

# Frasers Logistics and Industrial Trust

*Proposed Merger with Frasers Commercial Trust and  
Proposed Acquisition of the Remaining 50% Interest in Farnborough Business Park*

2 December 2019



# Important Notice

Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statement and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Frasers Logistics and Industrial Trust (“**FLT**”) or Frasers Logistics and Industrial Asset Management Pte. Ltd. (the “**FLT Manager**”), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the FLT Manager’s present and future business strategies and the environment in which FLT or the FLT Manager will operate in the future. Because these statements and financial information reflect the FLT Manager’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

The FLT Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in the FLT Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

The value of units in FLT (“**FLT Units**”) and the income derived from them, if any, may fall or rise. FLT Units are not obligations of, deposits in, or guaranteed by, the FLT Manager or any of its affiliates. An investment in FLT 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 their FLT Units while the FLT Units are listed. It is intended that Unitholders may only deal in their FLT Units through trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the FLT Units on the SGX-ST does not guarantee a liquid market for the FLT Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the FLT Units. The past performance of FLT and the FLT Manager is not necessarily indicative of the future performance of FLT and the FLT Manager.

This Presentation contains certain information with respect to the trade sectors of FLT’s tenants. The FLT Manager has determined the trade sectors in which FLT’s tenants are primarily involved based on the FLT Manager’s general understanding of the business activities conducted by such tenants. The Manager’s knowledge of the business activities of FLT’s tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the FLT Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the FLT Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

The directors of the FLT Manager (including those who may have delegated detailed supervision of this Presentation) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Presentation which relate to FLT and/or the FLT Manager (excluding information relating to Frasers Commercial Trust (“**FCOT**”) and/or Frasers Commercial Asset Management Ltd. (the “**FCOT Manager**”)) are fair and accurate and that there are no other material facts not contained in this Presentation, the omission of which would make any statement in this Presentation 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 Presentation. The directors of the FLT Manager do not accept any responsibility for any information relating to FCOT and/or the FCOT Manager.

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



---

# Table of Contents

Transaction Overview	4
Key Benefits of the Proposed Merger	10
Proposed Asset Acquisition	23
Key Approvals and Timeline	29
Conclusion	32
Appendices	35



---

# Transaction Overview



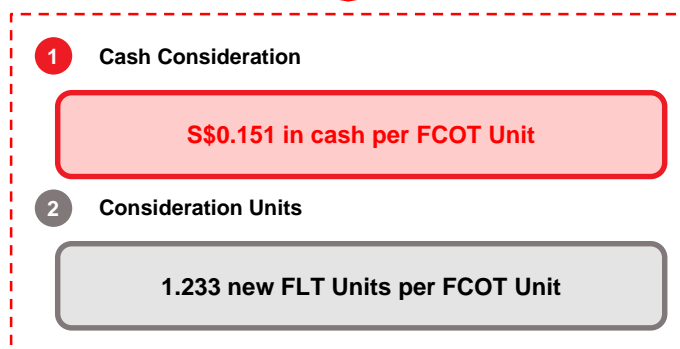
# Transaction Overview

## Proposed Merger of FLT and FCOT to create a Flagship Portfolio of Commercial and Industrial Assets

### Scheme Consideration

Consideration of **S\$1.680<sup>(1)</sup>** (“Scheme Consideration”) per FCOT unit (“FCOT Unit”) shall be satisfied by:



**Implied Gross Exchange Ratio: 1.355x<sup>(2)</sup>**



### Other Information

- The aggregate Cash Consideration to be paid to each FCOT Unitholder shall be rounded to the nearest S\$0.01
- The number of new FLT Units (“**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<sup>(3)</sup>, 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

### Transaction Summary

Transaction Structure	<ul style="list-style-type: none"> <li>▪ FLT to acquire all FCOT Units held by unitholders of FCOT (“<b>FCOT Unitholders</b>”) via a trust scheme (the “<b>Trust Scheme</b>”, with the proposed merger referred to as the “<b>Proposed Merger</b>”)</li> <li>▪ Subject to the completion of the Proposed Merger, FLT will subsequently acquire the remaining 50% interest in Farnborough Business Park (“<b>FBP</b>”) through FCOT to hold 100% of the interest in FBP, resulting in the creation of the enlarged REIT (the “<b>Enlarged REIT</b>”)</li> </ul>
Permitted Distributions	<ul style="list-style-type: none"> <li>▪ FLT and FCOT Managers shall be entitled to announce, declare, pay or make distributions (the “<b>Permitted Distributions</b>”) without any adjustment to the Scheme Consideration</li> </ul>
Financial Adviser	
Independent Financial Adviser	

1. Based on an implied gross exchange ratio of 1.355x and issue price of S\$1.240 per FLT Unit.
2. By way of illustration, a FCOT Unitholder will receive S\$151.00 in cash and 1,233 Consideration Units for every 1,000 FCOT Units held by it as at the Books Closure Date.
3. “Books Closure Date” means the date to be announced (before the Effective Date (as defined in the Joint Announcement)) 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.

# About Frasers Commercial Trust

**S\$2.2 bil**

Portfolio Value

**95.0%**

Committed  
Occupancy Rate<sup>(1)</sup>

**4.9 years**

WALE<sup>(2)</sup>

**>320k sqm**

Net Lettable Area  
("NLA")

**28.6%**

Gearing



China Square  
Central



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%
NLA (square metres) ("sqm")	36,223	31,981	66,197	40,244	95,947	50,882
Committed Occupancy Rate	89.9%	99.7%	83.0%	100%	96.8%	99.1% <sup>(3)</sup>
Portfolio Value	S\$648 mil	S\$305 mil	S\$289 mil (50%)	S\$228 mil	S\$606 mil	S\$151 mil (50%)
WALE	3.9 years	3.6 years	8.2 years	5.8 years	3.4 years	6.8 years

Note: FCOT's results for the financial year ("FY") ended 30 September 2019 ("FY19").

1. Based on NLA (including committed leases).

2. Refers to weighted average lease expiry ("WALE") based on gross rental income ("GRI") as at 30 September 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).

3. Inclusive of a new lease concluded in October 2019.

# Proposed Acquisition of 50% Interest in Farnborough Business Park

The Proposed Asset Acquisition is expected to be DPU accretive

Acquisition Structure	<ul style="list-style-type: none"> <li>Proposed acquisition of the remaining 50% freehold interest in Farnborough Business Park, a high quality business park of 14 commercial buildings located in the United Kingdom (the "UK") (the "Proposed Asset Acquisition")</li> <li>Proposed Asset Acquisition will be conditional on approval and completion of the Proposed Merger</li> </ul>	46.5 Hectares of Freehold Land	50,882 sqm NLA
Agreed Property Value <sup>(1)</sup>	£90.5 mil (approximately S\$158.4 mil)	6.8 years Long WALE <sup>(3)</sup>	99.1% Committed Occupancy Rate by Lettable Area <sup>(4)</sup>
Property Appraised Value <sup>(2)</sup>	£91.3 mil (approximately S\$159.8 mil) <ul style="list-style-type: none"> <li>Agreed Property Value is a 0.9% discount to Property Appraised Value</li> </ul>		
Purchase Consideration	£90.1 mil (approximately S\$157.7 mil)	Award Winning Business Park	c. 18,000 sqm of Development Potential <sup>(5)</sup>
Proposed Funding	100% debt funded		

Note: An exchange rate of £1 : S\$1.75 is adopted for the Proposed Asset Acquisition.

- Negotiated and taken into account the two independent valuations conducted by Knight Frank LLP ("KF") and BNP Paribas Real Estate Advisory & Property Management UK Limited ("BNPP") (the "Independent Valuers") as at 30 November 2019 (the "Agreed Property Value").
- Being the higher of the two independent valuations conducted by the Independent Valuers, as at 30 November 2019.
- Based on GRI as at 30 September 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).
- As at 30 September 2019, inclusive of a new lease concluded in October 2019.
- Based on planning permission.

# Creation of one of the Largest S-REITs

## The Enlarged REIT – Flagship Portfolio of Commercial and Industrial Assets

**\$S\$5.7 bil**

Portfolio Value<sup>(1)</sup>

**98 properties**

Across 5 Countries

**2.6 mil sqm**

Total Space under Management

**5.8 years**

Long WALE<sup>(2)</sup>

**99.5%**

Committed Occupancy Rate<sup>(3)</sup>

**+2.2%**

Post-Proposed Asset Acquisition DPU Accretion to unitholders of FLT (“FLT Unitholders”)<sup>(4)</sup>



**DPU and NAV Accretive for Unitholders**



**Amongst the Top-10 S-REITs by Market Capitalisation and Free Float**



**Enhanced Portfolio Quality and Diversification**



**Enlarged Capital Base and Funding Capacity**



**>\$S\$5.0 bil of Right of First Refusal (“ROFR”) Pipeline**

Note: References to the Enlarged REIT in this presentation are as at 30 September 2019 save that it excludes 610 Heatherton Road, Clayton South, Victoria, Australia which is classified as “Investment Property held for Sale”, includes the Fuggerstraße 17, Bielefeld, Germany (the “**B+S GmbH Logistik Facility**”) which was completed on 28 November 2019 and includes the five-year lease signed with Amazon Commercial Services Pty Ltd at 60 Paltridge Road, Perth Airport, Western Australia in October 2019. Exchange rates adopted for the valuation of the Enlarged REIT are AS\$1 : S\$0.9307; €1 : S\$1.5087 and £1 : S\$1.6984.

1. Portfolio value of the Enlarged REIT as at 30 September 2019 includes 100% of interest in FBP, which is based on the Agreed Property Value at an exchange rate of £1 : S\$1.6984.
2. References to Enlarged REIT’s WALE in this presentation are based on GRI as at 30 September 2019 (including committed leases and excluding vacancy, lease incentives and retail turnover rents, if any).
3. References to the Enlarged REIT’s committed occupancy in this presentation are based on lettable area (including committed leases).
4. Pro forma DPU accretion post-Proposed Merger and Proposed Asset Acquisition. Refer to Pg. 12 of this presentation for illustration.



