

CIRCULAR DATED 9 JUNE 2015

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If you have sold or transferred all your ordinary shares in the capital of Frasers Centrepoint Limited (“**FCL**” or the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form 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.

The admission and listing of FCL on the SGX-ST was sponsored by DBS Bank Ltd. as the Sole Issue Manager. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. were the Joint Financial Advisers for the listing of FCL. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. assume no responsibility for the contents of this Circular.



FRASERS CENTREPOINT LIMITED

Company Registration No. 196300440G
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

**THE PROPOSED SALE AND LEASEBACK ARRANGEMENT IN RESPECT OF
SOFITEL SYDNEY WENTWORTH**

Independent Financial Adviser to the Independent Directors and the Audit Committee

KPMG Corporate Finance Pte Ltd

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms	:	22 June 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	24 June 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Level 2, Alexandra Point 438 Alexandra Road Singapore 119958

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GLOSSARY

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

“75-year Lease Agreement”	:	The conditional 75-year lease agreement entered into between the Vendor and FHT Sydney Trust 3 in relation to the acquisition of the Leasehold Interest
“Ananke Holdings” or “Master Lessee”	:	Ananke Holdings Pty Ltd, an indirect wholly-owned subsidiary of FCL and the current lessee of the Hotel
“associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
“AUD”, “A\$” and “Australian dollars”	:	The lawful currency of Australia
“Audit Committee”	:	The audit committee of the Company as at the date of this Circular, comprising Mr Charles Mak Ming Ying, Mr Sithichai Chaikriangkrai, Mr Philip Eng Heng Nee and Mr Wee Joo Yeow
“Board”	:	The board of directors of FCL
“CBD”	:	Central Business District
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 9 June 2015
“Colliers”	:	Colliers International, CIVAS (NSW) Pty Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Completion”	:	Completion of the Proposed Divestment
“controlling shareholder”	:	Has the meaning ascribed to it in the Listing Manual
“Corporate Guarantee”	:	The corporate guarantee granted by FCL (as guarantor) to FHT Sydney Trust 3 to guarantee the obligations of the Master Lessee under the Master Lease Agreement

GLOSSARY

“Directors”	:	The directors of the Company
“EGM”	:	The extraordinary general meeting of the Company, notice of which is given on pages E-1 to E-2 of this Circular
“EPS”	:	Earnings per share
“FCL” or the “Company”	:	Frasers Centrepoint Limited
“FCL Group”	:	FCL and its subsidiaries
“FCL ROFR”	:	The right of first refusal dated 23 June 2014 granted by FCL to the REIT Trustee and the Trustee-Manager
“FF&E”	:	Furniture, furnishings and equipment
“FF&E Agreement”	:	The sale and purchase agreement under which FHT Sydney Trust 3 will acquire the FF&E relating to the Hotel from the Vendor
“FF&E Reserve”	:	The reserve established for the purpose of funding the acquisition and replacement of FF&E under the Master Lease Agreement
“FH-BT”	:	Frasers Hospitality Business Trust
“FH-REIT”	:	Frasers Hospitality Real Estate Investment Trust
“FHT”	:	Frasers Hospitality Trust, a stapled group comprising FH-REIT and FH-BT
“Fixed Rent”	:	The fixed rent component of the rental payment under the Master Lease Agreement
“FY2014”	:	Financial year ended 30 September 2014
“GC”	:	Golden Capital (Singapore) Limited
“GOP”	:	The gross operating profit of the Property, comprising GOR less Operating Expenses
“GOR”	:	Gross operating revenue of the Property, which means all revenues, receipts and income of every kind derived directly or indirectly from the operations of the Property and attributable to the period under consideration, determined on an accrual basis and as defined in the Master Lease Agreement
“Hotel” or “Property”	:	The hotel known as Sofitel Sydney Wentworth which is located at 61-101 Phillip Street, Sydney, NSW 2000, Australia (excluding Lot 1)
“IBHL”	:	International Beverage Holdings Limited
“IBIL”	:	InterBev Investment Limited
“IFA Letter”	:	The letter dated 9 June 2015 from the Independent Financial Adviser to the Independent Directors and the Audit Committee setting out its advice in respect of the Proposed Transactions as set out in Appendix C to this Circular

