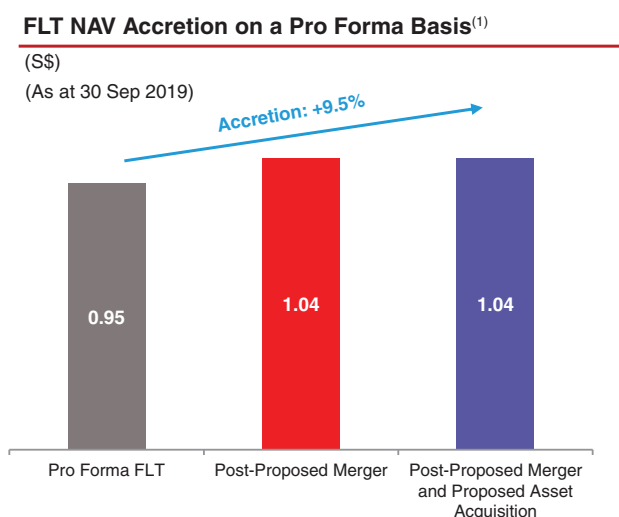
Assuming that the Proposed Merger and the Proposed Asset Acquisition had been completed on 1 October 2018, the pro forma distribution per unit (“DPU”) for FY2019 would have increased from 7.22² Singapore cents to 7.38 Singapore cents, translating to a DPU accretion of 2.2%.



Note:

- (1) See **paragraph 8.1.1** of the Letter to FLT Unitholders for details of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on the amount available for distribution to FLT Unitholders and FLT's DPU for FY2019.

Assuming that the Proposed Merger and the Proposed Asset Acquisition had been completed on 30 September 2019, the pro forma NAV per unit as at 30 September 2019 would have increased from S\$0.95 to S\$1.04, translating to a NAV accretion of 9.5%.



Note:

- (1) See **paragraph 8.1.2** of the Letter to FLT Unitholders for details of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on the NAV per FLT Unit as at 30 September 2019.

¹ See **paragraph 8.1.1** of the Letter to FLT Unitholders for details of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on the amount available for distribution to FLT Unitholders and FLT's DPU for FY2019 and **paragraph 8.1.2** of the Letter to FLT Unitholders for details on the NAV per FLT Unit as at 30 September 2019.

² Based on FLT FY2019 DPU adjusted assuming the FY2019 Acquisitions and FY2019 Divestments were completed on 1 October 2018.

6.2 Flagship Portfolio of Commercial and Industrial Assets

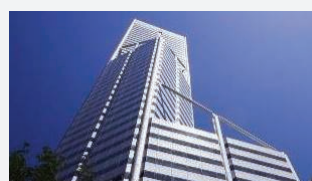
(a) Broadened investment mandate and greater flexibility to actively manage portfolio across geographies and asset classes

The Enlarged REIT will have a broadened investment mandate to invest in a wider spectrum of asset classes across logistics, industrial, office, business park and commercial properties. The Enlarged REIT platform will manage approximately 2.6 million sqm of space with 326 tenants in 99 properties spread across five countries.

Greater Flexibility to Actively Manage Portfolio across Geographies and Asset Classes

✓ **Broadened Investment Mandate:**
Comprising CBD Commercial, Office and Business Parks, Logistics & Industrial

✓ **Full Spectrum of Commercial and Industrial Solutions:**
Ability to meet end-to-end requirements of tenants



CBD Commercial



Office and Business Parks



Logistics



Industrial

Australia	#	Asset Value ⁽¹⁾
CBD Commercial	2	
Office and Business Parks	1	S\$2,826 mil (48.2%)
Logistics & Industrial	62	
Singapore	#	Asset Value ⁽¹⁾
CBD Commercial	1	S\$1,257 mil (21.5%)
Office and Business Parks	1	
Germany	#	Asset Value ⁽¹⁾
Logistics & Industrial	26	S\$1,189 mil (20.3%)
United Kingdom	#	Asset Value ⁽²⁾
Office and Business Parks	1	S\$323 mil (5.5%)
The Netherlands	#	Asset Value ⁽¹⁾
Logistics & Industrial	5	S\$264 mil (4.5%)

Notes:

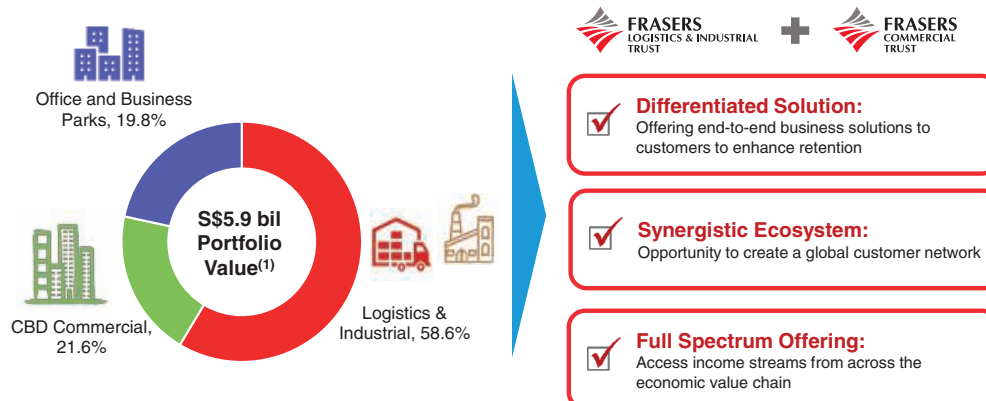
- (1) Based on book value of each property as at 31 December 2019 at an exchange rate of A\$1: S\$0.9443 and €1: S\$1.5035.
- (2) The value for 100% interest in FBP is based on the Agreed Property Value in relation to the Proposed Asset Acquisition at an exchange rate of £1 : S\$1.7841.

(b) Ability to Provide Synergistic End-to-End Business Solutions for a Wider Customer Base

The Enlarged REIT will be able to provide a diversified spectrum of logistics, industrial, office, business park and commercial real estate solutions, with a wide suite of product offerings catering to the end-to-end needs of a wider customer base. The Enlarged REIT will also be able to create an entrenched network of tenants across its ecosystem and access income streams across the economic value chain.

Ability to Provide Synergistic End-to-End Business Solutions for a Wider Customer Base

Enlarged REIT's Portfolio



Note:

- (1) Based on book value of the Enlarged REIT as at 31 December 2019. Includes 100% interest in FBP, which is based on the Agreed Property Value at an exchange rate of £1: S\$1.7841.

6.3 Creation of a Top-10 S-REIT

The Proposed Merger, if effected, will result in a sizeable and liquid S-REIT:

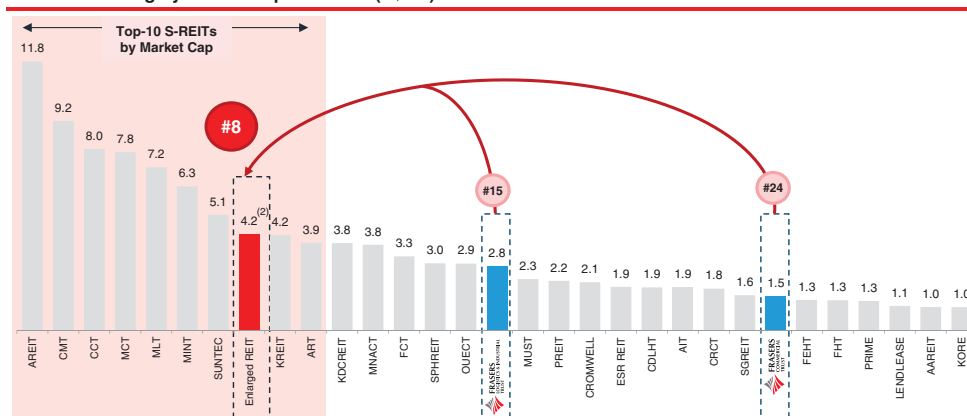
- (a) **The Enlarged REIT is expected to become one of the largest S-REITs, with total market capitalisation of approximately S\$4.2 billion**

Potential for Enlarged REIT to be amongst the Top-10 Largest S-REITs by Market Capitalisation

- ☒ **Potential for positive re-rating** – Lifted by a higher market capitalisation, enhanced free float and trading liquidity

- ☒ **Potentially Higher Weightage in the FTSE EPRA/NAREIT Index** – Addition of FCOT's float

S-REITs Ranking by Market Capitalisation (\$ bil)⁽¹⁾



Source: Bloomberg as at the Latest Practicable Date.

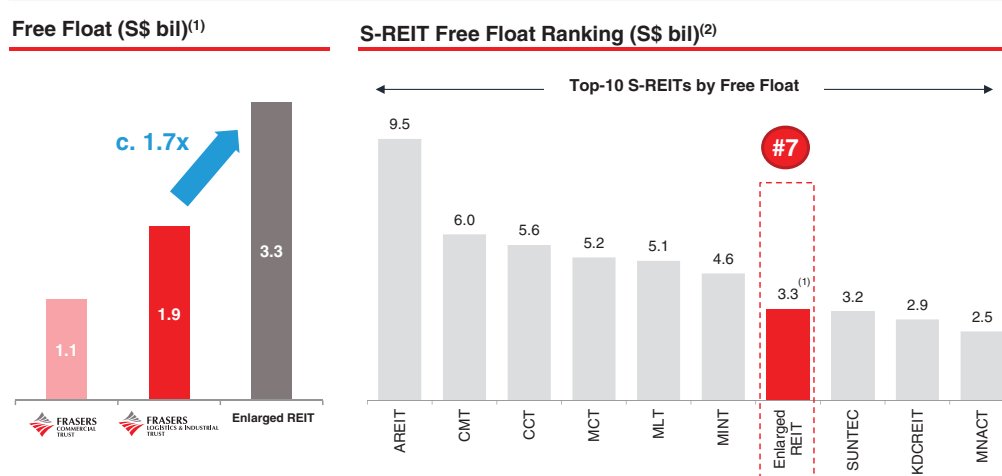
Note:

- (1) Illustrative market capitalisation of Enlarged REIT calculated as (i) the sum of (a) the number of FLT units outstanding as at the Latest Practicable Date; (b) the number of FLT units to be issued to satisfy the portion of the Scheme Consideration in FLT Units; (c) the number of FLT Units to be issued as consideration for the Acquisition Fee for the Proposed Merger; and (d) the number of FLT Units to be issued as consideration for the Acquisition Fee for the Proposed Asset Acquisition, and (ii) multiplied by the issue price of S\$1.240 per FLT Unit.
- (2) The chart only includes S-REITs with primary listing on the SGX-ST and market capitalisation of at least S\$1.0 billion.

The larger scale of the combined portfolio will enhance the Enlarged REIT's visibility within the S-REITs universe and increase the relevance of the Enlarged REIT amongst the investor community. It is expected that the larger market capitalisation and free float will increase the Enlarged REIT's weightage within the FTSE EPRA/NAREIT Index and potentially lead to further index inclusion. The Enlarged REIT may potentially have higher liquidity with a wider investor base and broader analyst coverage, resulting in a potential re-rating which will benefit all FLT Unitholders. This should allow the Enlarged REIT to benefit from better access to competitive sources of capital and enjoy greater funding flexibility.

- (b) **The Enlarged REIT will benefit from a significant increase in free float from S\$1.9 billion to approximately S\$3.3 billion. This will potentially result in higher trading liquidity, and potential index inclusion, which could potentially lead to a positive re-rating of the Enlarged REIT and a wider investor base**

Significant increase in free float to S\$3.3 bil⁽¹⁾ – Potential for higher trading liquidity and re-rating



Source: Bloomberg as at the Latest Practicable Date.

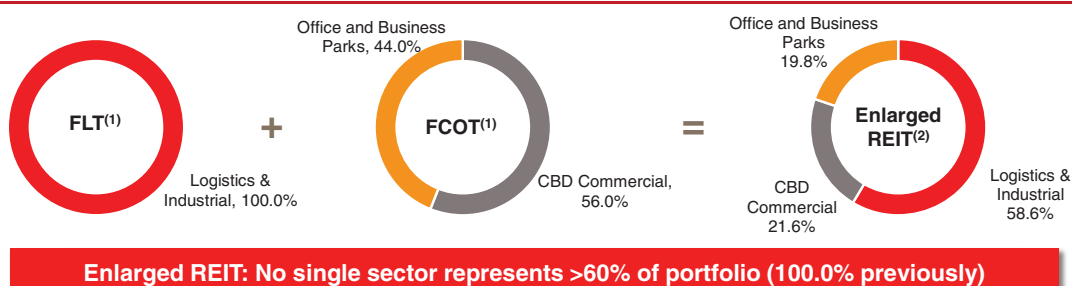
Notes:

- (1) Excludes the stakes held by the Sponsor, the FLT Manager, the FCOT Manager, directors and chief executive officers of the FLT Manager and the FCOT Manager, substantial FLT Unitholders and substantial FCOT Unitholders and their respective associates based on information available to the FLT Manager and the FCOT Manager as at the Latest Practicable Date. FCOT's free float of S\$1.1 billion is computed based on FCOT's free float units as at the Last Trading Date of 679.0 million FCOT Units multiplied by FCOT's Last Traded Price of S\$1.67. The Enlarged REIT's free float of S\$3.3 billion (post-Proposed Merger and Proposed Asset Acquisition) is computed based on the Enlarged REIT's free float units of 2.7 billion multiplied by the issue price of S\$1.240 per unit.
- (2) The chart only includes S-REITs with a primary listing on the SGX-ST.

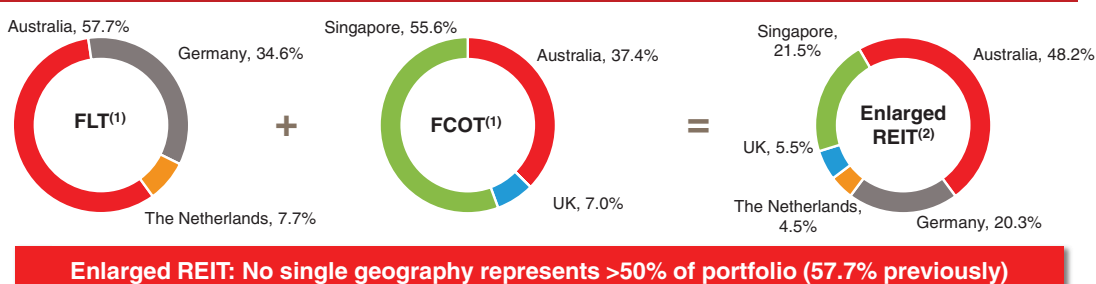
6.4 Enhanced Portfolio Quality and Diversification

The Enlarged REIT will have a diversified asset base of logistics & industrial assets and commercial assets, with the split between “logistics & industrial”, “office and business parks” and “CBD commercial” at 58.6%, 19.8% and 21.6% respectively. In terms of geographical diversification, concentration in Australia will reduce from 57.7% to 48.2%.

Portfolio Breakdown by Sector



Portfolio Breakdown by Geography



Notes:

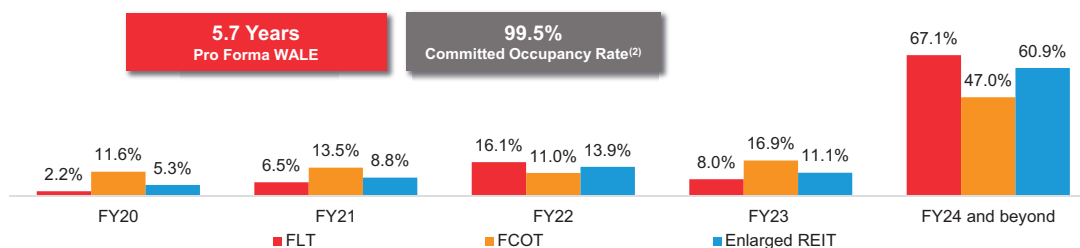
- (1) Based on book value as at 31 December 2019.
- (2) Based on book value of the Enlarged REIT as at 31 December 2019. Includes 100% interest in FBP, which is based on the Agreed Property Value at an exchange rate of £1 : S\$1.7841.

As illustrated in the diagram below, the Enlarged REIT will have a WALE of 5.7¹ years and enjoy organic growth via escalation in the underlying lease rates. 60.9% of the Enlarged REIT's leases will expire after 30 September 2023, showing high income stability and cash flow visibility. The Enlarged REIT will also have a good mix and balance of single-tenant and multi-tenant assets with approximately 326 tenants across 99 properties.

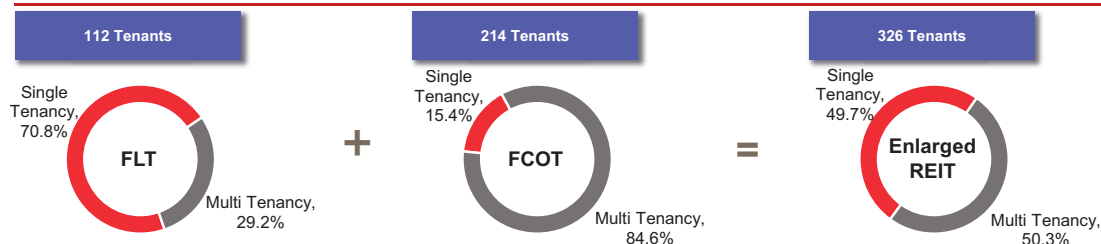
¹ Based on GRI as at 31 December 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).

Resilient Portfolio with WALE of 5.7 years and Balance between Multi-tenancy and Single-tenancy Assets

Lease Expiry by GRI⁽¹⁾



Single Tenant vs. Multi-tenancy Assets by GRI⁽¹⁾



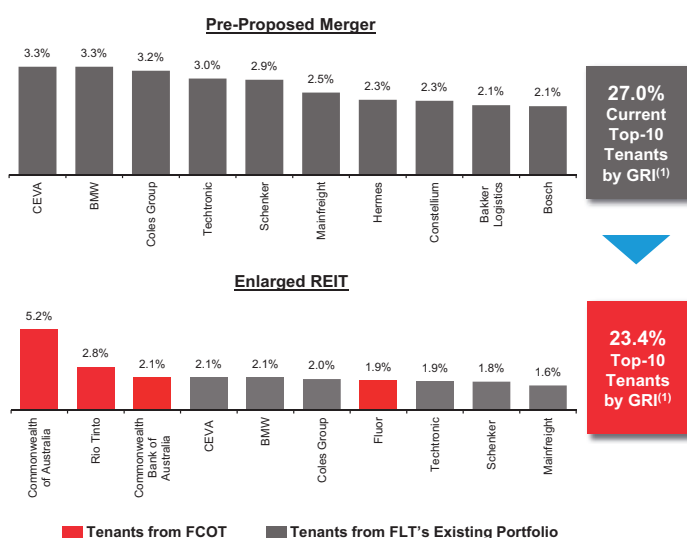
Notes:

- (1) As at 31 December 2019 (excluding committed leases, vacancy, lease incentives and retail turnover rents, if any).
- (2) Based on lettable area (including committed leases, if any).

With the Proposed Merger, there will be a decrease in tenant concentration and the contribution by top-10 tenants will fall from 27.0% to 23.4%. In addition, new high quality tenants will be added to the overall portfolio.

Addition of High-quality Tenants and Reduced Tenant Concentration

Top-10 Tenants by GRI⁽¹⁾



Other Selected Key Tenants Post-Proposed Merger

Aetna	Amazon
Berkley Insurance	British Telecom
DHL	DSV
Goodyear & Dunlop Tyres	Google Asia Pacific
Heinz	Inchcape Motors
JustCo	Mazda
Olympus	Omron
Stanley Black & Decker	Suntory
Toll	Toshiba
Unilever	Volkswagen

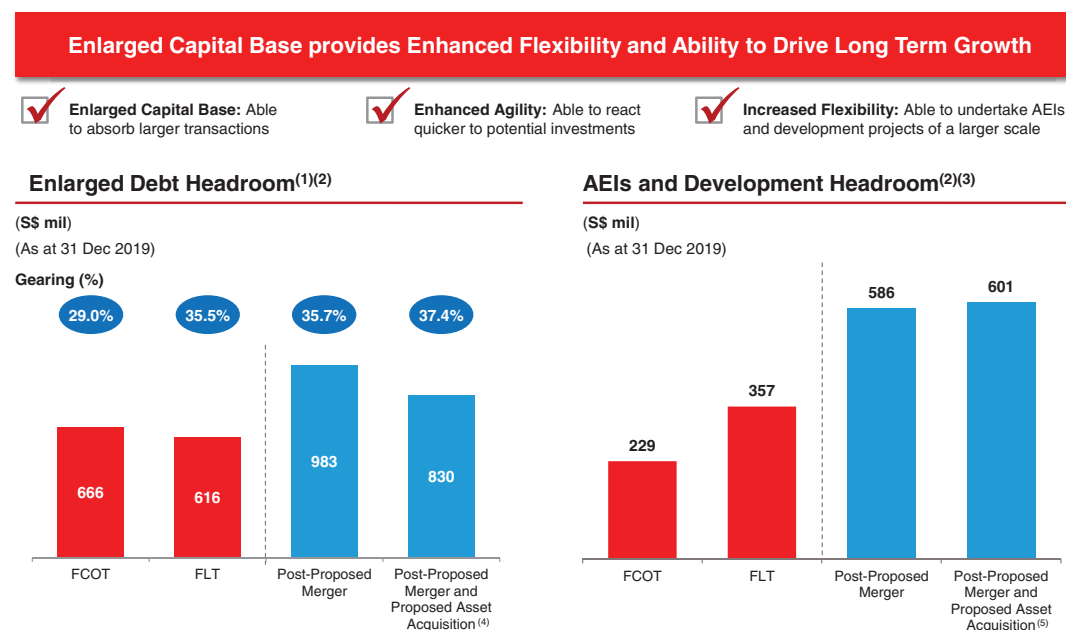
Note:

- (1) As at 31 December 2019 (excluding vacancy, committed leases, lease incentives and retail turnover rents, if any).

6.5 Growth Trajectory from Enlarged Capital Base and ROFR Pipeline

(a) Enlarged Capital Base provides Enhanced Flexibility and Ability to Drive Long Term Growth

With an increased capital base, the Enlarged REIT will have the capacity to undertake larger transactions and potential investment opportunities with enhanced flexibility and agility. As illustrated in the chart below, the Enlarged REIT is expected to have a debt headroom of approximately S\$830 million. This will allow the Enlarged REIT to undertake asset enhancement initiatives (“**AEI**”) and development projects on a larger scale.






Notes:

- (1) Prior to reaching the 45.0% aggregate leverage limit under the Property Funds Appendix.
- (2) As at 31 December 2019 at an exchange rate of A\$1: S\$0.9443.
- (3) Based on 10% of the Deposited Property (as defined herein).
- (4) Assumes the estimated total cost of the Proposed Asset Acquisition (excluding the Acquisition Fee which is payable in FLT Units) is fully funded by debt.
- (5) Based on 100% interest in FBP at the Agreed Property Value at an exchange rate of £1: S\$1.7841.

(b) Enlarged Growth Trajectory from Embedded Organic Growth Drivers

FCOT's portfolio is well poised to benefit from organic growth from recent AEIs including AEIs in relation to Alexandra Technopark, China Square Central and Central Park.

The FCOT portfolio is well poised to benefit from embedded organic growth drivers arising from recent AEIs and improving market conditions

Property	Key Tenants	AEI (\$ mil)	Committed Occupancy Rate ⁽¹⁾	Vacancy (sqm)	Details
Alexandra Technopark 	Google Olympus	c. 40 (Completed Jan 2019)	97.2%	2,672	<ul style="list-style-type: none"> Repositioned as an integrated contemporary and vibrant business campus Secured Google as an anchor tenant for 31,968 sqm⁽²⁾ commencing 1st quarter of 2020 Recent signing rents are above the pre-AEI average passing rent⁽³⁾
China Square Central⁽⁴⁾ 	GroupM Suntory JustCo	c. 38 (Completed Nov 2019)	90.8%	3,328	<ul style="list-style-type: none"> Retail podium lettable area to potentially increase by 25% to 7,848 sqm Retail podium recommenced operations from November 2019
Central Park 	Rio Tinto Grant Thornton	c. 23 (To complete in Jun 2020)	83.0%	11,273	<ul style="list-style-type: none"> Undergoing S\$23 mil AEI (FCOT's share: S\$11.5 mil) to upgrade lobby and forecourt areas Works commenced in 2nd quarter of 2019 and expected to complete in 3rd quarter of 2020

Notes:

- (1) Based on lettable area (including committed leases, if any).
- (2) Based on 344,100 square feet ("sq ft") converted at a rate of 1 sqm to 10.764 sq ft.
- (3) According to FCOT's FY19 Annual Report, Alexandra Technopark has "witnessed a general uplift in signing rents over the past 12 months or so, in many cases by as much as 10-15% or more above the average passing rent of the property as at the end of December 2018."
- (4) 18, 20 and 22 Cross Street have been renamed as "Cross Street Exchange" on 1 January 2020.

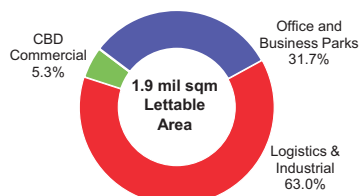
(c) Benefit from Sponsor's integrated development and asset management capabilities as well as ROFR Pipeline

The Enlarged REIT will continue to leverage on the Sponsor's integrated development and asset management platform for growth. As illustrated in the diagram below, the Enlarged REIT will have access to a sizeable ROFR pipeline of more than S\$5.0 billion across logistics, industrial, office, business park and commercial properties.

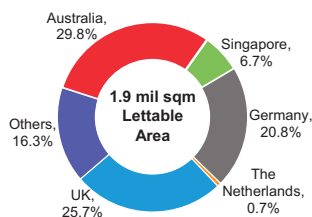
ROFR pipeline in excess of S\$5.0 bil

Ability to leverage the Sponsor's Integrated Development and Asset Management Capabilities

Breakdown by Sector by Lettable Area



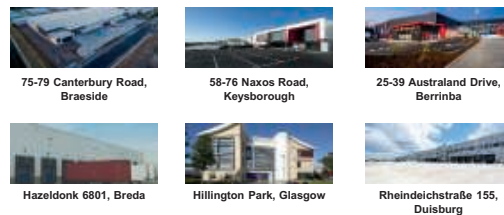
Breakdown by Region by Lettable Area



Commercial, Office and Business Parks



Logistics & Industrial



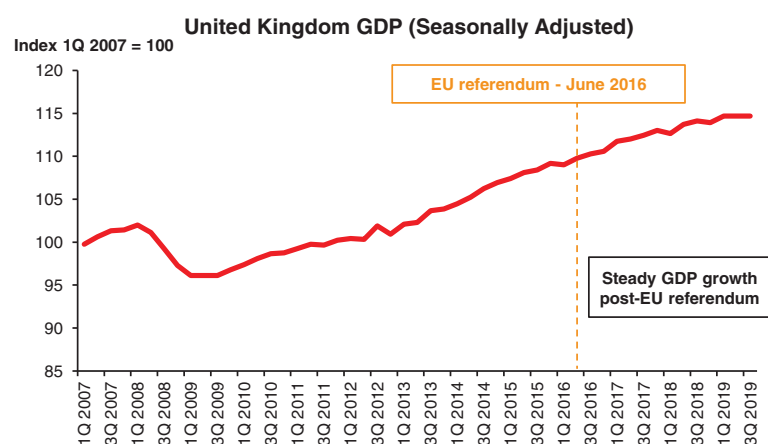
Note:

- (1) As at 31 December 2019. Includes Lakeshore, Bedfont Lakes Business Park in London, the United Kingdom which was acquired by the Sponsor, on 23 January 2020.

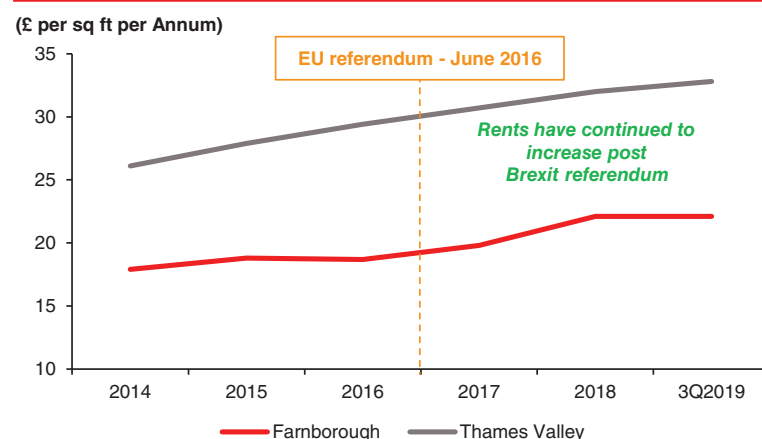
THE PROPOSED ASSET ACQUISITION

6.6 Strategic Expansion in the Attractive Thames Valley Business Park Market

Resilient Economic Fundamentals in the United Kingdom



Thames Valley and Farnborough Area Prime Rents



Source: FCOT's FY19 Annual Report.

The United Kingdom's economy has been resilient and is underpinned by positive drivers in the labour market, business investment and key services industries such as finance, media and technology. The Thames Valley's economic performance has been healthy with Gross Value Added ("GVA") growth over the past five years to December 2018 of 2.2%¹ per annum, ahead of the wider United Kingdom figure of 2.0%. Looking forward over the next five years to December 2023, the Thames Valley is set to see continued GVA growth, in line with the forecast United Kingdom growth of 1.6% per annum¹.

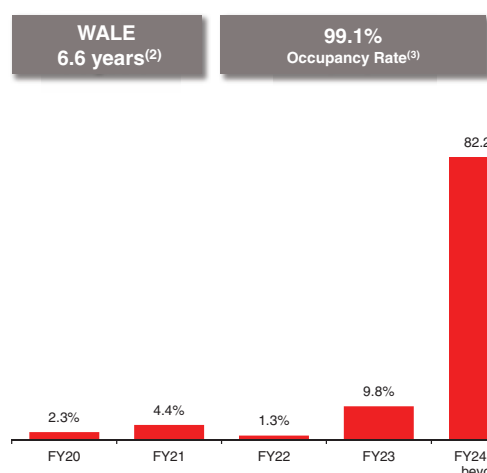
FBP is expected to generate an attractive yield spread in relation to the prevailing lending rates in the United Kingdom. Demand for business park space in the Thames Valley remains strong, underpinned by continued attractiveness of business parks in the Thames Valley and Farnborough areas. Thames Valley business parks are expected to see strong returns (rental and capital growth) over the next five years to December 2023 with average annual returns for the South East at 5.3% to 5.9% per annum forecast to outperform both Central and Inner London¹.

¹ Based on FCOT's FY2019 Annual Report.

6.7 Award-Winning and Strategically Located Business Park

High-quality and Strategically Located Business Park with Strong Defensive Attributes and Diversified Tenant Base

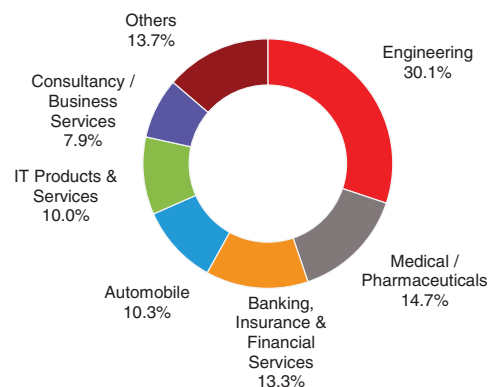
Lease Expiry Profile by GRI⁽¹⁾



Note:

- (1) As at 31 December 2019 (excluding vacancy, lease incentives and retail turnover rent, if any).
- (2) Based on GRI as at 31 December 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).
- (3) Based on lettable area (including committed leases, if any).

Diversified Trade Sector Mix by GRI⁽¹⁾



FBP is strategically located in Farnborough, Thames Valley (west of Greater London), with excellent connectivity including direct connections to key motorways and direct train service to Waterloo Station, London. In addition, FBP is adjacent to the TAG Farnborough Airport and is approximately 40km away from London's Heathrow Airport.

FBP offers a diversified tenant mix focused on the primary industries of engineering, medical/pharmaceuticals, and banking, insurance & financial services with a healthy WALE of 6.6 years. A high quality tenant base of 36 tenants includes well-established corporations such as Fluor, TI Media, Aetna, Elms Automotive Limited (BMW dealership), Bolling Investments Limited (Audi dealership), Syneos Health, Redhat, RBS and a unit of Regus. FBP also enjoyed a positive average rental reversion of 8.7% since FCOT's acquisition in 2QFY18.

6.8 DPU Accretive and Consistent with the Enlarged REIT's Investment Strategy

The Proposed Asset Acquisition will be DPU accretive to FLT Unitholders¹ and is in line with the Enlarged REIT's key objectives.

Assuming that the Proposed Merger and the Proposed Asset Acquisition had been completed on 1 October 2018, the pro forma DPU for FY2019 would have increased from 7.22 Singapore cents to 7.38 Singapore cents, translating to a DPU accretion of 2.2%.

¹ See **paragraph 8.1.1** of the Letter to FLT Unitholders for details of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on the amount available for distribution to FLT Unitholders and FLT's DPU for FY2019.

6.9 Embedded Growth Potential

FBP has the potential to be further developed with planning permission granted for approximately 18,000 sqm of office space and more amenities. This signifies further room for income and value growth for the Enlarged REIT.

7 VALUATION

7.1 Value of the FCOT Units

Based on the 2019 FCOT Audited Financial Statements:

- (i) the NAV and NTA of FCOT as at 30 September 2019 were S\$1,481,493,000; and
- (ii) the total return before tax attributable to the FCOT Units as at 30 September 2019 was approximately S\$159,973,000.

Based on the VWAP of S\$1.623 per FCOT Unit with reference to the one-month period¹ up to and including the Last Trading Date, the latest available open market value of the FCOT Units on the Last Trading Date is approximately S\$1.670.

7.2 Valuation of FCOT Portfolio

FLT has appointed PricewaterhouseCoopers LLP (the “**FLT 805 Auditor**”) to perform an audit, in accordance with Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on the investment properties held by the FCOT Group and its joint venture company Farnborough Business Park Ltd (such investment properties, the “**FCOT Investment Properties**”), as reflected in the 2019 FCOT Audited Financial Statements, including by, amongst other things, reviewing the valuation reports as at 30 September 2019 commissioned by the FCOT Manager in respect of the FCOT Properties.

The intention in carrying out such audit is to give additional comfort to FLT Unitholders that the carrying value of the FCOT Investment Properties, as reflected in the 2019 FCOT Audited Financial Statements, have been prepared, in all material respects, in accordance with the relevant accounting policies of the FCOT Group, consistently applied. Pursuant to such audit, the FLT 805 Auditor has delivered an audit opinion dated 7 February 2020 setting out its opinion that the carrying value of the FCOT Investment Properties, as reflected in the 2019 FCOT Audited Financial Statements, have been prepared, in all material respects, in accordance with the relevant accounting policies of the FCOT Group, consistently applied (the “**FLT 805 Auditor’s Opinion**”).

Please refer to **Appendix C** for the FLT 805 Auditor’s Opinion.

¹ The 1-month VWAP is with reference to the period from 25 October 2019 to 27 November 2019 taking into consideration the public holiday falling on 28 October 2019 (Monday).

8 FINANCIAL INFORMATION OF THE PROPOSED MERGER AND THE PROPOSED ASSET ACQUISITION

8.1 Pro Forma Financial Effects of the Proposed Merger and Pro Forma Financial Effects of the Proposed Merger and the Proposed Asset Acquisition

The pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on FLT Group are set out in the tables below and are strictly for illustrative purposes only. The bases and assumptions on which the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition have been prepared are set out in **paragraph 8.2** below.

8.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of (i) the Proposed Merger; and (ii) the Proposed Merger and the Proposed Asset Acquisition, on the amount available for distribution to FLT Unitholders, the number of FLT Units and FLT's DPU and the accretion thereof, for FY2019, assuming the Proposed Merger and the Proposed Asset Acquisition were completed on 1 October 2018 and FLT held and operated the properties of FCOT and the Target Property through to 30 September 2019, and assuming that the FY2019 Acquisitions (as defined herein) and the FY2019 Divestments (as defined herein) were completed on 1 October 2018 are as follows:

			Pro Forma Financial Effects of the Proposed Merger	Pro Forma Financial Effects of the Proposed Merger and the Proposed Asset Acquisition
	FLT FY2019	Assuming completion of FY2019 Acquisitions and FY2019 Divestments	Assuming completion of FY2019 Acquisitions, FY2019 Divestments and the Proposed Merger	Assuming completion of FY2019 Acquisitions, FY2019 Divestments, the Proposed Merger and the Proposed Asset Acquisition
Amount available for distribution to FLT Unitholders (S\$ million)	144	163	245 ⁽¹⁾	250 ^{(1),(2)}
Weighted average number of FLT Units ('000)	2,060,484	2,253,072	3,378,387 ^{(3),(4)}	3,379,377 ^{(3),(4),(5)}
DPU (Singapore cents)	7.00	7.22	7.26 ^{(3),(4)}	7.38 ^{(3),(4),(5)}
Accretion (%)	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾	0.6	2.2

Notes:

- (1) Assumes an additional S\$169.8 million debt was drawn down on 1 October 2018 to fund the cash portion of the Scheme Consideration of S\$134.8 million and merger-related stamp duty and transaction costs of approximately S\$35.0 million at an effective interest rate of 2.6% per annum.
- (2) Assumes an additional S\$159.1 million debt was drawn down on 1 October 2018 to fund the estimated total cost of the Proposed Asset Acquisition (excluding the Acquisition Fee) at an effective interest rate of 2.6% per annum.
- (3) Assumes FCOT's management fee structure is replaced with the management fee structure in the FLT Trust Deed with effect from 1 October 2018. All the base and performance management fees for FCOT for FY2019 are assumed to be fully paid in FLT Units and issued at FLT's historical VWAP per FLT Unit.
- (4) Adjusted for the following assumptions:
 - (i) 1,100.6 million Consideration Units are issued as part of the Scheme Consideration. The Scheme Consideration payable for each FCOT Unit (inclusive of Cash Consideration) implies a gross exchange ratio of 1.355x;
 - (ii) 9.7 million new FLT Units are issued and issuable as payment to the FLT Manager of the base and performance management fees associated with the Proposed Merger are assumed to be fully paid in new FLT Units at FLT's historical VWAP per FLT Unit;
 - (iii) 15.2 million new FLT Units are issued pursuant to FCOT's distribution reinvestment plan in FY2019 calculated based on the FCOT Units issued at the implied gross exchange ratio of 1.355x; and
 - (iv) 9.0 million new FLT Units are issued at an illustrative issue price of S\$1.240 per FLT Unit as Acquisition Fee of approximately S\$11.2 million payable to the FLT Manager in relation to the Proposed Merger.
- (5) Includes 1.3 million new FLT Units issued and issuable as payment of FLT's base and performance management fees at FLT's historical VWAP per FLT Unit and the Acquisition Fee at an illustrative issue price of S\$1.240 per FLT Unit for the Proposed Asset Acquisition.
- (6) "N.A." means not applicable.