# Enlarged REIT's Investment Mandate and Structure

## The Enlarged REIT will have a Broadened Investment Mandate

### Investment Mandate



**Logistics**



**Industrial**

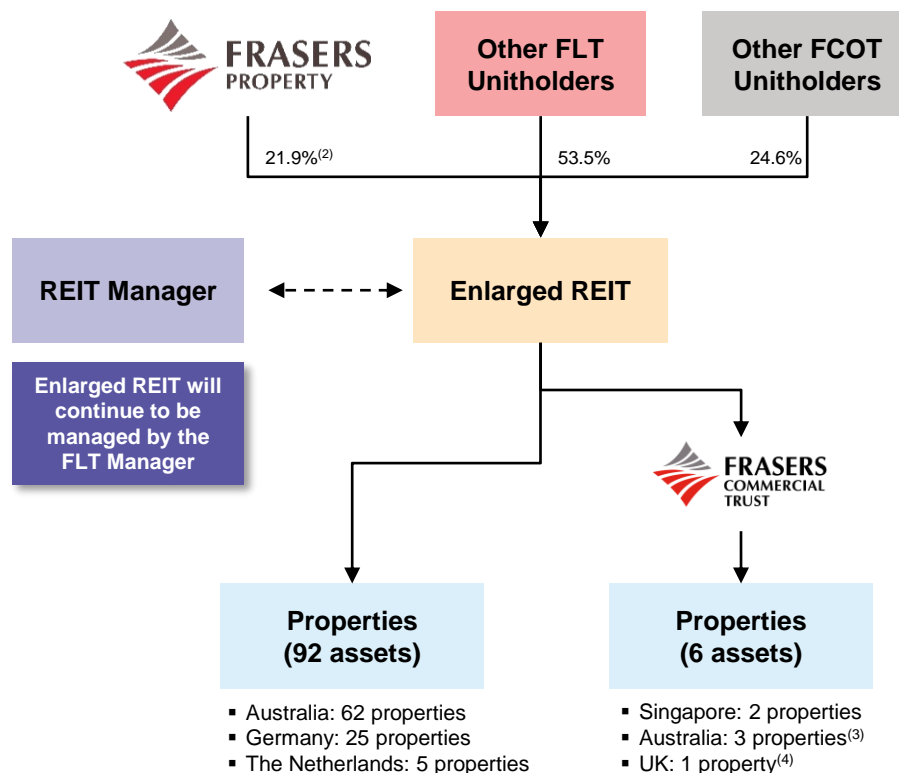


**CBD Commercial**



**Office and Business Parks**

### Enlarged REIT Structure<sup>(1)</sup>



1. On a pro forma basis, based on the aggregate of (i) unitholdings as at 27 November 2019 (the "Last Trading Date"); (ii) approximately 1.1 billion FLT Units to be issued to FCOT Unitholders as part of the Scheme Consideration; (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 Frasers Property Limited ("FPL" or the "Sponsor"), the FLT Manager and the FCOT Manager.
3. FCOT holds a 50% interest in Central Park, Perth, Western Australia.
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.

# Key Benefits of the Proposed Merger



# Transaction Rationale for the Proposed Merger



1

DPU and NAV Accretive to FLT Unitholders

2

Flagship Portfolio of Commercial and Industrial Assets

3

Creation of a Top-10 S-REIT

4

Enhanced Portfolio Quality and Diversification

5

Growth Trajectory from Enlarged Capital Base and ROFR Pipeline

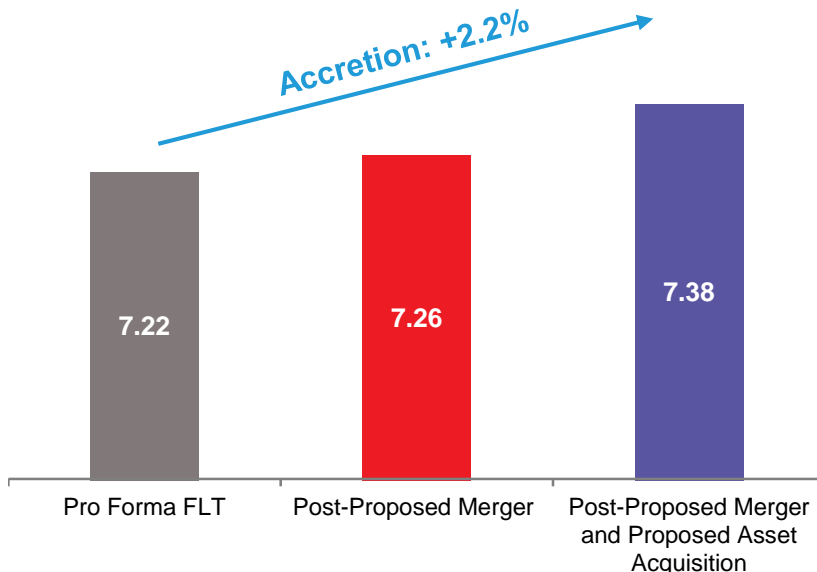


# 1 DPU and NAV Accretive to FLT Unitholders

The Proposed Merger will be both DPU and NAV accretive to FLT Unitholders

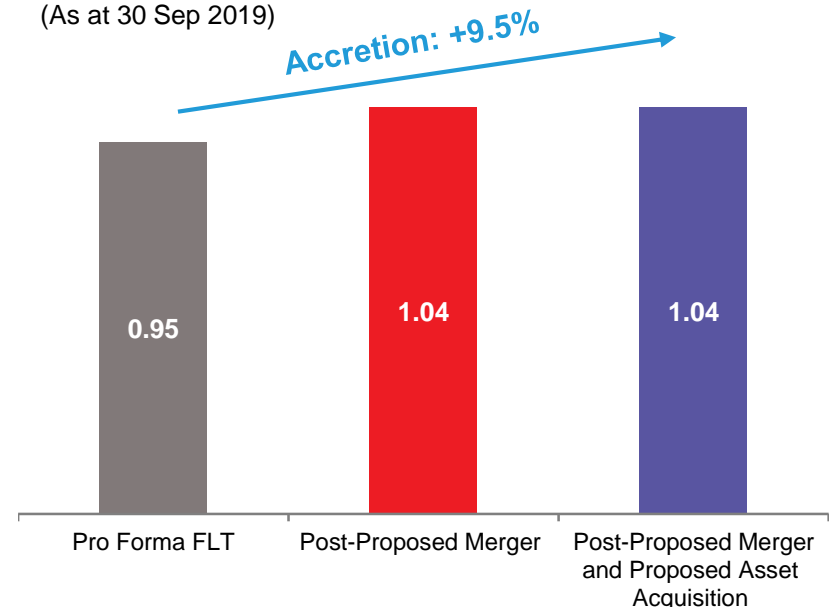
## FLT DPU Accretion on a Pro Forma Basis<sup>(1)(2)</sup>

(S\$ cents)  
(FY19)



## FLT NAV Accretion on a Pro Forma Basis<sup>(2)(3)</sup>

(S\$)  
(As at 30 Sep 2019)



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 Schedule 3 of the Acquisition Announcement.

- Please refer to paragraph 7.1.1 of the Acquisition Announcement for 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.
- The Singapore Financial Reporting Standard 116 Leases ("FRS 116") will be applicable to the financial statements of the FLT and its subsidiaries in respect of any period commencing on or after 1 October 2019, which would result in an increase in FLT's asset value and correspondingly, the value of its Deposited Property. The FLT Manager's base management fees are determined based on a percentage of the value of FLT's Deposited Property, and the adoption of FRS 116 would lead to an increase in the amount of such fee. The FLT Trust Deed will be amended to exclude the effects of FRS 116 on the computation of the value of the Deposited Property under the FLT Trust Deed, to ensure that there will be no changes to, or any increase in, the FLT Manager's base management fee as a result of the application of FRS 116. All references to FLT's Deposited Property and FLT Manager's base management fees in this presentation are on the assumption that such amendments to the FLT Trust Deed have been made.
- Please refer to paragraph 7.1.2 of the Acquisition Announcement for 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.

## 2 Flagship Portfolio of Commercial and Industrial Assets

### Greater Flexibility to Actively Manage Portfolio across Geographies and Asset Classes

✓ **Broadened Investment Mandate:**  
Comprising CBD Commercial, Office and Business Parks, Logistics and 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 <sup>(1)</sup>
CBD Commercial	2	S\$2,771 mil (48.4%)
Office and Business Parks	1	
Logistics & Industrial	62	

Singapore	#	Asset Value <sup>(1)</sup>
CBD Commercial	1	S\$1,254 mil (21.9%)
Office and Business Parks	1	

Germany	#	Asset Value <sup>(1)</sup>
Logistics & Industrial	25	S\$1,132 mil (19.7%)

United Kingdom	#	Asset Value <sup>(2)</sup>
Office and Business Parks	1	S\$307 mil (5.4%)

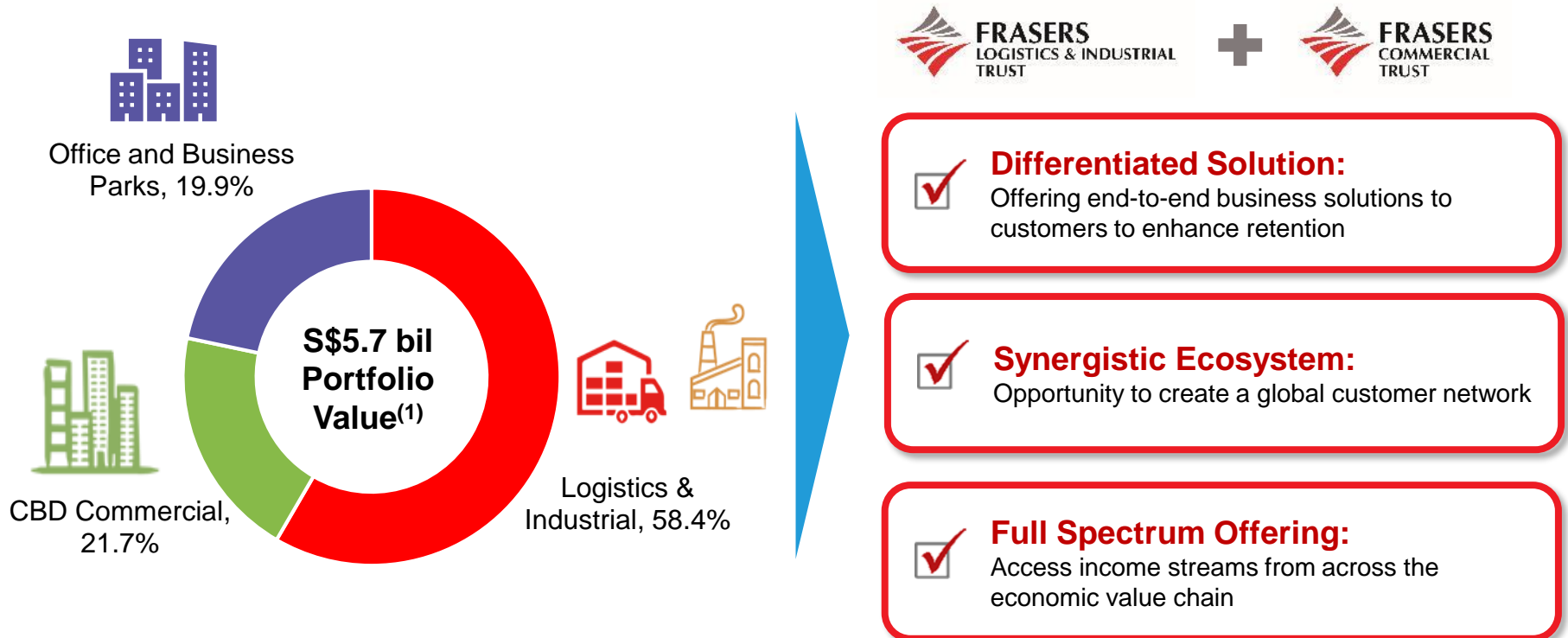
The Netherlands	#	Asset Value <sup>(1)</sup>
Logistics & Industrial	5	S\$265 mil (4.6%)

1. As at 30 September 2019.
2. The value for 100% interest in FBP is based on the Agreed Property Value at an exchange rate of £1 : S\$1.6984.