GLOSSARY

“Independent Directors”	:	The independent directors of the Company as at the date of this Circular, being Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Wee Joo Yeow and Mr Weerawong Chittmittrapap
“Independent Financial Adviser” or “IFA”	:	The independent financial adviser to the Independent Directors and the Audit Committee in relation to the Proposed Transactions, being KPMG
“Independent Valuer”	:	Colliers
“Interested Person”	:	Means: (a) a director, chief executive officer or controlling shareholder of a listed company; or (b) an associate of such director, chief executive officer or controlling shareholder
“Interested Person Transaction”	:	Has the meaning ascribed to it in the Listing Manual
“Investment Management Agreement”	:	The investment management agreement between MIT Manager and the MIT Sub-trustee
“KPMG”	:	KPMG Corporate Finance Pte Ltd, the IFA
“Latest NTA”	:	The audited consolidated NTA of the FCL Group as at 30 September 2014
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 29 May 2015
“Leasehold Interest”	:	The 75-year leasehold interest in the Hotel to be sold by the Vendor to FHT Sydney Trust 3 pursuant to the 75-year Lease Agreement
“Listing”	:	The listing of FHT on the Main Board of the SGX-ST
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Lot 1”	:	The separate stratum lot in which the basement carpark and the retail arcade over two levels are comprised, which is not part of the Proposed Sale and Leaseback Arrangement
“Master Lease”	:	The master lease of the Hotel to the Master Lessee under the terms and conditions of the Master Lease Agreement
“Master Lease Agreement”	:	The master lease agreement entered into between the Vendor and the Master Lessee in relation to the lease of the Hotel (in respect of which FHT Sydney Trust 3 will automatically become the lessor thereunder upon completion of the Proposed Divestment by operation of law)
“Master Lessor”	:	FHT Sydney Trust 3
“Maxtop”	:	Maxtop Management Corp.

GLOSSARY

“MIT Manager”	:	FHT Australia Management Pty Ltd, (an indirect wholly-owned subsidiary of FCL), as manager of FHT Australia Trust or FHT Sydney Trust 3 (as applicable)
“MIT Sub-trustee”	:	The Trust Company (PTAL) Limited (in its capacity as trustee of FHT Sydney Trust 3)
“MM Group”	:	MM Group Limited
“NAV”	:	Net asset value
“NTA”	:	Net tangible assets
“Operating Expenses”	:	The entire cost and expense of maintaining, conducting and supervising the operation of the Hotel and as defined in the Master Lease Agreement
“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 Shareholders convened in accordance with the Company’s memorandum and articles of association
“Proposed Divestment”	:	The proposed divestment, being the sale of the Leasehold Interest by the Vendor to FHT Sydney Trust 3
“Proposed Sale and Leaseback Arrangement”	:	The proposed sale and leaseback arrangement of Sofitel Sydney Wentworth, comprising the Proposed Divestment and the Master Lease
“Proposed Transactions”	:	The Proposed Sale and Leaseback Arrangement, the FF&E Agreement, the Investment Management Agreement and the Corporate Guarantee
“REIT”	:	Real estate investment trust
“REIT Manager”	:	Frasers Hospitality Asset Management Pte. Ltd., in its capacity as manager of FH-REIT
“REIT Trustee”	:	The Trust Company (Asia) Limited, in its capacity as trustee of FH-REIT
“Relevant Entity”	:	In relation to the FCL ROFR, means FCL or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by FCL
“RM”	:	Risen Mark Enterprise Ltd.
“Sale Consideration”	:	The aggregate sale consideration payable to the Vendor under the 75-year Lease Agreement and the FF&E Agreement, being an amount of A\$224.0 million
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including sub-securities accounts
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

GLOSSARY

“Shareholders”	:	The shareholders of FCL
“Shares”	:	Ordinary shares in the share capital of the Company
“Stapled Securities”	:	Stapled securities in FHT
“Summary Valuation Letter”	:	The summary valuation letter prepared by the Independent Valuer as set out in Appendix D to this Circular
“TCC Group”	:	The companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi
“TCC Hospitality”	:	TCC Hospitality Limited
“ThaiBev”	:	Thai Beverage Public Company Limited
“Trustee-Manager”	:	Frasers Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of FH-BT
“Variable Rent”	:	The variable rent component of the rental payment under the Master Lease Agreement
“Vendor”	:	Frasers Sydney Wentworth Trust, formerly known as LaSalle 61 Phillip Sub Trust, which is an Australian trust indirectly wholly-owned by FCL that wholly owns the Hotel and in which the reversionary interest of the Hotel is retained
“%” or “per cent.”	:	Per centum or percentage
“\$”, “S\$” and “cents”	:	The lawful currency of the Republic of Singapore

The terms “**Depositor**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”).