8.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of (i) the Proposed Merger; and (ii) the Proposed Merger and the Proposed Asset Acquisition, on the NAV per FLT Unit, number of FLT Units in issue and to be issued as at 30 September 2019, assuming the Proposed Merger and the Proposed Asset Acquisition were completed on 30 September 2019, and assuming that the acquisition of the Hermes Berlin Facility¹ and B+S GmbH Logistik Facility and the Heatherton Divestment (as defined herein) were completed on 30 September 2019, are as follows:

¹ As defined in FLT's announcement titled "The Proposed Acquisition of Interests in 12 Properties in Germany and Australia" dated 3 July 2019.

		Immediately after completion of the Acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility and the Heatherton Road Divestment	Pro Forma Financial Effects of the Proposed Merger	Pro Forma Financial Effects of the Proposed Merger and the Proposed Asset Acquisition
	FLT 30 September 2019		Immediately after completion of the Acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility, the Heatherton Road Divestment and the Proposed Merger	Immediately after completion of the Acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility, the Heatherton Road Divestment, the Proposed Merger and the Proposed Asset Acquisition
NAV (S\$ million)	2,153	2,154	3,538 ^{(2),(3)}	3,540 ^{(2),(3),(4)}
Number of issued and issuable FLT Units ('000)	2,258,878 ⁽¹⁾	2,259,273	3,393,631 ⁽⁵⁾	3,394,251 ^{(5),(6)}
NAV per FLT Unit (S\$)	0.95	0.95	1.04	1.04

Notes:

- (1) Represents the number of FLT Units issued and issuable as at 30 September 2019.
- (2) Assumes an additional S\$172.8 million debt was drawn down on 30 September 2019 to fund the cash portion of the Scheme Consideration of S\$137.8 million and merger-related stamp duty and transaction costs of approximately S\$35.0 million.
- (3) Includes the Acquisition Fee of approximately S\$11.2 million and merger-related stamp duty and transaction costs of approximately S\$35.0 million incurred, in relation to the Proposed Merger.
- (4) Assumes an additional S\$154.4 million debt was drawn down on 30 September 2019 to fund the estimated total cost of the Proposed Asset Acquisition (excluding the Acquisition Fee).
- (5) Adjusted for the following assumptions:
 - (i) 1,125.4 million Consideration Units issued as part of the Scheme Consideration. The Scheme Consideration payable for each FCOT Unit (inclusive of Cash Consideration) implies a gross exchange ratio of 1.355x; and
 - (ii) 9.0 million new FLT Units issued at an illustrative issue price of S\$1.240 per FLT Unit as Acquisition Fee payable to the FLT Manager in relation to the Proposed Merger.
- (6) Includes 0.6 million new FLT Units issued as payment of the Acquisition Fee at an illustrative issue price of S\$1.240 per FLT Unit for the Proposed Asset Acquisition.

8.1.3 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

FLT's pro forma aggregate leverage as at 30 September 2019, immediately upon completion of the Proposed Merger and immediately upon completion of the Proposed Merger and the Proposed Asset Acquisition as at 30 September 2019, assuming the Proposed Merger and the Proposed Asset Acquisition were completed on 30 September 2019 and assuming that the acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility and the Heatherton Road Divestment were completed on 30 September 2019, are as follows:

			Pro Forma Financial Effects of the Proposed Merger ⁽¹⁾	Pro Forma Financial Effects of the Proposed Merger and the Proposed Asset Acquisition ⁽¹⁾
	FLT 30 September 2019	Immediately after completion of the Acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility and the Heatherton Road Divestment	Immediately after completion of the Acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility, the Heatherton Road Divestment and the Proposed Merger	Immediately after completion of the Acquisition of the Hermes Berlin Facility and B+S GmbH Logistik Facility, the Heatherton Road Divestment, the Proposed Merger and the Proposed Asset Acquisition
Aggregate Leverage ⁽²⁾	33.4%	34.8%	35.4%	37.0%

Note:

(1) Assumptions are the same as those set out under **paragraph 8.1.2** of the Letter to FLT Unitholders.

(2) Calculated based on total debt divided by total assets.

8.2 Bases and Assumptions Underlying the Pro Forma Financial Effects of the Proposed Merger and the Proposed Asset Acquisition

8.2.1 Basis of Preparation for the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on FLT's DPU

The unaudited pro forma consolidated financial effects of the Proposed Merger and the Proposed Asset Acquisition on the Enlarged REIT have been prepared based on the 2019 FLT Audited Financial Statements for FY2019 which was announced on 2 December 2019 and the 2019 FCOT Audited Financial Statements for FY2019 which was announced on 2 December 2019, for illustrative purposes only, and based on certain assumptions directly attributable to the Proposed Merger and the Proposed Asset Acquisition after making certain adjustments, to show the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on FLT's DPU for FY2019.

The assumptions are set out as follows:

- (a) the Proposed Merger and the Proposed Asset Acquisition had occurred on 1 October 2018;
- (b) the following acquisitions had occurred on 1 October 2018:
 - (i) acquisition of the property in Mandeveld 12, Meppel, the Netherlands (the "**Dutch Acquisition**") which was actually completed on 31 October 2018;

- (ii) acquisition of the three freehold logistics properties located in Australia (the “**Australian Properties Acquisition**”) which was actually completed on 20 August 2019 (“**Australian Property Acquisition Date**”);
- (iii) acquisition of the equity interests in eight property holding companies which hold interests in seven freehold logistics properties located in Germany (the “**German Properties Acquisition**”) which were actually completed on 23 and 27 August 2019 and 3 September 2019 (together with the Australian Property Acquisition Date, the “**Acquisition Dates**”); and
- (iv) acquisition of the equity interests in two property holding companies which hold interests in two freehold logistics properties located in Germany; the B+S GmbH Logistik Facility Acquisition which was actually completed on 28 November 2019 and the Hermes Berlin Facility which was actually completed on 20 December 2019,

(collectively, the “**FY2019 Acquisitions**”);

- (c) the following divestments had occurred on 1 October 2018 and the net divestment proceeds were used for the repayment of bank borrowings. The FY2019 Divestments include the following:
 - (i) divestment of 63-79 South Park Drive, Dandenong South, Victoria, Australia which was actually completed on 9 May 2019;
 - (ii) the divestment of 50% interest in 99 Sandstone Place, Parkinson, Queensland, Australia which was actually completed on 24 July 2019; and
 - (iii) the divestment of 610 Heatherton Road, Clayton South, Victoria, Australia (the “**Heatherton Road Divestment**”) as announced on 16 May 2019 and 31 May 2019. The sale of the office and deck car park components of the Heatherton Road Divestment was actually completed on 29 October 2019 while the sale of the warehouse and hardstand components was actually completed on 6 January 2020,

(collectively, the “**FY2019 Divestments**”);

- (d) with respect to the Dutch Acquisition which was actually completed on 31 October 2018, the financial information used in the preparation of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition for FY2019 was based on the management accounts from 31 October 2018 to 30 September 2019 and extrapolated to 365 days;
- (e) the preparation of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition for FY2019 was based on the financial information for the period from the Acquisition Dates of the Australian Properties Acquisition and the German Properties Acquisition to 30 September 2019 and extrapolated to 365 days;
- (f) the management accounts for the Hermes Berlin Facility for the period from 1 October 2018 to March 2019 was used in the preparation of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition for FY2019 and extrapolated to 365 days;

- (g) the management accounts for the B+S GmbH Logistik Facility which was acquired by the previous owner of the property, FPE Investment RE 12 B.V., on 1 November 2018 used in the preparation of the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition for FY2019 and extrapolated to 365 days;
- (h) the actual financial information for the Heatherton Road Divestment from 1 October 2018 to 30 September 2019 were excluded from the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition for FY2019 as the sale of the office and deck car park components of the Heatherton Road Divestment was actually completed on 29 October 2019 while the sale of the warehouse and hardstand components was actually completed on 6 January 2020;
- (i) the private placement of 220,000,000 new units in FLT in relation to the Australian Properties Acquisition, the German Properties Acquisition and the Hermes Berlin Facility and B+S GmbH Logistik Facility Acquisitions had occurred on 1 October 2018;
- (j) the translation of € to A\$, A\$ to S\$, € to S\$ and £ to S\$ at the exchange rates prevailing in the preparation of the 2019 FLT Audited Financial Statements and management accounts of the Proposed Asset Acquisition for FY2019;
- (k) the Scheme Consideration is determined based on S\$0.151 per FCOT Unit in cash and an exchange ratio of one FCOT Unit for 1.233 FLT Units. The Scheme Consideration of S\$1,499.5 million for the Merger is derived based on an issue price of S\$1.240 for each FLT Unit and is settled by way of the issuance of approximately 1,100.6 million new FLT Units and an aggregate Cash Consideration of S\$134.8 million;
- (l) merger-related stamp duty and transaction costs are estimated to be approximately S\$35.0 million and are assumed to be funded by debt;
- (m) the Acquisition Fee of approximately S\$11.2 million in relation to the Proposed Merger is paid through issuance of approximately 9.0 million FLT Units at an illustrative issue price of S\$1.240 per FLT Unit;
- (n) FCOT's fee structure for the management fees is replaced with the management fee structure in the FLT Trust Deed with effect from 1 October 2018. All the base and performance management fees for FCOT for FY2019 were assumed to be fully paid in FLT Units and issued at FLT's historical VWAP per FLT Unit;
- (o) estimated total cost of the Proposed Asset Acquisition is estimated to be approximately S\$159.9 million;
- (p) the Acquisition Fee of approximately S\$0.8 million in respect of the Proposed Asset Acquisition is paid in FLT Units to the Manager;
- (q) the balance of the estimated total cost of the Proposed Asset Acquisition of approximately S\$159.1 million is financed by debt;
- (r) the estimated total cost for the Proposed Asset Acquisition is translated at an exchange rate of £1: S\$1.75; and

- (s) excludes any other operational and trust level savings or potential synergies from the Proposed Merger.

8.2.2 Basis of Preparation for the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition on the NAV per FLT Unit and aggregate leverage as at 30 September 2019

The unaudited pro forma consolidated financial effects of the Proposed Merger and the Proposed Asset Acquisition on the Enlarged REIT have been prepared based on the 2019 FLT Audited Financial Statements for FY2019 which was announced on 2 December 2019 and the 2019 FCOT Audited Financial Statements for FY2019 which was announced on 2 December 2019, for illustrative purposes only, and based on certain assumptions directly attributable to the Proposed Merger and Proposed Asset Acquisition after making certain adjustments, to show the pro forma financial effects of the Proposed Merger and Proposed Asset Acquisition on FLT's NAV per FLT Unit and aggregate leverage as at 30 September 2019.

The assumptions are set out as follows:

- (a) the Proposed Merger and the Proposed Asset Acquisition had occurred on 30 September 2019;
- (b) the following acquisition and divestment had occurred on 30 September 2019:
 - (i) the acquisition of the equity interests in two property holding companies which hold interests in two freehold logistics properties located in Germany; the B+S GmbH Logistik Facility Acquisition which was actually completed on 28 November 2019 and the Hermes Berlin Facility which was actually completed on 20 December 2019. Both acquisitions are assumed to be funded by debt; and
 - (ii) the Heatherton Road Divestment as announced on 16 May 2019 and 31 May 2019. The sale of the office and deck car park components of the Heatherton Road Divestment was actually completed on 29 October 2019 while the sale of the warehouse and hardstand components was actually completed on 6 January 2020. The net divestment proceeds are assumed to be used for the repayment of bank borrowings;
- (c) the translation of € to A\$, A\$ to S\$ and € to S\$ at the exchange rates prevailing in the preparation of the 2019 FLT Audited Financial Statements;
- (d) the Scheme Consideration is determined based on S\$0.151 per FCOT Unit in cash and an exchange ratio of one FCOT Unit for 1.233 FLT Units. The Scheme Consideration of S\$1,533.4 million for the Merger is derived based on an issue price of S\$1.240 for each FLT Unit and is settled by way of the issuance of approximately 1,125.4 million new FLT Units and an aggregate Cash Consideration of S\$137.8 million;
- (e) merger-related stamp duty and transaction costs are estimated to be approximately S\$35.0 million and are assumed to be funded by debt;
- (f) the Acquisition Fee of approximately S\$11.2 million in relation to the Proposed Merger paid through issuance of approximately 9.0 million FLT Units at an illustrative issue price of S\$1.240 per FLT Unit;

- (g) estimated total cost of the Proposed Asset Acquisition is estimated to be approximately S\$155.2 million;
- (h) the Acquisition Fee of approximately S\$0.8 million in respect of the Proposed Asset Acquisition is paid in FLT Units to the Manager;
- (i) the balance of the estimated total cost of the Proposed Asset Acquisition of approximately S\$154.4 million is financed by debt; and
- (j) the estimated total cost for the Proposed Asset Acquisition is translated at an exchange rate of £1: S\$1.6984.

9 REQUIREMENT OF THE FLT UNITHOLDERS' APPROVAL

9.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by FLT. Such transactions are classified into the following categories:

- (a) non-disclosable transactions;
- (b) disclosable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A transaction by FLT 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 NAV of the assets to be disposed of, compared with the NAV of the FLT Group;
- (ii) the net profits attributable to the assets acquired, compared with the FLT Group's net profits;
- (iii) the aggregate value of the consideration given, compared with the FLT Group's market capitalisation; and
- (iv) the number of FLT Units issued by FLT as consideration for an acquisition, compared with the number of FLT Units previously in issue.

Where any of the relative figures computed on the bases set out above exceed 20% but not 100%, the transaction is classified as a "major transaction" under Chapter 10 of the Listing Manual. As the relative figures for the basis of comparison set out above exceed 20% but not 100%, the Proposed Merger and the Proposed Asset Acquisition would constitute a "major transaction" under Chapter 10 of the Listing Manual.

The relative figures for the Proposed Asset Acquisition when aggregated with the Proposed Merger using the applicable bases of comparison described above are set out in the table below.

Comparison of	The Proposed Merger and the Proposed Asset Acquisition	The FLT Group	Relative figure (%)
Net Property Income (S\$ million)⁽¹⁾	100.0 ⁽²⁾	185.5 ⁽³⁾	53.9
Consideration against market capitalisation (S\$ million)⁽⁴⁾	1,694.7 ⁽⁵⁾	2,801.0	60.5
FLT Units⁽⁴⁾ issued as consideration⁽⁶⁾ against FLT Units previously in issue ('000)	1,128,067	2,258,878	49.9

Notes:

- (1) In the case of a REIT, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Includes the net property income of FCOT Group and the Proposed Asset Acquisition for FY2019.
- (3) Translated at an exchange rate of A\$1: S\$0.9307 based on the Net Property Income of the FLT Group of A\$199.4 million as set out in the 2019 FLT Audited Financial Statements.
- (4) Based on the market capitalisation of FLT as at market close on 29 November 2019.
- (5) Based on the Scheme Consideration being a combination of cash of S\$138.1 million and the issue of Consideration Units and the estimated Purchase Consideration of £90.1 million (approximately S\$157.7 million) for the Proposed Asset Acquisition as at the date of the Acquisition Announcement.
- (6) Based on 1,128.1 million Consideration Units as at the date of the Acquisition Announcement.

As the relative figures for the basis of comparison set out above exceed 20% but not 100%, the Proposed Merger and the Proposed Asset Acquisition when aggregated with the Proposed Merger would constitute a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the approval of FLT Unitholders is required in respect of the Proposed Merger and the Proposed Asset Acquisition.

9.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where FLT 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 5% of FLT's latest audited NTA, the approval of the FLT Unitholders is required in respect of the transaction.

Based on the 2019 FLT Audited Financial Statements, the latest audited NTA of FLT was A\$2,313.8 million, (approximately S\$2,153.5 million) as at 30 September 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by FLT 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, equal to or in excess of A\$115.7 million (approximately S\$107.7 million), such a transaction would be subject to the approval of the FLT Unitholders.

As at the Latest Practicable Date, the Sponsor, through its wholly-owned subsidiaries, the FLT Manager and Frasers Property Industrial Trust Holdings Pte. Ltd. (formerly known as FCL Investments (Industrial) Pte. Ltd.) (“**FPITH**”) holds an aggregate deemed interest in 441,377,408 FLT Units, which is equivalent to approximately 19.5% of the total number of FLT Units in issue and is therefore regarded as a “controlling Unitholder” of FLT under both the Listing Manual and the Property Funds Appendix. In addition, as the FLT Manager is a

wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the FLT Manager under both the Listing Manual and the Property Funds Appendix.

As at the Latest Practicable Date, the Sponsor, through its wholly-owned subsidiaries, the FCOT Manager, Frasers Centrepont Property Management (Commercial) Pte Ltd (“**FCPMC**”) and Frasers Property Commercial Trust Holdings Pte. Ltd. (“**FPCTH**”), hold an aggregate deemed interest in 238,277,989 FCOT Units, which is equivalent to approximately 26.0% of the total number of FCOT Units in issue. As the FCOT Manager, FCPMC and FPCTH are wholly-owned subsidiaries of the Sponsor, the FCOT Manager, FCPMC and FPCTH are associates of the Sponsor for purposes of the Listing Manual and the Property Funds Appendix.

Pursuant to the Proposed Merger, the Sponsor, the FCOT Manager, FCPMC and FPCTH will be entitled to receive from FLT, approximately S\$400.3 million (as at the Latest Practicable Date) to be satisfied partly in cash and partly in the form of new FLT Units, as consideration for the acquisition of the FCOT Units held by the Sponsor and its subsidiaries.

Given that the aggregate amount of consideration payable to the Sponsor and its subsidiaries for their FCOT Units in connection with the Proposed Merger and the consideration for the Proposed Asset Acquisition would be S\$400.3 million (as at the Latest Practicable Date) and £90.1 million (approximately S\$157.7 million) respectively (which is 18.6% and 7.3% respectively of the latest audited NTA of FLT as at 30 September 2019), the Proposed Merger and the Proposed Asset Acquisition are hence subject to the approval of FLT Unitholders pursuant to Rule 906(1)(a) of the Listing Manual.

The Property Funds Appendix also imposes a requirement for FLT Unitholders’ approval for an interested party transaction by FLT whose value exceeds 5% of FLT’s latest audited NAV. Based on the 2019 FLT Audited Financial Statements, the NAV of FLT was A\$2,313.8 million (approximately S\$2,153.5 million) as at 30 September 2019. Accordingly, if the value of a transaction which is proposed to be entered into by FLT with an interested party is equal to or greater than A\$115.7 million (approximately S\$107.7 million), such a transaction would be subject to the FLT Unitholders’ approval.

Given that the aggregate amount of consideration payable to the Sponsor and its subsidiaries for their FCOT Units in connection with the Proposed Merger and the consideration for the Proposed Asset Acquisition would be S\$400.3 million (as at the Latest Practicable Date) and £90.1 million (approximately S\$157.7 million) respectively (which is 18.6% and 7.3% respectively of the latest audited NAV of FLT as at 30 September 2019), the Proposed Merger and the Proposed Asset Acquisition are hence subject to the approval of FLT Unitholders pursuant to the Property Funds Appendix.

Given that pursuant to the Proposed Merger and the Proposed Asset Acquisition, FLT is acquiring FCOT Units from the FCOT Manager, FCPMC and FPCTH and FLT is acquiring a 50% interest in FBP from the Vendor, a wholly-owned subsidiary of the Sponsor, the Sponsor and its subsidiaries and associates, the FCOT Manager, FCPMC and FPCTH are hence (for the purposes of the Listing Manual) “interested persons” and (for the purposes of the Property Funds Appendix) “interested parties” of FLT.

Therefore, each of the Proposed Merger and the Proposed Asset Acquisition will constitute 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 the approval of the FLT Unitholders is required.

Other Interested Person Transactions

As at the Latest Practicable Date, there are (i) no interested person transactions entered into between (a) FLT and (b) the Sponsor, its subsidiaries and associates during the course of the current financial year up to the Latest Practicable Date; and (ii) no interested person transactions during the course of the current financial year up to the Latest Practicable Date, other than interested person transactions with a value of less than S\$100,000 each, the acquisition of the FCOT Units from the FCOT Manager, FCPMC and FPCTH pursuant to the Proposed Merger and the Proposed Asset Acquisition and the Renewed Southeast Insurance¹, the aggregate value of which is approximately S\$559.2 million, which is approximately 26.0% of the latest NTA of FLT based on the audited consolidated financial statements of FLT for the financial year ended 30 September 2019.

10 ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Listing Manual, the FLT Manager and the FLT Trustee have appointed the IFA to advise, *inter alia*, the Audit, Risk and Compliance Committee, the Independent Directors and the FLT Trustee as to whether the Proposed Merger and the Proposed Asset Acquisition are on normal commercial terms and are not prejudicial to the interests of FLT and its minority unitholders. A copy of the letter by the IFA (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix B** to this Circular and the FLT Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Merger and the Proposed Asset Acquisition are on normal commercial terms and are not prejudicial to the interests of FLT and its minority unitholders.

Accordingly, the IFA advises the Audit, Risk and Compliance Committee and the Independent Directors to recommend that the FLT Unitholders vote in favour of the resolution in connection with the Proposed Merger and the resolution in connection with the Proposed Asset Acquisition to be proposed at the EGM.

11 THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS

As part of the consideration for the acquisition of all the FCOT Units pursuant to the Proposed Merger, Consideration Units will be issued to the FCOT Unitholders based on an Exchange Ratio of 1.233 Consideration Units for every one FCOT Unit. As at the Latest Practicable Date, approximately 1,130.2 million Consideration Units will be issued to the FCOT Unitholders, representing approximately 50.0% of the total number of FLT Units in issue as at the Latest Practicable Date².

The Consideration Units will not be entitled to the FLT Permitted Distributions. The Consideration Units will, upon issue, rank *pari passu* in all respects with the existing FLT Units, as at the date of their issue.

¹ The “**Renewed Southeast Insurance**” refers to the insurance policy with Southeast Insurance Public Company Limited, an entity within the TCC Group, which was renewed for a further term of one year commencing 1 October 2019 and expiring on 30 September 2020. The value of the Renewed Southeast Insurance is approximately A\$1.3 million (approximately S\$1.2 million).

² Based on 916,622,020 FCOT Units and 2,258,877,908 FLT Units in issue on 6 February 2020, being the Latest Practicable Date.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is covered under a general mandate obtained from unitholders of the issuer.

The approval of the FLT Unitholders is required for the Proposed Issuance of the Consideration Units to the FCOT Unitholders as well as for the Proposed Issuance of part of the Consideration Units to certain FCOT Unitholders which are also interested persons or interested parties of FLT including the controlling unitholders and controlling shareholders of the FLT Manager (such as the Sponsor and its subsidiaries) pursuant to Chapter 9 of the Listing Manual and the Property Funds Appendix.

Accordingly, the FLT Manager is seeking the approval of FLT Unitholders by way of an Ordinary Resolution of FLT Unitholders for the Proposed Issuance of the Consideration Units.

As announced by the FLT Manager on 23 January 2020, the SGX-ST has also granted its in-principle approval for the listing and quotation of up to 1.4 billion Consideration Units on the Main Board of the SGX-ST, subject to the following conditions:

- (i) the independent FLT Unitholders' approval of all the resolutions necessary to effect the Proposed Merger; and
- (ii) approval of the Court for the implementation of the Trust Scheme.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Merger, the Trust Scheme, the Enlarged REIT, the FLT Units, the Consideration Units, FLT, or its subsidiaries.

12 INTERESTS OF DIRECTORS AND SUBSTANTIAL FLT UNITHOLDERS

12.1 Interests of Directors of the FLT Manager

As at the Latest Practicable Date, certain directors of the FLT Manager collectively hold an aggregate direct and indirect interest in 120,599,800 FLT Units and 1,529,404 shares in the Sponsor.

Mr Panote Sirivadhanabhakdi is a Non-Executive Director of the FLT Manager, a director and the Group Chief Executive Officer of the Sponsor, a director of other entities within the FPL Group other than the Manager, a director of various entities within the TCC Group¹ (which is the controlling shareholder of the Sponsor Group) and holds 20.0% of the issued share capital of TCC Group Investments Limited. Mr Panote Sirivadhanabhakdi is also the son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

Mr Chia Khong Shoong is a Non-Executive Director of the FLT Manager, the Group Chief Corporate Officer of the Sponsor and a director of various subsidiaries of the Sponsor other than the FLT Manager.

Mr Rodney Vaughan Fehring is a Non-Executive Director of the FLT Manager, the Chief Executive Officer of Frasers Property Australia Pty Limited ("**FPA**"), a subsidiary of the Sponsor, and a director of various subsidiaries of the Sponsor other than the Manager.

¹ "**TCC Group**" refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

As at the Latest Practicable Date, based on the Register of Directors' Shareholdings/ Unitholdings maintained by the FLT Manager, the interests of the directors of the FLT Manager in the FLT Units are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of FLT Units held	%(⁽¹⁾)
	No. of FLT Units	%(⁽¹⁾)	No. of FLT Units	%(⁽¹⁾)		
Mr Ho Hon Cheong	–	–	1,123,100 ⁽²⁾	0.05	1,123,100	0.05
Mr Goh Yong Chian	400,000	0.02	–	–	400,000	0.02
Mr Paul Gilbert Say	–	–	165,000 ⁽³⁾	0.01	165,000	0.01
Mr Panote Sirivadhanabhakdi	–	–	118,559,700 ⁽⁴⁾	5.25	118,559,700	5.25
Mr Chia Khong Shoong	–	–	220,000 ⁽⁵⁾	0.01	220,000	0.01
Mr Rodney Vaughan Fehring	–	–	132,000 ⁽⁶⁾	0.01	132,000	0.01

Notes:

- (1) The percentage is based on 2,258,877,908 FLT Units in issue as at the Latest Practicable Date, and rounded to the nearest two decimal places.
- (2) Mr Ho Hon Cheong holds his FLT Units through a nominee account and therefore has a deemed interest in 1,123,100 FLT Units.
- (3) Mr Paul Gilbert Say holds his FLT Units through a nominee account and therefore has a deemed interest in 165,000 FLT Units.
- (4) Mr Panote Sirivadhanabhakdi is deemed to be interested in 118,559,700 FLT Units held by TCC Group Investments Limited.
- (5) Mr Chia Khong Shoong holds his FLT Units through a nominee account and therefore has a deemed interest in 220,000 FLT Units.
- (6) Mr Rodney Vaughan Fehring holds his FLT Units through a nominee account and therefore has a deemed interest in 132,000 FLT Units.

As at the Latest Practicable Date, the interests in the shares of the Sponsor which are held by the directors of the FLT Manager are set out in the table below:

Name of Directors	Direct Interest		Deemed Interest		Total No. of shares of the Sponsor held	%(⁽¹⁾)
	No. of shares of the Sponsor	%(⁽¹⁾)	No. of shares of the Sponsor	%(⁽¹⁾)		
Mr Ho Hon Cheong	–	–	–	–	–	–
Mr Goh Yong Chian	120,000	n.m. ⁽²⁾	–	–	120,000	n.m. ⁽²⁾
Mr Paul Gilbert Say	–	–	–	–	–	–
Mr Panote Sirivadhanabhakdi	–	–	–	–	–	–
Mr Chia Khong Shoong	–	–	1,402,404 ⁽³⁾	0.05 ⁽³⁾	1,402,404 ⁽³⁾	0.05 ⁽³⁾
Mr Rodney Vaughan Fehring	–	–	7,000 ⁽³⁾	n.m. ⁽²⁾⁽³⁾	7,000 ⁽³⁾	n.m. ⁽³⁾

Notes:

- (1) The percentage is based on 2,925,660,894 shares in issue as at the Latest Practicable Date, and rounded to the nearest two decimal places.
- (2) Not meaningful.
- (3) This does not include shares to be issued pursuant to awards of shares granted under the FPL Performance Share Plan and FPL Restricted Share Plan.

12.2 Interests of Substantial FLT Unitholders in FLT Units

As at the Latest Practicable Date, based on the Register of Substantial Unitholders' unitholdings maintained by the FLT Manager, the substantial FLT Unitholders and their interests in FLT Units are as follows:

Name of Substantial FLT Unitholder	Direct Interest		Deemed Interest		Total No. of FLT Units held	%(⁽¹⁾)
	No. of FLT Units held	%(⁽¹⁾)	No. of FLT Units held	%(⁽¹⁾)		
Frasers Property Industrial Trust Holdings Pte. Ltd.	433,564,327	19.19	–	–	433,564,327	19.19
Frasers Property Limited ⁽²⁾	–	–	441,377,408	19.54	441,377,408	19.54
Thai Beverage Public Company Limited ⁽³⁾	–	–	441,377,408	19.54	441,377,408	19.54
International Beverage Holdings Limited ⁽⁴⁾	–	–	441,377,408	19.54	441,377,408	19.54
InterBev Investment Limited ⁽⁵⁾	–	–	441,377,408	19.54	441,377,408	19.54
Siriwana Company Limited ⁽⁶⁾	–	–	441,377,408	19.54	441,377,408	19.54
Maxtop Management Corp. ⁽⁷⁾	–	–	441,377,408	19.54	441,377,408	19.54
Risen Mark Enterprise Ltd. ⁽⁷⁾	–	–	441,377,408	19.54	441,377,408	19.54
Golden Capital (Singapore) Limited ⁽⁷⁾	–	–	441,377,408	19.54	441,377,408	19.54
MM Group Limited ⁽⁸⁾	–	–	441,377,408	19.54	441,377,408	19.54
TCC Assets Limited ⁽⁹⁾	–	–	441,377,408	19.54	441,377,408	19.54
Charoen Sirivadhanabhakdi ⁽¹⁰⁾	–	–	441,377,408	19.54	441,377,408	19.54
Khunying Wanna Sirivadhanabhakdi ⁽¹¹⁾	–	–	441,377,408	19.54	441,377,408	19.54
TCC Group Investments Limited ⁽¹²⁾	–	–	118,559,700	5.25	118,559,700	5.25
Atinant Bijananda ⁽¹²⁾	–	–	118,559,700	5.25	118,559,700	5.25
Thapana Sirivadhanabhakdi ⁽¹²⁾	–	–	118,559,700	5.25	118,559,700	5.25
Wallapa Traisorat ⁽¹²⁾	–	–	118,559,700	5.25	118,559,700	5.25
Thapanee Techajareonvikul ⁽¹²⁾	–	–	118,559,700	5.25	118,559,700	5.25
Panote Sirivadhanabhakdi ⁽¹²⁾	–	–	118,559,700	5.25	118,559,700	5.25
Rojana Industrial Park Public Company Limited	–	–	142,626,000	6.31	142,626,000	6.31

Notes:

- (1) The percentage is based on 2,258,877,908 FLT Units in issue as at the Latest Practicable Date, and rounded to the nearest two decimal places.
- (2) FPL holds a 100% direct interest in each of Frasers Logistics & Industrial Asset Management Pte. Ltd. ("**FLIAM**") and FPITH. Each of FLIAM and FPITH directly holds units in FLT. FPL therefore has a deemed interest in the units in FLT in which each of FLIAM and FPITH has an interest, by virtue of Section 4 of the SFA.
- (3) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in International Beverage Holdings Limited ("**IBHL**"). IBHL holds a 100% direct interest in InterBev Investment Limited ("**IBIL**") which holds more than 20% of the shareholdings of FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. ThaiBev therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (4) IBHL holds a 100% direct interest in IBIL. IBIL holds more than 20% of the shareholdings of FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. IBHL therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of section 4 of the SFA.
- (5) IBIL holds more than 20% of the shareholdings of FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. IBIL therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of section 4 of the SFA.
- (6) Siriwana Company Limited ("**SCL**") holds more than 20% of the shareholdings of ThaiBev. ThaiBev holds a 100% direct interest in IBHL. IBHL holds a 100% direct interest in IBIL which holds more than 20% of the shareholdings of FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. SCL therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (7) Maxtop Management Corp ("**MMC**") together with Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**") collectively holds more than 20% of the shareholdings of ThaiBev. ThaiBev holds a 100% direct interest in IBHL. IBHL holds a 100% direct interest in IBIL which holds more than 20% of the shareholdings of FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. MMC, RM and GC each therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (8) MM Group Limited ("**MM**") holds a 100% direct interest in each of MMC, RM and GC. MM, RM and GC collectively holds more than 20% of the shareholdings of ThaiBev. ThaiBev holds a 100% direct interest in IBHL. IBHL holds a 100% direct interest in IBIL which holds more than 20% of the shareholdings of FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. MM therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (9) TCC Assets Limited ("**TCCA**") holds a majority interest in FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. TCCA therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (10) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the shareholdings of TCCA. TCCA holds a majority interest in FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (11) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the shareholdings of TCCA. TCCA holds a majority interest in FPL. FPL holds a 100% direct interest in each of FLIAM and FPITH and each of FLIAM and FPITH directly holds units in FLT. Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FLT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (12) Each of Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi holds 20% of the shareholding of TCC Group Investments Limited ("**TCCG**"). TCCG holds units in FLT through a nominee account. Each of Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi therefore has a deemed interest in the units in FLT in which TCCG has an interest, by virtue of Section 4 of the SFA.

12.3 Interests of Directors of FLT Manager in FCOT Units

As at the Latest Practicable Date, based on the Register of Directors' Shareholdings/Unitholdings maintained by the FLT Manager, Mr Goh Yong Chian has a direct interest in 320,000 FCOT Units.

12.4 Interests of Substantial FLT Unitholders in FCOT Units

Based on the latest information received by the FLT Manager as at the Latest Practicable Date, certain substantial FLT Unitholders also hold an interest in the FCOT Units, as set out in the table below.

Name of Substantial FLT and FCOT Unitholder	Direct Interest		Deemed Interest		Total No. of FCOT Units held	%(1)
	No. of FCOT Units held	%(1)	No. of FCOT Units held	%(1)		
Frasers Property Limited ⁽²⁾	–	–	238,277,989	26.00	238,277,989	26.00
Thai Beverage Public Company Limited ⁽³⁾	–	–	238,277,989	26.00	238,277,989	26.00
International Beverage Holdings Limited ⁽⁴⁾	–	–	238,277,989	26.00	238,277,989	26.00
InterBev Investment Limited ⁽⁵⁾	–	–	238,277,989	26.00	238,277,989	26.00
Siriwana Company Limited ⁽⁶⁾	–	–	238,277,989	26.00	238,277,989	26.00
Maxtop Management Corp ⁽⁷⁾	–	–	238,277,989	26.00	238,277,989	26.00
Risen Mark Enterprise Ltd. ⁽⁸⁾	–	–	238,277,989	26.00	238,277,989	26.00
Golden Capital (Singapore) Limited ⁽⁹⁾	–	–	238,277,989	26.00	238,277,989	26.00
MM Group Limited ⁽¹⁰⁾	–	–	238,277,989	26.00	238,277,989	26.00
TCC Assets Limited ⁽¹¹⁾	–	–	238,277,989	26.00	238,277,989	26.00
Charoen Sirivadhanabhakdi ⁽¹²⁾	–	–	238,277,989	26.00	238,277,989	26.00
Khunying Wanna Sirivadhanabhakdi ⁽¹³⁾	–	–	238,277,989	26.00	238,277,989	26.00

Notes:

- (1) The percentage is based on 916,622,020 FCOT Units in issue as at the Latest Practicable Date, and rounded to the nearest two decimal places.
- (2) FPL holds a 100% direct interest in each of Frasers Commercial Asset Management Ltd. (“**FCOAM**”) and FPCTH. FCOAM and FPCTH hold units in FCOT and FCOAM is deemed interested in the units in FCOT held by its wholly-owned subsidiary, Frasers Centrepont Property Management (Commercial) Pte. Ltd. (“**FCPMC**”). FPL therefore has a deemed interest in the units in FCOT in which each of FCOAM and FPCTH has an interest, by virtue of Section 4 of the SFA.
- (3) ThaiBev holds a 100% interest in IBHL;
 - IBHL holds a 100% direct interest in IBIL;
 - IBIL holds a greater than 20% interest in FPL;
 - FPL holds a 100% direct interest in each of FCOAM and FPCTH;
 - FCOAM holds a 100% direct interest in FCPMC; and
 - FCOAM, FPCTH and FCPMC hold units in FCOT.

ThaiBev therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(4) IBHL holds a 100% direct interest in IBIL;

- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

IBHL therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(5) IBIL holds a greater than 20% interest in FPL;

- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

IBIL therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(6) SCL holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

SCL therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(7) MMC together with RM and GC collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

MMC therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(8) RM together with MMC and GC collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

RM therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(9) GC together with MMC and RM collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

GC therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(10) MM holds a 100% direct interest in each of MMC, RM and GC;

- MMC, RM and GC collectively holds a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

MM therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(11) TCCA holds a majority interest in FPL;

- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

TCCA therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(12) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(13) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

Save as disclosed above, none of the directors of the FLT Manager or substantial FLT Unitholders has any interest, direct or indirect, in the Proposed Merger or the Proposed Asset Acquisition.

13 DIRECTORS' SERVICE CONTRACTS

It is intended that following the completion of the Proposed Merger and in view of the Enlarged REIT, the Nominating and Remuneration Committee of the FLT Manager will review the composition of the board of directors and the management of the FLT Manager.

14 STATEMENT OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

14.1 The Proposed Merger

Based on the opinion of the IFA as set out in the IFA Letter in **Appendix B** to this Circular and the rationale for the Proposed Merger as set out in **paragraph 6**, the Audit, Risk and Compliance Committee is of the opinion that the Proposed Merger is on normal commercial terms and is not prejudicial to the interests of FLT and its minority unitholders.

14.2 The Proposed Asset Acquisition

Based on the opinion of the IFA as set out in the IFA Letter in **Appendix B** to this Circular and the rationale for the Proposed Asset Acquisition as set out in **paragraph 6**, the Audit, Risk and Compliance Committee is of the opinion that the Proposed Asset Acquisition is on normal commercial terms and is not prejudicial to the interests of FLT and its minority unitholders.