## 2 Flagship Portfolio of Commercial and Industrial Assets

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

### Enlarged REIT's Portfolio



1. Portfolio value of the Enlarged REIT as at 30 September 2019 includes 100% interest in FBP, which is based on the Agreed Property Value at an exchange rate of £1 : S\$1.6984.



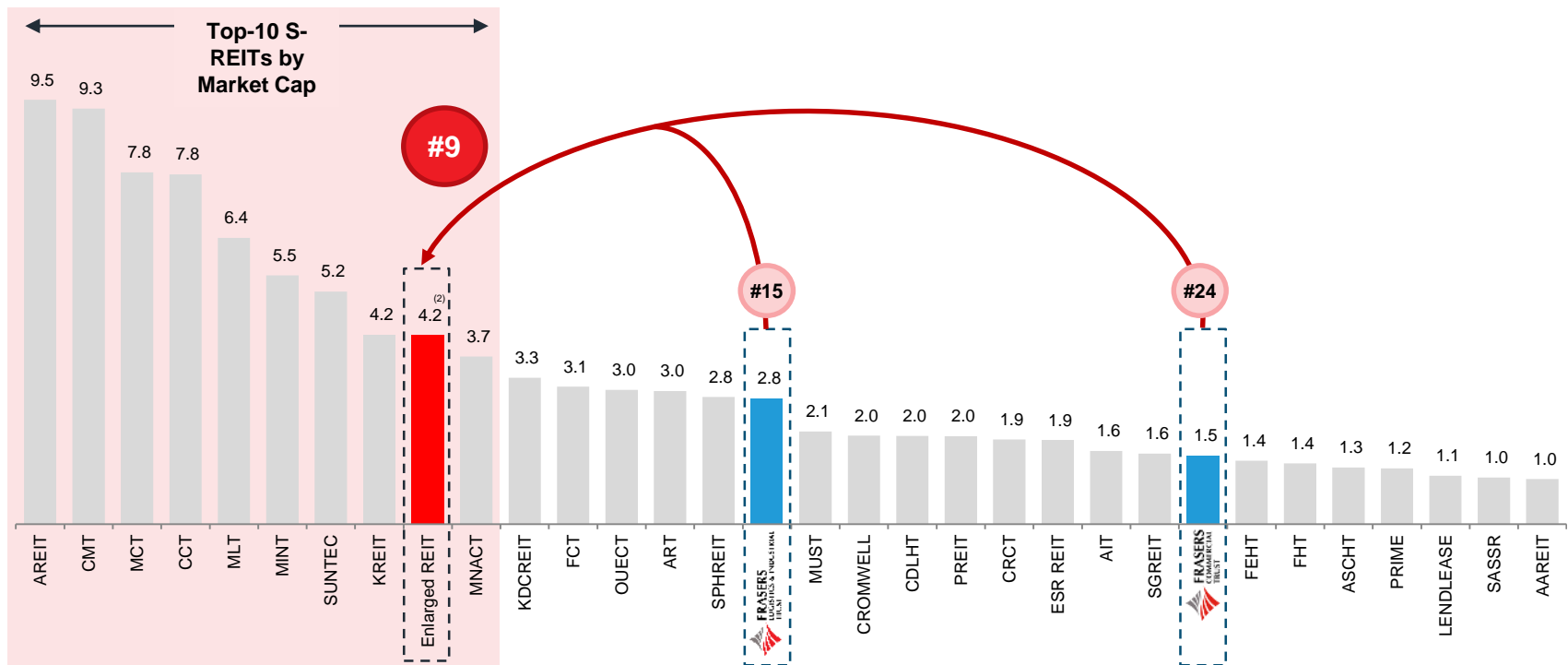
### 3 Creation of One of the Largest S-REITs

#### 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-REIT Ranking by Market Capitalisation (S\$ bil)<sup>(1)</sup>



Source: Bloomberg as at the Last Trading Date.

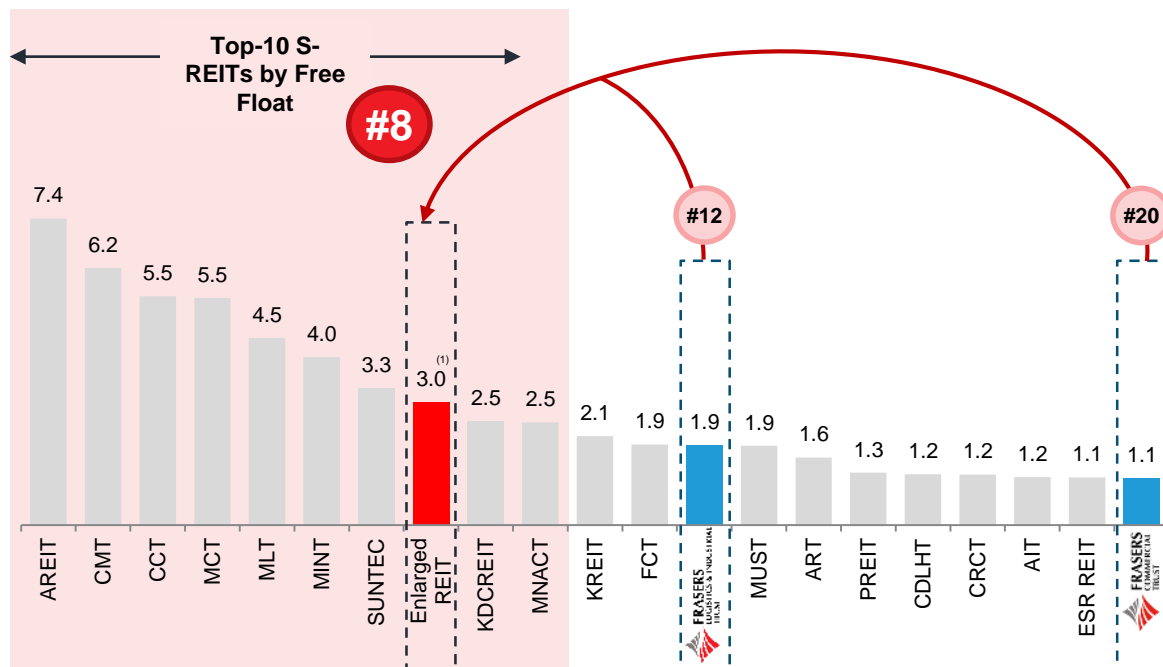
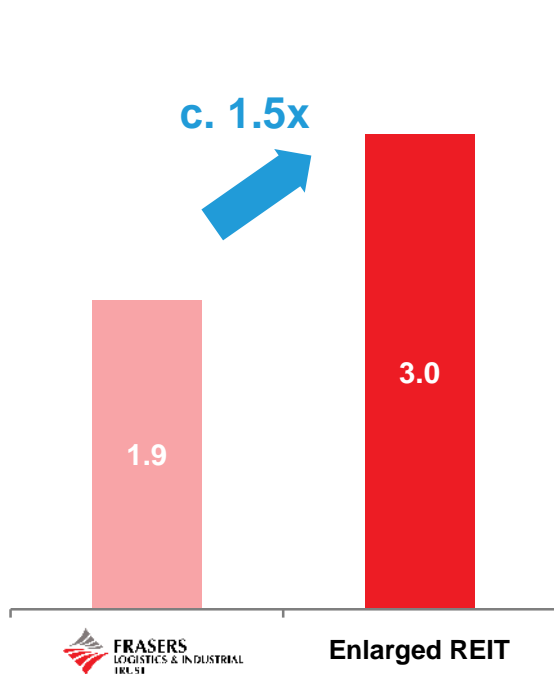
- The chart only includes S-REITs with a primary listing on the SGX-ST and market capitalisation of at least S\$1.0 billion.
- Illustrative market capitalisation of the Enlarged REIT calculated as (i) the sum of (a) the number of FLT Units outstanding as at the Last Trading Date; (b) the number of FLT 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.

### 3 Enhanced Free Float – Top-10 S-REIT by Free Float

Significant increase in free float to S\$3.0 bil<sup>(1)</sup> – Potential for higher trading liquidity and re-rating

Free Float (S\$ bil)<sup>(1)</sup>

S-REIT Free Float Ranking (S\$ bil)<sup>(2)</sup>

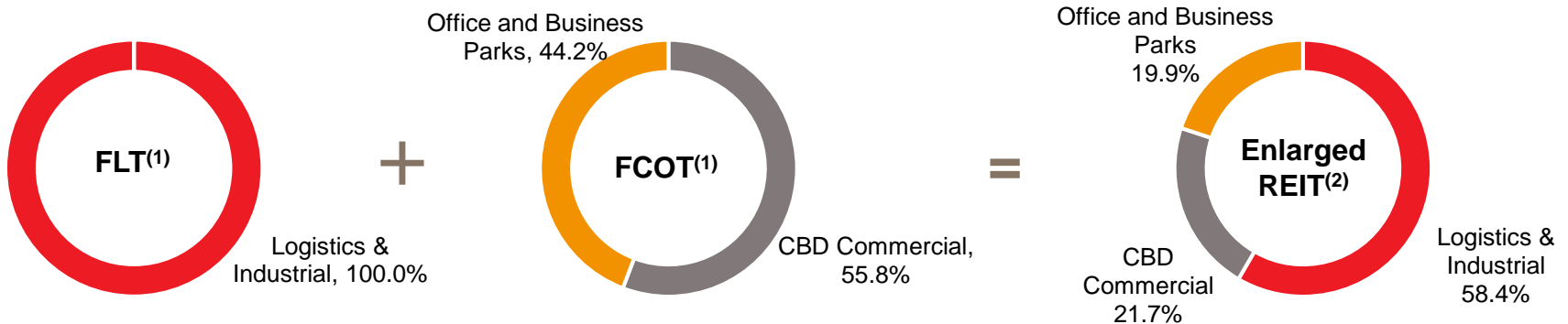


Source: Bloomberg as at the Last Trading Date.