15 RECOMMENDATIONS

15.1 The Proposed Merger

The Independent Directors have considered the relevant factors, including the terms of the Proposed Merger and the rationale for the Proposed Merger as set out in **paragraph 6**, as well as the IFA's opinion as set out in the IFA Letter in **Appendix B** to this Circular, and recommend that the FLT Unitholders **VOTE IN FAVOUR** of Resolution 1, the Ordinary Resolution relating to the Proposed Merger, and Resolution 2, the Ordinary Resolution relating to the Proposed Issuance of the Consideration Units.

15.2 The Proposed Asset Acquisition

The Independent Directors have considered the relevant factors, including the terms of the Proposed Asset Acquisition and the rationale for the Proposed Asset Acquisition as set out in **paragraph 6**, as well as the IFA's opinion as set out in the IFA Letter in **Appendix B** to this Circular, and recommend that the FLT Unitholders **VOTE IN FAVOUR** of Resolution 3, the Ordinary Resolution relating to the Proposed Asset Acquisition.

16 EXTRAORDINARY GENERAL MEETING

The EGM will be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on pages F-1 to F-2 of this Circular. The purpose of this Circular is to provide FLT Unitholders with relevant information about the resolutions. Approval by way of an Ordinary Resolution is required in respect of the Proposed Merger, the Proposed Issuance of the Consideration Units and the Proposed Asset Acquisition.

A Depositor shall not be regarded as a FLT Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have FLT Units entered against his/her name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

17 ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

Accordingly, the Sponsor and its associates will abstain from voting (either in person or by proxy) on Resolution 1, the Ordinary Resolution relating to the Proposed Merger and Resolution 2, the Ordinary Resolution relating to the Proposed Issuance of the Consideration Unit and Resolution 3, the Ordinary Resolution relating to the Proposed Asset Acquisition. Further, each of them shall decline to accept appointments as proxies in respect of Resolution 1, Resolution 2 and Resolution 3 unless specific instructions as to voting are given.

FLT will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

18 ACTIONS TO BE TAKEN BY FLT UNITHOLDERS

FLT Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a FLT Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar and the Unit Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than Sunday, 8 March 2020 at 10.00 a.m., being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a FLT Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of Resolution 1, the Ordinary Resolution relating to the Proposed Merger, Resolution 2, the Ordinary Resolution relating to the Proposed Issuance of the Consideration Units and Resolution 3, the Ordinary Resolution relating to the Proposed Asset Acquisition (such as the Sponsor and its associates (including the FLT Manager)) must decline to accept appointment as proxies unless the FLT Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 1, the Ordinary Resolution relating to the Proposed Merger, Resolution 2, the Ordinary Resolution relating to the Proposed Issuance of the Consideration Units and Resolution 3, the Ordinary Resolution relating to the Proposed Asset Acquisition. If a FLT Unitholder wishes to appoint Mr Panote Sirivadhanabhakdi, Mr Chia Khong Shoong, or Mr Rodney Vaughan Fehring as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolution.

19 DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the FLT Manager (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular which relate to FLT and/or the FLT Manager (excluding information relating to FCOT and/or the FCOT Manager) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading. The directors of the FLT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from FCOT and/or the FCOT Manager, the sole responsibility of the directors of the FLT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular. The directors of the FLT Manager do not accept any responsibility for any information relating to FCOT and/or the FCOT Manager or any opinion expressed by FCOT and/or the FCOT Manager.

20 RESPONSIBILITY STATEMENT OF THE FINANCIAL ADVISER

BofA Securities is the Financial Adviser to the FLT Manager in respect of the Proposed Merger and the Trust Scheme.

To the best of the Financial Adviser's knowledge and belief, save for the information set out in **paragraphs 8, 12, 15, 19** of the Letter to FLT Unitholders and **Appendix B, Appendix C, Appendix D** and the Notice of Extraordinary General Meeting in this Circular, the information about the Proposed Merger contained in this Circular constitutes full and true disclosure of all material facts about the Proposed Merger, FLT and its subsidiaries in relation to the Proposed Merger, and the Financial Adviser is not aware of any facts the omission of which would make any statement about the Proposed Merger in this Circular misleading.

21 CONSENTS

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and references to its name in the form and context in which they appear in this Circular.

The IFA, the Independent Valuers and the FLT 805 Auditor have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of their names and, respectively, the IFA Letter (set out in **Appendix B**), the FLT 805 Auditor's Opinion (set out in **Appendix C**) and the valuation summaries on the Target Property issued by the Independent Valuers ("**Valuation Summaries**") (set out in **Appendix D**) and all references thereto and in the form and context in which they appear in this Circular.

22 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the FLT Manager¹ at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Implementation Agreement;
- (ii) the Share Purchase Agreement;
- (iii) the IFA Letter as set out in **Appendix B** to this Circular;
- (iv) the FLT 805 Auditor's Opinion set out in **Appendix C** to this Circular;

¹ Prior appointment will be appreciated.

- (v) the Valuation Summaries as set out in **Appendix D** to this Circular;
- (vi) the full valuation reports on the Target Property issued by the Independent Valuers;
- (vii) the 2019 FLT Audited Financial Statements; and
- (viii) the written consents of each of the Financial Adviser, the IFA, the FLT 805 Auditor and the Independent Valuers.

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

By Order of the Board

Frasers Logistics & Industrial Asset Management Pte. Ltd.

(Registration Number: 201528178Z)

(as manager of Frasers Logistics & Industrial Trust)

14 February 2020

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

“1QFY20”	:	The financial quarter ended 31 December 2019
“2019 FCOT Audited Financial Statements”	:	The audited consolidated financial statements of the FCOT Group for FY2019
“2019 FLT Audited Financial Statements”	:	The audited consolidated financial statements of the FLT Group for FY2019
“Acquisition Announcement”	:	The acquisition announcement released on 2 December 2019 by the FLT Manager titled “The Proposed Merger Of Frasers Logistics & Industrial Trust and Frasers Commercial Trust by way of A Trust Scheme of Arrangement and the Proposed Acquisition of Farnborough Business Park”
“Acquisition Dates”	:	The Australian Property Acquisition Date and the dates of completion of the German Properties Acquisition, collectively
“Acquisition Fee”	:	The acquisition fee for the Proposed Merger or, as the case may be, the Proposed Asset Acquisition, which is payable to the FLT Manager pursuant to the FLT Trust Deed
“AEI”	:	Asset enhancement initiative
“Agreed Property Value”	:	The agreed value of the Target Property
“ALT”	:	Australian Land Trust, which 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
“Asset Acquisition Completion”	:	The completion of the Proposed Asset Acquisition
“Asset Acquisition Resolution”	:	Resolution 3, the Ordinary Resolution relating to the Proposed Asset Acquisition
“Audit, Risk and Compliance Committee”	:	The audit, risk and compliance committee of the FLT Manager
“Australian Properties Acquisition”	:	The acquisition of the three freehold logistics properties located in Australia
“Australian Property Acquisition Date”	:	The date of completion of the Australian Properties Acquisition, which is 20 August 2019

“B+S GmbH Logistik Facility”	:	Fuggerstraße 17, Bielefeld, Germany
“BNPP”	:	BNP Paribas Real Estate Advisory & Property Management UK Limited
“BofA Securities”	:	Merrill Lynch (Singapore) Pte. Ltd.
“Books Closure Date”	:	The date on which the transfer books and the Register of FCOT Unitholders of FCOT will be closed in order to determine the entitlements of the FCOT Unitholders in respect of the Trust Scheme
“Business Day”	:	A day (other than Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
“Cash Consideration”	:	S\$0.151 in cash to be paid to the FCOT Unitholders as part of the consideration for the acquisition of the FCOT Units pursuant to the Trust Scheme
“CBD”	:	Central Business District
“CBD office space”	:	An office space in the CBD
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular dated 14 February 2020
“CMS Licence”	:	Capital markets services licence for REIT management
“Consideration Units”	:	The new FLT Units to be issued to the FCOT Unitholders as part of the consideration for the acquisition of the FCOT Units pursuant to the Trust Scheme
“Court”	:	The High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Deposited Property”	:	Has the meaning ascribed to it in the FLT Trust Deed
“DPU”	:	Distribution per FLT Unit
“Dutch Acquisition”	:	The acquisition of the property in Mandeveld 12, Meppel, the Netherlands
“Effective Date”	:	The date on which the Trust Scheme becomes effective in accordance with its terms

“Encumbrances”	:	Any charge, assignment, mortgage, pledge, lien, hypothecation, restriction, judgment, encumbrance, easement, right of pre-emption, right to acquire, option, security, title retention, preferential right, trust arrangement or other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or a similar right in favour of any person
“Enlarged REIT”	:	The enlarged FLT entity following the completion of the Proposed Merger and the Proposed Asset Acquisition
“Exchange Ratio”	:	The exchange ratio that determines the number of Consideration Units to be issued for each FCOT Unit held by each FCOT Unitholder
“Existing ROFR”	:	The FLT ROFR, the FCOT 2009 ROFR and the FCOT 2017 ROFR, collectively
“Extraordinary General Meeting” or “EGM”	:	The extraordinary general meeting of FLT Unitholders to be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, notice of which is given on pages F-1 to F-2 of this Circular
“FATA”	:	Australian Foreign Acquisitions and Takeovers Act 1975
“FCOAM”	:	Frasers Commercial Asset Management Ltd.
“FCOT”	:	Frasers Commercial Trust
“FCOT 2009 ROFR”	:	The ROFR granted by the Sponsor to FCOT in 2009
“FCOT 2017 ROFR”	:	The ROFR granted by the Sponsor to FCOT in 2017
“FCOT Group”	:	FCOT and its subsidiaries, and each entity in the FCOT Group, a “FCOT Group Entity”
“FCOT Investment Properties”	:	Has the meaning ascribed to it in paragraph 7.2 of the Letter to FLT Unitholders
“FCOT Manager”	:	Frasers Commercial Asset Management Ltd., as manager of FCOT
“FCOT Trust Deed”	:	The trust deed constituting FCOT dated 12 September 2005 made between the FCOT Trustee and FCOT Manager (as amended and supplemented from time to time)
“FCOT Trustee”	:	British and Malayan Trustees Limited, as trustee of FCOT

“FCOT Permitted Distributions”	:	The distributions declared, paid or made by the FCOT Manager, in the ordinary course of business in respect of the period from 1 October 2019 to the Effective Date, including any clean-up distribution in respect of the period from the day following the latest completed financial quarter of FCOT preceding the Effective Date, up to the day immediately before the Effective Date
“FCOT Portfolio”	:	The portfolio of assets owned by FCOT comprising six commercial buildings and business park
“FCOT ROFRs”	:	Has the meaning ascribed to it in paragraph 3.6 of the Letter to FLT Unitholders
“FCOT Unitholders”	:	The registered holder for the time being of a FCOT Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term “FCOT Unitholder” shall in relation to FCOT Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with FCOT Units
“FCOT Units”	:	The issued and paid-up units in FCOT
“FCPMC”	:	Frasers Centrepont Property Management (Commercial) Pte. Ltd.
“Financial Adviser”	:	BofA Securities
“FIRB”	:	Foreign Investment Review Board
“FIRB Approval”	:	A prior no objections notification from the FIRB pursuant to the FATA
“FLIAM”	:	Frasers Logistics & Industrial Asset Management Pte. Ltd.
“FLT”	:	Frasers Logistics & Industrial Trust
“FLT 805 Auditor”	:	PricewaterhouseCoopers LLP
“FLT 805 Auditor’s Opinion”	:	Has the meaning ascribed to it in paragraph 7.2 of the Letter to FLT Unitholders
“FLT Group”	:	FLT and its subsidiaries, and each entity in the FLT Group, a “FLT Group Entity”
“FLT Manager”	:	Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of FLT

“FLT Permitted Distributions”	:	The distributions declared, paid or made by the FLT Manager, in the ordinary course of business in respect of the period from 1 October 2019 to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day following the latest completed financial half of FLT preceding the Effective Date, up to the day immediately before the Effective Date
“FLT ROFR”	:	The ROFR granted by the Sponsor to FLT in 2016
“FLT Trust Deed”	:	The trust deed constituting FLT dated 30 November 2015 made between the FLT Trustee and the FLT Manager (as amended and supplemented from time to time)
“FLT Trustee”	:	Perpetual (Asia) Limited, as trustee of FLT
“FLT Unitholders”	:	The registered holder for the time being of a FLT Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term “FLT Unitholder” shall in relation to FLT Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with FLT Units
“FLT Units”	:	The issued and paid-up units of FLT
“FPA”	:	Frasers Property Australia Pty Limited
“FPCTH”	:	Frasers Property Commercial Trust Holdings Pte. Ltd.
“FPITH”	:	Frasers Property Industrial Trust Holdings Pte. Ltd (formerly known as FCL Investments (Industrial) Pte. Ltd.)
“FY2019”	:	Financial year ended 30 September 2019
“FY2019 Acquisitions”	:	The Australian Properties Acquisition, the German Properties Acquisition and the acquisition of the equity interests in two property holding companies which hold interests in two freehold logistics properties located in Germany, namely the B+S GmbH Logistik Facility Acquisition and the Hermes Berlin Facility, collectively
“FY2019 Divestments”	:	The divestment of (i) 63-79 South Park Drive, Dandenong South, Victoria, Australia, (ii) 50% interest in 99 Sandstone Place, Parkinson, Queensland, Australia and (iii) the Heatherton Road Divestment
“FY20”	:	Financial year ending 30 September 2020
“FY21”	:	Financial year ending 30 September 2021

“FY22”	:	Financial year ending 30 September 2022
“FY23”	:	Financial year ending 30 September 2023
“FY24”	:	Financial year ending 30 September 2024
“GC”	:	Golden Capital (Singapore) Limited
“German Properties Acquisition”	:	The acquisition of the equity interests in eight property holding companies which hold interests in seven freehold logistics properties located in Germany
“GRI”	:	gross rental income
“GVA”	:	gross value added
“Heatherton Road Divestment”	:	The divestment of 610 Heatherton Road, Clayton South, Victoria, Australia
“IBHL”	:	International Beverage Holdings Limited
“IBIL”	:	InterBev Investment Limited
“IFA”	:	Deloitte & Touche Corporate Finance Pte Ltd
“IFA Letter”	:	The letter from the IFA to the Independent Directors and the FLT Trustee in relation to the Proposed Merger and the Proposed Asset Acquisition
“Implementation Agreement”	:	The implementation agreement entered into between the Parties on 2 December 2019 to effect the Proposed Merger of FLT and FCOT by way of the Trust Scheme
“Independent Directors”	:	The directors of the FLT Manager who are considered independent for the purposes of the Proposed Merger and the Proposed Asset Acquisition being an interested person transaction and an interested party transaction
“Independent Valuers”	:	BNPP and KF, collectively
“Joint Announcement”	:	The joint announcement released on 2 December 2019 by the FLT Manager and the FCOT Manager titled “Proposed Merger Of Frasers Logistics & Industrial Trust And Frasers Commercial Trust By Way Of A Trust Scheme Of Arrangement”
“Joint Announcement Date”	:	2 December 2019
“KF”	:	Knight Frank LLP
“Last Trading Date”	:	27 November 2019

“Latest Practicable Date”	:	6 February 2020, being the latest practicable date prior to the date of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST
“Loan Consideration”	:	The entire amount outstanding as at the date of the Asset Acquisition Completion under the existing shareholder’s loan extended by the Vendor to the Target Property Company
“Long-Stop Date”	:	30 June 2020 (or such other date as the Parties may agree in writing)
“MAS”	:	Monetary Authority of Singapore
“MM”	:	MM Group Limited
“MMC”	:	Maxtop Management Corp
“NAV”	:	Net asset value
“New Investment Mandate”	:	The new investment mandate of the Enlarged REIT
“Nominating and Remuneration Committee”	:	The nominating and remuneration committee of the FLT Manager
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of FLT Unitholders convened in accordance with the provisions of the FLT Trust Deed
“Parties”	:	The parties to the Implementation Agreement, being the FLT Trustee, the FLT Manager, the FCOT Trustee and the FCOT Manager, and each, a “Party”
“Property Funds Appendix”	:	Appendix 6 of the Code on Collective Investment Trust Schemes issued by the MAS
“Proposed Asset Acquisition”	:	The proposed acquisition of a 50% interest in the Target Property through the acquisition of a 50% interest in the Target Property Company
“Proposed Issuance of the Consideration Units”	:	The proposed allotment and issuance of the Consideration Units as part of the consideration for Proposed Merger

“Proposed Merger”	:	The proposed merger FLT and FCOT, effected through the acquisition by the FLT Trustee of all the FCOT Units held by FCOT Unitholders by way of the Trust Scheme
“Proposed Merger Resolutions”	:	Resolution 1, the Ordinary Resolution relating to the Proposed Merger and Resolution 2, the Ordinary Resolution relating to the Proposed Issuance of the Consideration Units, collectively
“Proxy Form”	:	The instrument appointing a proxy or proxies (as the case may be)
“Purchase Consideration”	:	The total purchase consideration payable by the Target Property Purchaser in connection with the Proposed Asset Acquisition
“REIT”	:	Real estate investment trust
“Relevant Asset”	:	Has the meaning ascribed to it in paragraph 3.6 of the Letter to FLT Unitholders
“Relevant Date”	:	The date on which the notice in writing is given for the termination of the Implementation Agreement
“Resulting ROFR”	:	The consolidated ROFR to be granted by the Sponsor to the trustee of the Enlarged REIT
“RM”	:	Risen Mark Enterprise Ltd.
“ROFR”	:	Rights of first refusal
“S-REIT”	:	Singapore-listed REIT
“Sale Share”	:	One ordinary share in the Target Property Company, comprising 50% of the issued share capital
“Scheme Conditions”	:	The conditions precedent to the Trust Scheme, set out in Appendix A to this Circular
“Scheme Consideration”	:	The scheme consideration for the Proposed Merger which shall be satisfied by the Consideration Units and the Cash Consideration
“Scheme Document”	:	The scheme document to be despatched to the FCOT Unitholders
“SCL”	:	Siriwana Company Limited
“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent

“Securities Act”	:	U.S. Securities Act of 1933, as amended
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Consideration”	:	The consideration for the Sale Share being the adjusted net asset value as at the Asset Acquisition Completion
“Share Purchase Agreement”	:	The conditional share purchase agreement entered into between, among others, the Vendor and the Target Property Purchaser
“SIC”	:	Securities Industry Council
“Sponsor” or “FPL”	:	Frasers Property Limited
“Sponsor Group” or “FPL Group”	:	The Sponsor and its related corporations
“sq ft”	:	Square feet
“sqm”	:	Square metres
“Takeover Code”	:	The Singapore Code on Take-overs and Mergers
“Target Property” or “FBP”	:	Farnborough Business Park
“Target Property Company”	:	Farnborough Business Park Ltd
“Target Property Purchaser”	:	FLT Europe Pte. Ltd.
“TCC Group”	:	The companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi
“TCCA”	:	TCC Assets Limited
“ThaiBev”	:	Thai Beverage Public Company Limited
“Trust Deed Amendments”	:	The amendments to be made to the FCOT Trust Deed to include, among others, provisions for the implementation of the Trust Scheme, subject to the necessary approvals being obtained at an extraordinary general meeting to be held immediately prior to the Trust Scheme Meeting
“Trust Scheme”	:	The trust scheme of arrangement to effect the Proposed Merger

“Trust Scheme Court Order”	:	The lodgement of the order of the Court sanctioning the Trust Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore
“Trust Scheme Meeting”	:	The court sanctioned Trust Scheme meeting of the FCOT Unitholders convened by FCOT to seek the necessary approvals to effect the Trust Scheme
“Valuation Summaries”	:	The valuation summaries on the Target Property issued by the Independent Valuers
“Vendor”	:	Frasers Property HoldCo (Jersey) Limited
“VWAP”	:	Volume weighted average price
“WALE”	:	The weighted average lease expiry based on GRI as at 31 December 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any)
“%”	:	Per centum or percentage
“A\$”	:	Australian dollars, being the lawful currency of the Commonwealth of Australia
“S\$” or “SGD”	:	Singapore dollars, being the lawful currency of the Republic of Singapore
“£”	:	British Pounds, being the lawful currency of the United Kingdom

All capitalised terms used and not defined in this Circular shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the FLT Manager in Singapore from the date of this Circular up to and including the date falling three months after the date of this Circular.

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

APPENDIX A: SCHEME CONDITIONS

All capitalised terms used and not defined in this Circular shall have the same meanings given to them in the Implementation Agreement.

The Proposed Merger is conditional upon:

- (a) **Amendments to FCOT Trust Deed:** the approval by the FCOT Unitholders holding in aggregate more than 75 per cent. of the total number of votes held by the FCOT Unitholders present and voting either in person or by proxy to amend the FCOT Trust Deed to include provisions for the implementation of the Trust Scheme, in such form and substance as agreed in writing by the Parties, at the extraordinary general meeting of the FCOT Unitholders to be convened;
- (b) **Trust Scheme:** the approval of the Trust Scheme by a majority in number of the FCOT Unitholders representing at least three-fourths in value of the FCOT Units held by the FCOT Unitholders present and voting either in person or by proxy at the Trust Scheme Meeting in compliance with the Trust Deed Amendments;
- (c) **Court Approval for the Trust Scheme:** the grant of the Trust Scheme Court Order by the Court;
- (d) **Regulatory Approvals:** the following Regulatory Approvals being obtained and such approvals not being revoked or withdrawn on or before the Relevant Date:
 - (i) confirmation from IRAS that stamp duty is not chargeable on the transfer of FCOT Units held by the FCOT Unitholders to the FLT Trustee and a tax ruling from IRAS that FCOT will be an approved sub-trust and enjoy tax transparency;
 - (ii) there being no objections from the MAS:
 - (1) to the withdrawal of the authorisation of FCOT as an authorised collective investment scheme in the event the Proposed Merger is implemented and FCOT is delisted from the Main Board of the SGX-ST; and
 - (2) to granting FCOT an exemption from Section 295(2) of the SFA in the event the authorisation of FCOT as an authorised collective investment scheme is withdrawn;
 - (iii) an exemption granted by the MAS to the FLT Manager from the requirements set out in Subdivision (3) of Division 2 (Collective Investment Schemes) of Part XIII (Offers of Investments) of the SFA, which relates to prospectus requirements, for the purposes of the Trust Scheme;
 - (iv) confirmations from the SIC that:
 - (1) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Trust Scheme, subject to any conditions that the SIC may deem fit to impose; and
 - (2) it has no objections to the conditions precedent as set out in this **Appendix A**;

- (v) the approval-in-principle from the SGX-ST of the Trust Scheme, the Scheme Document and for the proposed delisting of FCOT from the SGX-ST after the Trust Scheme becomes effective and binding in accordance with its terms; and
 - (vi) the approval-in-principle from the SGX-ST for the listing and quotation for the Consideration Units on the Main Board of the SGX-ST;
- (e) **Approval from FLT Unitholders:** approval of the FLT Unitholders for the Proposed Merger, the issue of Consideration Units as consideration for the Proposed Merger, and such other resolutions as may be necessary to give effect to and implement the Proposed Merger and the Trust Scheme;
- (f) **Authorisations and Consents:** in addition to the approvals aforementioned in paragraph (d) above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any and all Parties under any and all applicable laws, from all Governmental Agencies¹, for or in respect of the implementation of the Trust Scheme and the transactions contemplated under the Implementation Agreement;
- (g) **No Legal or Regulatory Restraint:** between the date of the Implementation Agreement and up to the Relevant Date, no issuance of any order, injunction, judgment, decree or ruling issued by any Governmental Agencies or by any court of competent jurisdiction preventing the consummation of the Proposed Merger or the implementation of the Trust Scheme, being in effect as at the Relevant Date;
- (h) **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence in relation to the FLT Group Entities² and/or FCOT Group Entities³ (as the case may be) occurs other than as required or contemplated by the Implementation Agreement, the Trust Scheme or the Proposed Merger;
- (i) **FCOT Representations and Warranties:** there being no breach of the representations and warranties of the FCOT Trustee and the FCOT Manager set out in the Implementation Agreement which are material in the context of the Trust Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date);
- (j) **FLT Representations and Warranties:** there being no breach of the representations and warranties of the FLT Trustee and the FLT Manager set out in the Implementation Agreement which are material in the context of the Trust Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date);
- (k) **Third Parties:** the receipt of all authorisations, consents, waivers, clearances, permissions and approvals as are necessary or required by FCOT from the Third Parties, for or in respect of the implementation of the Trust Scheme and/or the Proposed Merger; and

¹ "Governmental Agencies" means any foreign or Singaporean supranational, national, federal, state, provincial, municipal, government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity.

² "FLT Group Entities" means FLT and the subsidiaries of FLT, and "FLT Group Entity" refers to any of them.

³ "FCOT Group Entities" means FCOT and the subsidiaries of FCOT, and "FCOT Group Entity" refers to any of them.

- (I) **No Material Adverse Effect:** between the date of the Implementation Agreement and up to the Relevant Date, there being no occurrence of any Material Adverse Effect in relation to the FLT Group and/or the FCOT Group.

“Material Adverse Effect” means an event or events, whether individually or in aggregate, occurring from the date of the Implementation Agreement and up to the Relevant Date, which has or have the effect of causing a diminution:

- (i) in relation to the FLT Group, in the consolidated net tangible assets of the FLT Group by more than 10 per cent. as compared to the consolidated net tangible assets attributable to FLT Unitholders of A\$2,313.8 million (approximately S\$2,153.5 million) as at 30 September 2019 as stated in the 2019 FLT Audited Financial Statements; and
- (ii) in relation to the FCOT Group, in the consolidated net tangible assets of the FCOT Group by more than 10 per cent. as compared to the consolidated net tangible assets of the FCOT Group of S\$1,481.5 million as at 30 September 2019 as stated in 2019 FCOT Audited Financial Statements.

For the avoidance of doubt, distributions that have already been paid to the FLT Unitholders or FCOT Unitholders prior to the Joint Announcement Date, as well as the FLT Permitted Distributions and FCOT Permitted Distributions shall not be taken into account in determining if there has been a Material Adverse Effect.

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APPENDIX B: INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

14 February 2020

Perpetual (Asia) Limited
(as trustee of Frasers Logistics & Industrial Trust)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

The Independent Directors and the Audit, Risk and Compliance Committee
Frasers Logistics & Industrial Asset Management Pte. Ltd.
(as manager of Frasers Logistics & Industrial Trust)
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

Dear Sir/ Madam

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO:

- 1) THE PROPOSED MERGER OF FLT AND FRASERS COMMERCIAL TRUST ("FCOT") BY WAY OF A TRUST SCHEME OF ARRANGEMENT (THE "PROPOSED MERGER")**
- 2) THE PROPOSED ACQUISITION OF A 50% INTEREST IN FARNBOROUGH BUSINESS PARK (THE "PROPOSED ASSET ACQUISITION")**

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Circular dated 14 February 2020 (the "Circular") of Frasers Logistics & Industrial Trust in relation to the above matters.

1. INTRODUCTION

1.1. The Proposed Merger & Proposed Asset Acquisition

On 2 December 2019, the respective boards of directors of the FLT Manager and the FCOT Manager jointly announced the Proposed Merger.

The Proposed Merger will be effected through the acquisition by the FLT Trustee of all the issued and paid-up units in FCOT (the "FCOT Units") held by FCOT Unitholders by way of the Trust Scheme in compliance with the Takeover Code.

The Proposed Merger will be effected as follows:

1.1.1. Approval of the Proposed Merger and the Proposed Issuance of the Consideration Units

The FLT Manager is seeking the approval of the unitholders of FLT (the "FLT Unitholders") through an extraordinary general meeting of FLT Unitholders to acquire FCOT via the Trust Scheme, as the transaction would constitute an "interested person transaction" and a "major acquisition" under the listing manual and an "interested party transaction" under the Property Funds Appendix, with the FCOT Unitholders receiving a combination of cash and Consideration Units in exchange

for the FCOT Units. The FLT Manager is also seeking the approval of the FLT Unitholders for the Proposed Issuance of the Consideration Units.

1.1.2. Approval of the Trust Scheme and the Trust Deed Amendments

FCOT will convene a court sanctioned Trust Scheme meeting of the FCOT Unitholders to seek the necessary approvals to effect the Trust Scheme (the "Trust Scheme Meeting"). FCOT will also convene an extraordinary general meeting immediately prior to the Trust Scheme Meeting to seek the necessary approvals to amend the trust deed constituting FCOT dated 12 September 2005 made between British and Malayan Trustees Limited, in its capacity as trustee of FCOT (the "FCOT Trustee") and the FCOT Manager (as amended and supplemented from time to time) (the "FCOT Trust Deed") to include, among others, provisions for the implementation of the Trust Scheme (the "Trust Deed Amendments").

1.1.3. Proposed Asset Acquisition

Conditional upon, among others, the completion of the Proposed Merger and the approval of the FLT Unitholders, FLT will be acquiring from a wholly-owned subsidiary of the Sponsor, a 50% interest in Farnborough Business Park (the "Target Property" or "FBP") through the acquisition of 50% of the issued share capital of Farnborough Business Park Ltd, being the company holding the Target Property (the "Target Property Company"). The remaining 50% of the Target Property Company is currently held by a wholly-owned subsidiary of FCOT. For the avoidance of doubt, the Proposed Merger will not be conditional upon the Asset Acquisition Resolution (as defined herein) being passed or the completion of the Proposed Asset Acquisition.

1.1.4. Post-Merger

On completion of the Proposed Merger, the FLT Trustee would hold 100% of the FCOT Units.

1.1.5. Delisting FCOT

FCOT will be delisted from the Main Board of the SGX-ST.

1.1.6. The New Investment Mandate of the Enlarged REIT

The new investment mandate of the Enlarged REIT will be to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes; or
- (b) commercial purposes (comprising primarily office space in a CBD (as defined herein) ("CBD office space")) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom),

(the "New Investment Mandate").

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course.

It is proposed that upon the New Investment Mandate coming into effect, the existing rights of first refusal ("ROFRs", and the existing ROFRs, "Existing ROFRs") granted by the sponsor of both FCOT and FLT, Frasers Property Limited ("FPL" or the "Sponsor"), to the FCOT Trustee and the FLT Trustee will be consolidated into one ROFR to be granted by the Sponsor to the trustee of the Enlarged REIT (the "Resulting ROFR").

For further details on the terms of the Resulting ROFR, please see paragraph 3.6 of the Letter to FLT Unitholders.

1.2. Summary of Approvals Sought

1.2.1. Resolution 1: the Proposed Merger

The FLT Manager is convening the Extraordinary General Meeting to seek approval for the Proposed Merger effected through the proposed acquisition by Perpetual (Asia) Limited, in its capacity as trustee of the FLT (the "FLT Trustee") of all the issued and paid-up units in FCOT held by the FCOT Unitholders, by way of a trust scheme of arrangement.

1.2.2. Resolution 2: the Proposed Issuance of the Consideration Units

The FLT Manager is convening the Extraordinary General Meeting to seek approval for the FLT Manager to issue, in the manner described in the Circular, new units in FLT to the FCOT Unitholders as part of the consideration for the acquisition of the FCOT Units pursuant to the Trust Scheme.

1.2.3. Resolution 3: the Proposed Asset Acquisition

The FLT Manager is convening the Extraordinary General Meeting to seek approval for the proposed acquisition of Farnborough Business Park through the acquisition of a 50% interest in the Target Property Company from Frasers Property HoldCo (Jersey) Limited for a purchase consideration of approximately £90.1 million (approximately S\$157.7 million¹) on the terms and subject to the conditions set out in the share purchase agreement (the "Share Purchase Agreement") entered into between FLT Europe Pte. Ltd., Frasers Property HoldCo (Jersey) Limited and Frasers Property International Pte. Ltd.; and

FLT UNITHOLDERS SHOULD NOTE THAT RESOLUTION 1 AND RESOLUTION 2 (COLLECTIVELY, THE "PROPOSED MERGER RESOLUTIONS") ARE INTER-CONDITIONAL ON EACH OTHER. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT APPROVED, NONE OF THE PROPOSED MERGER RESOLUTIONS WILL BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED MERGER AND THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS.

FLT UNITHOLDERS SHOULD ALSO NOTE THAT RESOLUTION 3, WHICH RELATES TO THE PROPOSED ASSET ACQUISITION (THE "ASSET ACQUISITION RESOLUTION"), WILL BE CONDITIONAL UPON THE PROPOSED MERGER RESOLUTIONS BEING APPROVED BY THE FLT UNITHOLDERS AT THE SAME EGM BUT THE PROPOSED MERGER RESOLUTIONS WILL NOT BE CONDITIONAL UPON THE ASSET ACQUISITION RESOLUTION BEING PASSED OR THE COMPLETION OF THE PROPOSED ASSET ACQUISITION. THIS MEANS THAT IF EITHER OF THE PROPOSED MERGER RESOLUTIONS IS NOT PASSED, THE ASSET ACQUISITION RESOLUTION WILL NOT BE CARRIED AND THE FLT MANAGER SHALL NOT PROCEED WITH THE PROPOSED ASSET ACQUISITION.

1.3. Appointment of Independent Financial Adviser ("IFA")

Deloitte & Touche Corporate Finance Pte Ltd ("**Deloitte**") have been appointed by the FLT Manager and the FLT Trustee to advise the audit, risk and compliance committee of the FLT Manager (the "Audit, Risk and Compliance Committee") the directors of the FLT Manager who are considered independent for the purposes of the interested person transaction and interested party transaction (the "Independent Directors") and the FLT Trustee, as to whether the Proposed Merger and the Proposed Asset Acquisition are on normal commercial terms and are not prejudicial to the interests of FLT and its minority unitholders and as to whether the Independent Directors should

¹ For the purposes of the Proposed Asset Acquisition, the S\$ equivalent of the £ figures have been arrived at based on the exchange rate of £1: S\$1.75.

recommend Unitholders to vote in favour of or against the Proposed Merger and the Proposed Asset Acquisition. We are appointed as the Independent Financial Adviser, as required under Rule 921(4)(a) of the Listing Manual, to provide an opinion as to whether the Proposed Merger and the Proposed Asset Acquisition are on normal commercial terms and are not prejudicial to the interests of FLT and its minority unitholders.

This letter sets out our assessment of the financial terms of the Proposed Merger and Proposed Asset Acquisition and our recommendation to the Audit, Risk and Compliance Committee, the Independent Directors and FLT Trustee. It will form part of the Circular to provide the recommendations of the Independent Directors on the actions to be taken by Unitholders.

2. TERMS OF REFERENCE

We have confined our evaluation and assessment to the financial terms of the Proposed Merger and Proposed Asset Acquisition and have not taken into account the commercial risks or commercial merits of the Proposed Merger and Proposed Asset Acquisition.

We have not been requested and we do not express any advice or give any opinion on the merits of the Proposed Merger and Proposed Asset Acquisition relative to any other alternative. We were not involved in the negotiations pertaining to the Proposed Merger and Proposed Asset Acquisition nor were we involved in the deliberations leading up to the decision to put forth the Proposed Merger and Proposed Asset Acquisition for the approval of Unitholders.

The scope of our appointment does not require us to express and we do not express any view on the future growth prospects, financial position or earnings potential of FLT. Such evaluation or comments remains the responsibility of the FLT Manager although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the FLT Manager. This Letter therefore does not reflect any projections on the future financial performance of FLT.

We have not been requested or authorised to solicit and we have not solicited any indications of interest from any third party with respect to the FLT Units. In that regard, we have not addressed the relative merits of the Trust Scheme in comparison with any alternative transaction that FLT may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of FLT Manager and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us whether written or verbal by FLT Manager and its professional advisers. Whilst care has been exercised in reviewing the information we have relied upon and we have made reasonable enquiries and exercised judgement in the use of such information, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information.

The FLT Manager has confirmed, having made all reasonable inquiries and to the best of its knowledge, information and belief, all material information in connection with the Proposed Merger and Proposed Asset Acquisition has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to FLT stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors of FLT Manager have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

The information which we relied on is based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date (as defined herein) and may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. The Unitholders should take note of any announcements relevant to their consideration of the Trust Scheme which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of individual Unitholders. As each Unitholder may have different investment profiles and objectives, we advise the Directors of the FLT Manager to recommend that the Unitholders who may require specific advice in relation to their investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The FLT Manager has been separately advised by its own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Circular.

We hereby consent to a copy of this Letter to be reproduced in the Circular and save for purposes of the Proposed Merger and the Proposed Asset Acquisition (including for such use in the Circular and in the related Court Hearings), neither FLT nor the Directors of the FLT Manager or the FLT Trustee may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of Deloitte in each specific case.

This Letter and our opinion are in compliance with Rule 921(4)(a) of the Listing Manual as well as addressed expressly to the Independent Directors of the FLT Manager, the Audit, Risk and Compliance Committee and the FLT Trustee for their benefit and deliberation in respect of the Proposed Merger and Proposed Asset Acquisition. The recommendations made by the Independent Directors of FLT Manager to the FLT Unitholders in relation to the Proposed Merger and Proposed Asset Acquisition shall remain the responsibility of the Independent Directors of the FLT Manager. Our recommendation to the FLT Independent Directors, the Audit, Risk and Compliance Committee and the FLT Trustee in relation to the Proposed Merger and Proposed Asset Acquisition should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON THE OFFEREE AND THE OFFEROR

3.1 The Offeror

FLT

FLT was listed on the Main Board of the SGX-ST on 20 June 2016. FLT is a Singapore real estate investment trust ("REIT") constituted by a trust deed dated 30 November 2015 made between the FLT Trustee and the FLT Manager (as amended and supplemented from time to time) (the "FLT Trust Deed") and established with the investment objective of investing globally in a diversified portfolio of income-producing real estate assets which are predominantly used for logistics or industrial purposes (which include office components ancillary to the foregoing purposes). As at 6 February 2020, being the Latest Practicable Date prior to the date of this Circular (the "Latest Practicable Date" or "LPD"), FLT's portfolio comprises 93 properties located across Australia, Germany and the Netherlands.

FLT Manager

FLT is managed by the FLT Manager, a wholly-owned subsidiary of the Sponsor. Incorporated on 7 July 2015, the FLT Manager currently holds a capital markets services licence ("CMS Licence")

for REIT management pursuant to the Securities and Futures Act, Chapter 289 of Singapore (the "SFA").

3.2 The Offeree

FCOT

FCOT was listed on the Main Board of the SGX-ST on 30 March 2006. It is a Singapore REIT constituted by the FCOT Trust Deed and established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of real estate assets located in the Asia-Pacific region and Europe including the United Kingdom used for commercial purposes (comprising primarily office, business space and/or business park purposes). As at the LPD, FCOT's portfolio comprises six properties located across Singapore, Australia and the United Kingdom.

FCOT Manager

FCOT is managed by the FCOT Manager, a wholly-owned subsidiary of the Sponsor. Incorporated on 15 March 2005 in Singapore, the FCOT Manager currently holds a CMS Licence for REIT management pursuant to the SFA.

4. DETAILS OF THE PROPOSED MERGER

4.1 Implementation Agreement

In connection with the Proposed Merger, the FLT Trustee, the FLT Manager, the FCOT Trustee and the FCOT Manager (each a "Party", and collectively, the "Parties") have on 2 December 2019 entered into an implementation agreement (the "Implementation Agreement") setting out the terms and conditions on which the Parties will implement the Trust Scheme.

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the date falling on the Business Day (as defined herein) immediately preceding the Effective Date (as defined herein) (the "Relevant Date"), subject to the prior consultation with the Securities Industry Council (the "SIC"), and the SIC giving its approval for, or stating that it has no objection to, such termination, in certain circumstances specified in the Implementation Agreement.

Upon the termination of the Implementation Agreement by either (i) the FLT Trustee and the FLT Manager or (ii) the FCOT Trustee and the FCOT Manager in accordance with its terms, no Party shall have a claim against any other Party, except in relation to certain surviving provisions such as those relating to, amongst others, confidentiality, costs and expenses and governing law.

Upon the Trust Scheme becoming effective and binding in accordance with its terms, all the FCOT Units will be transferred to the FLT Trustee:

- (i) fully paid;
- (ii) free from any Encumbrances; and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the date of the Joint Announcement (as defined herein) and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared by FCOT on or after the date of the Joint Announcement, except for the FCOT Permitted Distributions.

4.2 Scheme Consideration

In consideration of the transfer of FCOT Units, each of the FLT Trustee and the FLT Manager agrees, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the Scheme Consideration for each FCOT Unit held by each FCOT Unitholder as at the Books Closure Date:

- (i) firstly, the payment by the FLT Trustee of the Cash Consideration i.e. a sum of S\$0.151 in cash; and
- (ii) secondly, the allotment and issuance (or the procurement of such allotment and issuance) by the FLT Manager of the Consideration Units i.e. 1.233 new FLT Units at an issue price of S\$1.240² per FLT Unit, such Consideration Units to be credited as fully paid,

in accordance with the terms and conditions of the Implementation Agreement. The Scheme Consideration implies a gross exchange ratio of 1.355x which is based on the Scheme Consideration of S\$1.680 per FCOT Unit divided by issue price of S\$1.240 per FLT Unit.

The Scheme Consideration was determined based on commercial negotiations between the FLT Manager and the FCOT Manager. Factors taken into account in arriving at the Scheme Consideration included (without limitation): (i) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of FLT and FCOT; and (ii) the DPU accretion to the FCOT Unitholders on a pro forma basis.

The aggregate Cash Consideration to be paid to each FCOT Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each FCOT Unitholder will be entitled to pursuant to the Trust Scheme, based on the FCOT Units held by such FCOT Unitholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any FCOT Unitholder pursuant to the Trust Scheme.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a FCOT Unitholder will receive S\$15.10 in cash and 123 Consideration Units for every 100 FCOT Units held by it as at the Books Closure Date.

The Consideration Units shall:

- (i) when issued, be duly authorised, validly issued and fully paid-up and shall rank pari passu in all respects with the existing FLT Units as at the date of their issue³;
- (ii) be issued no later than seven Business Days from the Effective Date; and
- (iii) be issued free from all and any restrictions on transfers and other Encumbrances (as defined herein) (subject to the limitations on ownership of FLT Units as set out in the FLT Trust Deed, further details of which will be set out in the Scheme Document) and no person has or shall have any rights of pre-emption over the Consideration Units.

Immediately upon completion of the Proposed Merger and the Proposed Asset Acquisition, the Sponsor and its related corporations (the "Sponsor Group" or "FPL Group") will hold approximately 21.9% of the total issued units in the Enlarged REIT.

4.3 Scheme Conditions

The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions set out in the Implementation Agreement and reproduced in Appendix A to the Circular by the Long-Stop Date.

The Trust Scheme will become effective on the date (the "Effective Date") of the written notification to the Monetary Authority of Singapore ("MAS") of the grant of the order of the Court (as defined herein) sanctioning the Trust Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore (the "Trust Scheme Court Order"), which shall be effected by or on behalf

² The issue price of S\$1.240 per FLT Unit is equal to the 1-month VWAP of S\$1.240 per FLT Unit. The 1-month VWAP is with reference to the period from 25 October 2019 to 27 November 2019 (taking into consideration the public holiday falling on 28 October 2019).

³ For the avoidance of doubt, the Consideration Units shall not be entitled to the FLT Permitted Distributions (as defined herein) (please see paragraph 3.5 of the Letter to FLT Unitholders for further details).

of the FLT Manager within 25 Business Days (as defined herein) from the date on which the last Scheme Condition set out in paragraphs (a), (b), (c), (d), (e), (f) and (k) of Appendix A to the Circular is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

4.4 Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement, the FCOT Manager and the FLT Manager are each permitted to announce, declare, make or pay distributions in cash to the FCOT Unitholders and the FLT Unitholders (as the case may be) only if such distributions are announced, declared, paid or made by the FCOT Manager or the FLT Manager (as the case may be), in the ordinary course of business and the usual quantum in respect of the period from 1 October 2019 up to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day immediately following (i) the latest completed financial quarter of FCOT or (ii) the latest completed financial half year of FLT (as the case may be) preceding the Effective Date, up to the day immediately before the Effective Date (respectively, the "FCOT Permitted Distributions" and "FLT Permitted Distributions").

As mentioned above, the FCOT Unitholders shall have the right to receive and retain the FCOT Permitted Distributions (if any) in addition to the Scheme Consideration.

4.5 Expansion of the Investment Mandate

On 2 December 2019, the FLT Manager announced that in connection with and subject to the completion of the Proposed Merger, it intends to expand the investment mandate of the Enlarged REIT pursuant to the FLT Trust Deed. Under the FLT Trust Deed, the FLT Manager may from time to time change its investment policies subject to compliance with the Listing Manual so long as it has given not less than 30 days' prior notice of the change to the FLT Trustee and the FLT Unitholders by way of an announcement to the SGX-ST.

The New Investment Mandate is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes, or
- (b) commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom).

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course.

Upon the New Investment Mandate coming into effect, the Existing ROFRs granted by the Sponsor to the FCOT Trustee and the FLT Trustee will be consolidated into the Resulting ROFR. It is intended that the Relevant Assets (as defined herein) covered by the Resulting ROFR will mirror the New Investment Mandate and the Resulting ROFR will subsist for so long as:

- (i) FLT is listed on and quoted for on the Main Board of the SGX-ST;
- (ii) Frasers Logistics & Industrial Asset Management Pte. Ltd. or any of its related corporations remains the manager of FLT;
- (iii) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of FLT; and
- (iv) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of FLT.

The "Existing ROFRs" refer to the following ROFRs which have been granted by the Sponsor to FLT and FCOT respectively:

- (a) the ROFR granted by the Sponsor to FLT in 2016 (the "FLT ROFR");
- (b) the ROFR granted by the Sponsor to FCOT in 2009 (the "FCOT 2009 ROFR"); and
- (c) the ROFR granted by the Sponsor to FCOT in 2017 (the "FCOT 2017 ROFR", and together with the FCOT 2009 ROFR, the "FCOT ROFRs").

The table below sets out a comparison of the scope of assets covered by the Existing ROFRs and the scope of assets covered by the Resulting ROFR.

Existing ROFRs	Resulting ROFR
<p><u>FLT ROFR</u></p> <p>The scope of the FLT ROFR covers any proposed disposal of completed income-producing real estate assets located globally, which are used for logistics or industrial purposes and where such real estate assets used for "logistics" or "industrial" purposes also include office components ancillary to the foregoing purposes.</p> <p><u>FCOT ROFRs</u></p> <p>1. <u>FCOT 2009 ROFR</u>: The scope of the FCOT 2009 ROFR covers any proposed disposal or acquisition of completed income producing property located in the Asia-Pacific region used for commercial purposes (comprising primarily office and/or business space purposes).</p> <p>2. <u>FCOT 2017 ROFR</u>: The scope of the FCOT 2017 ROFR covers any proposed disposal of real estate assets located in Europe (including the United Kingdom) used for commercial purposes (comprising primarily office, business space and/or business park purposes).</p>	<p>The scope of the Resulting ROFR covers any proposed disposal of completed income-producing real estate:</p> <p>(a) used for logistics or industrial purposes and located globally, and such real estate assets used for "logistics" or "industrial" purposes may also include office components ancillary to the foregoing purposes, or</p> <p>(b) used for commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom),</p> <p>("Relevant Asset").</p> <p>For the purposes of and notwithstanding anything to the contrary in the Resulting ROFR, where the Enlarged REIT does not own an asset in a certain asset class and the scope of the Enlarged REIT's investment mandate is amended to exclude that asset class, the definition of "Relevant Asset" shall be deemed to be modified accordingly to exclude that asset class.</p>

Unlike the FCOT ROFRs, the Resulting ROFR will cease to refer to the terminology of "business space purposes". This is because the scope of the Resulting ROFR follows the scope of the New Investment Mandate, which does not use this terminology. In connection with the Proposed Merger, the investment mandate of the Enlarged REIT will be expanded to include the asset classes of the Existing ROFRs, including assets used for logistics, industrial, commercial and business park purposes. In light of the foregoing, the intention is to shift away from the terminology of "business space purposes" in order to streamline the language of the Resulting ROFR and more accurately describe the combined scope of the asset classes which will be held by the Enlarged REIT following the Proposed Merger.

Further, unlike the FCOT 2009 ROFR, the Resulting ROFR will also cease to cover any offer to acquire Relevant Assets received by the Sponsor and will only apply to proposed disposal of a Relevant Asset by the Sponsor or its subsidiaries for the purpose of consistency with the FCOT 2017 ROFR and the FLT ROFR and which are in line with the requirements in Practice Note 4.1 of the Listing Manual.

4.6 FLT's Future Intentions For the Enlarged REIT

Assuming the completion of the Proposed Merger:

- (i) the FLT Manager intends to expand the investment mandate of the Enlarged REIT pursuant to the FLT Trust Deed.

The New Investment Mandate of the Enlarged REIT will be to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes, or
- (b) commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom).

The FLT Manager also intends to adopt a new name for the Enlarged REIT, in line with the New Investment Mandate. This will be announced in due course.

Upon the New Investment Mandate coming into effect, the Existing ROFRs granted by the Sponsor to the FCOT Trustee and the FLT Trustee will be consolidated into the Resulting ROFR;

- (ii) as at the LPD, the functional currency of FLT is Australian dollars, and dual currency trading in Australian dollars and Singapore dollars is available in respect of the FLT Units, which may be traded through either the counter traded in Singapore dollars or the counter traded in Australian dollars. Following completion of the Proposed Merger, the FLT Manager intends to change the functional currency of the Enlarged REIT to Singapore dollars (which is also the functional currency of FCOT) and close the counter traded in Australian dollars. The change in functional currency of the Enlarged REIT and the closure of the counter traded in Australian dollars are not expected to have any material adverse impact on the FLT Unitholders. The FLT Manager also intends to remove the option of FLT Unitholders to elect to receive distributions declared, paid or made by the FLT Manager in Australian dollars;
- (iii) in view of the Enlarged REIT, the Nominating and Remuneration Committee of the FLT Manager will review the composition of the board of directors and management of the FLT Manager. The appointment of any new directors or key management staff of the FLT Manager (if any) will be subject to the approval of the board of directors of the FLT Manager and (if applicable) the MAS;
- (iv) it is intended that the FCOT Manager will be replaced by the FLT Manager as soon as practicable upon completion of the Proposed Merger such that the FLT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing FCOT. The FCOT Manager will be entitled to a prorated performance fee accruing from 1 October 2019 to the date of the delisting of FCOT and a prorated base fee accruing from the day following the latest completed financial quarter of FCOT preceding the Effective Date to the date of the delisting of FCOT in accordance with the existing trust deed constituting FCOT. There will be no double counting of management fees to the FCOT Manager and the FLT Manager in respect of the FCOT portfolio between the Effective Date and the date of the delisting of FCOT. Further, the fee structure of FCOT with respect to the fees payable to the manager of FCOT will be amended to reflect the fee structure in the FLT Trust Deed such that the existing fee structure of FLT is retained. There is currently no intention to make any changes to the fees and charges payable to the FCOT Trustee under the FCOT Trust Deed; and

- (v) conditional upon, amongst others, the approval by the FLT Unitholders, FLT intends to acquire from a wholly-owned subsidiary of FPL, a 50% interest in the Target Property through the acquisition of 50% of the issued share capital of the Target Property Company, being the company holding the Target Property. The remaining 50% of the issued share capital of the Target Property Company is currently held by a wholly-owned subsidiary of FCOT.

Save as set out above, there is presently no intention to (i) introduce any major changes to the business of FCOT, (ii) re-deploy the fixed assets of FCOT, or (iii) discontinue the employment of the employees of the FCOT Manager, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Proposed Merger.

However, the board of directors of the FLT Manager retains and reserves the right and flexibility at any time to consider any options in relation to the Enlarged REIT which may present themselves and which it may regard to be in the interest of the Enlarged REIT.

There may be interested person transactions (as defined in the Listing Manual) and interested party transactions (as defined in the Property Funds Appendix) entered into in the ordinary course of business of the enlarged FLT Group upon completion of the Merger. FLT will comply with the Listing Manual and Property Funds Appendix and make the relevant disclosures under Rule 905 of the Listing Manual and the Property Funds Appendix if the aggregate value of such interested person transactions or interested party transactions entered into in the same financial year (excluding the interested person transactions or interested party transactions which have been approved by the FLT Unitholders) is 3% or more of the latest audited net tangible assets or net asset value of the FLT Group.

5. DETAILS OF THE PROPOSED ASSET ACQUISITION

5.1 Information on the Target Property

Farnborough Business Park is located in United Kingdom with a lettable area of approximately 51,006 square metres ("sqm") and is sited on freehold land.

The table below sets out a summary of selected information on the Target Property.

Property Address	Site Area (hectares)	Lettable Area (sqm)	WALE (years) (as at 31 December 2019)	Occupancy Rate (as at 31 December 2019)	Land Tenure
Farnborough, Hampshire GU14 7JP, United Kingdom	46.5	51,006	6.6	99.1%	Freehold

5.2 Purchase Consideration

The total purchase consideration payable by the Target Property Purchaser in connection with the Proposed Asset Acquisition (the "Purchase Consideration") to be paid wholly in cash is the sum of:

- (i) the consideration for the Sale Share ("Share Consideration") being the adjusted net asset value as at the date of completion of the Proposed Asset Acquisition (the "Asset Acquisition Completion"), taking into account 50% of the agreed value of the Target Property of

£181.0 million (approximately S\$316.8 million)⁴ (the "Agreed Property Value"). The Agreed Property Value was arrived at on a willing-buyer and willing-seller basis taking into account the two independent valuations obtained for the Target Property; and

- (ii) the entire amount outstanding as at the date of the Asset Acquisition Completion under the existing shareholder's loan extended by the Vendor to the Target Property Company (the "Loan Consideration") which is to be fully discharged on Asset Acquisition Completion.

5.3 Valuation

The FLT Trustee has commissioned an independent property valuer, Knight Frank LLP ("KF"), and the FLT Manager has commissioned another independent property valuer, BNP Paribas Real Estate Advisory & Property Management UK Limited ("BNPP") (together with KF, the "Independent Valuers"), to value the Target Property.

KF, in its report stated that the market value of the Target Property as at 30 November 2019 is £182.7 million (approximately S\$319.7 million) on 100% basis. In arriving at the open market value, KF relied on the capitalisation approach and direct comparison methods.

Separately, BNPP in its report stated that the market value of the Target Property as at 30 November 2019 is £180.5 million (approximately S\$315.9 million) on 100% basis. In arriving at the open market value, BNPP relied on the capitalisation approach and direct comparison methods.

The Agreed Property Value of the Target Property of £181.0 million (approximately S\$316.8 million), is not higher than the two independent valuations conducted by the Independent Valuers and represents a discount of 0.9% to the independent valuation conducted by KF.

50% of the Agreed Property Value is taken into account when determining the adjusted net asset value of the Target Property Company for purposes of computing the Purchase Consideration.

(See Appendix D to the Circular for further details regarding the valuations of the Target Property.)

5.4 Certain Terms and Conditions of the Proposed Acquisition

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

- (i) the completion of the Proposed Merger;
- (ii) the passing at an EGM of FLT Unitholders of the resolution to approve the Proposed Asset Acquisition; and
- (iii) the Purchaser having obtained adequate financing to fund the Proposed Asset Acquisition.

5.5 Estimated Total Cost of the Proposed Asset Acquisition

The total cost of the Proposed Asset Acquisition is currently estimated to be approximately S\$159.9 million comprising:

- (i) the estimated Purchase Consideration of £90.1 million (approximately S\$157.7 million), being the sum of (a) the estimated consideration for the Sale Share of £45.5 million (approximately S\$79.6 million) which is subject to adjustment post-Asset Acquisition Completion, and (b) the Loan Consideration of £44.6 million (approximately S\$78.1 million);
- (ii) the Acquisition Fee of approximately S\$0.8 million representing 0.5% of 50% of the Agreed Property Value of the Target Property, which is payable in new FLT Units to the FLT Manager for the Proposed Asset Acquisition; and

⁴ For the purposes of the Proposed Asset Acquisition, the S\$ equivalent of the £ figures have been arrived at based on the exchange rate of £1: S\$1.75.

- (iii) the estimated professional and other fees and expenses of approximately S\$1.4 million incurred or to be incurred by the Enlarged REIT in connection with the Proposed Asset Acquisition.

5.6 Payment of Acquisition Fee in Units

As the Proposed Asset Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee payable to the FLT Manager in respect of the Proposed Asset Acquisition will be in the form of FLT Units, which shall not be sold within one year from the date of issuance.

5.7 Method of Financing

The FLT Manager intends to finance the Proposed Asset Acquisition (excluding the Acquisition Fee in respect of the Proposed Asset Acquisition which will be paid in new FLT Units) with debt financing.

6. RATIONALE

6.1 Rationale for the Proposed Merger

The rationale for the Proposed Merger is set out below:

- (i) DPU and NAV Accretive to FLT Unitholders
 - (ii) Flagship Portfolio of Commercial and Industrial Assets
 - (iii) Creation of a Top-10 S-REIT
 - (iv) Enhanced Portfolio Quality and Diversification
 - (v) Growth Trajectory from Enlarged Capital Base and ROFR Pipeline
- (See paragraph 6 of the Letter to FLT Unitholders for further details.)

6.2 Rationale for the Proposed Asset Acquisition

The rationale for the Proposed Asset Acquisition is set out below:

- (i) Strategic Expansion in the Attractive Thames Valley Business Park Market
 - (ii) Award Winning and Strategically Located Business Park
 - (iii) DPU Accretive and Consistent with the Enlarged REIT's Investment Strategy
 - (iv) Embedded Growth Potential
- (See paragraph 6 of the Letter to FLT Unitholders for further details.)

7. OUR ASSESSMENT OF THE FINANCIAL TERMS OF THE TRUST SCHEME

In evaluating and assessing the financial terms of the Scheme Consideration, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

For the Proposed Merger

- (1) The rationale for the Proposed Merger;
- (2) Market quotations and liquidity of the FCOT Units;
- (3) Comparison of the Scheme Consideration with market quotations for FCOT Units;
- (4) The cash component of the Scheme Consideration;
- (5) Comparison of the Scheme Consideration with the NAV per FCOT Unit;
- (6) Comparison of the P/NAV of the FCOT Units with selected comparable commercial S-REITs;
- (7) Assurance given by the SSA 805 review by the FLT 805 Auditor;

- (8) Comparison with precedent amalgamations and takeovers of selected S-REITs;
- (9) Analysis of the premia paid in selected precedent takeovers;
- (10) Market quotations and liquidity of the FLT Units;
- (11) Comparison of the issue price of Consideration Units with market quotations for the FLT Units;
- (12) Comparison of the issue price of Consideration Units with the NAV per FLT Unit;
- (13) Comparison of the P/NAV of the FLT Units with selected comparable logistics and industrial S-REITs; and

For the Proposed Asset Acquisition

- (14) The rationale for the Proposed Asset Acquisition;
- (15) Assumptions and valuation approaches by the Independent Valuers and the Purchase Consideration;
- (16) Valuation results and the Property Purchase Price of the Proposed Acquisition;
- (17) Comparison to publicly available market benchmarks;
- (18) Comparison to listed Peer Group;
- (19) Comparison to precedent transactions;
- (20) Comparison to existing property portfolio;

For the Proposed Merger and the Proposed Asset Acquisition

- (21) Pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition; and
- (22) Other relevant considerations which may have a significant bearing on our assessment.

7.1 The rationale for the Proposed Merger

The disclosures made in relation to the rationale for the Proposed Merger are set out in paragraph 6 of the Circular and in section 6 of this letter.

We recommend that the Independent Directors and the Audit, Risk and Compliance Committee advise the FLT Unitholders to read this information carefully.

7.2 Market quotations and liquidity of FCOT Units

We have considered the liquidity and free float of FCOT relative to the top 30 STI Companies as at the Last Trading Day in order to evaluate whether the historical market prices of the FCOT Units provide a meaningful benchmark and reference point for a comparison with the Scheme Consideration.

As FCOT requested for a trading halt on 28 November 2019 prior to opening of market. As such, 27 November 2019 is the last trading day prior to the Joint Announcement Date on 2 December 2019 (the "**Last Trading Day**").

The table below outlines the average daily trading volume for the past twelve months ("**Past 12M ADT Volume**") and the average daily trading value ("**Past 12M ADT Value**") leading up to the Last Trading Day of the FCOT Units and of the top 30 ST I Companies:

Table 1: Liquidity analysis of the FCOT Units and the top 30 STI Companies⁽¹⁾

Reference period: Twelve-month period up to the Last Trading Day	Average daily trading volume of shares as a percentage of free float ^(2, 3)	Average daily trading value of shares as a percentage of market capitalisation ^(2, 4)
Top 30 STI Companies		
Mean	0.29%	0.19%
Median	0.27%	0.15%
Maximum	0.87%	0.80%
Minimum	0.07%	0.03%
The FCOT Units	0.33%	0.22%

Source: Bloomberg

Notes:

- (1) The top 30 STI Companies comprises Jardine Matheson Holdings Ltd, DBS Group Holdings Ltd, Jardine Strategic Holdings Ltd, Singapore Telecommunications Ltd, Oversea-Chinese Banking Corp Ltd, United Overseas Bank Ltd, Hongkong Land Holdings Ltd, Wilmar International Ltd, Thai Beverage PCL, Dairy Farm International Holdings Ltd, CapitaLand Ltd, Jardine Cycle & Carriage Ltd, Genting Singapore Ltd, Singapore Technologies Engineering Ltd, Singapore Airlines Ltd, Keppel Corp Ltd, Ascendas Real Estate Investment Trust, CapitaLand Mall Trust, City Developments Ltd, Singapore Exchange Ltd, CapitaLand Commercial Trust, Yangzijiang Shipbuilding Holdings Ltd, SATS Ltd, UOL Group Ltd, ComfortDelGro Corp Ltd, Venture Corp Ltd, Sembcorp Industries Ltd, Singapore Press Holdings Ltd, Golden Agri-Resources Ltd, and Hutchison Port Holdings Trust.
- (2) All figures are as at the Last Trading Day.
- (3) Average daily trading volume as a percentage of free float is computed using the Past 12M ADT Volume up to the Last Trading Day and dividing that by free float number of shares.
- (4) Average daily trading volume as a percentage of market capitalisation is computed using the Past 12M ADT Volume up to the Last Trading Day and dividing that by market capitalisation of the companies.

We note the following in respect of the liquidity of the FCOT Units:

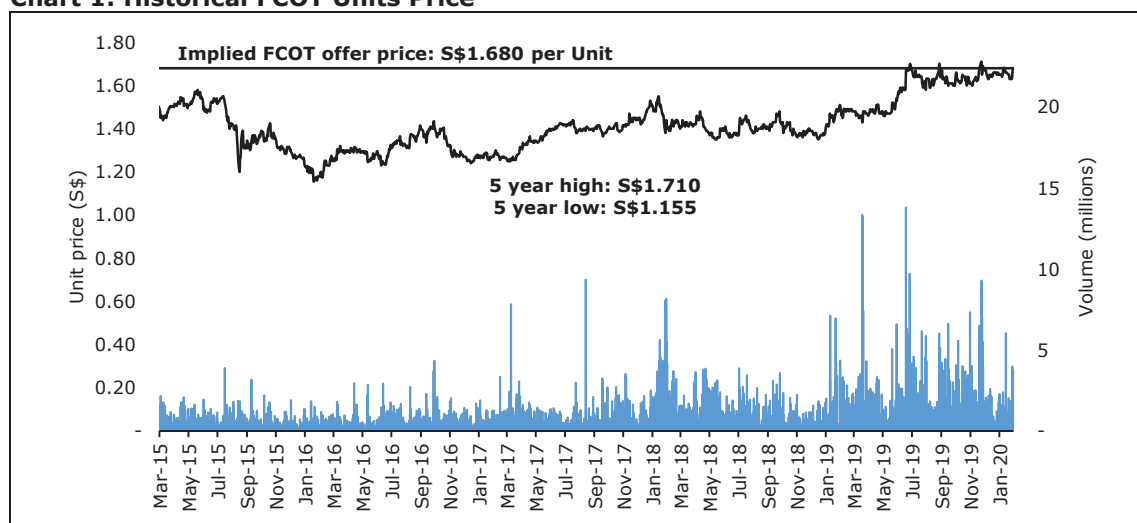
- (A) The Past 12M ADT Volume for the FCOT Units is within the range of the top 30 STI Companies and above its mean and median; and
- (B) The Past 12M ADT Value for the FCOT Units is within the range of the top 30 STI Companies and above its mean and median.

The above analysis indicates that FCOT Units have not been unduly illiquid in the twelve months leading up to the Last Trading Day. The FCOT Units appear to have reasonable liquidity given FCOT's market capitalisation. We conclude that the market prices for the FCOT Units provide a meaningful benchmark and reference point for the comparison with the Scheme Consideration.

7.3 Comparison of the Scheme Consideration with market quotations for FCOT Units

We have compared the Scheme Consideration against the market prices and trading volumes for the FCOT Units for the five-year period prior to the Joint Announcement Date and up to the LPD in the chart below.

Chart 1: Historical FCOT Units Price



Source: Bloomberg

A summary of announcements relating to FCOT during the five-year period prior to the LPD are as follows:

No	Date	Details
1	15-Jan-20	Announcement of the quarterly distribution of 2.4 cents per unit for the period from 1 October 2019 to 31 December 2019
2	15-Jan-20	Announcement of the Q1 results for the period ended 31 December 2019
3	09-Jan-20	Announcement of the results of meetings of noteholders
4	16-Dec-19	Announcement of the financial resources of FCOT
5	16-Dec-19	Announcement on the commencement of consent solicitation exercise by FCOT Treasury Pte. Ltd.
6	02-Dec-19	Announcement of the request for lifting of trading halt
7	02-Dec-19	Joint Announcement of the Proposed Merger and the announcement of the release of annual report for the year ended 30 September 2019.
8	28-Nov-19	Announcement on the request for trading halt
9	05-Nov-19	Announcement of corrections to Q4 and FY19 results for the year ended 30 September 2019
10	22-Oct-19	Announcement of full year results for the year ended 30 September 2019
11	22-Jul-19	Announcement of the Q3 results for the period ended 30 June 2019
12	26-Jun-19	Announcement of the right of first refusal in connection with a 50% interest in Frasers Tower
13	25-Jun-19	Announcement of the entry into a new lease agreement with Google Asia Pacific Pte. Ltd. for a space at Alexandra Technopark
14	23-Apr-19	Announcement of the Q2 results for the period ended 31 March 2019
15	18-Jan-19	Announcement of the Q1 results for the period ended 31 December 2018
16	20-Dec-18	Announcement of the release of annual report for the year ended 30 September 2018
17	19-Oct-18	Announcement of full year results for the year ended 30 September 2018
18	25-Jul-18	Announcement of the Q3 results for the period ended 30 June 2018
19	10-Jul-18	Announcement of the disposal of property located at 55 Market Street for S\$216.8 million
20	29-Jun-18	Announcement of the entry into a new lease agreement with Frasers Property Corporate Services Pte. Ltd. for a space at Alexandra Technopark
21	20-Apr-18	Announcement of the Q2 results for the period ended 31 March 2018

No	Date	Details
22	14-Feb-18	Announcement of the advanced distribution of 0.8 cents per unit for the period from 1 January 2018 to 31 January 2018
23	01-Feb-18	Announcement of the use of proceeds from private placement of approximately S\$80.0 million
24	01-Feb-18	Announcement of the issuance of 67,567,000 New Units at an issue price of S\$1.48 per Unit
25	24-Jan-18	Announcement of the quarterly distribution of 2.4 cents per unit for the period from 1 October 2017 to 31 December 2017
26	22-Jan-18	Announcement of the Q1 results for the period ended 31 December 2017
27	22-Dec-17	Announcement of the release of annual report for the year ended 30 September 2017
28	14-Dec-17	Announcement of the acquisition of 50% of HEREF Farnborough Limited, holding company of Farnborough Business Park at a purchase consideration of approximately S\$157.4 million (50% stake)
29	20-Oct-17	Announcement of full year results for the year ended 30 September 2017
30	24-Jul-17	Announcement of the Q3 results for the period ended 30 June 2017
31	21-Apr-17	Announcement of the Q2 results for the period ended 31 March 2017
32	23-Jan-17	Announcement of the asset enhancement initiative for Alexandra Technopark costing approximately S\$45.0 million
33	23-Jan-17	Announcement of the Q1 results for the period ended 31 December 2016
34	20-Dec-16	Announcement of the release of annual report for the year ended 30 September 2016
35	20-Oct-16	Announcement of full year results for the year ended 30 September 2016
36	22-Jul-16	Announcement of the Q3 results for the period ended 30 June 2016
37	21-Apr-16	Announcement of the Q2 results for the period ended 31 March 2016
38	22-Feb-16	Announcement of the entry into Property Management Agreement with Frasers Centrepoint Property Management Services Pte. Ltd ("Property Manager") and British and Malayan Trustees Limited, for the Property Manager to operate, maintain, manage and market Alexandra Technopark, 55 Market Street and China Square Central
39	20-Jan-16	Announcement of the Q1 results for the period ended 31 December 2015
40	16-Dec-15	Announcement of the release of annual report for the year ended 30 September 2015
41	23-Oct-15	Announcement of full year results for the year ended 30 September 2015
42	15-Sep-15	Announcement of the advanced distribution of 0.9112 cents per unit for the period from 1 July 2015 to 2 August 2015
43	21-Aug-15	Announcement of the use of proceeds from private placement of approximately S\$17.5 million
44	03-Aug-15	Announcement of the issuance of 96,000,000 New Units at an issue price of S\$1.48 per Unit
45	24-Jul-15	Announcement on the request for lifting of trading halt
46	23-Jul-15	Announcement of the launch of private placement of 84,000,000 New Units with an option to increase by up to an additional 12,000,000 New Units to part finance the acquisition of 357 Collins Street
47	23-Jul-15	Announcement on the request for trading halt
48	20-Jul-15	Announcement of the Q3 results for the period ended 30 June 2015
49	27-Apr-15	Announcement of the proposed entry into a building agreement for the new erection of a 16 storey hotel block and proposed acquisition of 357 Collins Street at approximately A\$222.5 million
50	23-Apr-15	Announcement of the Q2 results for the period ended 31 March 2015
51	22-Jan-15	Announcement of the Q1 results for the period ended 31 December 2014

We note that the Scheme Consideration is generally higher than the closing prices of the FCOT Units in the five-year period leading up to the LPD.

We have tabulated below a comparison of the Scheme Consideration with the price performance of the FCOT Units for a range of reference periods:

Table 2: Comparison of VWAPs of the FCOT Units against the Scheme Consideration

Reference period	Highest traded price	Lowest traded price	VWAP	Premium of the Scheme Consideration to VWAP
Prior to Joint Announcement Date				
Last Trading Day	1.670	1.630	1.654	1.6%
Last 1 week	1.670	1.620	1.646	2.1%
Last 1 month	1.670	1.590	1.622	3.6%
Last 3 months	1.710	1.590	1.630	3.1%
Last 6 months	1.710	1.480	1.622	3.6%
Last 1 year	1.710	1.350	1.553	8.2%
Last 2 years	1.710	1.340	1.499	12.1%
Last 3 years	1.710	1.245	1.464	14.7%
Last 5 years	1.710	1.165	1.442	16.5%
After Last Trading Day				
From Joint Announcement Date to the LPD	1.730	1.620	1.662	1.1%
LPD	1.680	1.650	1.672	0.5%

Source: Bloomberg

We note that the Scheme Consideration represents a premium range of 0.5% to 16.5% over the VWAP of the respective reference periods for the FCOT Units.

7.4 Cash component of the Scheme Consideration

We note that the Scheme Consideration of S\$1.680 will be paid using S\$0.151 in cash (that is, 9% of the Scheme Consideration) and 1.233 FLT Units issued at a price of S\$1.240 each (that is, 91% of the Scheme Consideration).

We have compared this aspect of the structure of the Scheme Consideration against the equivalent structure of selected precedent amalgamations of S-REITs. We note that these selected precedent transactions may not be directly comparable to the Trust Scheme in terms of, inter alia, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria and that there may have been specific commercial and financial merits to each precedent transaction. As a result, any comparison drawn can serve only as an illustrative guide.

Table 3: The Scheme consideration components for Selected Precedent S-REIT amalgamations

Ann. Date	Target	Acquirer	Cash Component	Unit Component	Total Consideration
03-Jul-19 ⁽¹⁾	A-HTRUST	Ascott REIT	5.0%	95.0%	S\$1.087 ⁽⁴⁾
08-Apr-19 ⁽²⁾	OUE Hospitality Trust	OUE Commercial REIT	5.0% ⁽⁵⁾	95.0%	S\$0.815 ⁽⁵⁾
18-May-18 ⁽³⁾	Viva Industrial Trust	ESR-REIT	10.0%	90.0%	S\$0.960 ⁽⁶⁾
02-Dec-19	Frasers Commercial Trust	Frasers Logistics and Industrial Trust	9.0%	91.0%	S\$1.680

Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

Notes:

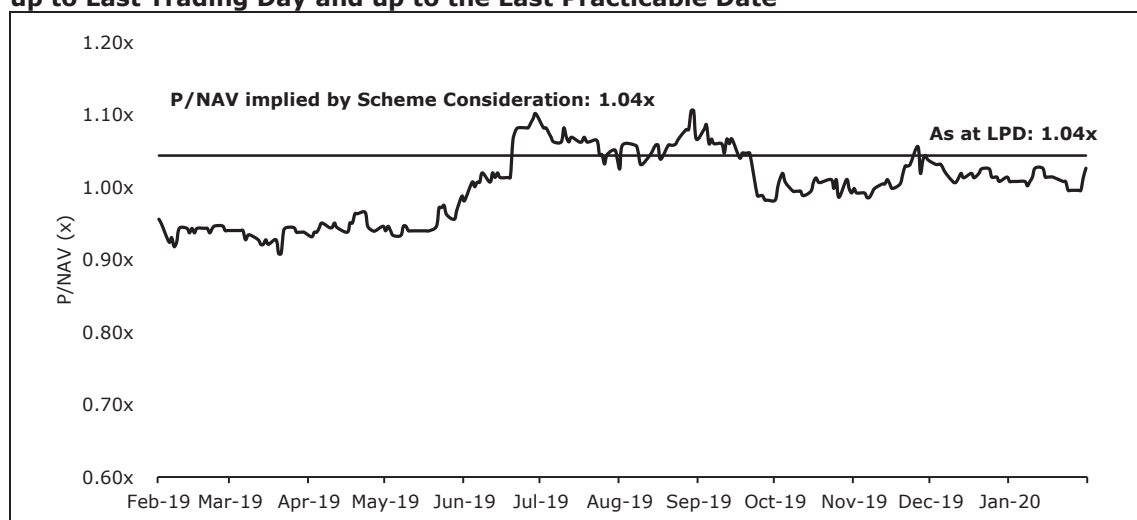
- (1) Date of the initial announcement by the managers of both A-HTRUST and Ascott REIT that it had submitted a proposal for the merger between A-HTRUST and Ascott REIT
- (2) Date of the initial announcement by the managers of both OUE Commercial REIT and OUE Hospitality Trust that it had submitted a proposal for the merger between OUE Commercial REIT and OUE Hospitality Trust
- (3) Date of the initial announcement by the manager of ESR-REIT that it had submitted a proposal for the merger between ESR-REIT and Viva Industrial Trust
- (4) Total consideration computed based on the implied gross exchange ratio of 0.836x and the issue price of S\$1.30
- (5) 5% is based on the cash consideration divided by the implied value of the offer computed based on the implied gross exchange ratio of 1.430x and the issue price of S\$0.57
- (6) Total consideration computed based on the implied gross exchange ratio of 1.778x and issue price of S\$0.54

We note that the proportion of the Scheme Consideration to be paid in cash is within the range of 5.0% to 10.0% of the cash components paid in the three selected precedent S-REIT amalgamation transactions.

7.5 Comparison of the Scheme Consideration with NAV per FCOT Unit

We have compared the Scheme Consideration with the NAV per FCOT Unit as at the Last Trading Day and the P/NAV multiple (as defined herein) of the FCOT Units for the twelve-month period leading up to Last Trading Day and up to the LPD.