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 Last Trading Date.
2. The chart only includes S-REITs with a primary listing on the SGX-ST and free float of at least S\$1.0 billion.

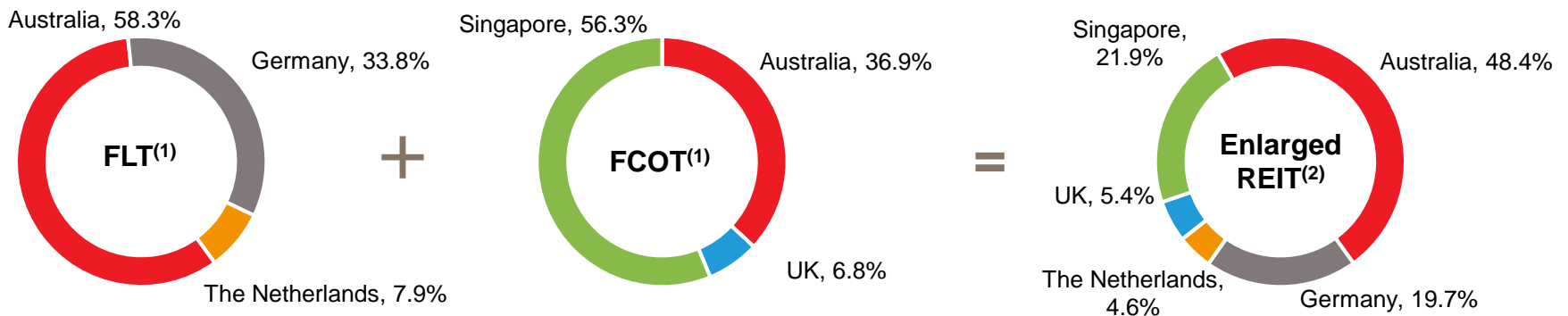
# 4 Enhanced Portfolio Quality and Diversification

## Portfolio Breakdown by Sector



**Enlarged REIT: No single sector represents >60% of portfolio (100.0% previously)**

## Portfolio Breakdown by Geography



**Enlarged REIT: No single geography represents >50% of portfolio (58.3% previously)**

1. Based on portfolio value as at 30 September 2019.

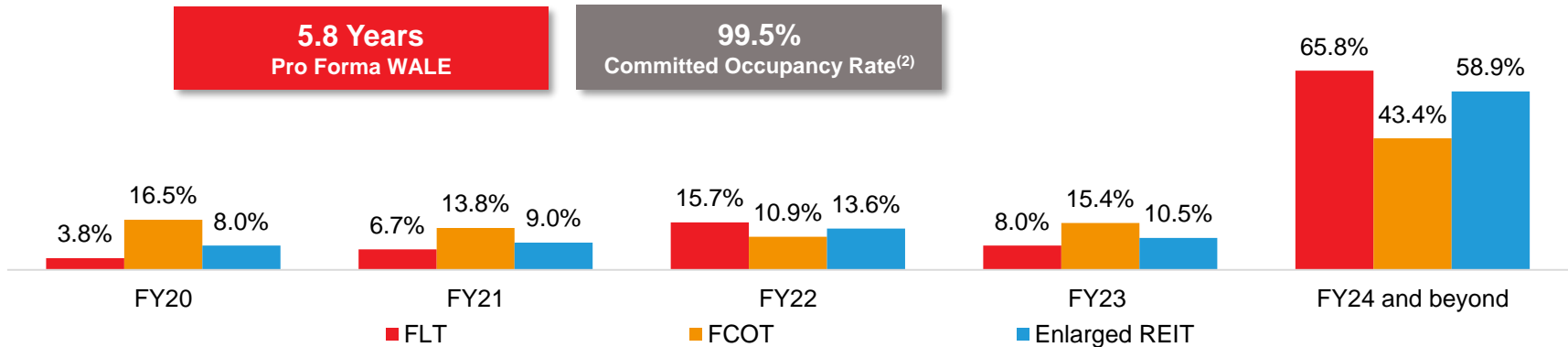
2. Portfolio value of the Enlarged REIT as at 30 September 2019 includes 100% interest in FBP, which is based on the Agreed Property Value at an exchange rate of £1 : S\$1.6984.



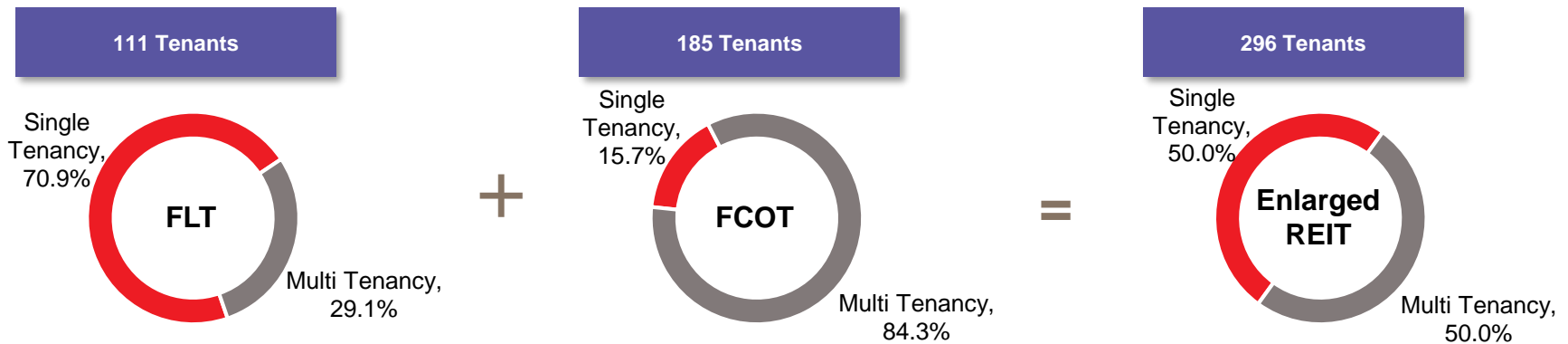
# 4 Enhanced Portfolio Quality and Diversification

**Resilient Portfolio with WALE of 5.8 years and Balance between Multi-tenancy and Single-tenancy Assets**

## Lease Expiry by GRI<sup>(1)</sup>



## Single Tenant vs. Multi-tenancy Assets by GRI<sup>(1)</sup>

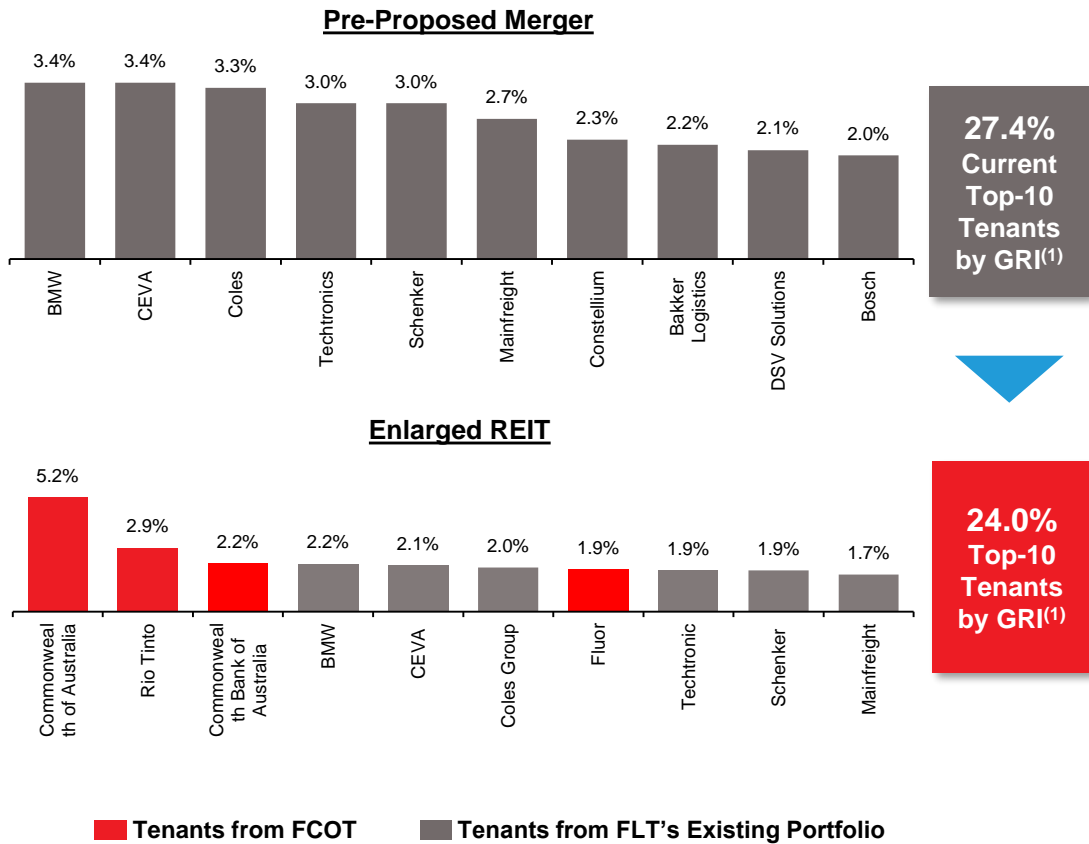


1. As at 30 September 2019 (excluding vacancy, committed leases, lease incentives and retail turnover rents, if any).  
 2. Based on lettable area (including committed leases).