Chart 2: Latest P/NAV multiples of the FCOT Units for the twelve-month period leading up to Last Trading Day and up to the Last Practicable Date



Source: Bloomberg

Table 4: P/NAV multiples of the FCOT Units for selected periods

	Implied P/NAV ^(1,2) as at Trading Day	P/NAV ^(1,2) as at LPD	Six-months period up to the Last Trading Day				Twelve-months period up to the Last Trading Day			
			Mean	Median	Max	Min	Mean	Median	Max	Min
P/NAV multiple^(1,2)	1.04x	1.04x	1.03x	1.03x	1.11x	0.96x	0.98x	0.97x	1.11x	0.85x

Source: Bloomberg

Notes:

- (1) P/NAV multiple – "NAV" or "net asset value" is the book value of a company's shareholder's equity (excluding non-controlling interests and perpetual security holders). The "P/NAV" or "price to NAV" ratio illustrates the ratio of the market price of a company's units relative to its historical book value per unit recorded in the latest financial statements. Comparisons of companies using their book value are affected by the differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
- (2) The Implied P/NAV multiple of the Units is based on the Scheme Consideration of S\$1.680 for each FCOT Unit as at the Last Trading Day, comprising of the Exchange Ratio of 1.355x and a fixed Cash Consideration of S\$0.151 in cash per Unit. NAV per Unit is S\$1.610 as at 30 September 2019.

We note that the Scheme Consideration represents a P/NAV multiple of 1.04x as at the Last Trading Day based upon the financial statements of FCOT as at 30 September 2019. Further, we note that the Scheme Consideration is within the range of the P/NAV multiples achieved and above the mean and median for the FCOT Units for both the six-month and twelve-month periods up to the Last Trading Day.

We also note that as at LPD, the P/NAV multiple of 1.04x which is based upon the financial statements of FCOT as at 31 December 2019 is within range of the P/NAV multiples achieved and above the mean and median for the FOCT Units for both the six-month and twelve-month periods up to the Last Trading Day.

7.6 Comparison with P/NAV multiples of selected comparable commercial S-REITs

We have evaluated selected comparable S-REITs which are engaged in commercial real estate investments and which are considered to be broadly comparable to FCOT to provide an indication of the current market expectations with respect to the valuation of such trusts as implied by their respective closing market prices as at the LPD.

We highlight that the selected comparable commercial S-REITs may not be directly comparable to FCOT in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have compared FCOT with the selected comparable commercial S-REITs using their P/NAV multiples as at the Last Trading Day (the "**Latest P/NAV**") as the key valuation metric, based upon their respective closing prices as at the LPD and their latest publicly available financial results.

Table 5: Description of Selected Comparable Commercial S-REITs

Name	Description
CapitaLand Commercial Trust	CapitaLand Commercial Trust is a commercial real estate investment trust. The Trust invests in income-producing commercial properties in Singapore.
Suntec Real Estate Investment Trust	Suntec Real Estate Investment Trust is a commercial real estate investment trust. The Trust invests in income-producing real estate that is primarily used for retail and/or office purposes.
Keppel REIT	Keppel REIT owns a portfolio of Grade A commercial assets in prime financial districts of Singapore, Australia and Seoul. The REIT's objective is to generate stable income and long-term growth for unitholders by owning and investing in a portfolio of income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.
OUE Commercial Real Estate Investment Trust	OUE Commercial Real Estate Investment Trust provides real estate investment services. The Company purchases and develops commercial real estate properties. It also owns hotels and retail assets. OUE Commercial Real Estate Investment Trust operates in Singapore.

Source: Bloomberg, annual reports of the respective S-REITs

Table 6: Selected comparable commercial S-REITs

Company	Market Capitalisation as at LPD (S\$ million)	NAV (S\$ million)	P/NAV⁽¹⁾ as at LPD
CapitaLand Commercial Trust	7,870	7,185	1.10x
Suntec Real Estate Investment Trust	5,088	5,977	0.85x
Keppel REIT	4,227	4,585	0.92x
OUE Commercial Real Estate Investment Trust	2,858	3,318	0.86x
Mean			0.93x
Median			0.89x
Maximum			1.10x
Minimum			0.85x
Implied by the Scheme Consideration (as at Last Trading Day)			1.04x
As at LPD			1.04x

Source: Bloomberg

Notes:

(1) The Price to NAV ("P/NAV") was calculated based on the ratio of market capitalisation as at the LPD to the latest published NAV of the S-REIT (excluding non-controlling interests and amounts attributable to perpetual securities holders).

We note that the P/NAV of 1.04x implied by the Scheme Consideration (as at the Last Trading Day and LPD) is within the range of multiples for the selected comparable commercial S-REITs and higher than both the mean and median P/NAV multiples as at the Last Practicable Date.

7.7 Assurance given by the SSA 805 opinion

The FLT Manager and FLT Trustee have appointed the FLT 805 Auditor to perform an audit of the carrying value of the investment properties held by FCOT and its subsidiaries as at 30 September 2019. A reciprocal arrangement was undertaken by FCOT on the carrying value of the logistics and industrial properties held by FLT as at 30 September 2019.

The intention in carrying out such an audit is to give additional comfort to FLT Unitholders that such carrying values have been prepared in all material respects in accordance with the relevant accounting policies of FCOT Group.

The audit was undertaken in accordance with the Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on the investment properties held by the FCOT Group and its joint venture company Farnborough Business Park Ltd (such investment properties, the “**FCOT Investment Properties**”), as reflected in the 2019 FCOT Audited Financial Statements.

In the course of our evaluation, we have held discussions with the FLT 805 Auditor and have considered their opinion in reaching our recommendation. We have relied upon that opinion and have not independently verified such information, whether written or verbal and accordingly cannot and do not warrant and do not accept any responsibility for the accuracy, completeness and adequacy of such information in reaching that opinion.

We note that the FLT Auditors have rendered an unqualified opinion. A copy of their opinion is included in the Scheme Document as Appendix C. We recommend that FLT Unitholders review and consider that opinion in its entirety.

7.8 Comparison with precedent amalgamations and takeovers of selected S-REITs

We have compiled details of the precedent amalgamations and takeovers of selected S-REITs in the five-year period preceding the Last Trading Day in the table below.

We note that the S-REITs set out in this table may not be directly comparable to either FLT or FCOT in terms of, *inter alia*, their business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria.

We note further that there may be commercial and financial merits specific to each of the transactions noted. The premium that an offeror will pay in respect of any particular takeover depends on various factors including, *inter alia*, the offeror’s intention for the target, the potential synergy that the offeror can derive from the target, the presence of competing bids, prevailing market conditions and sentiment, the attractiveness and profitability of the target’s business and assets and existing and desired level of control in the target. As a result, any comparisons to be drawn can serve only as an illustrative guide.

Table 7: Selected precedent amalgamations and takeovers of S-REITs

Announcement Date	Target	Acquirer	Premium to P/NAV offered to the respective targets	Premium to P/NAV for 3M VWAP prior offered to respective targets
Selected precedent amalgamations of real estate focused S-REITs:				
03-Jul-19 ⁽¹⁾	Ascendas Hospitality Trust ⁽²⁾	Ascott Residence Trust	11.5%	19.0%
08-Apr-19 ⁽³⁾	OUE Hospitality Trust ⁽⁴⁾	OUE Commercial REIT	1.7%	4.4%
18-May-18 ⁽⁵⁾	Viva Industrial Trust ⁽⁶⁾	ESR-REIT	2.1%	0.7%
Mean			5.1%	8.0%
Median			2.1%	4.4%
Maximum			11.5%	19.0%
Minimum			1.7%	0.7%
Selected precedent takeover transactions:				
26-Apr-17 ⁽⁷⁾	Croesus Retail REIT ⁽⁸⁾	Blackstone Group	24.5%	32.1%
23-Oct-15	Saizen REIT ⁽⁹⁾	Lone Star	35.9%	39.3%
04-Nov-14 ⁽¹⁰⁾	Forterra Trust	Nan Fung Group	32.4%	49.7%
Mean			30.9%	40.4%
Median			32.4%	39.3%
Maximum			35.9%	49.7%
Minimum			24.5%	32.1%
02-Dec-19	Frasers Commercial Trust⁽¹¹⁾	Frasers Logistics and Industrial Trust	1.7%	2.2%

Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents, Bloomberg Notes:

- (1) Date of the initial announcement by the managers of both A-HTRUST and Ascott REIT that it had submitted a proposal for the merger between A-HTRUST and Ascott REIT
- (2) Premium to P/NAV multiple implied by the A-HTRUST Scheme Consideration of the Stapled Securities is based on the A-HTRUST Scheme Consideration of S\$1.0868 for each A-HTRUST Scheme Unit as at the Last Trading Day, comprising of the Exchange Ratio of 0.836x and a fixed Cash Consideration of S\$0.05434 in cash per Stapled Security. NAV per Stapled Security is S\$0.9881 as at 30 June 2019.
- (3) Date of the initial announcement by the managers of both OUE Commercial REIT and OUE Hospitality Trust that it had submitted a proposal for the merger between OUE Commercial REIT and OUE Hospitality Trust.
- (4) Premium to P/NAV multiple for OUE Hospitality Trust is based on the last undisturbed consideration unit price of S\$0.520 for each OUE Commercial REIT Unit as at the last undisturbed trading date of 5 April 2019, the exchange ratio of 1.3583x and a fixed cash consideration of S\$0.04075 in cash per stapled security, which implies an offer price of S\$0.747 per stapled security, as well as the NAV per stapled security of S\$0.747 as at 31 March 2019.
- (5) Date of the initial announcement by the manager of ESR-REIT that it had submitted a proposal for the merger between ESR-REIT and Viva Industrial Trust.
- (6) Premium to P/NAV is based on the closing price of S\$0.940 on the last full and undisturbed trading day on 25 January 2018 and NAV per stapled security of Viva Industrial Trust ("**VIT Stapled Security**") of S\$0.760 as at 31 March 2018. Premium to P/NAV for 3-month VWAP is based on VWAP of the 3-month period up to the last full and undisturbed trading day on 25 January 2018 of the VIT Stapled Securities of S\$0.953 and NAV per VIT Stapled Security of S\$0.760 as at 31 March 2018.
- (7) Date of initial holding announcement in connection with a potential acquisition of all the units of Croesus Retail Trust.
- (8) Based on the consideration offer price of S\$1.17 in cash per unit of Croesus Retail Trust.
- (9) The estimated implied net offer price per unit of S\$1.162 is based on the NAV per unit attributable to unitholders as at 30 June 2015 (including cash and cash equivalents) and adjusted for property transactions of Saizen REIT in August 2015, distributions paid by Saizen REIT on 28 September 2015, capital expenditures after 30 June 2015, provisions for claims on remediation works, non-cash and fair value adjustments, and costs and expenses related to the transaction.
- (10) On 4 November 2014, the offeror announced its intentions to make a mandatory conditional cash offer to acquire all the units of Forterra Trust, at a price of S\$1.85 per unit. On 24 November 2014, the offeror announced the revision

- of the offer price to S\$2.25 in cash per unit.
- (11) Premium to P/NAV multiple implied by the Scheme Consideration of S\$1.680 for each FCOT Unit as at the Last Trading Day, comprising of the Exchange Ratio of 1.355x and a fixed Cash Consideration of S\$0.151 in cash per Unit. NAV per Unit is S\$1.610 as at 30 September 2019.

We note that the premia implied by the Scheme Consideration over the prevailing P/NAV of the FCOT Units as at the Last Trading Day is within range and below the mean and median of the equivalent premia offered to the target S-REITs for the selected precedent amalgamation transactions.

We note that the premia implied by the Scheme Consideration over the prevailing P/NAV of the FCOT Units as at the Last Trading Day is substantially lower than the equivalent premia offered to the target S-REITs in each of the three precedent takeover transactions. This may in part be explained by the fact that the Trust Scheme is a Merger whereby FCOT Unitholders obtain a new security which will in time be listed on the SGX-ST.

7.9 Analysis of the premia paid in selected precedent takeovers

We have compared the financial terms of the Scheme Consideration with those of selected successful transactions announced since January 2016 up to the Last Trading Day carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Takeover Code where the offeror has stated its intention to delist the listed company from the SGX-ST (the "**Precedent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium or discount that offerors paid to acquire the targets without regard to the specific industry characteristics or other considerations. The comparison sets out the premium or discount by each respective offer price to the VWAPs over the last transacted price, the one-month, three-month, six-month and twelve-month periods prior to the announcement of the Precedent Privatisation Transactions.

Table 8: Precedent Privatisation Transactions Table

Company Name	Announcement Date	Price Offered (S\$)	Premiums/ (Discount) of Price Offered over the ⁽¹⁾ :				
			Last Price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP
Lantrovision (S) Ltd	27-Jan-16	3.25	47.7%	42.8%	46.2%	56.6%	42.1%
China Yongsheng	24-Feb-16	0.03	52.4%	67.5%	62.4%	56.9%	34.5%
Xinren Aluminium Holdings Limited	25-Feb-16	0.60	66.7%	63.9%	63.5%	57.9%	35.7%
Interplex Holdings Ltd	29-Feb-16	0.82	15.5%	11.1%	13.1%	16.5%	11.4%
OSIM International Ltd	7-Mar-16	1.41	27.0%	40.9%	42.5%	16.7%	-2.2%
Select Group Ltd	23-Mar-16	0.53	23.5%	37.9%	43.4%	31.6%	27.0%
XYEC Holdings Co Ltd	29-Mar-16	0.30	50.0%	43.5%	47.1%	51.5%	43.5%
Pteris Global Ltd	21-Apr-16	0.85	14.5%	19.3%	24.6%	29.4%	25.6%
China Merchants Holdings (Pacific) Limited	9-May-16	1.02	22.9%	21.8%	25.3%	20.2%	8.0%
Eu Yan Sang International Ltd	16-May-16	0.60	2.6%	8.5%	16.5%	24.7%	22.5%
Otto Marine	8-Jun-16	0.32	39.1%	44.8%	43.5%	42.9%	(13.5)%
SMRT	20-Jul-16	1.68	8.7%	10.8%	10.7%	8.7%	15.5%
Sim Lian Group Limited	8-Aug-16	1.08	14.9%	16.8%	19.5%	26.5%	28.0%
China Minzhong	6-Sep-16	1.20	25.0%	24.8%	23.1%	25.9%	35.4%
Innovalues Limited	26-Oct-16	1.01	14.5%	19.0%	21.6%	27.8%	30.5%
Super Group	3-Nov-16	1.30	62.5%	60.5%	62.5%	55.7%	51.0%
ARA Asset Management	8-Nov-16	1.78	26.2%	29.6%	30.3%	31.7%	43.9%
Advanced Integrated Manufacturing Corp	24-Nov-16	0.21	22.8%	20.7%	20.7%	17.3%	6.1%
Auric Pacific Group	7-Feb-17	1.65	13.4%	17.8%	23.8%	35.8%	59.6%
Heathway Medical Corporation Limited	7-Feb-17	0.04	5.0%	13.8%	19.7%	19.3%	22.1%

Company Name	Announcem ent Date	Price Offered (S\$)	Premiums/ (Discount) of Price Offered over the ⁽¹⁾ :				
			Last Price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP
International Healthway Corporation	16-Feb-17	0.11	1.9%	14.2%	20.6%	32.5%	37.7%
Global Premium Hotels Limited	23-Feb-17	0.37	14.1%	18.1%	21.7%	23.3%	22.5%
CWT Limited	9-Apr-17	2.33	13.1%	16.6%	14.6%	15.3%	13.5%
Nobel Design Holdings Ltd	2-May-17	0.51	8.5%	9.4%	15.9%	18.6%	22.6%
Changtian Plastic & Chemical Limited	29-May-17	1.30	45.3%	46.6%	48.2%	49.6%	62.9%
China Flexible Packaging Holdings Limited	19-Jun-17	1.25	23.2%	24.3%	28.2%	43.5%	59.4%
Croesus Retail Trust	28-Jun-17	4.38	24.5%	26.2%	32.1%	34.5%	37.7%
Global Logistics Properties	14-Jul-17	3.38	64.1%	67.4%	72.4%	76.5%	80.6%
Fischer Tech Ltd	27-Jul-17	3.02	31.3%	46.9%	63.6%	76.5%	95.6%
Poh Tiong Choon Logistics Limited	20-Sep-17	1.30	1.6%	32.5%	43.2%	48.7%	58.1%
GP Batteries International Limited	22-Sep-17	1.30	62.5%	62.9%	62.7%	61.1%	61.5%
Rotary Engineering Limited	2-Oct-17	0.46	20.1%	21.9%	25.1%	19.3%	19.7%
New Wave Holdings Ltd	19-Oct-17	0.01	44.4%	38.0%	9.0%	18.7%	29.1%
Cogent Holdings Limited	3-Nov-17	1.02	5.2%	6.2%	12.7%	20.3%	30.6%
Vard Holdings Limited	13-Nov-17	0.25	8.7%	16.2%	29.3%	35.1%	30.7%
CWG International Ltd	28-Dec-17	0.20	27.5%	29.5%	29.2%	30.9%	10.3%
LTC Corporation limited	9-Feb-18	0.93	44.5%	46.1%	45.4%	44.2%	49.3%
Lee Metal Group Ltd	21-Feb-18	0.42	9.1%	14.1%	21.4%	26.5%	32.9%
Weiye Holdings Limited	13-Mar-18	0.65	31.3%	40.7%	44.1%	44.4%	27.7%
Tat Hong Holdings Limited	26-Apr-18	0.55	42.9%	47.5%	49.1%	40.3%	44.0%
Viva Industrial Trust	18-May-18	0.96	7.9%	2.0%	0.8%	1.5%	8.2%
Wheelock (Singapore) Properties Limited	19-Jul-18	2.10	22.7%	29.0%	22.7%	17.8%	13.3%
M1 Limited	27-Sep-18	2.06	26.3%	29.9%	29.1%	21.8%	18.0%
Cityneon Holdings Limited	29-Oct-18	1.30	3.2%	6.8%	11.9%	15.7%	19.2%
PCI Limited	4-Jan-19	1.33	28.9%	44.0%	47.2%	50.9%	60.1%
Declout Limited	7-Jan-19	0.13	60.5%	66.7%	66.7%	58.5%	51.2%
Courts Asia Limited	18-Jan-19	0.21	34.9%	35.8%	34.0%	23.5%	(16.7)%
Kingboard Copper Foil Holdings Limited	4-Apr-19	0.60	11.3%	16.1%	25.3%	27.4%	32.5%
OUE Hospitality Trust	8-Apr-19	0.75	1.6%	3.0%	4.5%	6.7%	0.4%
800 Super Holdings	6-May-19	0.90	19.2%	30.8%	31.2%	25.3%	17.6%
Memtech International Ltd.	14-May-19	1.35	23.9%	31.5%	31.6%	35.6%	30.2%
Boardroom Limited	15-May-19	0.88	14.3%	18.9%	16.1%	17.6%	16.9%
Hupsteel Limited	28-Jun-19	1.20	51.90%	58.33%	58.60%	58.56%	54.32%
Health Management Intl Ltd	05-Jul-19	0.73	14.1%	24.8%	27.4%	29.7%	27.8%
Delong Holdings Limited	29-Jul-19	7.00	1.9%	8.0%	17.9%	37.2%	76.9%
Star Pharmaceutical Limited	05-Aug-19	0.45	157.1%	179.5%	176.1%	186.6%	192.2%
San Teh Ltd	05-Sep-19	0.28	81.8%	90.5%	83.0%	84.2%	72.8%
PS Group Holdings Ltd.	24-Sep-19	0.12	195.0%	266.7%	267.5%	267.5%	59.7%
Ascendas Hospitality Trust	26-Sep-19	1.09	11.0%	14.0%	19.0%	24.0%	32.0%
United Engineers Limited	25-Oct-19	2.70	1.50%	5.70%	4.60%	5.80%	7.50%
Avic International Maritime Holdings Limited	11-Nov-19	0.15	37.6%	66.7%	65.6%	65.9%	64.3%
Raffles United Holdings Ltd.	25-Nov-19	0.07	(1.5)%	31.1%	10.0%	15.9%	9.1%
PACC Offshore Services Holdings Ltd.	28-Nov-19	0.22	69.3%	99.4%	93.0%	70.0%	37.1%
Citic Envirotech Limited	16-Dec-19	0.55	48.6%	61.6%	68.5%	65.5%	39.6%
China Gaoxian Fibre Fabric Holdings Ltd.	26-Dec-19	0.03	916.7%	510.0%	408.3%	408.3%	79.4%

Company Name	Announcement Date	Price Offered (\$)	Premiums/ (Discount) of Price Offered over the ⁽¹⁾ :				
			Last Price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP
Maximum			916.7%	510.0%	408.3%	408.3%	192.2%
Minimum			(1.5)%	2.0%	0.8%	1.5%	(16.7)%
Mean			44.9%	46.3%	45.7%	46.7%	36.3%
Median			23.5%	29.8%	29.2%	31.6%	30.7%
Scheme Consideration as at Last Trading Day			1.6%	3.6%	3.1%	3.6%	8.2%
Scheme Consideration as at LPD			-	2.1%	1.8%	2.6%	6.0%

Source: SGX Circulars, Companies' announcements and Bloomberg

Notes:

(1) Market premia/ discounts calculated relative to the closing price of the respective companies 1 day prior to the respective announcement date and VWAPs over the last transacted price, 1-month, 3-month, 6-month and 12-month period prior to the respective announcement date/ last trading date/ Last Full Market Day.

We note that the premium implied by the Scheme Consideration is lower than the mean and median premia for the Precedent Privatisation Transactions for all periods selected to compute VWAP. This may in part be explained by the fact that the Trust Scheme is a Merger whereby FCOT Unitholders obtain a new security which will in time be listed on the SGX-ST.

7.10 Market quotations and liquidity of the FLT Units

We have considered the liquidity and free float of FLT relative to the top 30 STI Companies as at the Last Trading Day in order to evaluate whether the historical market prices of the FLT Units provide a meaningful benchmark and reference point for a comparison with the Consideration Units.

As FLT requested for a trading halt on 28 November 2019 prior to opening of market. As such, 27 November 2019 is the last trading day prior to the Joint Announcement Date on 2 December 2019 (the "Last Trading Day").

The table below outlines the Past 12M ADT Volume and the Past 12M ADT Value up to the Last Trading Day of the FLT Units and of the top 30 STI Companies:

Table 9: Liquidity analysis of the FLT Units and the top 30 STI Companies ⁽¹⁾

Reference period: Twelve-month period up to the Last Trading Day	Average daily trading volume of shares as a percentage of free float ^(2, 3)	Average daily trading value of shares as a percentage of market capitalisation ^(2, 4)
Top 30 STI Companies		
Mean	0.29%	0.19%
Median	0.27%	0.15%
Maximum	0.87%	0.80%
Minimum	0.07%	0.03%
FLT Units	0.43%	0.28%

Source: Bloomberg

Notes:

(1) The top 30 STI Companies comprises Jardine Matheson Holdings Ltd, DBS Group Holdings Ltd, Jardine Strategic Holdings Ltd, Singapore Telecommunications Ltd, Oversea-Chinese Banking Corp Ltd, United Overseas Bank Ltd, Hongkong Land Holdings Ltd, Wilmar International Ltd, Thai Beverage PCL, Dairy Farm International Holdings Ltd, CapitaLand Ltd, Jardine Cycle & Carriage Ltd, Genting Singapore Ltd, Singapore Technologies Engineering Ltd, Singapore Airlines Ltd, Keppel Corp Ltd, Ascendas Real Estate Investment Trust, CapitaLand Mall Trust, City Developments Ltd, Singapore Exchange Ltd, CapitaLand Commercial Trust, Yangzijiang Shipbuilding Holdings Ltd, SATS Ltd, UOL Group Ltd,

ComfortDelGro Corp Ltd, Venture Corp Ltd, Sembcorp Industries Ltd, Singapore Press Holdings Ltd, Golden Agri-Resources Ltd, and Hutchison Port Holdings Trust.

- (2) All figures are as at the Last Trading Day.
- (3) Average daily trading volume as a percentage of free float is computed taking the Past 12M ADT Volume leading up to the Last Trading Day divided by free float number of shares.
- (4) Average daily trading volume as a percentage of market capitalisation is computed taking the Past 12M ADT Volume leading up to the Last Trading Day divided by market capitalisation of the companies.

We note the following in respect of the liquidity of the FLT Units:

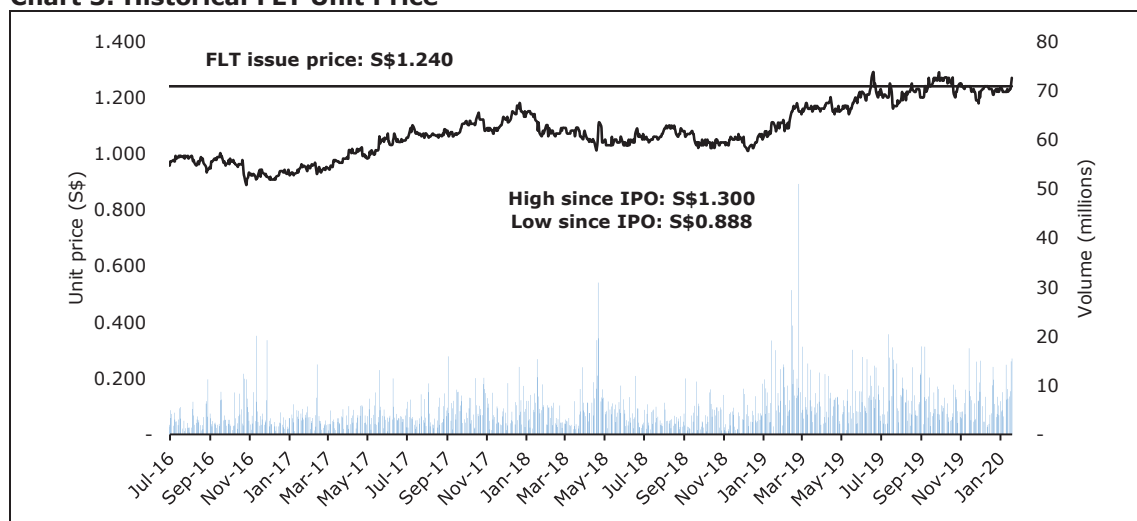
- (A) The Past 12M ADT Volume for the FLT Units is within the range and higher than the mean and median of measures for the top 30 STI Companies; and
- (B) The Past 12M ADT Value for the FLT Units is within the range and higher than the mean and median of measures for the top 30 STI Companies.

The above analysis indicates that FLT Units have not been unduly illiquid in the twelve months leading up to the Last Trading Day. We conclude that the market prices for the FLT Units provide a meaningful benchmark and reference point for the comparison with the Scheme Consideration.

7.11 Comparison of the issue price of the Consideration Units with the market quotations for the FLT Units

We have compared the issue price of the Consideration Units of S\$1.240 against the market price and trading volumes for the FLT Units for the period since IPO prior to the Joint Announcement Date and up to the LPD in the chart below.

Chart 3: Historical FLT Unit Price



Source: Bloomberg

Note: IPO as at 21 June 2016, starting price is IPO price at S\$ 0.89 per Unit

A summary of announcements relating to FLT during the period since IPO prior to the Joint Announcement Date are as follows:

No	Date	Details
1	06-Feb-20	Announcement of the Q1 results for the period ended 31 December 2019
2	23-Dec-19	Announcement of the completion of acquisition of 94.9% of the equity interest in FPE Investments RE7 B.V for a total purchase consideration of S\$60.5 million
3	17-Dec-19	Announcement of the release of annual report for the year ended 30 September 2019
4	02-Dec-19	Announcement of the request for lifting of trading halt
5	02-Dec-19	Joint Announcement of the Proposed Merger

No	Date	Details
6	02-Dec-19	Announcement of audited financial statements for the year ended 30 September 2019
7	02-Dec-19	Announcement of the completion of acquisition of GUMES Verwaltung Objekt Bielefeld-Sennestadt GmbH
8	28-Nov-19	Announcement on the request for trading halt
9	06-Nov-19	Announcement of the distribution of 1.01 cents per Unit, comprising wholly of a tax-exempt income distribution component of 1.01 cents for the period 8 August 2019 to 30 September 2019
10	06-Nov-19	Announcement of full year results for the year ended 30 September 2019
11	23-Oct-19	Announcement of the advanced distribution of 2.45 cents per Unit, comprising a tax-exempt income distribution component of 1.16 cents and a capital component of 1.29 cents for the period 1 April 2019 to 7 August 2019
12	03-Sep-19	Announcement of the completion of acquisition of Hermes Augsburg Facility and the Kentner Facility
13	27-Aug-19	Announcement of the completion of acquisition of EDEKA Facility in Germany
14	23-Aug-19	Announcement of the completion of acquisition of Callius & WEG & GILOG Facility, the Keramag & VCK Facility, the Bosch Facility and the Amor & Mühle Facility in Germany for a total purchase consideration of S\$198.5 million
15	20-Aug-19	Announcement of the completion of acquisition of 3 properties in Australia for a total purchase consideration of S\$116.8 million and use of proceeds from private placement of approximately S\$258.1 million
16	08-Aug-19	Announcement of the issue of 220,000,000 new Units in FLT pursuant to the private placement at an issue price of S\$1.173 per New Unit
17	30-Jul-19	Announcement of the launch of private placement of 220,000,000 new Units in FLT
18	26-Jul-19	Announcement of the Q3 results for the period ended 30 June 2019
19	24-Jul-19	Announcement of the completion of divestment of 50% in property at 99 Sandstone Place, Queensland
20	03-Jul-19	Announcement of the proposed acquisition 12 properties in Germany and Australia at approximately S\$362.6 million
21	13-Jun-19	Announcement of the divestment of 50% stake in the property at 99 Sandstone Place, Parkinson, Queensland for a consideration of approximately S\$127.2 million
22	31-May-19	Announcement of the divestment of the residual components of 610 Heatherton Road in Victoria for A\$5.4 million
23	16-May-19	Announcement of the divestment of part of 610 Heatherton Road in Victoria for A\$15.0 million
24	26-Apr-19	Announcement of the distribution of 3.54 cents per Unit, comprising a tax-exempt income distribution component of 2.55 cents and a capital distribution component of 0.99 cents for the period from 1 October 2018 to 31 March 2019
25	26-Apr-19	Announcement of the Q2 results for the period ended 31 March 2019
26	29-Mar-19	Announcement of the divestment of 63-79 South Park Drive in Victoria for A\$17.25 million
27	24-Jan-19	Announcement of the Q1 results for the period ended 31 December 2018
28	21-Dec-18	Announcement of the release of annual report for the year ended 30 September 2018
29	13-Dec-18	Announcement of the distribution of 2.57 cents per Unit in FLT for the period from 21 May 2018 to 30 September 2018
30	05-Nov-18	Announcement of full year results for the year ended 30 September 2018
31	31-Oct-18	Announcement of the acquisition of all the issued shares of FPE Investments RE20 B.V., the holding company of logistics property located at Mandeveld 12 in Meppel, the Netherlands at approximately S\$39.0 million
32	05-Sep-18	Announcement of the completion of acquisition of two properties in Australia
33	31-Aug-18	Announcement of the proposed acquisition of freehold and leasehold interests in two completed industrial properties located in Australia at approximately A\$62.6 million
34	20-Aug-18	Announcement of the completion of divestment of 80 Hartley Street, NSW and Lot 102 Coghlan Road, South Australia
35	06-Aug-18	Announcement of the proposed divestment of Lot 102 Coghlan Road, Outer Harbor, South Australia for A\$8.75 million
36	01-Aug-18	Announcement of the Q3 results for the period ended 30 June 2018
37	04-Jul-18	Announcement of the proposed divestment of 80 Hartley Street, Smeaton Grange located in New South Wales, Australia for approximately A\$90.5 million
38	11-Jun-18	Announcement of the listing of 152,153,437 preferential offering new Units and use of proceeds of S\$147.1 million

No	Date	Details
39	25-May-18	Announcement of the use of proceeds from private placement of approximately S\$328.9 million
40	21-May-18	Announcement of the issue of 333,199,000 new Units in FLT pursuant to the private placement at an issue price of S\$0.987 per New Unit
41	10-May-18	Announcement of the completion of development and settlement in respect of the Clifford Hallam Facility in Australia
42	10-May-18	Announcement of the launch of equity fund raising to gross proceeds of approximately S\$476.0 million
43	07-May-18	Announcement of the distribution of 3.61 cents per Unit, for the period from 1 October 2017 to 31 March 2018
44	07-May-18	Announcement of the Q2 results for the period ended 31 March 2018
45	20-Apr-18	Announcement of the proposed acquisition 21 properties in Germany and Netherlands at approximately S\$515.4 million
46	25-Jan-18	Announcement of the Q1 results for the period ended 31 December 2017
47	26-Dec-17	Announcement of the release of annual report for the year ended 30 September 2017
48	11-Dec-17	Announcement of the distribution of 1.68 cents per Unit in FLT for the period from 6 July 2017 to 30 September 2017
49	24-Nov-17	Announcement of the completion of development and settlement of Stanley Black and Decker Facility in Australia
50	02-Nov-17	Announcement of full year results for the year ended 30 September 2017
51	20-Oct-17	Announcement of the completion of development of Beaulieu Facility in Australia
52	12-Sep-17	Announcement of the completion of acquisition of Clifford Hallam Facility for a total amount of S\$10.9 million
53	15-Aug-17	Announcement of the completion of acquisition of property in Australia for a total amount of S\$17.1 million
54	01-Aug-17	Announcement of the completion of acquisition of 5 properties in Australia for a total amount of S\$99.8 million
55	28-Jul-17	Announcement of the Q3 results for the period ended 30 June 2017
56	28-Jul-17	Announcement of the advanced distribution of 1.84 cents per Unit in FLT, comprising a tax-exempt income component of 1.12 cents per Unit and a capital component of 0.72 cents per Unit for the period from 1 April 2017 to 5 July 2017
57	06-Jul-17	Announcement of the issue of 78,000,000 new Units in FLT pursuant to the private placement at an issue price of S\$1.01 per New Unit
58	27-Jun-17	Announcement of the launch of private placement of 78,000,000 new Units in FLT
59	06-Jun-17	Announcement of the proposed acquisition of 7 properties in Australia for a consideration of S\$174.7 million
60	05-May-17	Announcement of the distribution of 3.49 cents per Unit, for the period from 1 October 2016 to 31 March 2017
61	05-May-17	Announcement of the Q2 results for the period ended 31 March 2017
62	03-Feb-17	Announcement of the Q1 results for the period ended 31 December 2016
63	30-Nov-16	Announcement of the exercise of the call option and the acquisition of Martin Brower Property
64	01-Nov-16	Announcement of the distribution of 1.84 cents per Unit in FLT for the financial period ended 30 September 2016
65	31-Aug-16	Announcement of the exercise of call options and completion of the acquisition of the Indian Drive Property and Pearson Road Property
66	30-Jun-16	Announcement of the completion of development of Ceva Logistics Property
67	27-Jun-16	Announcement of the completion of development of Schenker Extension
68	20-Jun-16	Announcement of the Listing of FLT

We note that the issue price of the Consideration Units is generally higher than the closing prices for the FLT Units for the period since IPO leading up to the Last Trading Day.

We have tabulated below a comparison of the issue price of the Consideration Units with the price performance of the FLT Units for a range of reference periods:

Table 10: Comparison of VWAPs of the FLT Units against Consideration Units

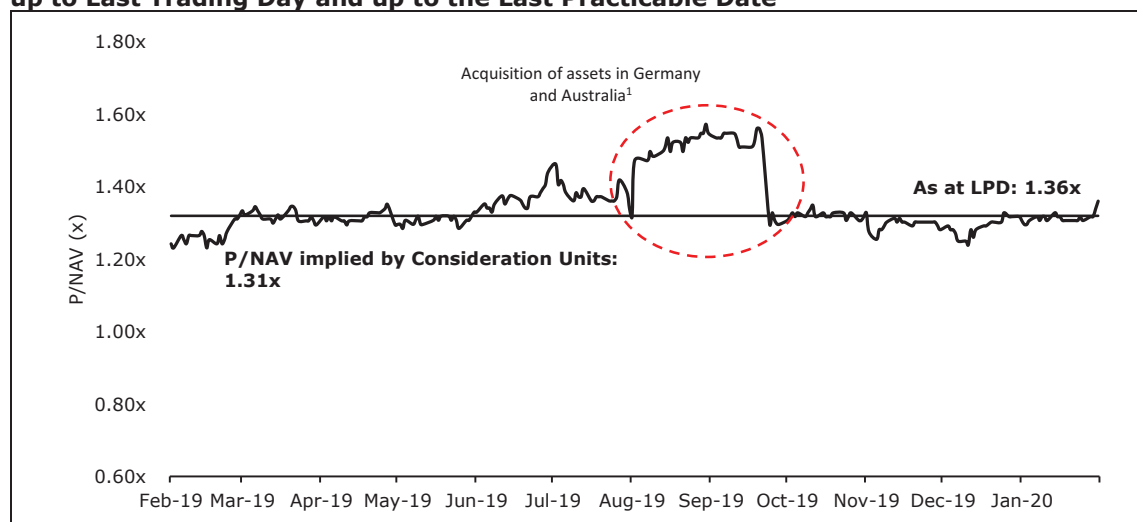
Reference period	Highest traded price	Lowest traded price	VWAP	Premium/ (discount) of Issue Price to VWAP
Prior to Joint Announcement Date				
Last Trading Day	1.250	1.230	1.240	0.0%
Last 1 week	1.260	1.220	1.237	0.2%
Last 1 month	1.280	1.190	1.239	0.1%
Last 3 months	1.290	1.180	1.236	0.3%
Last 6 months	1.300	1.140	1.218	1.8%
Last 1 year	1.300	1.010	1.173	5.7%
Last 2 years	1.300	1.010	1.134	9.3%
Last 3 years	1.300	0.913	1.106	12.1%
Since IPO	1.300	0.883	1.082	14.6%
After Last Trading Day				
From Joint Announcement Date to the LPD	1.290	1.180	1.225	1.2%
LPD	1.280	1.250	1.267	(2.1)%

Source: Bloomberg

We note that the issue price of the Consideration Units is between a discount of 2.1% to a premium of 14.6% to the respective periods.

7.12 Comparison of the issue price of Consideration Units with NAV per FLT Unit

We have compared the issue price of the Consideration Units with the NAV per FLT Unit as at the Last Trading Day and the P/NAV multiple of the FLT Units over the twelve-month period up to that date.