# 4 Enhanced Portfolio Quality and Diversification

## Addition of High-quality Tenants and Reduced Tenant Concentration

### Top-10 Tenants by GRI<sup>(1)</sup>



### Other Selected Key Tenants Post-Proposed Merger

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

1. As at 30 September 2019 (excluding vacancy, committed leases, lease incentives and retail turnover rents, if any).

# 5 Enhanced Growth Trajectory

**Enlarged Capital Base provides Enhanced Flexibility and Ability to Drive Long Term Growth**

**Enlarged Capital Base:** Able to absorb larger transactions

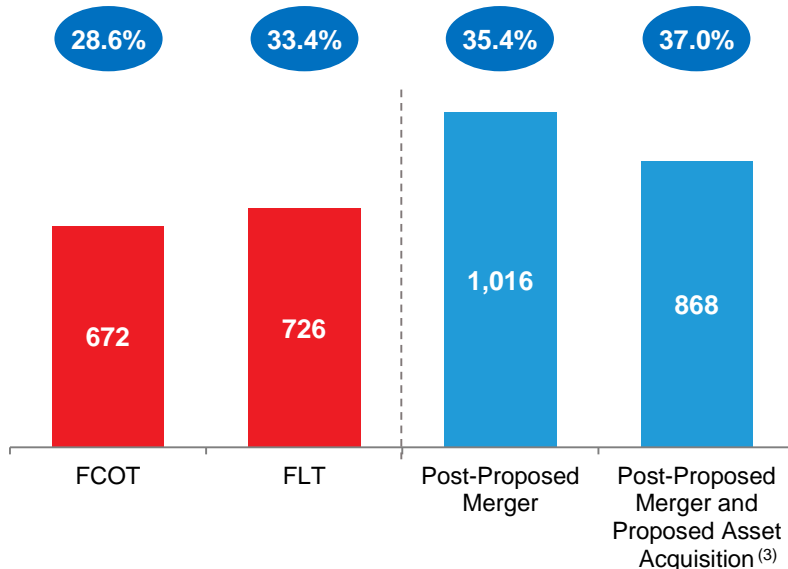
**Enhanced Agility:** Able to react quicker to potential investments

**Increased Flexibility:** Able to undertake asset enhancement initiatives (“AEIs”) and development projects of a larger scale

## Enlarged Debt Headroom<sup>(1)</sup>

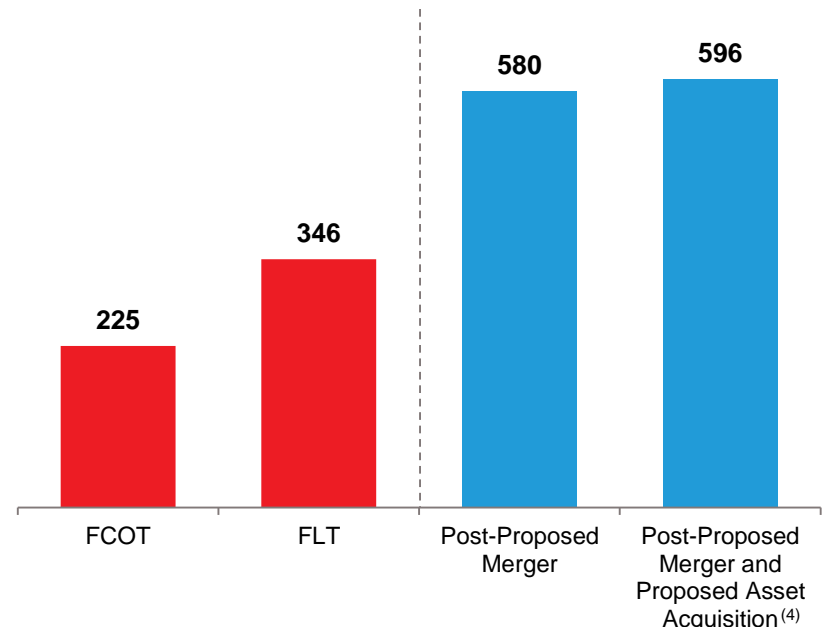
(S\$ mil)  
(As at 30 Sep 2019)

Gearing (%)



## AEIs and Development Headroom<sup>(2)</sup>




(S\$ mil)  
(As at 30 Sep 2019)



1. Prior to reaching the 45.0% aggregate leverage regulatory limit.  
 2. Based on 10% of Deposited Property.  
 3. Assumes the estimated total cost of the Proposed Asset Acquisition (excluding the acquisition fee) is fully funded by debt.  
 4. Based on 100% interest in FBP at Agreed Property Value.

## 5 Enhanced Growth Trajectory

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

Property	Key Tenants	AEI (S\$ mil)	Committed Occupancy Rate	Vacancy (sqm)	Details
<b>Alexandra Technopark</b> 	Google Olympus	<b>c. 40</b> <i>(Completed Jan 19)</i>	<b>96.8%</b>	<b>3,282</b>	<ul style="list-style-type: none"> <li>Repositioned as an integrated contemporary and vibrant business campus</li> <li>Secured Google as an anchor tenant for 31,968 sqm<sup>(1)</sup> commencing 1Q20</li> <li>Recent signing rents are above the pre-AEI average passing rent<sup>(2)</sup></li> </ul>
<b>China Square Central</b> 	GroupM Suntory JustCo	<b>c. 38</b> <i>(For the retail podium which obtained Temporary Occupation Permit in 4Q19)</i>	<b>89.9%</b>	<b>3,714</b>	<ul style="list-style-type: none"> <li>Retail podium NLA to potentially increase by 25% to 7,848 sqm</li> <li>Retail podium recommenced operations from Nov 19</li> </ul>
<b>Central Park</b> 	Rio Tinto Grant Thornton	<b>c. 23</b> <i>(To complete in Jun 20)</i>	<b>83.0%</b>	<b>11,273</b>	<ul style="list-style-type: none"> <li>Undergoing S\$23 mil AEI (FCOT's share: S\$11.5 mil) to upgrade lobby and forecourt areas</li> <li>Works commenced in 2Q19 and expected to complete in 3Q20</li> </ul>

1. Based on 344,100 square feet converted at a rate of 1 sqm to 10.764 square feet.

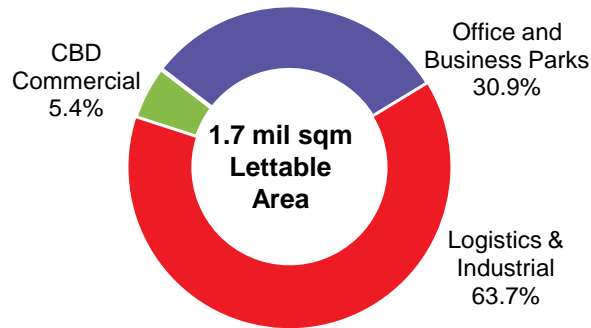
2. Per FCOT's FY19 Annual Report, Alexandra Technopark has "witnessed a general uplift in signing rents over the past 12 months or so, in many cases by as much as 10-15% or more above the average passing rent of the property as at the end of December 2018."

# 5 Enlarged ROFR Pipeline from Sponsor

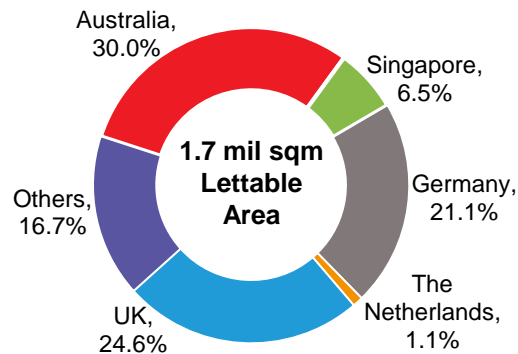
ROFR pipeline in excess of S\$5.0 bil

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

## Breakdown by Sector by Lettable Area



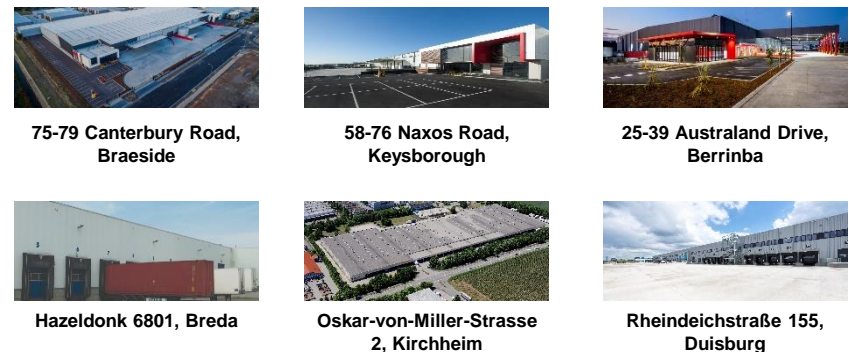
## Breakdown by Region by Lettable Area



## Commercial, Office and Business Parks

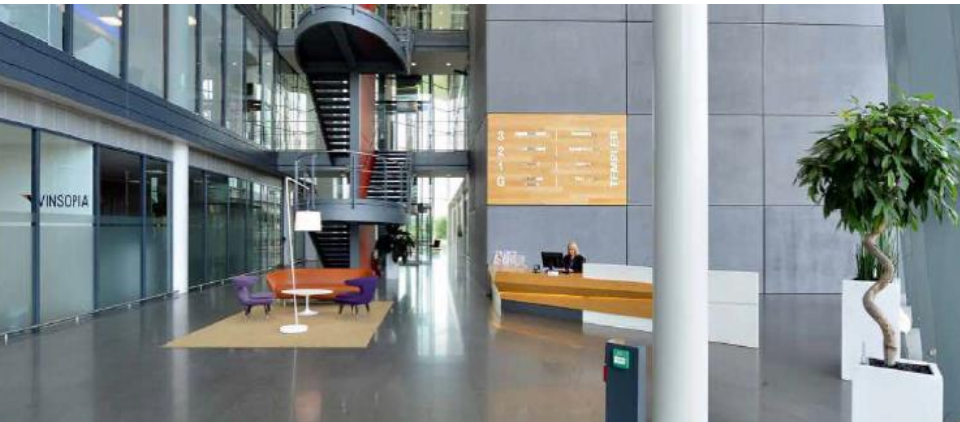


## Logistics & Industrial



Note: As at 30 September 2019.





---

# Proposed Asset Acquisition

# Transaction Rationale for the Acquisition of the 50% Interest in Farnborough Business Park

The Enlarged REIT will hold 100% of the interest in Farnborough Business Park

- 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<sup>(1)</sup> of office space through developments



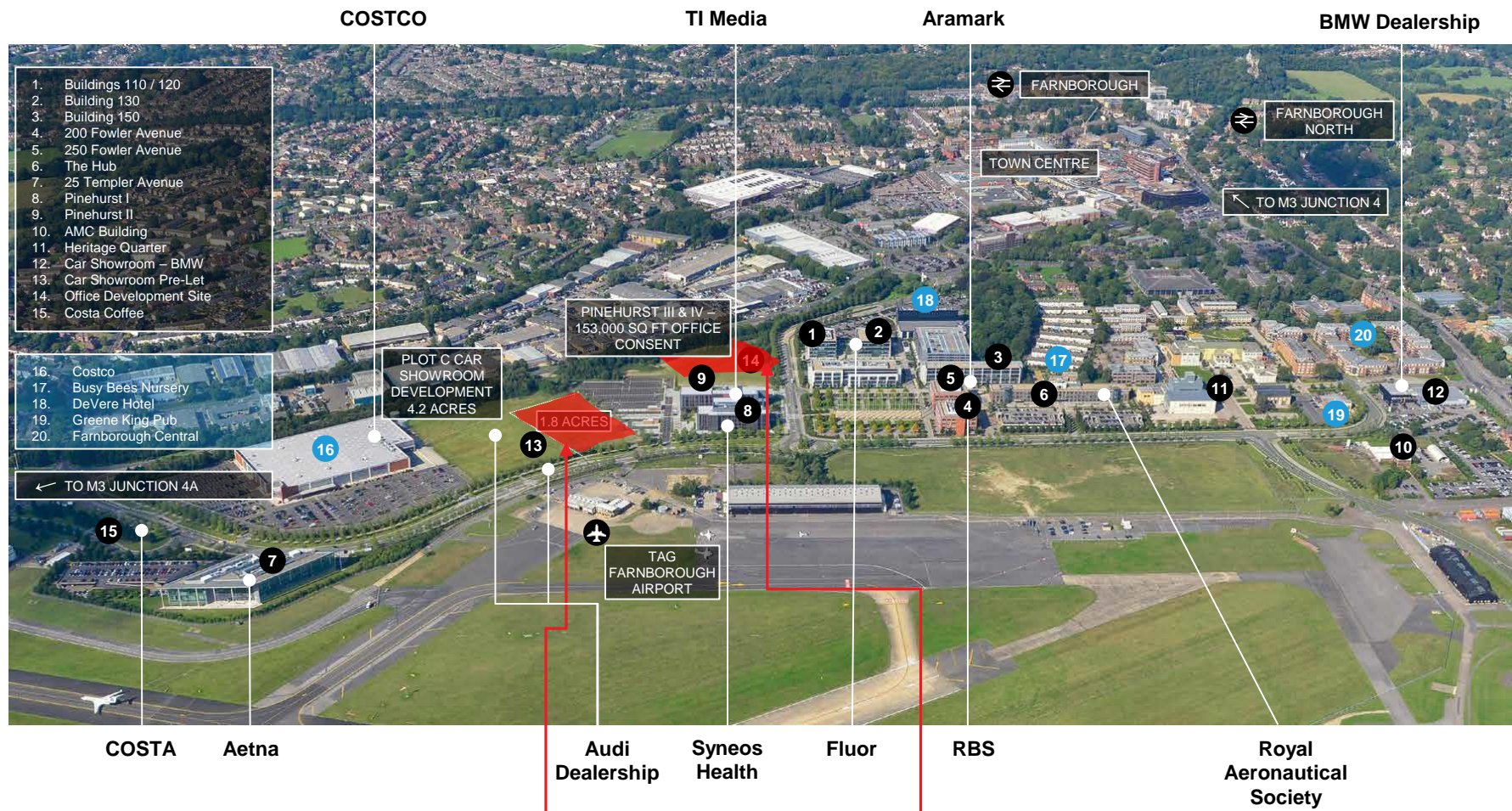
## High Quality Tenants

<i>Aetna</i>	<i>Audi Dealership</i>	<i>Syneos Health</i>	<i>Redhat</i>
<i>Fluor</i>	<i>BMW Dealership</i>	<i>TI Media</i>	<i>RBS</i>

1. Based on planning permission.



# Overview of Farnborough Business Park (Cont'd)



**AEI Potential**

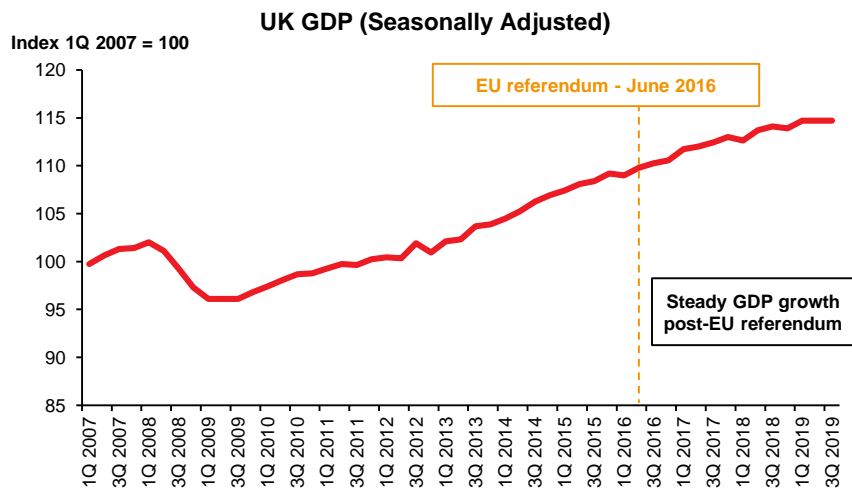


**Plot C, Pinehurst III & IV:** Planning permission has been granted for c. 18,000 sqm of office space and to create more amenities

# Overview of Farnborough Business Park (Cont'd)

Attractive environment to support Consolidation of FBP on the back of Resilient Economic Fundamentals, Attractive Yield Spreads and a Robust Industry Outlook

## Resilient Economic Fundamentals in the UK

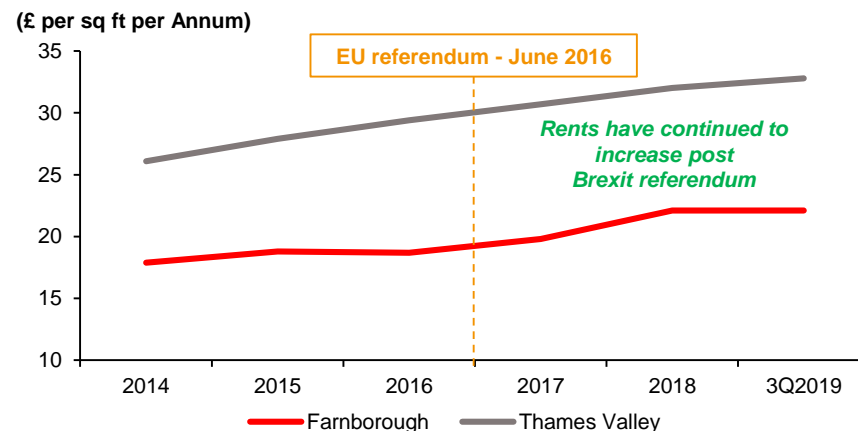


- **Steady GDP Growth:** UK's GDP growth of c. 2.0% annually exceeds other large developed economies<sup>(1)</sup>, except for the USA
- **Robust GDP Outlook:** GDP growth of c. 1.6% per annum between 2019 and 2023 supported by (i) strong labour market; (ii) a rebound in business investment; and (iii) the UK's leading position in key service industries such as finance, media and technology
- **Record Low Unemployment Rates:** 3.9%<sup>(2)</sup> - lowest since the early 1970s

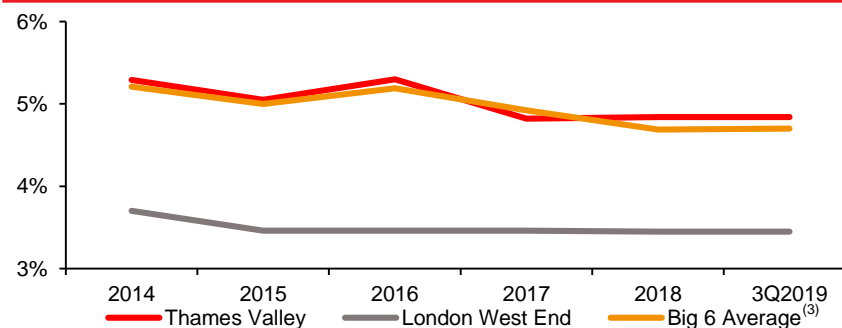
Source: FCOT's FY19 Annual Report.

1. Developed economies including United States of America, Canada, Italy, Japan, France and Germany.
2. For the 3-month period between June and August 2019
3. Refers to Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester.