Chart 4: Latest P/NAV multiples of the FLT Units for the twelve-month period leading up to Last Trading Day and up to the Last Practicable Date

Source: Bloomberg

Notes:

(1) P/NAV data excluded in the computation of statistics due to corporate action. Period exclude range from 3 Jul-19 to 27 Sep-19

Table 11: P/NAV multiples of the FLT Units for selected periods

	Implied P/NAV ^(1,2) as at Last Trading Day	P/NAV (1,2) as at LPD	Six-months period leading up to the Last Trading Day				Twelve-months period leading up to the Last Trading Day			
			Mean	Median	Max	Min	Mean	Median	Max	Min
P/NAV multiple (1, 2)	1.31x	1.36x	1.39x	1.36x	1.57x	1.25x	1.33x	1.32x	1.57x	1.14x

Source: Bloomberg

Notes:

- (1) P/NAV multiple – “NAV” or “net asset value” is the book value of a company’s shareholder’s equity (excluding non-controlling interests and perpetual security holders). The “P/NAV” or “price to NAV” ratio illustrates the ratio of the market price of a company’s units relative to its historical book value per unit recorded in the latest financial statements. Comparisons of companies using their book value are affected by the differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
- (2) The Implied P/NAV multiple of the FLT Units is based on the allotment and issue by the FLT Manager of the Consideration Units of 1.233 each FLT Unit at an issue price of S\$1.240 for each Consideration Unit. NAV per FLT Units is S\$0.95 as at 30 September 2019.

We note that the issue price of the Consideration Units represents a P/NAV multiple of 1.31x as at Last Trading Day based upon the financials statements of FLT as at 30 September 2019. The issue price of the Consideration Units is within the range of the P/NAV multiples achieved and comparable to the mean and median for the FLT Units for both the six-month and twelve-month period up to the Last Trading Day.

We also note that as at LPD, the P/NAV multiple of 1.36x which is based upon the financial statements of FLT as at 31 December 2019 is within range of the P/NAV multiples achieved and comparable to the mean and median for the FOCT Units for both the six-month and twelve-month periods up to the Last Trading Day.

7.13 Comparison with P/NAV multiples of selected comparable logistics and industrial S-REITS

In a similar manner as for FCOT in section 7.6 above, we have compared FLT with selected comparable logistics and industrial S-REITs using their P/NAV multiples as at the Last Trading Day (the "**Latest P/NAV**") as the key valuation metric based upon their respective closing prices as at the LPD and their latest publicly available financial results.

Table 12: Selected comparable logistics and industrial S-REITs

Company	Market Capitalisation as at LPD (S\$ million)	NAV (S\$ million)	P/NAV⁽¹⁾ as at LPD
Ascendas Real Estate Investment Trust	11,940	7,810	1.53x
Mapletree Logistics Trust	7,252	4,462	1.63x
Mapletree Industrial Trust	6,207	3,477	1.78x
AIMS APAC REIT	1,020	965	1.06x
Cache Logistics Trust	764	639	1.20x
Mean			1.44x
Median			1.53x
Maximum			1.78x
Minimum			1.06x
Implied by issue price for Consideration Units (as at Last Trading Day)			1.31x
As at LPD			1.36x

Source: Bloomberg

Notes:

(1) The Price to NAV ("**P/NAV**") was calculated based on the ratio of market capitalisation as at the Latest Closing Price Date to the latest published NAV, which is the book value of a company's shareholder's equity (excluding non-controlling interests and perpetual securities holders).

We note that the P/NAV of 1.31x implied by the issue price for Consideration Units (as at the Last Trading Day) is within the range of P/NAV multiples for the selected comparable logistics and industrial S-REITs but is lower than the mean and the median P/NAV multiples as at the LPD.

We note that the P/NAV of 1.36x implied by the issue price for Consideration Units (as at LPD) is within the range of P/NAV multiples for the selected comparable logistics and industrial S-REITs but is marginally lower than the mean and the median P/NAV multiples as at the LPD.

For the purpose of the Proposed Asset Acquisition

7.14 The rationale for the Proposed Asset Acquisition

The disclosures made in relation to the rationale for the Proposed Asset Acquisition are set out in paragraph 6 of the Circular and in section 6 of this letter.

We recommend that the Independent Directors and the Audit, Risk and Compliance Committee advise the FLT Unitholders to read this information carefully.

7.15 Assumptions and valuation approaches adopted by the Independent Valuers and the Purchase Consideration

The FLT Trustee has commissioned an independent valuer, Knight Frank, and the Manager has commissioned an independent valuer, BNPP to ascertain the current market value of the Target Property. The valuation summary is set out in Appendix D of the Circular. We recommend that the Independent Directors and the Audit, Risk and Compliance Committee to advise the FLT Unitholders to read this section of the Circular carefully

7.15.1 Definitions

We set out below definition for key metrics that has been adopted by the Independent Valuers in relation to the Proposed Asset Acquisition:

Table 13: Standards and definitions adopted by the Independent Valuers

Definitions	
RICS Valuation – Global Standard 2017 (the “Red Book”)	<ul style="list-style-type: none"> The Independent Valuers’ reports have been prepared in accordance with the RICS Valuation – Global Standards 2017 which incorporate the International Valuation Standards (the “Red Book”).
Market Value (“MV”)	<ul style="list-style-type: none"> Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Gross Property Value (“GV”)	<ul style="list-style-type: none"> GV represents the valuation/ price before cost of purchase (i.e. stamp duty and fees) are deducted.
Net Property Income (“NPI”)	<ul style="list-style-type: none"> NPI is the Gross Rental Income less the property operating expense.
Net Initial Yield (“NIY”)	<ul style="list-style-type: none"> NIY is equal to the NPI divided by the Gross Property Value.
Equivalent Yield (“EY”)	<ul style="list-style-type: none"> EY is the net passing income for the property plus the market income across any vacancies, divided by the sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure.
Reversionary Yield (“RY”)	<ul style="list-style-type: none"> RY is the assessed net market income divided by the sum of sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure and present value of reversions.
Net Property Income Yield (“NPI Yield”)	<ul style="list-style-type: none"> NPI yield is calculated based on NPI divided by Market Value.

Source: RICS Valuation – Global Standards 2017, GVA UK

7.15.2 Valuation Approaches and Assumptions by the Independent Valuers

In respect of the independent valuations of the Target Property, both Independent Valuers have utilised the income capitalisation approach and direct comparison approach for the completed buildings, and residual approach for the development land.

We set out below a brief summary of the valuation approaches adopted by the Independent Valuers in relation to the Target Property:

Table 14: Valuation approaches adopted by the Independent Valuers

Valuers	BNPP	Knight Frank
Valuation approach	<ul style="list-style-type: none"> • BNPP's valuation approach is in accordance to the RCIS Valuation - Global Standards 2017, which incorporates the International Valuation Standards (the "Red Book") • BNPP has adopted the income capitalisation approach as the primary method of valuation with the residual approach as a secondary method of valuation • The rental value compares rental prices of comparable properties (per sq ft) to the Target Property • The residual approach compares sales prices of the comparable properties to the subject properties after adjusting for costs (primarily for development sites) 	<ul style="list-style-type: none"> • Knight Frank's valuation approach is in accordance to the RCIS Valuation - Global Standards 2017, which incorporates the International Valuation Standards (the "Red Book") • Knight Frank has adopted the income capitalisation approach as the primary method of valuation with the residual approach as a secondary method of valuation • The investment approach involves an analysis of comparable investment and rental transactions against the Target Property • The residual approach compares sales prices of the comparable properties to the subject properties after adjusting for costs (primarily for development sites)
Key consideration metrics	<ul style="list-style-type: none"> • For comparable of similar properties in the surrounding area (with limited publicly available information), BNPP relied on a inputs from local agents to determine, site and access marketability, rental level achievability • BNPP took into account the size, location, building quality, tenant quality and lease term for each of the properties and have ascribed a NIY and EY to reflect aforementioned conditions 	<ul style="list-style-type: none"> • For comparable of similar properties in the surrounding area (with limited publically available information), Knight Frank relied on their internal database and a strong team of local agents to determine, site and access marketability, rental level achievability • Knight Frank took into account the size, location, building quality, tenant quality and lease term for each of the properties and have ascribed a NIY and EY to reflect aforementioned conditions
Market Value adopted	£180,520,000	£182,651,800

Source: Valuation reports from BNPP and Knight Frank

Notes:

(1) Based on Independent Valuers report provided by Management

The approaches undertaken by the Independent Valuers are widely accepted methods in Europe, and appropriate for the purpose of valuing tenanted, income producing properties with medium to long term leases.

Details of the Valuation Summaries is set out in Appendix D of the Circular.

7.16 Purchase Consideration and Estimated Total Cost of the Proposed Asset Acquisition

Details of Valuation and Purchase Consideration and Estimated Total Cost of the Proposed Asset Acquisition are set out in Paragraph 5 of the Circular. We recommend that the FLT Independent Directors and the Audit, Risk and Compliance Committee advise the FLT Unitholders to read this section of the Circular carefully.

Based on the above, we note that the Purchase Consideration was based on the Property Purchase Price which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations described herein.

We further note that the Estimated Total Cost of the Proposed Asset Acquisition take into consideration the following (1) Purchase Consideration; (2) Acquisition fee; and (3) Estimated professional and other fees incurred or to be incurred by the Enlarged REIT in connection with the Proposed Asset Acquisition.

7.17 Valuation results and the Property Purchase Price of the Proposed Acquisition

We have set out a summary of:

- (a) The Market Value in respect to the independent valuations of the Target Property by both Independent Valuers, BNPP and Knight Frank;
- (b) The key assumptions used by the Independent Valuers;
- (c) The Agreed Property Value for the Target Property; and
- (d) The premium/ (discount) between the Market Value of the Target Property and Agreed Property Value

as below:

Table 15: Key valuation assumptions adopted by the Independent Valuers

	BNPP	Knight Frank
Key assumptions		
Capitalisation rate	5.00% to 6.75%	5.75% to 7.00%
Net income (Contracted)	£11,414,923	£11,508,347
Market rent (assumption)	£13,289,650	£12,770,566
Adopted Market Value ⁽¹⁾	£180,520,000	£182,651,800
Market Value analysis		
NIY	5.59%	5.91%
EY	6.06%	6.39%
RY	6.47%	6.72%
Premium/ (Discount)	0.27%	(0.90%)

Source: Valuation reports from BNPP and Knight Frank

Notes:

(1) Includes development land value

We noted that the Agreed Property Value is within the range of the Market Values adopted by the Independent Valuers.

Based on the above, the Proposed Asset Acquisition appears to be on normal commercial terms and not prejudicial to the interests of FLT's minority Unitholders.

7.18 Comparison to publicly available market benchmarks

For the purpose of assessing the NPI Yield of the Proposed Asset Acquisition, we have taken reference to publicly available estimates of market Prime Yields in which the Target Property operates (the "**Public Benchmark**").

We have had discussions with the Management about the suitability and reasonableness of the Public Benchmark acting as a basis for comparison with the Target Property. Relevant information has been extracted from publicly available research reports. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The underlying assumptions of the Public Benchmark with respect to the values which market Prime Yields were derived may differ from that of the Target Property.

We set out below the definition of the key metric that has been used to compare Public Benchmark against the NPI Yield of the Proposed Asset Acquisition:

Table 16: Definition of Public Benchmark

Definition	
Prime Yield ("PY")	<ul style="list-style-type: none">Represents the best "rack-rented" yield estimated to be achievable for a notional property of the highest quality and specification in the best location in a market, as at the survey date.The property should be let at the prevailing market rent to a first class tenant with an occupational lease that is standard for the local market.

Table 17: Market Prime Yields

UK Commercial Properties	
Market Prime Yields	4.75% to 5.00%
Implied NPI Yield of the Proposed Asset Acquisition	5.49%

Source: 2019 JLL UK office market outlook

Based on the table above, we note that the implied NPI Yield of the Proposed Asset Acquisition is above the market Prime Yields.

7.19 Comparison to listed Peer Group

For the purposes of assessing the NPI Yield of the Proposed Asset Acquisition, we have taken reference to listed REITs whose principal business are broadly comparable to the Target Property (the "**Peer Group**").

We have had discussions with the Management about the suitability and reasonableness of the Peer Group acting as a basis for comparison with the Target Property. Relevant information has been extracted from respective company announcements. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The Peer Group's accounting policies with respect to the values for which the assets or revenue and costs are recorded may differ from that of the Target Property.

We wish to highlight that the Peer Group may not be exhaustive and they may differ from the Target Property in terms of, inter alia, Property Value, size, clientele, tenant composition, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, tax regimes, future prospects and other relevant criteria respectively.

As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

As the Target Property is a commercial asset in the UK, we have considered listed REITs/property investment companies with similar business profiles.

In our analysis, we have compared the NPI Yield of Peer Group against the NPI Yield of the Proposed Asset Acquisition as set out in the table below:

Table 18: Listed comparable REITs & property investment companies

Peer Group	Business description	Sector(s)	Portfolio Size ⁽¹⁾ (£m)	NPI (£m)	NPI Yield
Derwent London Plc	Largest London-focused REIT with interest in commercial real estate portfolio. Manages a total portfolio of 5.7 million sqft worth £5.4 billion. Typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt.	Commercial	4,462.0	171.0	3.83%
Great Portland Estates Plc	A FTSE 250 property investment and development company owning £2.6 billion of real estate in central London. Operates in a highly cyclical market with a focus on London commercial real estate.	Diversified	2,645.0	79.7	3.73%
McKay Securities Plc	A commercial property investment company specialising in the development and refurbishment of good quality office and industrial buildings within established and proven markets of central London and South East England. Manages a total portfolio of 33 properties in strong and established areas.	Commercial + Industrial	492.1	23.4	5.86%
RDI REIT Plc	An established UK REIT invested in a diversified portfolio across the United Kingdom and Germany. Typically invests in assets with strong property fundamentals, underpinned by strong occupier demand in locations and/or sectors undergoing positive structural change.	Diversified	1,391.0	81.6	5.87%
Standard Life Investments Property Income Trust Limited	A leading asset manager with an expanding global reach. Focuses mainly on investing in a diversified portfolio of UK commercial properties.	Diversified	493.9	26.5	5.36%
Mean					4.93%
Median					5.36%
Maximum					5.87%
Minimum					3.73%
Implied NPI Yield of the Proposed Asset Acquisition					5.49%

Source: Capital IQ as at LPD, Company Annual Reports

Notes:

(1) We have excluded land and properties under construction in the portfolio valuation where practicable

Based on the table above, we note that the implied NPI Yield of the Proposed Asset Acquisition is within range of the Peer Group and is above the mean and median.

7.20 Comparison to precedent transactions

For the purposes of assessing the NPI Yield of the Proposed Asset Acquisition, we have taken reference to selected precedent transactions involving business parks within the UK whose principal business are broadly comparable to the Target Property (the "Precedent Transactions").

We wish to highlight that the Precedent Transactions may not be exhaustive and is limited in its utility to the extent that the property differs from the Target Property in aspects such as location, accessibility, title, lettable area, composition of tenants, proximity to major venues and/ or attraction, outstanding lease tenure, market risks, track record and other relevant factors. In addition, the valuations of the selected properties were undertaken at different points in time under different market and economic conditions. Accordingly, any comparison made serves as an illustrative guide only.

In our analysis, we have compared the NIY of Precedent Transactions against the NPI Yield of the Proposed Asset Acquisition as set out in the table below:

Table 19: Key comparable business parks transactions

Precedent Transactions	Size (sq ft)	WAULT (to break)	Date	NIY
The Heights, Business Park, Brooklands	349,903	3.85 years	Oct-19	7.06%
Watson House, 28 London Road	73,936	7.00 years	Sep-19	6.60%
Burystead Court, Milton Keynes	55,535	10.00 years (expiry)	Sep-19	5.60%
3500/ 3400/ 5000/ 9600 Oxford Business Park	132,321	2.10 years	May-19	6.50%
Four10 Thames Valley, Reading	71,676	10.00 years	Apr-19	5.35%
Frimley 4 Business Park, Frimley	128,702	6.10 years (expiry)	Mar-19	7.54%
Westside, Apsley, Hemel Hempstead	189,849	6.20 years	Sep-18	6.25%
4 The Square, Stockley Park	81,403	5.40 years	Aug-18	6.51%
Mean				6.43%
Median				6.51%
Maximum				7.54%
Minimum				5.35%
Implied NIY of the Proposed Asset Acquisition				5.59% to 5.91%

Source: Valuation reports from BNPP and Knight Frank

Based on the table above, we note that the implied NIY of the Proposed Asset Acquisition is within range of the Precedent Transactions and is below the mean and median.

7.21 Comparison to existing property portfolio

For the purposes of assessing the NPI Yield of the Proposed Asset Acquisition, we have taken reference to the NPI Yield of the existing FLT portfolio as below:

Table 20: Comparison to existing property portfolio

	Existing FLT portfolio	The Proposed Asset Acquisition
	A\$'000	£'000
Valuation	3,554,100	181,000
Net property income (TTM) ⁽¹⁾	195,911 ⁽³⁾	9,943
NPI Yield	5.51%⁽²⁾	5.49%

Source: Company filings

Notes:

(1) TTM refers to trailing twelve (12) months

(2) Excludes the Bielefeld property which was completed on 28 Nov 2019

(3) Net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases

Based on the table above, we note that the implied NPI Yield of the Proposed Asset Acquisition is comparable to the existing FLT portfolio.

We have had discussions with management and note that there were new leases executed which were not included in the TTM NPI for the Proposed Asset Acquisition. Accordingly, the stabilised NPI Yield would differ from the NPI Yield presented in the table above.

For the purpose of the Proposed Asset Acquisition

7.22 Pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition

The pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition are set out in paragraph 8 of the Circular.

On the basis presented and using the assumptions made as set out in paragraph 8.2 of the Circular, we note the pro forma financial effects of the Proposed Merger and the Proposed Asset Acquisition is:

- DPU increase by 2.2%
- NAV increases from S\$ 0.95 per unit to S\$ 1.04 per unit
- Aggregate leverage increased from 33.4% to 37.0%

7.23 Other relevant considerations which may have a significant bearing on our assessment

7.23.1 New leases

Based on our discussions with management, we highlight that there were new leases entered after 30 September 2019 for the Target Property. These have been taken into consideration in the independent valuations conducted by both Independent Valuers in assessing the net effected rent value of the Target Property.

7.23.2 Other development potential

We highlight that the Target Property comprises of development land. Based on discussions with management and Independent Valuers, the development land has the potential to be further developed with planning permission granted for approximately 18,000 sqm of office space and more amenities.

8. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Trust Scheme:

For the Proposed Merger

- (1) The rationale for the Proposed Merger;
- (2) The Scheme Consideration is generally higher than the closing prices of the FCOT Units in the five-year period up to the LPD;
- (3) The Scheme Consideration represents a premium range of 0.5% to 16.5% over the VWAP of the respective reference periods for the FCOT Units;
- (4) The proportion of the Scheme Consideration to be paid in cash is within the range of 5.0% to 10.0% of the cash components paid in the three selected precedent S-REIT amalgamation transactions;
- (5) The Scheme Consideration represents a P/NAV multiple of 1.04x as at the Last Trading Day based upon the financial statements of FCOT as at 30 September 2019. This is within the range of the P/NAV multiples achieved and above the mean and median for the FCOT Units for both the six-month and twelve-month periods prior to the Last Trading Day. We also note that as at LPD, the P/NAV multiple of 1.04x which is based upon the financial statements of FCOT as at 31 December 2019 is within range of the P/NAV multiples achieved and above the mean and median for the FCOT Units for both the six-month and twelve-month periods up to the Last Trading Day;
- (6) The P/NAV of 1.04x implied by the Scheme Consideration (as at the Last Trading Day and LPD) is within the range of multiples for the selected comparable commercial S-REITs and higher than both the mean and median P/NAV multiples as at the Last Practicable Date;
- (7) The assurance given by the SSA 805 opinion where FLT 805 Auditors have rendered an unqualified opinion. We note that the FLT 805 Auditors have also considered the carrying value of the FCOT Investment Properties as at 30 September 2019;
- (8) The premia implied by the Scheme Consideration over the prevailing P/NAV of the FCOT Units as at the Last Trading Day is within range and below the mean and median of the equivalent premia offered to the target S-REITs for the selected precedent amalgamation transactions. However, such premia is substantially lower than the equivalent premia offered to the target S-REITs in each of the three precedent takeover transactions. This may in part be explained by the fact that the Trust Scheme is a Merger whereby FCOT Unitholders obtain a new security which will in time be listed on the SGX-ST;
- (9) The premium implied by the Scheme Consideration is lower than the mean and median premia for the Precedent Privatisation Transactions for all periods selected to compute VWAP. This may in part be explained by the fact that the Trust Scheme is a Merger whereby FCOT Unitholders obtain a new security which will in time be listed on the SGX-ST;
- (10) The issue price of the Consideration Units is between a discount of (2.1%) to a premium of 14.6%;
- (11) The issue price of the Consideration Units represents a P/NAV multiple of 1.31x as at the Last Trading Day based upon the financial statements of FLT as at 30 September 2019. The issue price of the Consideration Units is within the range of the P/NAV multiples achieved and comparable to the mean and median for the FLT Units for both the six-month and twelve-month periods prior to the Last Trading Day. We also note that as at LPD, the P/NAV multiple of 1.36x which is based upon the financial statements of FLT as at 31 December 2019 is within range of the P/NAV multiples achieved and comparable to the

mean and median for the FOCT Units for both the six-month and twelve-month periods up to the Last Trading Day; and

- (12) The P/NAV of 1.31x implied by the issue price for Consideration Units (as at the Last Trading Day) is within the range of P/NAV multiples for the selected comparable logistics and industrial S-REITs but is lower than the mean and the median P/NAV multiples as at the LPD. We also note that the P/NAV of 1.36x implied by the issue price for Consideration Units (as at LPD) is within the range of P/NAV multiples for the selected comparable logistics and industrial S-REITs but is marginally lower than the mean and the median P/NAV multiples as at the LPD.

For the Proposed Asset Acquisition

- (13) The rationale for the Proposed Asset Acquisition;
- (14) The approaches undertaken by the Independent Valuers are widely accepted methods in Europe, and appropriate for the purpose of valuing tenanted, income producing properties with medium to long term leases. We have made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective valuation reports. In our review, we found the information provided to be reasonable;
- (15) The Agreed Property Value is within the range of the Market Values adopted by the Independent Valuers;
- (16) The implied NPI Yield of the Proposed Asset Acquisition is above the market Prime Yields of the publicly available market benchmarks;
- (17) The implied NPI Yield of the Proposed Asset Acquisition is within range of the comparable listed Peer Group and is above the mean and median;
- (18) The implied NIY of the Proposed Asset Acquisition is within range of the Precedent Transactions and is below the mean and median;
- (19) The implied NPI Yield of the Proposed Asset Acquisition is comparable to the existing FLT portfolio;

For the Proposed Merger and the Proposed Asset Acquisition

- (20) On a pro forma basis, the Proposed Merger and the Proposed Asset Acquisition will increase DPU, increase NAV per unit and increase aggregate leverage;
- (21) Based on discussion with management, there were positive rental reversions during the year for the Proposed Asset Acquisition. Accordingly, the stabilised NPI Yield would be higher than the existing 5.49% for the Proposed Asset Acquisition; and
- (22) There are existing development land within the Proposed Asset Acquisition. We have discussed with management and Independent Valuers and noted that the development land has the potential to be further developed with planning permission already granted for approximately 18,000 sqm of office space and more amenities. This signifies further room for income and value growth for the Enlarged REIT.

Based on our analysis and after having considered carefully the information available to us as at the LPD, we are of the opinion that the Proposed Merger and the Proposed Asset Acquisition are on normal commercial terms and are not prejudicial to the interests of FLT and its minority Unitholders. Accordingly, we advise the FLT Independent Directors and the Audit, Risk and Compliance Committee to recommend that the FLT Unitholders vote in favour of the Proposed Merger and the Proposed Asset Acquisition.

In arriving at our recommendation, we wish to emphasise that we have relied on representations made by the FLT Manager relating to current intentions and future directions of FLT. In addition, the FLT Independent Directors, the Audit, Risk and Compliance Committee and FLT Trustee should note that we have arrived at our conclusion based upon information made available to us up to and including the LPD.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Unitholder. As each Unitholder has different investment objectives and profile, we would advise that individual Unitholder who require specific advice in relation to their investment objectives or portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Unitholders should note that the trading of FLT Units is subject to, *inter alia*, the performance and prospects of FLT, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the Proposed Merger and the Proposed Asset Acquisition do not and cannot take into account future trading activities or patterns or price levels that may be established for FLT Unitholders after the LPD since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Trust Scheme.

The FLT Independent Directors, the Audit, Risk and Compliance Committee and FLT Trustee should note that trading in FLT Unit is subject to possible market fluctuations and, accordingly, our advice and does not take into account the future trading activity or patterns or price levels that may be established for the FLT Units as these are governed by factors beyond the ambit of our review and would not fall within the terms of reference in connection with the Trust Scheme.

Our recommendation is in compliance with Rule 921(4)(a) of the Listing Manual as well as addressed to the FLT Independent Directors, the Audit, Risk and Compliance Committee and the FLT Trustee for their benefit in connection with and for the purposes of their consideration of the Proposed Merger and the Proposed Asset Acquisition. Any recommendations made by the FLT Independent Directors and the Audit, Risk and Compliance Committee in respect of the Proposed Merger and the Proposed Asset Acquisition shall remain their responsibility.

Our recommendation are governed by the laws of Singapore, and are strictly limited to the matters stated in this letter and do not apply by implication to any other matter.

Yours faithfully

For and on behalf of

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee

Executive Director

APPENDIX C: FLT 805 AUDITOR'S OPINION



FRASERS COMMERCIAL TRUST AND ITS SUBSIDIARIES

STATEMENT OF INVESTMENT PROPERTIES

As at 30 September 2019



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fraser's Logistics & Industrial Asset Management Pte Ltd
(as Manager of Fraser's Logistics & Industrial Trust)

Perpetual (Asia) Limited
(in its capacity as trustee of Fraser's Logistics & Industrial Trust) (the "Trustee")

Our Opinion

We have audited the statement of investment properties of Fraser's Commercial Trust ("FCOT") and its subsidiaries (collectively, the "FCOT Group") and its joint venture, as at 30 September 2019 and the notes to the statement of investment properties, including a summary of significant accounting policies (together, the "Statement"). In our opinion, the accompanying Statement of the FCOT Group is prepared, in all material respects, in accordance with the basis of accounting described in Note 2 of the Statement.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the FCOT Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Statement in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Basis of Accounting and Restriction on Use

We draw attention to Note 2 of the Statement, which describes the basis of accounting. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters as stated in Note 1 of the Statement and for no other purpose. Our report has been prepared for inclusion in the unitholders' circular in relation to the proposed merger of Fraser's Logistics & Industrial Trust ("FLT") and FCOT and is not intended for any other purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Statement. These matters were addressed in the context of our audit of the Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of investment properties</p> <p>As at 30 September 2019, the carrying value of the investment properties held by the FCOT Group and its joint venture amounted to \$2,226,921,000.</p> <p>The valuation of these investment properties was a key audit matter due to the significant judgement in determining the appropriate valuation methodology to be used and in the key inputs used in the valuation techniques. These key inputs include capitalisation rates, terminal capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.</p> <p>The key inputs are disclosed in Note 4 of the accompanying Statement.</p>	<p>We involved our internal specialists in our procedures. Our audit procedures included the following:</p> <ul style="list-style-type: none"> assessed FCOT Group's process relating to the selection of external valuers and the determination of scope of work of the external valuers; reviewed the terms of the engagement and the valuation reports of the valuers to ascertain if there are matters that might affect the objectivity or limit the scope of work and to assess the competence and capabilities of the external valuers engaged by the FCOT Group and its joint venture; obtained an understanding of the techniques and valuation methodologies used by the external valuers in determining the valuations of individual investment properties and considered them against generally accepted market practices of comparable property types; discussed with Fraser Commercial Asset Management Ltd. (as Manager of FCOT) on the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; tested the integrity of information, including underlying lease and financial information provided to the external valuers, to lease agreements and other information available; and assessed the reasonableness of the terminal capitalisation rates, capitalisation rates and discount rates by comparing these against those of comparable properties from publicly available information, industry data and prior year inputs used in prior year valuations. Where applicable, evaluated the reasonableness of the concluded valuations by comparing them against recent transaction prices of comparable properties. <p>We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the Statement given the estimation uncertainty and sensitivity of the valuations.</p> <p>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques and methodologies used were in line with the generally accepted market practices and appropriate in the context of the investment properties held by the FCOT Group and its joint venture.</p> <p>The critical assumptions used in the valuations, including the discount rates, terminal capitalisation rates and capitalisation rates were reasonable and supported by the evidence available from publicly available information of</p>



	comparable properties and were within the range of industry and market data. The underlying lease and financial information provided to the external valuers were also supported by evidence available, such as the lease agreements.
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Responsibilities of the Manager of the Statement

Frasers Commercial Asset Management Ltd., as Manager of FCOT (“the Manager”) is responsible for the preparation of the Statement in accordance with the basis of accounting stated in Note 2 of the Statement; and for such internal controls as the Manager determines are necessary to enable preparation of the carrying value that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Manager is responsible for assessing the FCOT Group’s ability to continue as a going concern, disclosing, as appropriate, matters relating to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the FCOT Group or to cease operations, or has no realistic alternative but to do.

The Manager is responsible for overseeing the FCOT Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FCOT Group’s internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.



Auditor's Responsibilities for the Audit of the Statement (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the FCOT Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the FCOT Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the FCOT Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the Statement and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alex Toh Wee Keong.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers' followed by a stylized 'up' or 'us'.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 7 February 2020



Statement of Investment Properties of Frasers Commercial Trust Group

As at 30 September 2019

	Note	2019 \$'000
Investment properties held by the FCOT Group	4	2,076,273
Investment property held by the joint venture	4	<u>150,648</u>
		<u>2,226,921</u>



Notes to the Statement of Investment Properties of Frasers Commercial Trust

1. Purpose of the Statement

The Statement is prepared for the purpose of giving additional comfort to unitholders of Frasers Logistics and Industrial Trust ("FLT") that the carrying values of investment properties of Frasers Commercial Trust and its subsidiaries ("FCOT Group"), as at 30 September 2019 were stated, in all material respects, in accordance with the significant accounting policies of the FCOT Group (set out in Note 3) and that, accordingly, such properties held by the FCOT Group and its joint venture were stated at fair values. The Statement is prepared by Frasers Commercial Asset Management Ltd., as manager of Frasers Commercial Trust.

2. Basis of accounting

2.1 Statement of compliance

The Statement is prepared in accordance with the basis of preparation specified in Note 2.2.

2.2 Basis of preparation

The Statement, which was extracted from the books and records of the FCOT Group, has been prepared based on the significant accounting policies set out in Note 3.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4.

2.3 Functional and presentation currency

The Statement is presented in Singapore dollars ("S\$"), which is the functional currency of FCOT. The investment properties are recognised based on their functional currency before being translated to Singapore dollars at exchange rates at the end of reporting period and presented in Singapore dollars. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.4 Significant accounting judgements and estimates

The preparation of the Statement requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. As at 30 September 2019, the investment properties of \$2,226,921,000 (Note 4) held by the FCOT Group and its joint venture are stated at their fair values determined by independent property valuers.



3. Significant Accounting Policies

3.1 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services for administrative purposes. Investment properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Fair value is determined at each balance sheet date in accordance with the Trust Deed. In addition, the investment properties are valued by independent professional valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the FCOT Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are derecognised when either they have been disposed of or when no future economic benefit is expected from their disposal. Any gains or losses on the disposal are recognised in the statement of total return.



4. Investment properties

	2019
	\$'000
Investment properties held by the FCOT Group	2,076,273
Investment property held by the joint venture ^(a)	<u>150,648</u>
	<u>2,226,921</u>

^(a) This represents the FCOT Group's share of 50% interest in Farnborough Business Park, which is held by the joint venture.

Valuation processes of the FCOT Group

In accordance with the CIS Code, the FCOT Group rotates the valuers at least every two years. In relying on the valuation reports, the Manager exercised its judgement and was satisfied that the independent property valuers had appropriate professional qualifications and recent experience in the location and category of the properties being valued, and the valuation estimates were reflective of the current market conditions. Key valuation inputs were reported to the Board of the Manager.

The fair values of investment properties are determined by the following independent property valuers as at 30 September 2019.

China Square Central	: Jones Lang LaSalle Property Consultants Pte Ltd
Alexandra Technopark	: Savills Valuation and Professional Services (S) Pte Ltd
Central Park	: Colliers International (WA) Pty Ltd
Caroline Chisholm Centre	: Colliers International Valuation & Advisory Services (ACT) Pty Limited
357 Collins Street	: Jones Lang LaSalle Advisory Services Pty Ltd
Farnborough Business Park	: CBRE Limited



4. Investment properties (continued)

Fair value hierarchy

The FCOT Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2- Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3- Inputs from the asset or liability that are not based on observable market data (unobservable inputs)

<u>Description</u>	Fair value measurements using significant unobservable inputs (Level 3) \$'000
30 September 2019	
Investment properties held by the FCOT Group	2,076,273
Investment property held by the joint venture	150,648
	<u>2,226,921</u>

Valuation techniques and key inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Held by the FCOT Group

<u>Description</u>	<u>Valuation techniques</u>	<u>Key unobservable inputs</u>	<u>Range of unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Singapore properties	Discounted cash flows analysis	Discount rate	6.75% - 8.00%	The higher the discount rate, the lower the valuation.
		Terminal capitalisation rate	3.75% - 6.25%	The higher the terminal capitalisation rate, the lower the valuation.



4. Investment properties (continued)

Valuation techniques and key inputs used in Level 3 fair value measurements (continued)

Held by the FCOT Group (continued)

<u>Description</u>	<u>Valuation techniques</u>	<u>Key unobservable inputs</u>	<u>Range of unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Singapore properties	Income capitalisation method	Capitalisation rate	3.50% - 6.00%	The higher the capitalisation rate, the lower the valuation.
Australia properties	Discounted cash flows analysis	Discount rate	6.50% - 7.00%	The higher the discount rate, the lower the valuation.
		Terminal capitalisation rate	5.25% - 7.50%	The higher the terminal capitalisation rate, the lower the valuation.
	Income capitalisation method	Capitalisation rate	4.88% - 7.00%	The higher the capitalisation rate, the lower the valuation.

Held by the joint venture

<u>Description</u>	<u>Valuation techniques</u>	<u>Key unobservable inputs</u>	<u>Range of unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
United Kingdom property	Discounted cash flows analysis	Discount rate	5.45%	The higher the discount rate, the lower the valuation.
		Terminal capitalisation rate	5.61%	The higher the terminal capitalisation rate, the lower the valuation.
	Income capitalisation method	Capitalisation rate	6.42%	The higher the capitalisation rate, the lower the valuation.

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APPENDIX D: VALUATION SUMMARIES



Perpetual (Asia) Limited (in its capacity as trustee of Frasers Logistics & Industrial Trust) ("**FLT**") (the "**Trustee**")

8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

Frasers Logistics & Industrial Asset Management Pte. Ltd. as manager of FLT (the "**Manager**")

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

(together "**you**" or the "**Client**")

9 December 2019

Dear Sirs

Acquisition by Frasers Logistics & Industrial Trust of interests in 14 freehold buildings and five freehold reversions comprising Farnborough Business Park in the United Kingdom (the "Acquisition")

Knight Frank LLP ("**we**", "**us**", "**our**", "**Knight Frank**") accepted instructions dated 16 September 2019 issued by the Trustee, to prepare a full valuation report ("**Valuation Report**") for the properties within the above mentioned business park as described in the "*Valuation Summary*" paragraph below (each a "**Property**" and together the "**Properties**"). The instructions request us to provide our opinion of the market value of each Property as at 30 November 2019 (the "**Valuation Date**").

In addition to the Valuation Report, we have also been instructed to provide this overview letter and annexed property summaries ("**Overview Letter**"), which are to be included in a circular to holders of units in Frasers Logistics & Industrial Trust ("**Unitholders**"), and the circular, the ("**Circular**") and referred to in SGXnet announcements issued by Frasers Logistics & Industrial Trust in connection with the Acquisition (the "**Announcements**"). The Valuation Report is provided to the Client solely for the purpose of internal assessment of the value of the Properties to be relied upon for the Acquisition and financial reporting purposes only and is specifically addressed for use and reliance upon by the Client and any such party that has entered into a reliance letter with us.

Unitholders are advised that this Overview Letter is included in the Circular under the express condition that its contents are for information purposes only and cannot be relied upon by any Unitholder. It is very important that Unitholders have read and understood the paragraph below titled "Conditions to inclusion of this letter within the Circular and reference of this letter in the Announcements".

The Valuation Report is issued solely for the use of the Client and such other parties as agreed within the terms of engagement, for the specific purpose to which it refers. We do not accept any responsibility or

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knightfrank.co.uk

Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934.
Our registered office is 55 Baker Street, London, W1U 8AN where you may look at a list of members' names.



liability to any third parties for the whole or any part of its contents under this Overview Letter, even if a third party is permitted to see a copy of our Valuation Report.

Other than as identified in this Overview Letter, neither the whole nor any part of this valuation, nor any reference thereto, may be included in any published document, circular or statement or disclosed in any way without our previous written consent to the form and context in which it may appear. Such consent is required whether or not Knight Frank is referred to by name and whether or not the contents of our Valuation Report are combined with others. For the avoidance of doubt, reliance on the full Valuation Report and/or this Overview Letter is not extended to the holders of units in Frasers Logistics & Industrial Trust.

The Valuation Report has been prepared in accordance with RICS Valuation- Global Standards 2017 (Incorporating the IVSC International Valuation Standards)' prepared by the Royal Institution of Chartered Surveyors (the "**Red Book**"). Our Valuation Report draws attention to the key issues and considerations impacting value and provide a SWOT Analysis, plus details our Critical Assumptions, Disclaimers, limitations and Qualifications and our Recommendations.

As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of the Valuation Report. Therefore, this Overview Letter must be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Overview Letter alone.

A copy of the Valuation Report will be available for inspection at the registered office of the Manager for a period of 3 months from the date of the Circular.

MARKET MOVEMENT

The Valuation Report referred to above represents the value of each Property as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular Property or particular property sector). Knight Frank is not liable for losses arising from any subsequent changes in value.

CRITICAL ASSUMPTIONS AND RELIANCE ON INFORMATION PROVIDED

We have relied upon information provided to us by the Manager and its professional advisors in respect of the Properties in preparing our Valuation Report, and do not accept any responsibility or liability for any errors or omissions in the information or documentation provided to us, nor for any consequences arising.

We do not accept any responsibility for subsequent changes in information that we have not been made aware of.