## Thames Valley and Farnborough Area Prime Rents



## Thames Valley Net Initial Prime Yields<sup>(2)</sup>

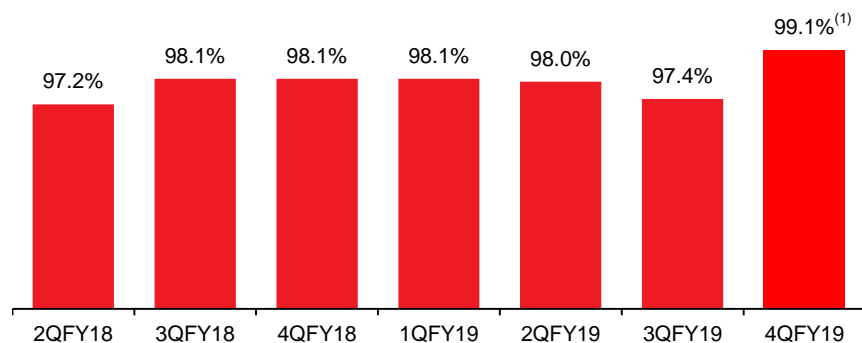




# Overview of Farnborough Business Park (Cont'd)

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

## Committed Occupancy Rates by NLA

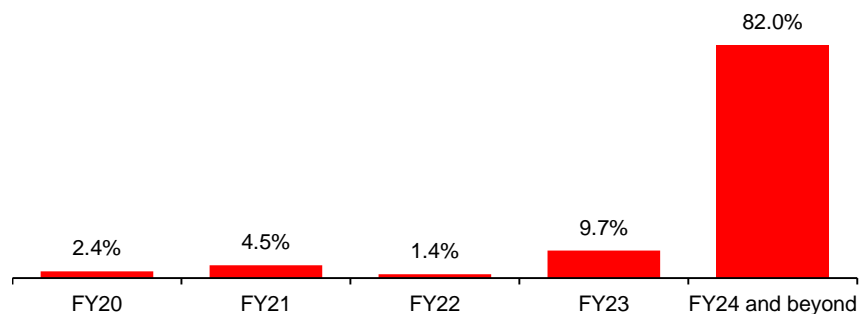


Long WALE of 6.8 years



High committed occupancy rate of 99.1%<sup>(1)</sup>

## Lease Expiry Profile by GRI



High quality tenants



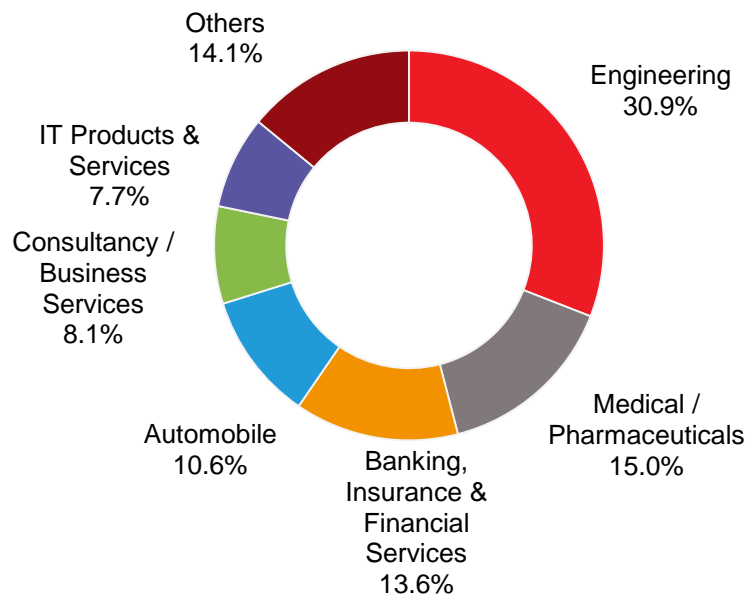
Average rental reversion of 8.5% since acquisition in 2QFY18

1. Inclusive of a new lease concluded in October 2019.

# Overview of Farnborough Business Park (Cont'd)

## Strong and Diversified Tenant Base

### Diversified Trade Sector Mix by GRI<sup>(1)</sup>



### High Quality Tenant Base

#	Top-Ten Tenants by GRI <sup>(1)</sup>	Sector	% GRI
1	Fluor	Engineering	28.7%
2	Syneos Health	Medical / Pharmaceuticals	14.8%
3	TI Media	Publisher	6.8%
4	Aetna	Insurance	6.4%
5	Red Hat	IT	5.5%
6	Bolling Investments	Automobile	5.5%
7	Elms Automotive	Automobile	4.3%
8	Farnborough Business Park Centre Limited (t/a Regus)	Service office	4.0%
9	CapQuest Debt Recovery	Financial services	3.7%
10	Fiscal Reps	Financial services	2.4%

1. As at 30 September 2019 (excluding vacancy, committed leases, lease incentives and retail turnover rents, if any).

# Key Approvals and Timeline



# Unitholders' Approvals Required

FLT's Unitholders' Approvals Required	Requirements
<b>Proposed Merger (Ordinary Resolution)</b>	<ul style="list-style-type: none"> <li>More than 50% of the total number of votes cast (voting in person or by proxy)</li> <li>FPL and its associates will abstain from voting</li> </ul>
<b>Proposed issuance of the Consideration Units (Ordinary Resolution)</b>	<ul style="list-style-type: none"> <li>More than 50% of the total number of votes cast (voting in person or by proxy)</li> <li>FPL and its associates will abstain from voting</li> </ul>
<b>Proposed acquisition of Farnborough Business Park (Ordinary Resolution)</b>	<ul style="list-style-type: none"> <li>More than 50% of the total number of votes cast (voting in person or by proxy)</li> <li>FPL and its associates will abstain from voting</li> </ul>

The first two Ordinary Resolutions are inter-conditional.  
The third Ordinary Resolution is conditional on the first two Ordinary Resolutions.

FCOT's Unitholders' Approvals Required	Requirements
<b>Proposed Amendments to FCOT's Trust Deed (Extraordinary Resolution)</b>	<ul style="list-style-type: none"> <li>More than 75% of the total number of votes cast (voting in person or by proxy)</li> </ul>
<b>Scheme Resolution to approve Trust Scheme</b>	<ul style="list-style-type: none"> <li>More than 50% approval by headcount representing at least 75% in value (voting in person or by proxy)</li> <li>FLT and persons acting in concert with it will abstain from voting</li> </ul>

The Scheme Resolution is conditional on the Extraordinary Resolution.



# Indicative Timeline

Key Event	Date
Expected date of first Court Hearing of the application to convene the Scheme Meeting <sup>(1)</sup>	▪ Jan 2020 / Feb 2020
Expected date of FLT's EGM	▪ Feb 2020 / Mar 2020
Expected date of FCOT's EGM and Trust Scheme Meeting	▪ Feb 2020 / Mar 2020
Expected date of Court Hearing for Court Approval of Scheme <sup>(1)</sup>	▪ Mar 2020 / April 2020
Expected Effective Date of Scheme	▪ End Mar 2020 / Apr 2020
Expected payment of Cash Consideration and Consideration Units to FCOT Unitholders	▪ End Mar 2020 / Apr 2020
Expected delisting of FCOT	▪ End Mar 2020 / Apr 2020

**The above timeline is indicative only and may be subject to change. Please refer to future announcements by FLT for the exact dates of these events.**

1. The dates of the Court hearings of the application to (a) convene the Trust Scheme Meeting and (b) approve the Trust Scheme will depend on the dates that are allocated by the Court.

# Conclusion



# Transformative Acquisition for FLT Unitholders

DPU and NAV Accretive for Unitholders

Flagship Global Portfolio of Commercial and Industrial Assets

Ranked Among the Top-10 S-REITs by both Market Capitalisation and Free Float

Enhanced Portfolio Quality and Diversification

Enlarged Capital Base and Funding Capacity

Enlarged ROFR Pipeline

**98**  
Properties

**S\$5.7 bil**  
Enlarged Portfolio Value

**S\$868 mil**  
Debt Capacity<sup>(1)</sup>

**>S\$5.0 bil**  
Enlarged ROFR Pipeline

**+2.2%**  
DPU Accretion<sup>(2)</sup>

**+9.5%**  
NAV Accretion<sup>(2)</sup>

1. Prior to reaching the 45.0% aggregate leverage regulatory limit assuming the Proposed Asset Acquisition (excluding the acquisition fee) is fully funded by debt. Refer to Pg. 20 of this presentation for illustration.
2. Pro forma DPU and NAV per Unit accretion post-Proposed Merger and Proposed Asset Acquisition. Refer to Pg. 12 of this presentation for illustration.

# **Investor and Media Contact**

---

## **Investor Contact**

### **BofA Securities**

Telephone: +65 6678 0102

## **Media Contact**

### **Newgate Communications**

Terence Foo / Lim Yuan See / Bob Ong

Tel: +65 6532 0606

Email: [terence.foo@newgatecomms.com.sg](mailto:terence.foo@newgatecomms.com.sg) / [yuansee.lim@newgatecomms.com.sg](mailto:yuansee.lim@newgatecomms.com.sg) / [bob.ong@newgatecomms.com.sg](mailto:bob.ong@newgatecomms.com.sg)



---

# Appendix: Further Details on the UK Economy and the UK Business Park Sector

# Appendix: Further Details on the UK Economy and the UK Business Park Sector

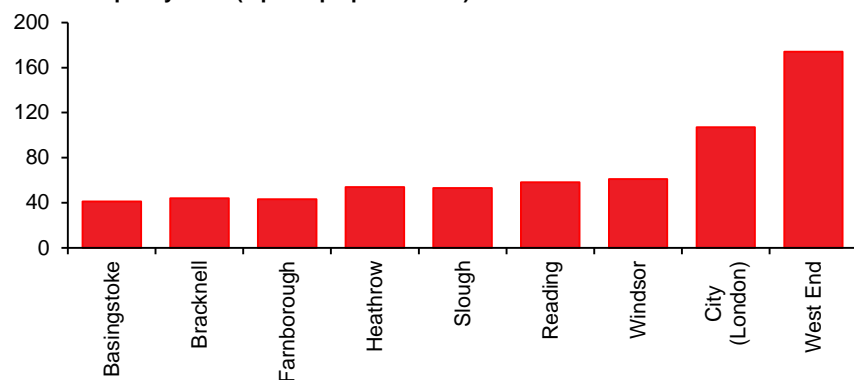


# Thames Valley Overview

## Total Occupancy Costs in Key Thames Valley Locations Compared to Central London

(As at 3Q2019)

Total Occupancy Cost (£ per sq ft per Annum)



## Business Park Market



### Several “best in class” business parks:

- As at end-September 2019, the Thames Valley market comprised 39 mil square feet of office space in both town centres and business parks
- Farnborough Business Park is the fifth largest business park in the Thames Valley by area
- High-quality buildings and built environment
- Good overall accessibility and proximity to other important developments such as the Farnborough TAG Airport and Farnborough International Exhibition & Convention Centre
- Wide range of on-site amenities such as cafés, restaurants, a nursery and a hotel and successful placemaking

Source: FCOT's FY19 Annual Report.