Furthermore, we have assumed that any information supplied can, if necessary be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

We have relied upon the following information provided to us and as set out in more detail within the Valuation Report:

- Tenancy schedule provided by the Manager on 18th September 2019
- Building Condition Surveys prepared by Paragon, of varying dates
- Environmental Reports prepared by Delta-Simons, of varying dates
- Measurement Reports provided by the Client on 18th September 2019
- Report on Title prepared by Watson Farley & Williams, dated 13th December 2017

We have relied upon this information in arriving at our opinions of value. We comment further on these in the Valuation Report. It must be noted that due to the length of time between instruction and completion of our

valuations, inspections of the Properties were carried out on the 18th October 2019, while much of the information provided to us was done so between September and November 2019. However, you have instructed us to rely on this information when arriving at our opinion of value as at the Valuation Date, while you have also confirmed that there have been no material changes at the Properties in terms of their physical characteristics and in terms of any of the information and due diligence, between the point of inspection and the provision of information and the Valuation Date. If any material changes are subsequently found to have occurred during this time, the values and opinions in the Valuation Report and summarised below may be incorrect. We have entirely relied on this confirmation in presenting our opinion of market value.

The Client has confirmed that since the report on title was prepared by Watson, Farley & Williams in December 2017 new copies of the title have been reviewed. Although we have not had sight of this review the Client has requested that we rely upon their assertion that any issues raised in the Watson, Farley & Williams report, dated December 2017, will not impact the Valuation.

As instructed, we have relied upon the floor areas provided by the Manager. We have not measured the properties and neither have we undertaken the measurement of any land sites. We have assumed these to be correct, and have been assessed and calculated in accordance with local market practice.

In accordance with RICS Guidance Note 13/2010, we advise that we are not chartered environmental surveyors and we can provide no warranties to the accuracy of the information supplied relating to possible land contamination. We have assumed that the information and opinions we have been given are complete and correct and that further investigations would not reveal more information sufficient to affect value.

Where possible, we have made enquiries with the relevant planning authority for each Property as to the planning status of the Properties, and any proposed highway proposals, comprehensive development schemes or other planning matters that could affect property values. Any comment is included in the Valuation Report.

In the case of properties that are let, our opinion of value is based on our assessment of the investment market's perception of the covenant strength of the tenants. This has been arrived at in our capacity as valuation surveyors on the basis of information that is publicly available. We are not accountants or financial experts and we have not undertaken a detailed investigation into the financial status of the tenants. We have, however, reviewed where possible third party commentary on the principal tenants. Our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness. Where available, we have obtained credit reports on the major tenants, and include comments on these in the individual Valuation Reports.

MARKET INSTABILITY

The market has been performing at levels considered to be at or near the top of the current property cycle. The likelihood of market conditions remaining at these levels in the long term is unlikely. If economic and real estate market conditions deteriorate in the future, then the market value of each asset will decline. This inherent risk factor should be considered in any lending or investment decisions.

MARKET VALUE DEFINITIONS

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out below as at the date of valuation. Each valuation assumes that the Property has been properly marketed and that exchange of contracts took place on the Valuation Date.

Market Value is defined as follows:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'

No allowance has been made for either the costs of realisation or for taxation which might arise on a disposal. Our values are, however, net of standard purchaser's costs appropriate to each specific entity.

REPORT CONTENT

Our Valuation Report, in addition to the content noted earlier herein, contains detailed information and description for each Property pertaining to:

- ◆ Instructions, Reliance and Liability;
- ◆ Site Details including Location, Legal, Environmental and Town Planning;
- ◆ A SWOT analysis of the wider park;
- ◆ Analysis of the Investment attributes;
- ◆ A comprehensive Market Overview and details of the sales evidence regarded, along with our Investment Considerations; and
- ◆ The Market Value and marketability.

VALUATION RATIONALE

In arriving at our opinion of value for each asset, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular, have investigated sales and leasing transactions of comparable properties.

We have utilised the Income Capitalisation Method as our primary method of valuation with the Direct Comparable Method as our secondary method of valuation to determine our opinion of market value for each asset.

A detailed explanation of the investment credentials and the application of the various methods is provided within the Valuation Report.

We again refer the reader of this letter to our Valuation Report for detail in respect of the above items for each Property.

YIELDS

Our Valuation Report and One Page Property Summaries contain references to yields, which can be defined as follows:

NET INITIAL YIELD

The initial immediate return from the Property at the stated valuation, based on the current income the Property produces. This is calculated by reference to the total net passing rent divided by the gross value before deduction of purchasers' costs.

EQUIVALENT YIELD

The average weighted return a Property will produce with reference to both the present income and market rent, assuming the income is received annually in arrears.

REVERSIONARY YIELD

The expected return the Property will provide once rack rented. This is calculated by reference to the total net market rent divided by the gross value before deduction of purchasers' costs.

VALUATION SUMMARY

In accordance with our instructions, we summarise our opinion of value for each Property, as at 30 November 2019, as follows:

Property	Market Value	NIY	EY	RY
Building 110	£10,800,000	7.68%	6.98%	7.89%
Building 120 (café)	£410,000	8.32%	8.06%	8.32%
Building 130	£16,300,000	6.12%	6.25%	6.25%
Building 150	£17,300,000	7.49%	6.98%	7.62%
200 Fowler Avenue	£13,400,000	6.50%	6.73%	7.29%
250 Fowler Avenue	£11,600,000	4.47%	6.50%	6.99%
The Hub	£11,800,000	5.24%	7.38%	7.91%
25 Templer Avenue	£25,400,000	6.36%	6.74%	7.21%
AMC Building	£675,000	5.98%	5.98%	5.98%
Pinehurst I	£21,400,000	5.63%	5.73%	5.73%
Pinehurst II	£22,500,000	4.80%	6.33%	6.55%
Audi Car Showroom	£15,000,000	4.70%	4.94%	4.75%
Barons Car Showroom	£8,600,000	6.29%	6.00%	6.29%
Costa Unit	£1,300,000	5.11%	5.25%	5.11%
Pinehurst III	£2,200,000	N/A	N/A	N/A
Pinehurst IV	£3,400,000	N/A	N/A	N/A
Freehold Reversions and Heritage Buildings	£566,800	N/A	N/A	N/A
	£182,651,800			

MARKET COMMENTARY AND PORTFOLIO SALES

Included within the Valuation Report is a market commentary that provides an overview of the prevailing market conditions, particularly as they relate to each asset.

The UK property investment market is currently witnessing low levels of transaction volumes. This is primarily as a result of Brexit and the political uncertainty surrounding the General Election. The General Election takes place on the 12 December 2019. The outcome of the election may have a significantly negative impact on the UK property market. As such the date of the valuation may represent the peak in the current property investment cycle. If economic and real estate market conditions deteriorate in the future, then the market value of each asset will decline. This inherent risk factor should be considered in any lending or investment decisions.

For the avoidance of doubt, we have approached our valuation on the basis of assessing the value of each Property individually, having regard to what we believe each Property would achieve should it be brought to the market in isolation at the date of valuation. Our valuation makes no allowance for the disposal of the portfolio in its entirety as a single transaction, or as a series of smaller portfolio 'lots'. Our valuation additionally makes no allowance for the any effect on value should all the Properties be offered to the market at the same time.

CONDITIONS TO INCLUSION OF THIS LETTER WITHIN THE CIRCULAR AND REFERENCE OF THIS LETTER IN THE ANNOUNCEMENTS

Knight Frank provides its consent for the inclusion of this Overview Letter within the Circular to Unitholders, and for the reference of this Overview Letter in the Announcements for information purposes only.

Unitholders receiving this Overview Letter within the Circular should read the following carefully:

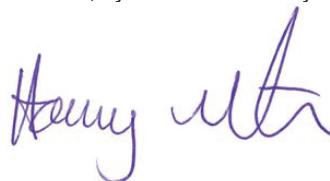
- ◆ This Overview Letter is for the use of the Client for the purpose as specified previously. Use by, or reliance upon this Overview Letter or the Valuation Report by anyone other than the Client is not authorised by Knight Frank and Knight Frank is not liable to the extent permitted by applicable law for any loss arising from such unauthorised use or reliance.
- ◆ References to the value of each Property within this Overview Letter, the Circular or the Announcements have been extracted from the Valuation Report. The Valuation Report will be made available for inspection by Unitholders at the registered office of FLT for a period of three months from the date of the Circular, in accordance with applicable laws and regulations.
- ◆ The Valuation Report set out the key issues and considerations impacting the value of the Properties and provides detailed analysis as well as critical assumptions, assumptions, disclaimers, limitations and qualifications. This Overview Letter and any references to value within the Circular and the Announcements are therefore to be read in conjunction with the Valuation Report. This Overview Letter is subject to the same critical assumptions, assumptions, disclaimers, limitations and qualifications as are contained in the Valuation Report.
- ◆ As set out above under the paragraph headed “*Critical Assumptions and Reliance on Information Provided*”, in preparing the Valuation Report and this Overview Letter Knight Frank has relied on and referred to information provided to it by third parties.
- ◆ No liability is accepted for any loss, harm, cost or damage suffered as a consequence of fluctuations in the real estate market subsequent to the Valuation Date.
- ◆ Neither this Overview Letter nor the Valuation Report may be reproduced in whole or in part without the prior written approval of Knight Frank.
- ◆ Knight Frank charges a professional fee for producing valuation reports and a fee was paid by the Client for the Valuation Report and this Overview Letter.

Yours faithfully



Alex Burgoyne MRICS
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M +44 7885 610 673

Reviewed, by not undertaken by



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T +44 20 7861 1202
M +44 7721 894530

ANNEX

Property Summaries

Property	Market Value	NIY	EY	RY
Building 110	£10,800,000	7.68%	6.98%	7.89%
Building 120 (café)	£410,000	8.32%	8.06%	8.32%
Building 130	£16,300,000	6.12%	6.25%	6.25%
Building 150	£17,300,000	7.49%	6.98%	7.62%
200 Fowler Avenue	£13,400,000	6.50%	6.73%	7.29%
250 Fowler Avenue	£11,600,000	4.47%	6.50%	6.99%
The Hub	£11,800,000	5.24%	7.38%	7.91%
25 Templer Avenue	£25,400,000	6.36%	6.74%	7.21%
AMC Building	£675,000	5.98%	5.98%	5.98%
Pinehurst I	£21,400,000	5.63%	5.73%	5.73%
Pinehurst II	£22,500,000	4.80%	6.33%	6.55%
Audi Car Showroom	£15,000,000	4.70%	4.94%	4.75%
Barons Car Showroom	£8,600,000	6.29%	6.00%	6.29%
Costa Unit	£1,300,000	5.11%	5.25%	5.11%
Pinehurst III	£2,200,000	N/A	N/A	N/A
Pinehurst IV	£3,400,000	N/A	N/A	N/A
Freehold Reversions and Heritage Buildings	£566,800	N/A	N/A	N/A
	£182,651,800			

SUMMARY VALUATION REPORT

ACQUISITION OF

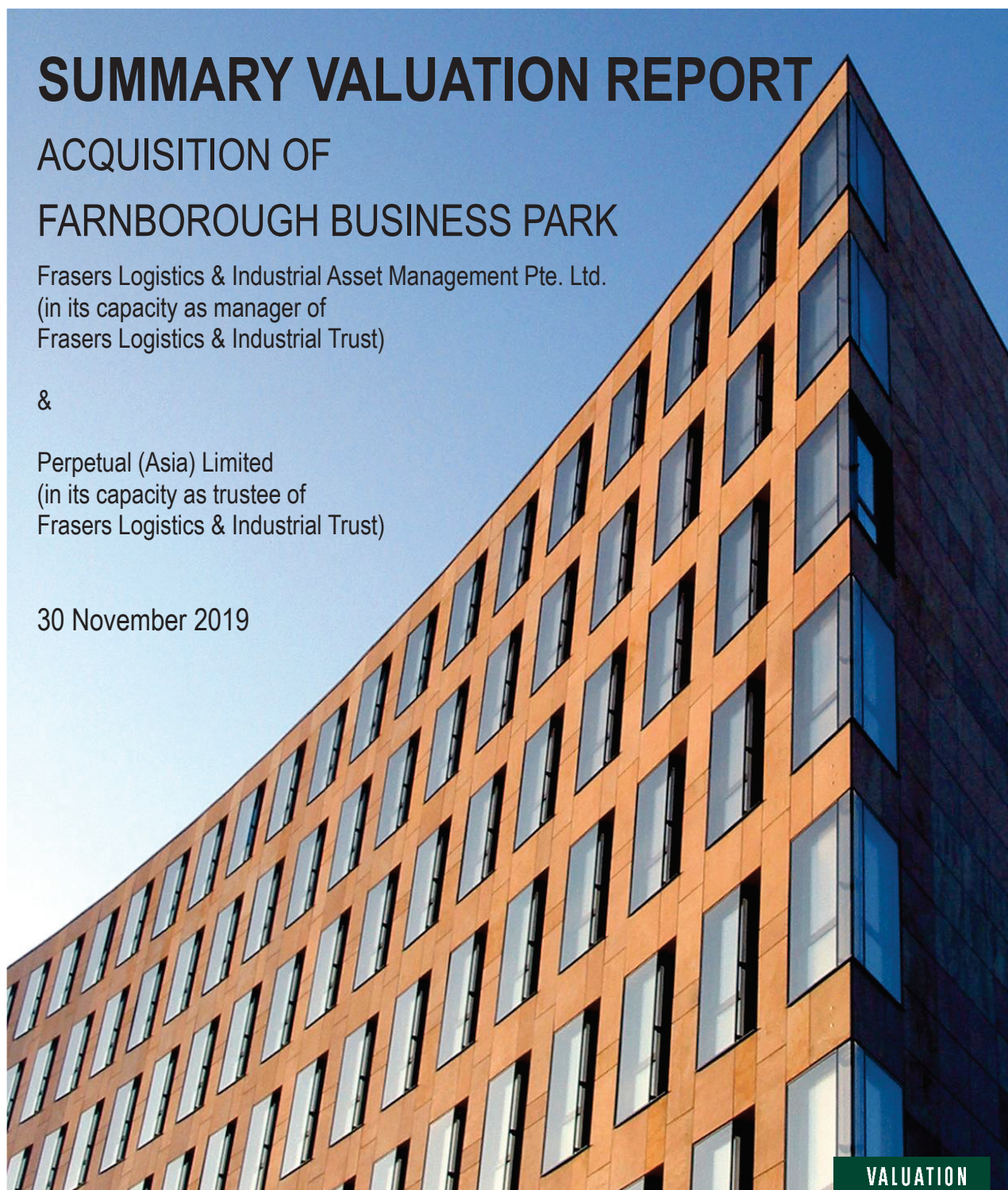
FARNBOROUGH BUSINESS PARK

Frasers Logistics & Industrial Asset Management Pte. Ltd.
(in its capacity as manager of
Frasers Logistics & Industrial Trust)

&

Perpetual (Asia) Limited
(in its capacity as trustee of
Frasers Logistics & Industrial Trust)

30 November 2019



**BNP PARIBAS
REAL ESTATE**

Real Estate
for a changing world

Valuation Report

Farnborough Business Park

Frasers Logistics & Industrial Asset Management Pte. Ltd.
(in its capacity as manager of Frasers Logistics & Industrial Trust)
&
Perpetual (Asia) Limited
(in its capacity as trustee of Frasers Logistics & Industrial Trust)

Contents

- 1 Valuation Report
- 2 Schedule Showing Basis of Valuation
- 3 Valuation Procedure and Assumptions

1Valuation Report

Valuation

Fraser's Logistics & Industrial Asset Management
Pte. Ltd. (in its capacity as manager of Fraser's
Logistics & Industrial Trust)
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

Peter Sudell
Executive Director - Valuation
BNP Paribas Real Estate
5 Aldermanbury Square
London
EC2V 7HR

Attention: Chew Yi Wen

Perpetual (Asia) Limited (in its capacity as trustee of
Fraser's Logistics & Industrial Trust)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

Tel: +44 (0) 20 7338 4287
Fax: +44 (0) 20 7430 2628
E-mail Peter.sudell@bnpparibas.com

Attention: Sin Li Choo, Managing Director

Our ref: PGS/RB/js/195682

30 November 2019

Dear Sirs,

THE ACQUISITION OF FARNBOROUGH BUSINESS PARK ("THE PROPERTY") VALUATION AS AT 30 NOVEMBER 2019

1 TERMS OF REFERENCE

1.1 Instructions

This valuation has been prepared in order to assist you with your proposed acquisition of the Property which comprises Farnborough Business Park located in England, UK. The valuation is prepared in accordance with the terms of our proposal letter dated 29 November 2019 and the Valuation Procedures and Assumptions enclosed with that letter. We understand that you intend to hold the Property as an investment and with a view to exploit the latent development potential of the development land at the Property. We understand that the valuation will also be reported to the Singapore Stock Exchange.

1.2 Date of valuation

30 November 2019. The importance of the valuation date must be stressed as property values may change over a relatively short period.

1.3 Standards

The report has been prepared in accordance with RICS Valuation – Global Standards 2017, (the "Red Book").

BNP Paribas Real Estate Advisory & Property Management UK Limited

Registered office: 5 Aldermanbury Square, London EC2V 7BP

Registered in England No. 4176965

www.realestate.bnpparibas.co.uk



Regulated by RICS

1.4 Independence and Objectivity

BNP Paribas Real Estate UK ("BNPPRE") have no material current involvement with either the Property or any other party connected with this Property. However, BNPPRE previously carried out a valuation of the report in December 2017 for acquisition purposes for Frasers Property.

We are not a related corporation of or have a relationship with the Frasers Centrepoint Group, the manager or any other party whom Frasers Centrepoint Asset Management (Commercial) Ltd, Frasers Logistics & Industrial Asset Management Pte. Ltd and Perpetual (Asia) Limited is contracting with, which would interfere with our ability to give an independent and professional valuation of the Property.

In 2019, we have carried out valuations for Frasers Centrepoint Limited of five business parks in the UK at Winnersh Triangle, Reading; Watchmoor Park, Camberley; Chineham Park, Basingstoke; Maxis, Bracknell; and Hillington Park, Glasgow. Additionally, BNPPRE are currently retained as leasing agents on a number of these business parks. We have also previously carried out due diligence and valuation for Frasers Centrepoint Limited for the acquisition of Geneva Properties, an Amsterdam-based listed real estate company.

We are aware of nothing that could create a conflict with our duty to provide you with an objective and independent valuation. We have undertaken this valuation in the capacity of External Valuers.

1.5 Valuer details

This report has been prepared by Peter Sudell MA FRICS and Robert Brydone BLE (Hons) MRICS. We confirm that they have the knowledge, skills and understanding to undertake this valuation competently.

1.6 Indemnity

We have sufficient professional indemnity cover for this instruction and our overall workload.

2 EXTENT OF DUE DILIGENCE & INFORMATION SOURCES

2.1 Inspection

For this valuation we have undertaken a formal inspection of the Property on 23 October 2019.

2.2 Floor areas

As instructed we have relied upon the areas provided in the tenancy schedule dated September 2019. We understand these have been measured in accordance with the RICS Code of Measuring Practice 2007 (6th Edition).

2.3 Condition

As part of our previous valuation dated 31 December 2017, we reviewed the Pre-Acquisition Survey Reports in respect of each of the main buildings on the site prepared by Paragon Building and Project Consultants.

We also had sight of the following survey reports, prepared by Paragon Building & Project Consultants, issued on 14 November 2017 with a revision date of 01 December 2017.

- 200 Fowler Avenue, Farnborough, GU14 7JP
- 250 Fowler Avenue, Farnborough, GU14 7JP
- 25 Templer Avenue, Farnborough, GU14 6FB
- Pinehurst I, Farnborough, GU14 7BF
- Pinehurst II, Farnborough, GU14 7BF
- The Hub, Fowler Avenue, Farnborough, GU14 7JP
- Heritage Buildings & G1, Farnborough

2.4 Environmental investigation

As part of our previous valuation, we have reviewed environmental reports prepared by Delta-Simons Environmental Consultants Limited dated November 2017.

2.5 Tenure, title and tenancies

We have relied upon the Land Registry's Title Registers and Title Plans as well as lease documents which we were provided with as part of our previous valuation in 2017.

The commentary provided in this report is based on our understanding of the title and tenancy situation and this should be verified by your solicitors.

2.6 Town planning

We have made internet based enquiries of the relevant Local Authority websites.

3 DESCRIPTION

Farnborough Business Park sits on a site extending to circa 115 acres in total on the northern boundary of Farnborough Airport.

The property is held subject to one individual freehold title and two individual leasehold titles.

In terms of investment income, the park comprises nine office buildings, two standalone A3 café units, two car showrooms and an industrial unit.

In addition, there are a number of other commercial buildings let on a long leasehold basis at nominal rents comprising a further office building, a De Vere Hotel, a Public House, a Costco cash and carry warehouse and a Busy Bees nursery.

Furthermore, due to the history of the site and its connection with the UK aviation industry, there are a number of Grade I, Grade II* and Grade II listed buildings on the site which form what is known as the Heritage Quarter.

In terms of future development, there remain three further sites, two for 153,000 sq ft of consented office development (Pinehurst III and IV) and a further 1.8 acres for car showroom or other potential alternative use.

4 VALUATION

4.1 Market Value Definition

Our valuation is on the basis of Market Value. This is an internationally recognised basis and is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Property has been valued on the basis of Market Value.

We have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular, have investigated sales and leasing transactions of comparable properties.

We have utilised the income capitalisation method as our primary method of valuation with the direct comparable method as our secondary method of valuation to determine our opinion of market value for the Property. For the development sites we have used both the residual and comparable methods.

A detailed explanation of the investment credentials and the application of the various methods is provided within our Full Valuation Report dated 30 November 2019. Therefore, this Summary Valuation Report must be read and considered together with the Full Valuation Report.

A copy of the Full Valuation Report will be available for inspection at the registered office of the Manager for a period of 3 months from the date of the Circular.

Property values may change significantly over a relatively short period. Consequently our valuation may not be valid on any date other than the stated valuation date.

The Market Value is the price that would be agreed, with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

4.2 Investment considerations

In arriving at our Market Value we have had regard to the following characteristics of the Property:

- A prime southeast modern business park.
- Freehold.
- Development opportunities.
- Multi let which provides various asset management opportunities.
- The business park is fundamentally in single ownership which provides control.
- Good transport links.
- Reasonable occupier demand.
- A money weighted unexpired term of approximately 6.85 years, with 5.19 years to the earliest break option.

4.3 Market Value

We are of the opinion that the respective Market Value in the freehold interest of the Property as at 30 November 2019 is as follows:

		Market Value
Farnborough Business Park, Farnborough	Freehold	£180,520,000

This generates an equivalent yield of 6.06%, a net initial yield of 5.59% and reversionary yield of 6.47%.

5 GENERAL CONDITIONS & CONSENT

This report and valuation has been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect the valuation. It has been prepared solely for the purpose of advising on the current market value of the Property and may be inappropriate for any other purpose.

BNP Paribas Real Estate provides its consent for the inclusion of this letter in the circular to unitholders of Frasers Logistics & Industrial Trust (this "Circular") and reference of this letter in SGXnet announcements to be issued by Frasers Logistics & Industrial Trust in connection with the acquisition of the Property Letter for information purposes only. Recipients of the Circular should take note of the liability disclaimers contained in our Full Valuation Report dated 30 November 2019.

This report is private and confidential to Frasers Logistics & Industrial Asset Management Pte. Ltd. (in its capacity as manager of Frasers Logistics & Industrial Trust) and Perpetual (Asia) Limited (in its capacity as trustee of Frasers Logistics & Industrial Trust). BNP Paribas Real Estate has given its consent to allow this report to be made available for any third party's inspection on a non-reliance basis. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

If it is intended to make a reference to this report in any published document, a draft of a suitable statement is included. However, even if this is used without alteration, our prior approval to publication is still required so that we can approve the reference in context. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

Yours faithfully



Peter Sudell MA FRICS
Executive Director
RICS Registered Valuer



Robert Brydone BLE (Hons) MRICS
Associate Director
RICS Registered Valuer

For and on behalf of BNP Paribas Real Estate

2 Schedule Showing Basis of Valuation



Address	Tenure	Net Income (Contracted)	Net Income (Assumed)	Net Market Rent	MR Basis per sq ft	Review Range	Break Range	Expiry Range	MWUXT	Initial Yield	Yield after one year review	Yield after rent freeze and steps (Rate)	Approx. Normal Equivalent Yield	Row Yield	Capital Value per sq ft	Valuation 30-Nov-19
OFFICES																
FARNBOROUGH	PH	£908,592	£908,592	£970,100	£27.00	Jun-2020	Jun-2021	Jun-25	1.55	7.05%			6.75%	8.22%	£308	£11,050,000
FARNBOROUGH	PH	£1,088,024	£1,088,024	£1,100,000	£27.00	Jun-2020	Jun-2020	Jun-25	5.51	6.17%			6.00%	7.10%	£397	£16,315,000
FARNBOROUGH	PH	£1,408,447	£1,408,447	£1,501,000	£27.00	Mar-2020	Mar-2022	Mar-25	2.29	6.76%			6.50%	7.84%	£323	£17,980,000
FARNBOROUGH	PH	£961,675	£961,675	£1,052,300	£26.00	Jun-2020	Jun-2021	May-2023	3.50	6.20%			6.15%	7.15%	£341	£13,785,000
FARNBOROUGH	PH	£588,880	£588,880	£686,900	£26.00	Jun-2020	Jun-2022	Oct-2023	4.42	4.26%			5.89%	6.81%	£398	£12,320,000
FARNBOROUGH	PH	£780,835	£780,835	£1,068,380	£0.75 - £26.50	Jun-2018	May-2020	May-2020	4.65	5.20%			6.66%	7.34%	£293	£13,640,000
FARNBOROUGH	PH	£1,650,006	£1,733,238	£2,061,000	£26.00	Jun-2021	Jun-2021	Aug-2021	3.14	5.20%			6.00%	6.57%	£370	£29,385,000
FARNBOROUGH	PH	£1,310,067	£1,310,067	£1,398,700	£28.00	Jan-2023	Jan-2023	Jan-28	8.17	5.98%			5.76%	6.20%	£419	£20,515,000
FARNBOROUGH	PH	£1,187,347	£1,187,347	£1,658,300	£0.00 - £28.00	Dec-2020	Dec-2019	Jan-2028	5.10	4.70%			6.00%	6.66%	£394	£23,640,000
OFFICES TOTAL		£9,861,673	£9,965,105	£11,723,680						5.70%	5.70%		6.15%	6.87%	£356	£197,570,000
CAR SHOWROOMS																
FARNBOROUGH	PH	£577,250	£577,250	£575,500	£18.25		Jan-2023	Jan-33	3.14	6.77%			6.25%	6.73%	£254	£7,960,000
FARNBOROUGH	LLH	£760,000	£760,000	£766,600	£11.50	Feb-2024	Feb-2024	Feb-39	19.20	5.15%			5.02%	5.19%	£207	£13,850,000
CAR SHOWROOMS TOTAL		£1,337,250	£1,337,250	£1,340,100						0.00%	0.00%		0.00%	5.75%	£222	£21,820,000
AMENITY																
FARNBOROUGH	PH	£95,550	£95,550	£98,700	£26.00	Jun-2020	Jun-2022	Jun-25	2.63	6.40%			6.52%	6.97%	£343	£50,000
FARNBOROUGH	PH	£70,400	£70,400	£70,200	£39.00	Mar-2022	Mar-2022	Mar-32	12.25	5.40%			5.25%	5.39%	£883	£1,230,000
AMENITY TOTAL		£165,950	£165,950	£168,900						0.00%	0.00%		0.00%	5.43%	£526	£1,760,000
FARNBOROUGH BUSINESS PARK - ANCILLARY INCOME																
FARNBOROUGH	PH	£42,000	£42,000	£46,600	£5.00			Sep-24	4.84	4.57%			4.98%	5.34%	£89	£880,000
FARNBOROUGH	PH	£97,350	£97,350	£97,350	£0.00	Jun-2020	Jun-2020	Dec-24	5.09	6.50%			6.50%	6.50%	£0	£980,000
ANCILLARY TOTAL		£139,350	£139,350	£146,950						0.00%	0.00%		0.00%	5.92%		£1,860,000
OTHER ADJUSTMENTS																
FARNBOROUGH	PH															£4,590,000
FARNBOROUGH	PH															£4,000,000
FARNBOROUGH	PH															£1,900,000
OTHER ADJUSTMENTS TOTAL																£2,490,000
GRAND TOTAL		£11,414,823	£11,518,165	£13,268,630						5.56%	5.61%	5.96%	6.05%	6.89%		£180,520,000

[illegible]

[illegible]

Area	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45	Q46	Q47	Q48	Q49	Q50	Q51	Q52	Q53	Q54	Q55	Q56	Q57	Q58	Q59	Q60	Q61	Q62	Q63	Q64	Q65	Q66	Q67	Q68	Q69	Q70	Q71	Q72	Q73	Q74	Q75	Q76	Q77	Q78	Q79	Q80	Q81	Q82	Q83	Q84	Q85	Q86	Q87	Q88	Q89	Q90	Q91	Q92	Q93	Q94	Q95	Q96	Q97	Q98	Q99	Q100	Q101	Q102	Q103	Q104	Q105	Q106	Q107	Q108	Q109	Q110	Q111	Q112	Q113	Q114	Q115	Q116	Q117	Q118	Q119	Q120	Q121	Q122	Q123	Q124	Q125	Q126	Q127	Q128	Q129	Q130	Q131	Q132	Q133	Q134	Q135	Q136	Q137	Q138	Q139	Q140	Q141	Q142	Q143	Q144	Q145	Q146	Q147	Q148	Q149	Q150	Q151	Q152	Q153	Q154	Q155	Q156	Q157	Q158	Q159	Q160	Q161	Q162	Q163	Q164	Q165	Q166	Q167	Q168	Q169	Q170	Q171	Q172	Q173	Q174	Q175	Q176	Q177	Q178	Q179	Q180	Q181	Q182	Q183	Q184	Q185	Q186	Q187	Q188	Q189	Q190	Q191	Q192	Q193	Q194	Q195	Q196	Q197	Q198	Q199	Q200	Q201	Q202	Q203	Q204	Q205	Q206	Q207	Q208	Q209	Q210	Q211	Q212	Q213	Q214	Q215	Q216	Q217	Q218	Q219	Q220	Q221	Q222	Q223	Q224	Q225	Q226	Q227	Q228	Q229	Q230	Q231	Q232	Q233	Q234	Q235	Q236	Q237	Q238	Q239	Q240	Q241	Q242	Q243	Q244	Q245	Q246	Q247	Q248	Q249	Q250	Q251	Q252	Q253	Q254	Q255	Q256	Q257	Q258	Q259	Q260	Q261	Q262	Q263	Q264	Q265	Q266	Q267	Q268	Q269	Q270	Q271	Q272	Q273	Q274	Q275	Q276	Q277	Q278	Q279	Q280	Q281	Q282	Q283	Q284	Q285	Q286	Q287	Q288	Q289	Q290	Q291	Q292	Q293	Q294	Q295	Q296	Q297	Q298	Q299	Q300	Q301	Q302	Q303	Q304	Q305	Q306	Q307	Q308	Q309	Q310	Q311	Q312	Q313	Q314	Q315	Q316	Q317	Q318	Q319	Q320	Q321	Q322	Q323	Q324	Q325	Q326	Q327	Q328	Q329	Q330	Q331	Q332	Q333	Q334	Q335	Q336	Q337	Q338	Q339	Q340	Q341	Q342	Q343	Q344	Q345	Q346	Q347	Q348	Q349	Q350	Q351	Q352	Q353	Q354	Q355	Q356	Q357	Q358	Q359	Q360	Q361	Q362	Q363	Q364	Q365	Q366	Q367	Q368	Q369	Q370	Q371	Q372	Q373	Q374	Q375	Q376	Q377	Q378	Q379	Q380	Q381	Q382	Q383	Q384	Q385	Q386	Q387	Q388	Q389	Q390	Q391	Q392	Q393	Q394	Q395	Q396	Q397	Q398	Q399	Q400	Q401	Q402	Q403	Q404	Q405	Q406	Q407	Q408	Q409	Q410	Q411	Q412	Q413	Q414	Q415	Q416	Q417	Q418	Q419	Q420	Q421	Q422	Q423	Q424	Q425	Q426	Q427	Q428	Q429	Q430	Q431	Q432	Q433	Q434	Q435	Q436	Q437	Q438	Q439	Q440	Q441	Q442	Q443	Q444	Q445	Q446	Q447	Q448	Q449	Q450	Q451	Q452	Q453	Q454	Q455	Q456	Q457	Q458	Q459	Q460	Q461	Q462	Q463	Q464	Q465	Q466	Q467	Q468	Q469	Q470	Q471	Q472	Q473	Q474	Q475	Q476	Q477	Q478	Q479	Q480	Q481	Q482	Q483	Q484	Q485	Q486	Q487	Q488	Q489	Q490	Q491	Q492	Q493	Q494	Q495	Q496	Q497	Q498	Q499	Q500	Q501	Q502	Q503	Q504	Q505	Q506	Q507	Q508	Q509	Q510	Q511	Q512	Q513	Q514	Q515	Q516	Q517	Q518	Q519	Q520	Q521	Q522	Q523	Q524	Q525	Q526	Q527	Q528	Q529	Q530	Q531	Q532	Q533	Q534	Q535	Q536	Q537	Q538	Q539	Q540	Q541	Q542	Q543	Q544	Q545	Q546	Q547	Q548	Q549	Q550	Q551	Q552	Q553	Q554	Q555	Q556	Q557	Q558	Q559	Q560	Q561	Q562	Q563	Q564	Q565	Q566	Q567	Q568	Q569	Q570	Q571	Q572	Q573	Q574	Q575	Q576	Q577	Q578	Q579	Q580	Q581	Q582	Q583	Q584	Q585	Q586	Q587	Q588	Q589	Q590	Q591	Q592	Q593	Q594	Q595	Q596	Q597	Q598	Q599	Q600	Q601	Q602	Q603	Q604	Q605	Q606	Q607	Q608	Q609	Q610	Q611	Q612	Q613	Q614	Q615	Q616	Q617	Q618	Q619	Q620	Q621	Q622	Q623	Q624	Q625	Q626	Q627	Q628	Q629	Q630	Q631	Q632	Q633	Q634	Q635	Q636	Q637	Q638	Q639	Q640	Q641	Q642	Q643	Q644	Q645	Q646	Q647	Q648	Q649	Q650	Q651	Q652	Q653	Q654	Q655	Q656	Q657	Q658	Q659	Q660	Q661	Q662	Q663	Q664	Q665	Q666	Q667	Q668	Q669	Q670	Q671	Q672	Q673	Q674	Q675	Q676	Q677	Q678	Q679	Q680	Q681	Q682	Q683	Q684	Q685	Q686	Q687	Q688	Q689	Q690	Q691	Q692	Q693	Q694	Q695	Q696	Q697	Q698	Q699	Q700	Q701	Q702	Q703	Q704	Q705	Q706	Q707	Q708	Q709	Q710	Q711	Q712	Q713	Q714	Q715	Q716	Q717	Q718	Q719	Q720	Q721	Q722	Q723	Q724	Q725	Q726	Q727	Q728	Q729	Q730	Q731	Q732	Q733	Q734	Q735	Q736	Q737	Q738	Q739	Q740	Q741	Q742	Q743	Q744	Q745	Q746	Q747	Q748	Q749	Q750	Q751	Q752	Q753	Q754	Q755	Q756	Q757	Q758	Q759	Q760	Q761	Q762	Q763	Q764	Q765	Q766	Q767	Q768	Q769	Q770	Q771	Q772	Q773	Q774	Q775	Q776	Q777	Q778	Q779	Q780	Q781	Q782	Q783	Q784	Q785	Q786	Q787	Q788	Q789	Q790	Q791	Q792	Q793	Q794	Q795	Q796	Q797	Q798	Q799	Q800	Q801	Q802	Q803	Q804	Q805	Q806	Q807	Q808	Q809	Q810	Q811	Q812	Q813	Q814	Q815	Q816	Q817	Q818	Q819	Q820	Q821	Q822	Q823	Q824	Q825	Q826	Q827	Q828	Q829	Q830	Q831	Q832	Q833	Q834	Q835	Q836	Q837	Q838	Q839	Q840	Q841	Q842	Q843	Q844	Q845	Q846	Q847	Q848	Q849	Q850	Q851	Q852	Q853	Q854	Q855	Q856	Q857	Q858	Q859	Q860	Q861	Q862	Q863	Q864	Q865	Q866	Q867	Q868	Q869	Q870	Q871	Q872	Q873	Q874	Q875	Q876	Q877	Q878	Q879	Q880	Q881	Q882	Q883	Q884	Q885	Q886	Q887	Q888	Q889	Q890	Q891	Q892	Q893	Q894	Q895	Q896	Q897	Q898	Q899	Q900	Q901	Q902	Q903	Q904	Q905	Q906	Q907	Q908	Q909	Q910	Q911	Q912	Q913	Q914	Q915	Q916	Q917	Q918	Q919	Q920	Q921	Q922	Q923	Q924	Q925	Q926	Q927	Q928	Q929	Q930	Q931	Q932	Q933	Q934	Q935	Q936	Q937	Q938	Q939	Q940	Q941	Q942	Q943	Q944	Q945	Q946	Q947	Q948	Q949	Q950	Q951	Q952	Q953	Q954	Q955	Q956	Q957	Q958	Q959	Q960	Q961	Q962	Q963	Q964	Q965	Q966	Q967	Q968	Q969	Q970	Q971	Q972	Q973	Q974	Q975	Q976	Q977	Q978	Q979	Q980	Q981	Q982	Q983	Q984	Q985	Q986	Q987	Q988	Q989	Q990	Q991	Q992	Q993	Q994	Q995	Q996	Q997	Q998	Q999	Q1000	Q1001	Q1002	Q1003	Q1004	Q1005	Q1006	Q1007	Q1008	Q1009	Q1010	Q1011	Q1012	Q1013	Q1014	Q1015	Q1016	Q1017	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3 Valuation Procedure and Assumptions



The investigations and enquiries on which our valuations are based are carried out by valuation surveyors, making appropriate investigations having regard to the purpose of the valuation. Our reports and valuations are prepared in accordance with the RICS Valuation – Professional Standards (the “Red Book”).

Subject to any variation expressly agreed and recorded in the accompanying letter, our work will be on the basis set out below:

1 Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume:

- (i) That except for any defects specifically noted in our report, the property is in good condition.
- (ii) That no construction materials have been used that are deleterious, or likely to give rise to structural defects.
- (iii) That no hazardous materials are present, including Asbestos.
- (iv) That all relevant statutory requirements relating to use or construction have been complied with.
- (v) That any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction

We shall, however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

2 Ground Conditions and Environmental Risks

Unless provided with information to the contrary, our valuation will assume:

- (i) That the site is physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure.
- (ii) That there are no archaeological remains on or under the land which could adversely impact on value.
- (iii) That the property is not adversely affected by any form of pollution or contamination.
- (iv) That there is no abnormal risk of flooding.
- (v) That there are no high voltage overhead cables or large electrical supply equipment at or close to the property.
- (vi) That the Property is not located within a radon affected area.
- (vii) That no Japanese Knotweed is present at the Property or within close proximity to the Property.

We shall, however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

3 Tenure and tenancies

We shall rely upon information provided by you or your solicitor relating to tenure and related matters. We will not commission a formal legal search and will assume the information provided to be accurate, up-to-date and complete.

4 Planning and highway enquiries

We shall make informal enquiries of the local planning and highway authorities and also rely on information that is publicly published or available free of charge. Any information obtained will be assumed to be correct. No local searches will be instigated.

Except where stated to the contrary, we shall assume that the use to which the property is put is lawful and that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.

VALUATION PROCEDURES AND ASSUMPTIONS

5 Floor areas

All measurements will be taken in accordance with the RICS Property Measurement Professional Standard. The floor areas in our report will be derived from measurements taken on site or that have been scaled from the drawings supplied and checked by sample measurements on site. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction. We have adopted a conversion factor of 10.7639 for converting from square metres to square feet rounding up or down to the nearest square foot.

6 Plant and machinery

We will include in our valuations those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting. We will exclude all items of process plant and machinery and equipment, together with their special foundations and supports, fixtures and chattels, vehicles, stock and loose tools, and tenants fixtures and fittings.

7 Mains services

We shall assume that all mains services are connected to the Property. We shall not obtain written confirmation from the service providers and will be unable to report on condition or offer any warranty.

8 Miscellaneous regulatory requirements

We shall assume that the Property is compliant with all regulatory requirements relating to its occupation including the Equality Act 2010 and the Regulatory Reform (Fire Safety) Order 2005.

9 Tenant status

Although we reflect our general understanding of a tenant's status in our valuation, we will make no detailed enquiries about the financial status of tenants. We will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to any assignment or underletting.

10 Development properties

For properties in course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

11 VAT, taxation and costs

We will not make any adjustments to reflect any liability for taxation that may arise on disposal, or for any costs associated with disposal incurred by the owner. No allowance will be made to collect any liability or repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

If calculating the market value as an investment, we will make deductions to reflect purchasers normal acquisition costs.

Unless advised to the contrary we shall assume that the option to tax has not been exercised and that accordingly VAT will not be payable on the capital and rental values reported.

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APPENDIX E: ADDITIONAL RISK FACTORS RELATING TO FCOT

FLT Unitholders should consider carefully, together with all other information contained in this Circular, the factors described below in deciding how to vote on the resolutions proposed at the EGM as these may, among others, adversely affect the level of the Enlarged REIT's distributable income. The following set out the additional risk factors relating to FCOT which FLT may be subject to following the completion of the Proposed Merger, namely the risks relating to the assets of FCOT and risks relating to the commercial and commercial-related industries and they are not intended to be exhaustive.

RISKS RELATING TO FCOT'S GENERAL BUSINESS AND OPERATIONS

FCOT's properties are located throughout the Asia-Pacific region and Europe, including the United Kingdom, which exposes FCOT to economic and real estate market conditions in these locations

FCOT's properties are currently situated in Singapore and Australia, and prior to 22 January 2018, the investment policy of FCOT was to invest in real estate assets located in the Asia-Pacific region used primarily for office and business space purposes. With effect from 22 January 2018, the principal investment policy of FCOT was expanded to include real estate assets located in Europe including the United Kingdom used for commercial purposes and the definition of "commercial" purposes was clarified to include business parks with effect from 22 January 2018. This exposes FCOT to the local real estate market conditions in the Asia-Pacific region and Europe, including the United Kingdom, and means that FCOT's revenue and results of operations depend, to a large extent, on the performance of the economies of the countries in which FCOT's properties are located. A decline in the economies of the countries in which FCOT's properties are located could adversely affect the financial condition and results of operations of FCOT.

The performance of FCOT may also be adversely affected by a number of local real estate market conditions, such as the attractiveness of competing commercial properties, an oversupply of commercial properties, a reduced demand for commercial properties or an economic decline of countries in which FCOT's properties are located, in turn adversely affecting FCOT's financial condition and results of operations.

Difficult conditions and uncertainties in the global financial markets and the economy generally have had, and may continue to have, an adverse effect on the business, financial condition and results of operations of FCOT

The global financial markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Further, global financial markets have been increasingly affected by, among others, geopolitical frictions and changes to national trade or investment policies, treaties and tariffs. For instance, there are ongoing trade tensions between the United States and other countries, particularly China.

In addition, there is uncertainty arising from the exit of the United Kingdom from the European Union on 31 January 2020 following the results of the referendum held on 23 June 2016 and the invocation of Article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017 by the Government of the United Kingdom ("**Brexit**"). Negotiations surrounding Brexit are expected to affect the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets, either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro.

Such events could adversely affect FCOT insofar as they result in:

- a negative impact on the ability of the tenants of FCOT to pay their rents in a timely manner or continuing their leases, thus reducing FCOT's cash flow;
- an increase in counterparty risk; and
- an increased likelihood that one or more of FCOT's banking syndicate or insurers may be unable to honour their commitments to FCOT.

There is also uncertainty as to the strength of the United States or the global economy, the potential slowdown in consumer demand and the resultant impact on Singapore's external trade dependent economy.

Singapore's economic performance may also be one of the factors that affects office demand, which may adversely affect the business, financial condition and results of operations of FCOT.

FCOT operates in a capital intensive industry that relies on the availability of sizeable amounts of capital

FCOT may require additional financing to fund working capital requirements, support the future growth of its business and/or refinance its existing debt obligations. The availability of external financing for FCOT's capital investments depends on many factors outside of its control, including money and capital market conditions and the overall performance of the economies in which it operates or has property investments. In particular, investors should note that the willingness of financial institutions to make capital commitments by way of investing in debt or equity instruments may be adversely affected for prolonged periods of time as a result of various events, as experienced in the past during the global financial crisis, the debt crisis in Europe, the political instability in the Middle East and the trade tensions between the United States and other countries such as China. FCOT accordingly may face difficulties in raising funds for working capital purposes, to refinance existing debt or to finance future acquisitions of yield-accretive assets. If FCOT does not have sufficient internal cash or external financing on acceptable terms, it may be unable to develop or enhance its portfolio by acquiring assets when the opportunity arises, fund potential asset enhancements and any on-going capital expenditure requirements or to refinance its existing debt as it falls due. Furthermore, future credit facilities may contain covenants that limit FCOT operating and financing activities and require the creation of security interests over assets. Accordingly, FCOT's ability to meet payment obligations, refinance maturing debt and fund planned capital expenditure may depend solely on the success of its business strategy and its ability to generate sufficient revenue to satisfy its obligations, which are subject to many uncertainties and contingencies beyond its control, including those highlighted herein. As a result, FCOT's business, financial condition, results of operations and prospects may be adversely affected.

FCOT may not be able to manage its growth successfully

There can be no assurance that FCOT will be able to grow successfully. FCOT's ability to achieve future growth will depend, *inter alia*, on its ability to acquire, develop or enhance its existing or new properties. FCOT will rely on a combination of internal cash flows and resources and external sources of funding to acquire, develop or enhance its existing or new properties, which may not be available on commercially reasonable terms or at all. Even if FCOT is successful in securing new assets or in developing or enhancing its existing assets, there can be no assurance that FCOT will be able to achieve the intended returns or generate the intended revenue from such assets. Furthermore, FCOT may face significant competition from other real estate companies or investors and managers of real estate assets in the acquisition, enhancement and management of commercial properties. There can be no assurance that FCOT will be able to compete effectively, or to secure such opportunities on commercially reasonable terms or at all.

The anticipated future growth in FCOT's business and assets may also challenge its managerial, operational, financial and other resources. The risks associated with FCOT's anticipated future growth include, *inter alia*, the increasing operating complexity of its business and the increasing responsibility of its management. In turn, this will require the continued development of financial and management controls and systems and FCOT's implementation of these systems across its business. Furthermore, FCOT may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If FCOT is unable to successfully manage the impact of FCOT's growth on FCOT's operational and managerial resources and control systems, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

FCOT is subject to interest rate fluctuations

Some of FCOT's existing debt, and FCOT's future borrowings may, carry floating interest rates. Consequently, the interest cost to FCOT for such loans will be subject to fluctuations in interest rates. There is no certainty that interest rates will not increase to the detriment of FCOT, and the risk of increase in short-term interest rates may adversely affect the borrowings which are pegged to floating rates.

As part of FCOT's active capital management strategies, it has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, such hedging, or FCOT's hedging policy, may not adequately cover its exposure to interest rate fluctuations or any increase in interest rates in new loans or refinancing of existing loans.

Consequently, interest rate fluctuations could have a material adverse effect on the business, financial condition, results of operations and prospects of FCOT.

FCOT is exposed to risks associated with exchange rate fluctuations between the currencies of the countries in which FCOT invests and the Singapore dollar

FCOT has made investments in Singapore, Australia and United Kingdom assets, which are denominated in Singapore dollars, Australian dollars and British Pounds and receives income arising from such assets in Singapore dollars, Australian dollars and British Pounds respectively. However, FCOT maintains its financial statements in Singapore dollars and makes Singapore dollar distributions, and the FCOT Unit price is in Singapore dollars. FCOT is therefore exposed to risks associated with exchange rate fluctuations between the Singapore dollar on the one hand and the Australian dollar and British Pound on the other, and the local currency of any other foreign countries in which FCOT may invest in future. Should the Singapore dollar appreciate in value against the currencies of countries in which FCOT invests, there may be a material adverse effect on FCOT's net asset value and results of operations.

FCOT's hedging transactions may result in limited gains and increased exposure to losses

FCOT may enter into hedging transactions to manage risks arising from interest rate and exchange rate fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. Hedging activities may not have the desired beneficial impact on the results of operations or financial condition of FCOT. No hedging activity can completely insulate risks associated with changes in interest rates and exchange rates. Moreover, hedging could fail to protect FCOT or adversely affect FCOT because, among others:

- available hedging may not correspond directly with the risk for which protection is sought against;
- the duration of the hedge may not match the duration of the related liability;

- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs FCOT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments would reduce the NAV of FCOT.

Hedging may involve costs, including transaction costs. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates, and may have an adverse effect on FCOT's financial condition.

Applicable laws, regulations and accounting standards in Singapore, Australia and the United Kingdom are subject to change

FCOT may be affected by the introduction of new or revised legislation, regulations, guidelines, or directions applicable to it. There is no assurance that the MAS or any other relevant authority will not introduce new legislation, regulations, guidelines or directions which adversely affect REITs generally or FCOT specifically.

Further, the financial statements of FCOT may be affected by the introduction of new or revised accounting standards in Singapore, Australia and the United Kingdom. As the extent and timing of these changes in accounting standards are currently unknown, the FCOT Manager is not able to quantify the effect of any such changes. There can be no assurance that any future changes in accounting standards will not have a significant impact on the presentation of FCOT's financial statements or on FCOT's financial condition and results of operations. There can be no assurance that any such changes will not affect the ability of the FCOT Manager to carry out FCOT's business strategy or the operations and financial condition of FCOT.

FCOT is subject to risks associated with debt financing, including bond financing

FCOT is subject to risks associated with debt financing, including the bonds which have been or may be issued or guaranteed by FCOT. Such risks include the risk that cash flows may be insufficient to meet required payments of principal and interest under such financing.

If the payments due under FCOT's loan facilities and/or bonds issued or guaranteed by FCOT are not made on time, the lenders may be able to declare an event of default and initiate enforcement proceedings in respect of any security provided in respect of such borrowings and/or call upon the guarantees provided. If any of FCOT's properties is mortgaged to secure payment of indebtedness and FCOT is unable to meet interest or principal payments, such mortgaged property could be foreclosed by the lender or the lender could require a forced sale of the mortgaged property, resulting in a consequent loss of income and asset value to FCOT.

FCOT is also subject to the risk that its existing borrowings may be terminated by the lenders upon occurrence of certain events, that it may not be able to refinance its existing borrowings or that the terms of any refinancing will not be as favourable as the terms of its existing borrowings. FCOT is also subject to the risk that the bonds which it has issued or guaranteed may contain provisions which entitle the bondholders to redeem the bonds following the occurrence of certain events, such as the delisting of FCOT. If such redemption obligations are triggered, there is no assurance that FCOT will have sufficient cash flows or will otherwise be able to secure financing to satisfy such redemption obligations.

In addition, FCOT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect FCOT's financial condition and results of operations. Such covenants may also restrict FCOT's ability to acquire properties or undertake other capital expenditure or require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect FCOT's cash flow and financial condition.

FCOT may have a higher level of leverage than certain other types of unit trusts

FCOT may have a higher level of borrowings as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with higher leverage. An increase in leverage will subject FCOT to risks in relation to changes in the economic climate. For example, in a climate of rising interest rates, the costs of financing of FCOT's investments (including indebtedness) will increase and this could in turn adversely affect the ability of the FCOT Manager to effectively carry out its strategies.

There is no assurance that the current rating given in respect of FCOT will be maintained or that the rating will not be reviewed, downgraded, suspended or withdrawn in the future

On 6 December 2019, Moody's Investors Service announced that it has placed on review for downgrade FCOT Treasury Pte. Ltd.'s Baa2 backed senior unsecured debt ratings and the (P)Baa2 rating on its backed senior unsecured medium-term note ("MTN") programme. The outlook on all ratings has been changed to rating under review from stable, and the review for downgrade follows FCOT's announcement of the Proposed Merger, and its subsequent delisting upon completion of the Proposed Merger.

Any ratings assigned by rating agencies to FCOT's bonds are based on the views of the relevant rating agency only. Future events could have a negative impact on the rating of FCOT's bonds and prospective investors should be aware that there is no assurance that ratings given will continue or that the ratings will not be reviewed, revised, suspended or withdrawn as a result of future events or if, in the judgment of the relevant rating agency, circumstances so warrant.

FCOT may be involved in legal and other proceedings from time to time

FCOT may be involved from time to time in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in asset enhancement initiatives and the operation and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause FCOT to suffer additional costs and delays.

RISKS RELATING TO FCOT'S PROPERTIES AND OPERATIONS

Renovation works or physical damage to FCOT's properties may disrupt the operations of FCOT and collection of rental income or otherwise result in adverse impact on the financial condition of FCOT

The quality and design of FCOT's properties have a direct influence over the demand for space and the rental rates of such properties.

FCOT's properties may need to undergo renovation works from time to time in order to maintain their attractiveness to tenants. They may also require unforeseen ad hoc maintenance works or repairs in respect of faults or problems that may develop due to structural defects or because of new planning laws or regulations. The costs of maintaining a property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the buildings age.

Furthermore, while the FCOT Manager will endeavour to keep any disruptions caused by such renovations works to a minimum, the operations of FCOT's properties may still suffer some disruption and it may not be possible to collect the full rate of, or any rental income on, space affected by such renovation works. If any leases are due for renewal at that time, the existing tenants may either choose not to renew the leases upon its expiry or negotiate for lower rentals and this will adversely affect the revenue of the affected property.

In addition, physical damage to FCOT's properties resulting from fire or other causes may lead to significant disruption to the operations of such properties which, together with the foregoing, may result in an adverse impact on FCOT's financial condition and results of operations.

A significant number of leases in respect of FCOT's properties are for terms of three years, which exposes FCOT's properties to significant rates of lease expiries each year

A significant number of the leases for FCOT's properties (particularly for properties in Singapore) are generally for terms of approximately three years. The resulting lease cycles of FCOT's properties mean that a number of the leases expire each year.

As at 31 December 2019, approximately 11.6% and 13.5% of leases (as a percentage of total GRI) for FCOT's properties will be expiring in FY20 and FY21 respectively. This exposes FCOT to certain risks, including the risk that vacancies following the non-renewal of leases may lead to reduced occupancy rates or reduced rental rates, which will in turn reduce FCOT's revenue.

If a large number of tenants do not renew their leases in a year in which a significant number of leases expire, FCOT's gross revenue and results of operations could be adversely affected.

The properties held by FCOT may be revalued downwards

There can be no assurance that FCOT will not be required to make downward revaluations of its properties in the future. For example, any fall in the gross revenue or net property income earned from FCOT's properties may result in downward revaluations of the properties held by FCOT.

In addition, FCOT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. A downward revaluation of the properties held by FCOT may result in an increase in FCOT's aggregate leverage.

FCOT's properties are subject to environmental regulations and may be affected by contamination and other environmental issues

FCOT's properties may from time to time be affected by contamination or other environmental issues which may not previously have been identified and/or rectified. This gives rise to a number of risks including:

- the risk of prosecution by relevant authorities;
- the requirement for unbudgeted additional expenditure to remedy such issues; and
- the adverse impact on the business operations and financial position of tenants arising from the above, affecting their ability to trade and meet their tenancy obligations.

The factors above could have an adverse impact on FCOT's financial condition and results of operations.

FCOT may suffer an uninsured loss

FCOT maintains insurance policies covering both its assets in line with general business practices in Singapore, Australia and the United Kingdom in the commercial office and/or business space and retail property industries, with policy specifications and insured limits which the FCOT Manager believes are adequate. Risks insured against include those of property damage, terrorism and public liability. There are, however, certain types of losses (such as those arising from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, FCOT could be required to pay compensation and/or lose capital invested in the relevant property, as well as anticipated future revenue from that property. FCOT may also be liable for any debt that is with recourse to FCOT and may be liable for any mortgage indebtedness or other financial obligations related to the relevant property. No assurance can be given that material losses will not be in excess of insurance proceeds in the future or that adequate insurance coverage for FCOT's properties will be available in the future on commercially reasonable terms or at commercially reasonable rates. Any such loss could adversely affect the financial condition and results of operations of FCOT and its distributable income.

FCOT is exposed to general risks associated with relying on third-party contractors to provide various services

FCOT engages third-party contractors to provide various services in connection with its day-to-day operations of its properties and asset enhancement initiatives it may have, including construction, piling and foundation, building and property fitting-out works, alterations and additions, interior decoration, installation of air-conditioning units and lifts. FCOT is exposed to the risks that a third-party contractor may incur costs in excess of project estimates and/or delays in project completion. This may result in excess costs which may have to be borne by FCOT in order for the project to be completed. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out the construction works, thus delaying the completion of the projects or resulting in additional costs to FCOT. There can also be no assurance that the services rendered by such third parties will always be satisfactory or match FCOT's target quality levels. All of these factors could have an adverse effect on FCOT's financial condition and results of operations.

Amenities and transportation infrastructure near FCOT's properties may be closed, relocated or terminated, or the commencement of their operations may be delayed

The proximity of amenities and transportation infrastructure such as train stations and bus stations to FCOT's properties influence the demand for and hence the occupancy of these properties.

There is no assurance that the amenities, transportation infrastructure and shuttle services will not be closed, relocated or terminated in the future. Such closure, relocation or termination may adversely affect the accessibility of FCOT's properties and consequently FCOT's financial condition and results of operations.

The gross revenue earned from, and the value of, FCOT's properties may be adversely affected by a number of factors

The revenue earned from, and the value of, FCOT's properties, and consequently FCOT's financial condition and results of operations, may be adversely affected by a number of factors, including:

- the property managers' ability to collect rent from tenants on a timely basis or at all;
- the amount and extent to which FCOT is required to grant rental rebates to tenants due to market pressure;
- defects affecting FCOT's properties which could result in the inability of the relevant tenants to operate on the relevant properties, thereby resulting in the inability of such tenants to make timely payments of rent;
- a waiver of interest on late payment of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, and which could hinder or delay the re-letting of the space in question or the sale of the relevant property;
- the local and international economies and real estate market conditions (such as oversupply of, or reduced demand for, commercial space, and changes in market rental rates and operating expenses for FCOT's properties) (see also the risk factors *"Difficult conditions and uncertainties in the global financial markets and the economy generally have had, and may continue to have, an adverse effect on the business, financial condition and results of operations of FCOT"*);
- inability to renew leases or re-let space as existing leases expire;
- inability to dispose of major investment properties for the values at which they are recorded in FCOT's financial statements;
- vacancies following the expiry or termination of leases that lead to reduced occupancy rates;
- new and renewed tenancies being agreed on terms and conditions less favourable to FCOT than those under current tenancies;
- competition for tenants;
- changes in market rental rates;
- the need to renovate and repair space periodically;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- being liable to pay the associated costs of acts of God, wars, terrorist attacks, riots, civil commotions, epidemic diseases (such as the spread of the 2019 Novel Coronavirus, Zika Virus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome and other widespread communicable diseases), natural disasters and other events beyond the control of the FCOT Manager.

FCOT's properties may be subject to increases in operating expenses

FCOT's distributable income could be adversely affected if operating expenses of FCOT's properties increase without a corresponding increase in revenue. Factors which could increase operating expenses include any:

- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- increase in insurance premiums; and
- increase in the cost of utilities.

FCOT may be subject to taxes arising from investments in local or foreign assets and changes thereto arising from changes in tax laws and regulations

Income and gains derived from investments in real estate assets and real estate-related assets in foreign countries may be subject to various types of taxes both in Singapore and in the relevant foreign countries. These include income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. All these taxes, which are also subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes or changes to the tax treatment, could adversely affect and erode the returns from these properties. This may adversely affect FCOT's results of operations.

FCOT may be adversely affected by the illiquidity of real estate investments

FCOT invests primarily in real estate assets. This involves a higher level of risk as compared to a portfolio which has a diverse range of investments. Investments in real estate assets, particularly investments in high value properties such as those in which FCOT has invested or intends to invest, are relatively illiquid, limiting the ability of FCOT to vary its investment portfolio or liquidate its assets on short notice or in response to changes in economic, real estate market or other conditions, with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. FCOT may also be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, FCOT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets or due to restrictions in FCOT's various debt obligations. These factors could have an adverse effect on FCOT's financial condition and results of operations.

FCOT's properties or part thereof may be acquired compulsorily

FCOT's portfolio comprises properties which are located across Singapore, Australia and the United Kingdom. Under the laws and regulations of each of the aforementioned countries, there are various circumstances under which the various governments are empowered to acquire property.

Singapore

The Land Acquisition Act, Chapter 152 of Singapore gives the Singapore government the power to acquire any land in Singapore:

- (i) for any public purpose;
- (ii) where the acquisition is required by any person, corporation or statutory board, for any work or an undertaking which is of public benefit or of public utility or in the public interest; or
- (iii) for any residential, commercial or industrial purposes.

In determining the amount of compensation to be awarded pursuant to any such compulsory acquisition, the following matters, among others, would be considered: (i) the market value of a property in the portfolio as at the date of the publication in the Government Gazette of the notification of the intended acquisition of the land (provided that within six months from the date of publication, a declaration of acquisition is made by publication in the Government Gazette), (ii) the market value of a property in the portfolio as at the date of publication in the Government Gazette of the declaration of acquisition, and (iii) any increase in the value of any other land (such as contiguous or adjacent land) of the person interested likely to accrue from the use to which the land acquired will be put.

Australia

The various states and territories, as well as the Commonwealth, of Australia, have legislative powers to compulsorily acquire land for public purposes, in their respective jurisdictions. Under the relevant legislation, compensation is payable to the person from whom the land has been acquired. The amount of compensation payable is determined having regard to matters set out in the relevant legislation, including, in each case, the value of the land acquired. However, there is a risk that any such compensation in respect of the existing properties will be less than the market value of the relevant existing property, which may have an adverse effect on the financial condition of FCOT.

United Kingdom

Any property in the United Kingdom may at any time be compulsorily acquired by a government department or a local authority, in connection with proposed redevelopment or infrastructure projects.

In the event of a compulsory purchase order, compensation would be payable on the basis of the value of all owners' and tenants' proprietary interests in that property at the time of the related purchase, as determined by reference to a statutory compensation code. In the case of an acquisition of the whole of that property, the relevant freehold, heritable or long leasehold estate and any lease would both be acquired. If the amount received from the proceeds of purchase of the relevant freehold, heritable or long leasehold estate are inadequate to cover the loss of cash flow from such property, the business and operations of FCOT in relation to such property may be adversely affected.

There may also be a delay between the compulsory purchase of a property and the payment of compensation, the length of which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value. Should such a delay occur in the case of any property, FCOT's cash flow position may be negatively affected.

Occurrence of any acts of God, war, adverse political developments and terrorist attacks may adversely and materially affect the business, financial condition, results of operations and prospects of FCOT

Acts of God such as natural disasters are beyond the control of FCOT and may adversely affect the economy, infrastructure and livelihood of the local population in the communities in which FCOT operates. FCOT's business and operations may be adversely affected should such acts of God occur. There can also be no assurance that any war, adverse political developments, social unrest, terrorist attack or other hostilities in any part of the world (potential, threatened or otherwise) will not, directly or indirectly, have an adverse effect on the business, financial condition, results of operations and prospects of FCOT.

Downturns in the commercial property sectors will likely have a direct impact on the revenues and cash flow, as well as the value the properties, of FCOT

FCOT's financial performance will be linked to economic conditions in the markets it operates in for commercial space generally. The demand for commercial space could be adversely affected by any of the following:

- weakness in the national and regional economies;
- supply exceeding demand for commercial space in the countries FCOT operates in;
- the timing and costs associated with property improvements and rentals;
- any changes in taxation and zoning laws;
- adverse government regulation; and
- higher interest rates.

To the extent that any of these factors occur, they are likely to impact market rents for commercial space which will then affect the business, financial condition, results of operations and prospects, as well as the value of the properties, of FCOT.

FCOT may suffer higher taxes if any of its current or future subsidiaries are treated as having a taxable presence or permanent establishment outside their place of incorporation and place of tax residency

If any of FCOT or its current or future subsidiaries are considered as having a taxable presence or permanent establishment outside its place of incorporation and place of tax residency, their income or gains may be subject to additional taxes which may have an adverse impact on FCOT and its subsidiaries' financial condition.

RISK FACTORS RELATING TO FCOT AND THE ENLARGED REIT

The Enlarged REIT's investment policy may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments

FCOT's properties are commercial properties and are used primarily for commercial purposes (comprising primarily office, business space and/or business park purposes). Upon the Trust Scheme becoming effective, the investment policy of the Enlarged REIT will be to invest in real estate assets used predominantly for:

- (a) logistics or industrial purposes and located globally, and such real estate assets used for logistics or industrial purposes may also include office components ancillary to the foregoing purposes, or

- (b) commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia-Pacific region or in Europe (including the United Kingdom).

A concentration of investments in such a portfolio may entail a higher level of risk compared to other types of unit trusts that may have a more diverse range of investments. The abovementioned principal investment policy of the Enlarged REIT exposes the Enlarged REIT to a downturn in the real estate market, in particular, the logistics or industrial, commercial and/or business park sectors. Such downturns may lead to a corresponding decline in rental income and occupancy for properties that are used predominantly for logistics or industrial, commercial and/or business park purposes, including those in the Enlarged REIT's portfolio, thereby affecting the Enlarged REIT's revenue, and/or a decline in the capital value of the Enlarged REIT's portfolio, which will have an adverse impact on the Enlarged REIT's financial condition and results of operations.

The manager of the Enlarged REIT may not be able to implement its investment strategy

The key investment objectives of the Enlarged REIT are to deliver regular and stable distributions to its unitholders, and to achieve long-term growth in such distributions and the NAV per Unit. The manager of the Enlarged REIT will aim to achieve these objectives through an acquisition growth strategy and an active asset management strategy. Subject to the Property Funds Appendix, the manager of the Enlarged REIT may also undertake development activities, with the intention to hold the developed property upon completion.

There can be no assurance that the manager of the Enlarged REIT will be able to implement its investment strategy successfully. The manager of the Enlarged REIT may not be able to expand the Enlarged REIT's portfolio at all, or at any specified rate or to any specified size, and the manager of the Enlarged REIT may not be able to carry out its asset enhancement initiatives fully or at all. The manager of the Enlarged REIT may not be able to make acquisitions or investments on favourable terms or within a desired time frame due to competition from other real estate investors. The Enlarged REIT will be relying on external sources of funding to expand its portfolio and carry out its asset enhancement initiatives, which may not be available on favourable terms or at all. Even if the Enlarged REIT were able to successfully make additional property acquisitions or investments or complete its asset enhancement initiatives, there can be no assurance that the Enlarged REIT will achieve its intended return on such acquisitions, investments or enhancements. Acquisitions may cause disruptions to the operations of the Enlarged REIT and divert management's attention away from day-to-day operations. All of the above factors may adversely affect the Enlarged REIT's financial condition and results of operations.

The amount that the Enlarged REIT (encompassing FCOT) may borrow is limited, which may affect the operations of the Enlarged REIT

Under the Property Funds Appendix, the Enlarged REIT (encompassing FCOT) will be permitted to borrow up to 45.0% of the value of the Enlarged REIT's deposited property at the time the borrowing is incurred. A decline in the value of the Enlarged REIT's deposited property may affect the ability of FCOT and the Enlarged REIT to make further borrowings.

The Enlarged REIT may face adverse business consequences as a result of this limitation on borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to the Enlarged REIT's existing portfolio or in relation to the acquisition by the Enlarged REIT of further properties to expand its portfolio; and
- cash flow shortages (including with respect to making distributions) which the Enlarged REIT might otherwise be able to resolve by borrowing funds.

The manager of the Enlarged REIT (encompassing FCOT) will depend on certain key personnel, and the loss of any key personnel may adversely affect its operations

It is intended that the FCOT Manager will be replaced by the FLT Manager as soon as practicable upon completion of the Proposed Merger such that the FLT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing FCOT. Consequently, FCOT's performance will depend, in part, upon the continued service and performance of members of the senior management team and certain key personnel of the FLT Manager. These key personnel may leave the FLT Manager in the future. The loss of any of these individuals, or of one or more of the other key employees of the FLT Manager without suitable and timely replacements, could have a material adverse effect on the financial condition and results of operations of FCOT, and accordingly the Enlarged REIT.

There may be potential conflicts of interests between the Enlarged REIT, the FLT Manager and the FPL Group

The FLT Manager is wholly owned by the FPL Group, and as at the Latest Practicable Date, the FPL Group, through its wholly-owned subsidiaries, has (i) an aggregate indirect interest in 238,277,989 FCOT Units, which is equivalent to approximately 26.0% of the existing FCOT Units; and (ii) an aggregate indirect interest in 441,377,408 FLT Units, which is equivalent to approximately 19.5% of the existing FLT Units. Immediately upon completion of the Proposed Merger, the FPL Group will hold approximately 21.9% of the total issued units in the Enlarged REIT. There may be potential conflicts of interests between the Enlarged REIT, the FLT Manager and the FPL Group.

Moreover, the FPL Group may in the future sponsor, manage or invest in other REITs or other special purpose vehicles which may also compete directly with the Enlarged REIT. There can be no assurance that conflict of interests will not arise between the Enlarged REIT and the FPL Group in the future whether in relation to the future acquisition of properties or in relation to competition for tenants.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of the unitholders of Frasers Logistics & Industrial Trust (“**FLT**”, and the unitholders of FLT, the “**Unitholders**”) will be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolutions:

RESOLUTION 1

1. THE PROPOSED MERGER

That subject to and contingent upon the passing of Resolution 2:

- (i) approval be and is hereby given for the proposed merger of FLT and Frasers Commercial Trust (“**FCOT**”) (the “**Proposed Merger**”), effected through the proposed acquisition by Perpetual (Asia) Limited, in its capacity as trustee of FLT (the “**FLT Trustee**”) of all the issued and paid-up units in FCOT (the “**FCOT Units**”) held by the unitholders of FCOT (the “**FCOT Unitholders**”), by way of a trust scheme of arrangement (the “**Trust Scheme**”) in compliance with the Singapore Code on Take-overs and Mergers, on the terms and conditions set out in the Implementation Agreement (the “**Implementation Agreement**”) dated 2 December 2019 made between Frasers Logistics & Industrial Asset Management Pte. Ltd., in its capacity as manager of FLT (the “**FLT Manager**”), the FLT Trustee, Frasers Commercial Asset Management Ltd., as manager of FCOT (the “**FCOT Manager**”), and British and Malayan Trustees Limited, as trustee of FCOT (the “**FCOT Trustee**”) and the entry into of the Implementation Agreement be and is hereby approved and ratified;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Merger; and
- (iii) the FLT Manager, any director of the FLT Manager (“**Director**”), and the FLT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the FLT Manager, such Director or, as the case may be, the FLT Trustee may consider expedient or necessary or in the interests of FLT to give effect to the Proposed Merger.

RESOLUTION 2

2. THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS

That subject to and contingent upon the passing of Resolution 1:

- (i) approval be and is hereby given for the FLT Manager to issue, in the manner described in the Circular, new units in FLT to the FCOT Unitholders as part of the consideration for the acquisition of the FCOT Units pursuant to the Trust Scheme (“**Consideration Units**”); and
- (ii) the FLT Manager, any Director, and the FLT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the FLT Manager, such Director or, as the case may be, the FLT Trustee may consider expedient or necessary or in the interests of FLT to give effect to the allotment and issuance of the Consideration Units.

RESOLUTION 3

3. THE PROPOSED ASSET ACQUISITION

That subject to and contingent upon the passing of Resolution 1 and Resolution 2:

- (i) approval be and is hereby given for the proposed acquisition of a 50% interest in Farnborough Business Park through the acquisition of a 50% interest in Farnborough Business Park Ltd from Frasers Property HoldCo (Jersey) Limited, a wholly-owned subsidiary of Frasers Property Limited (the “**Proposed Asset Acquisition**”) for a purchase consideration of approximately £90.1 million (approximately S\$157.7 million)

on the terms and subject to the conditions set out in the share purchase agreement (the “**Share Purchase Agreement**”) entered into between FLT Europe Pte. Ltd., Frasers Property HoldCo (Jersey) Limited and Frasers Property International Pte. Ltd.; and

- (ii) the FLT Manager, any Director and the FLT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the FLT Manager, such Director or, as the case may be, the FLT Trustee may consider expedient or necessary or in the interests of FLT to give effect to the Proposed Asset Acquisition, the Share Purchase Agreement and all transactions in connection therewith.

BY ORDER OF THE BOARD

Frasers Logistics & Industrial Asset Management Pte. Ltd.

(Company Registration Number: 201528178Z)

as manager of Frasers Logistics & Industrial Trust

Ho Hon Cheong

Chairman and Independent Non-Executive Director

14 February 2020

Important Notice from the FLT Manager on the Novel Coronavirus

As the Novel Coronavirus situation continues to evolve, the FLT Manager is closely monitoring the situation, including any precautionary measures which may be required or recommended by government agencies to minimise the risk of spread of the Novel Coronavirus. The FLT Manager reserves the right to take measures as appropriate in order to minimise any risk to Unitholders and others attending the EGM. In the event such measures are adopted, the FLT Manager will make announcements as appropriate.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the FLT Manager and the FLT Trustee (or their agents) for the purpose of the processing and administration by the FLT Manager and the FLT Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the FLT Manager and the FLT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the FLT Manager and the FLT Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the FLT Manager and the FLT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the FLT Manager and the FLT Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT NOTICE

The value of units of FLT (“Units”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the FLT Manager or any of its affiliates. 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 FLT Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (“SGX-ST”). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FLT is not necessarily indicative of the future performance of FLT.

FRASERS LOGISTICS & INDUSTRIAL TRUST

(CONSTITUTED IN THE REPUBLIC OF SINGAPORE
PURSUANT TO A TRUST DEED DATED 30 NOVEMBER 2015
(AS AMENDED, RESTATED AND SUPPLEMENTED))

IMPORTANT

1. A Relevant Intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Note 2 for the definition of "Relevant Intermediary").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 14 February 2020 (the "Notice").

PROXY FORM

EXTRAORDINARY GENERAL MEETING

I/We _____ (Name), _____ (NRIC No./Passport No.)

of _____ (Address)

being a holder/s of units in Frasers Logistics & Industrial Trust ("FLT", and the units of FLT, the "Units"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of unitholdings in FLT (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of unitholdings in FLT (Note 2)	
			No. of Units	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held on Wednesday, 11 March 2020 at 10.00 a.m. at Level 3, Summit 2, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM. Unless expressly defined all capitalised terms shall have the meaning in the circular issued to unitholders dated 14 February 2020.

NO.	ORDINARY RESOLUTION RELATING TO:	For*	Against*	Abstain*
1.	To approve the Proposed Merger (conditional upon the passing of Resolution 2)			
2.	To approve the Proposed Issuance of Consideration Units (conditional upon the passing of Resolution 1)			
3.	To approve the Proposed Asset Acquisition (conditional upon the passing of Resolutions 1 and 2)			

* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please tick (✓) in the "For" or "Against" box provided. Alternatively, please indicate the number of votes as appropriate. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a "✓" in the "Abstain" box provided. Alternatively, please indicate the number of Units that your proxy/proxies is/are directed to abstain from voting.

Dated this _____ day of _____ 2020

**Total Number of Units Held
(Note 5)**

Signature(s) of Unitholder(s)/Common Seal

Email Address of Unitholder(s) (optional): _____

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A Unitholder of Frasers Logistics & Industrial Trust ("FLT", and a Unitholder of FLT, "Unitholder") who is not a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.
"Relevant Intermediary" means:
 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The instrument appointing a proxy or proxies (as the case may be) (the "**Proxy Form**") must be deposited with the company secretary of Frasers Logistics & Industrial Asset Management Pte. Ltd. (the "**FLT Manager**") at the office of FLT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.
4. Completion and return of this Proxy Form shall not preclude a Unitholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the FLT Manager reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the meeting.
5. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the Unitholder should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of FLT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders of FLT, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the FLT Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The FLT Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Units entered in the Depository Register, the FLT Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the FLT Manager.



**BUSINESS REPLY SERVICE PERMIT
NO. 09470**



The Company Secretary
Frasers Logistics & Industrial Asset Management Pte. Ltd.
(as manager of Frasers Logistics & Industrial Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

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Frasers Logistics & Industrial Trust

Managed by Frasers Logistics & Industrial Asset Management Pte. Ltd.
Company Registration Number: 201528178Z

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#21-00 Alexandra Point
Singapore 119958

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