## Economic Overview

- The South East and Greater London regions account for 27% of the UK population but generate 39% of the gross value added (“GVA”)
- Within the Thames Valley, economic performance has been healthy with annual GVA growth over the past five years (2014-2018) of 2.2%, ahead of the wider UK figure of 2.0%
- Looking forward over the next five years (2019-2023), the Thames Valley is set to see continued GVA growth, in line with the UK growth of 1.6% per annum
- Thames Valley leasing momentum eased slightly in 2019, with take up exceeding 740,000 sq ft in the first nine months of the year, which is a 25.0% decrease on the same period in 2018

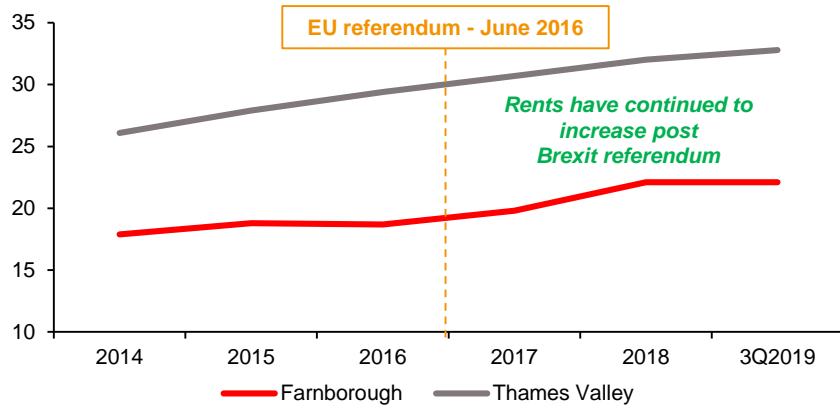
## Top-Ten Largest Thames Valley Business Parks

City	Business Park	Estimated built area (sq ft)	Ownership
Reading	Winnersh Triangle	1,500,000	Frasers Property
Reading	Green Park	1,300,000	Mapletree Investments
Slough	Slough Trading Estate/Bath Road Frontage	1,000,000	SEGRO/AEW
Basingstoke	Chineham Park	814,000	Frasers Property
Farnborough	Farnborough Business Park	547,684	Frasers Property (50.0%) and FCOT (50.0%)
Theale	Arlington Business Park	435,000	Various - majority Patron Capital / APAM
Reading	Thames Valley Park	400,000	Various - No clear majority
Reading	Reading International Business Park	400,000	Deutsche Bank - DAWM / EPF
Weybridge	The Heights	350,000	Kennedy Wilson (purchased in October 2019)
Bracknell	Arlington Square	340,000	Various – No clear majority

# Market Overview

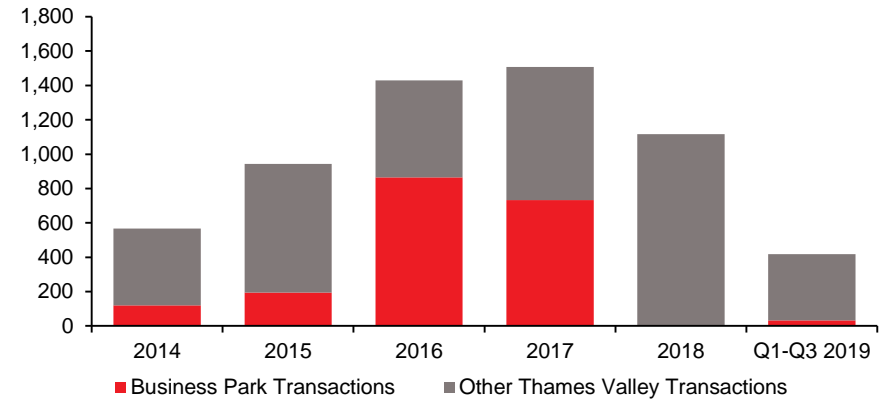
## Thames Valley and Farnborough Area Prime Rents

(£ per sq ft per Annum)



## Thames Valley Office Investment and Single Ownership Business Park Transactions

(£ 000 s)

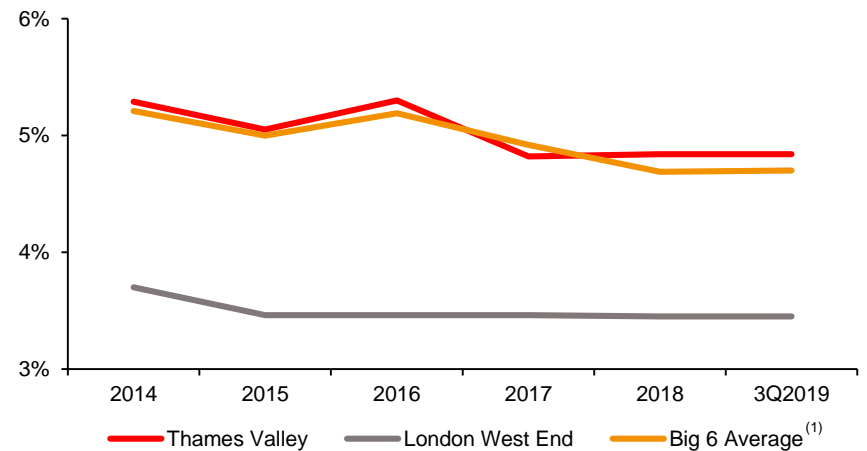


## Investment Volumes and Yields

✓ The UK is the 2<sup>nd</sup> largest commercial real estate market globally

- £28.7 bil of UK commercial real estate assets were purchased by overseas buyers, accounting for 45% of all transactions in 2018
- There is a notable spread of 150 basis points between yields in the Thames Valley from those in London West End as at 3Q2019
- Overseas buyers have been attracted to the sector because of the robust long-term occupier fundamentals as well as the potential for positive investment returns
- Thames Valley business parks are expected to see strong returns (rental and capital growth) over the next five years (2019 to 2023) with average annual returns for the South East (5.3% to 5.9% per annum) forecast to outperform both Central and Inner London

## Thames Valley Net Initial Prime Yields



Source: FCOT's FY19 Annual Report.

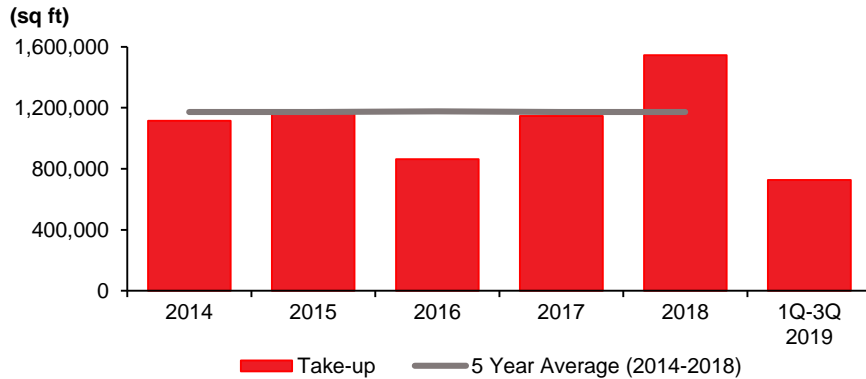
1. Refers to Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester.



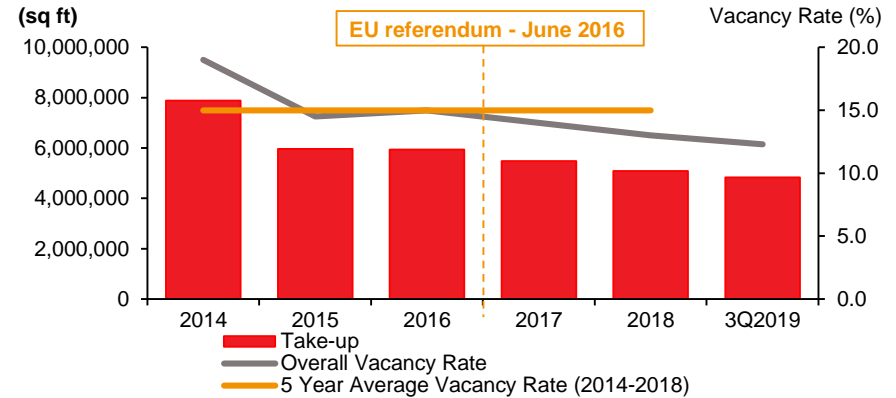
# Supply and Vacancy Rates

Rents have continued growing since the EU referendum, implying the continued attractiveness of business parks in the Thames Valley and Farnborough area

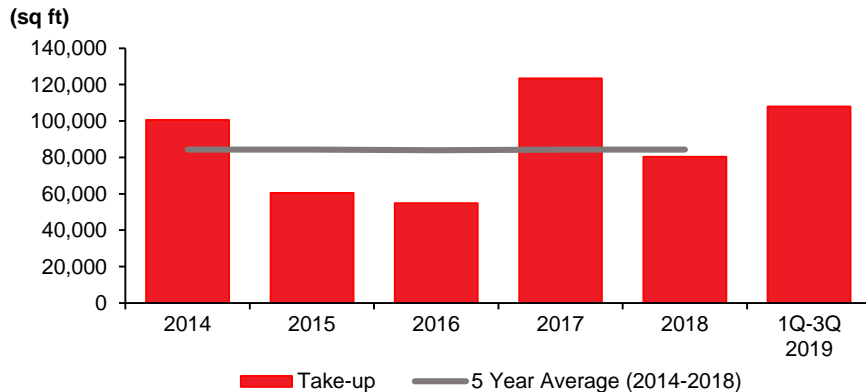
## Thames Valley Take Up 2014-3Q 2019 and 5-year Average (2014-2018)



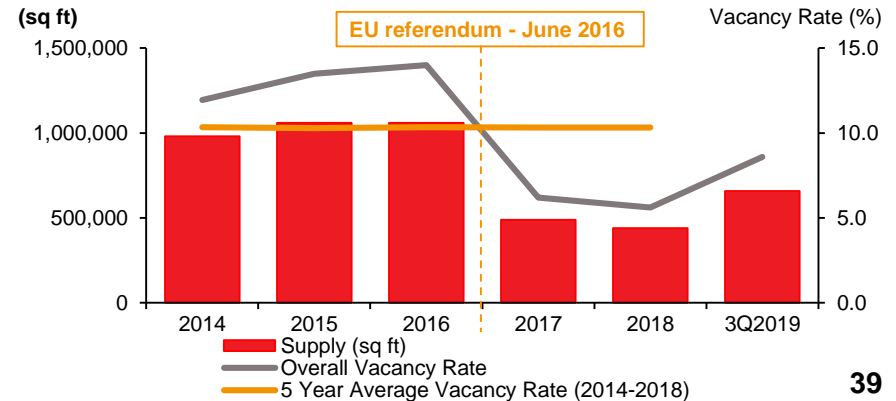
## Thames Valley Supply and Vacancy Rate



## Farnborough Area Take Up 2014-3Q 2019 and 5-year Average (2014-2018)



## Farnborough Area Supply and Vacancy Rate



**Experience  
matters.**



Fraser's Logistics & Industrial Asset Management Pte. Ltd.  
438 Alexandra Road | #21-00 | Alexandra Point | Singapore 119958  
Tel: +65 6813 0588 | Fax: +65 6813 0578 | Email: [ir@fraserslogisticstrust.com](mailto:ir@fraserslogisticstrust.com)  
[www.fraserslogisticstrust.com](http://www.fraserslogisticstrust.com)