The terms “**subsidiary**” and “**substantial shareholder**” shall have the meanings ascribed to them in Sections 5 and 81 of the Companies Act respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa*. 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 as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Unless otherwise stated, the S\$ equivalent of the A\$ figures in this Circular has been arrived at based on an assumed exchange rate of A\$1: S\$1.0303.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Charoen Sirivadhanabhakdi (Non-Executive and Non-Independent Chairman) Khunying Wanna Sirivadhanabhakdi (Non-Executive and Non-Independent Vice Chairman) Charles Mak Ming Ying (Non-Executive and Independent Director) Chan Heng Wing (Non-Executive and Independent Director) Philip Eng Heng Nee (Non-Executive and Independent Director) Wee Joo Yeow (Non-Executive and Independent Director) Weerawong Chittmittrapap (Non-Executive and Independent Director) Chotiphat Bijananda (Non-Executive and Non-Independent Director) Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director) Sithichai Chaikriangkrai (Non-Executive and Non-Independent Director)
COMPANY SECRETARY	:	Piya Treruangrachada
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	438 Alexandra Road #21-00 Alexandra Point Singapore 119958
SHARE REGISTRAR	:	Tricor Barbinder Share Registration Services 80 Robinson Road, #02-00 Singapore 068898
LEGAL ADVISER TO THE COMPANY	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
INDEPENDENT FINANCIAL ADVISER	:	KPMG Corporate Finance Pte Ltd 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
INDEPENDENT AUDITOR	:	Ernst & Young LLP Public Accountants and Chartered Accountants 1 Raffles Quay One Raffles Quay North Tower, Level 18 Singapore 048581
INDEPENDENT VALUER	:	Colliers International, CIVAS (NSW) Pty Limited Level 30, Grosvenor Place, 225 George Street Sydney, NSW 2000, Australia

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the extraordinary general meeting (the “**EGM**”) is indicative only and is subject to change at the Company’s absolute discretion. 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	: 22 June 2015 at 10.00 a.m.
Date and time of the EGM	: 24 June 2015 at 10.00 a.m.
Proposed Sale and Leaseback Arrangement	
Target date for completion of the Proposed Sale and Leaseback Arrangement	: To be determined (but is expected to be no later than November 2015)

LETTER TO SHAREHOLDERS

FRASERS CENTREPOINT LIMITED

Company Registration No. 196300440G
(Incorporated in the Republic of Singapore)

Directors

Mr Charoen Sirivadhanabhakdi
(Non-executive and non-independent Chairman)
Khunying Wanna Sirivadhanabhakdi
(Non-executive and non-independent Vice Chairman)
Mr Charles Mak Ming Ying
(Non-executive and independent Director)
Mr Chan Heng Wing
(Non-executive and independent Director)
Mr Philip Eng Heng Nee
(Non-executive and independent Director)
Mr Wee Joo Yeow
(Non-Executive and independent Director)
Mr Weerawong Chittmittrapap
(Non-executive and independent Director)
Mr Chotiphat Bijananda
(Non-executive and non-independent Director)
Mr Panote Sirivadhanabhakdi
(Non-executive and non-independent Director)
Mr Sithichai Chaikriangkrai
(Non-executive and non-independent Director)

Registered Office

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

9 June 2015

To: The Shareholders of Frasers Centrepoint Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Summary of Approvals Sought

The directors of the Company ("**Directors**") are convening the EGM to be held on 24 June 2015 to seek Shareholders' approvals for the proposed sale and leaseback arrangement of Sofitel Sydney Wentworth (the "**Hotel**" or "**Property**" and the proposed sale and leaseback arrangement, the "**Proposed Sale and Leaseback Arrangement**") comprising¹:

- (i) the proposed divestment (the "**Proposed Divestment**") of a 75-year leasehold interest (the "**Leasehold Interest**") in the Hotel by Frasers Sydney Wentworth Trust (an Australian trust indirectly wholly-owned by FCL) (the "**Vendor**"), to FHT Sydney Trust 3 (an Australian sub-trust wholly-owned by Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**")) on the terms and conditions set out in the conditional lease agreement (the "**75-year Lease Agreement**"). FH-REIT is a real estate investment trust which forms part of Frasers Hospitality Trust ("**FHT**") (a hospitality stapled group sponsored by FCL)²; and

¹ The land on which the Hotel is situated is sub-divided into two stratum lots. There is a basement carpark and a retail arcade over two levels under a separate stratum lot ("**Lot 1**") held by a third party which is not within the FCL Group (as defined herein) and accordingly, these are not part of the Proposed Sale and Leaseback Arrangement. References to "Hotel" and "Property" in this Circular exclude Lot 1.

² The tenure of the Property is on a freehold basis, but the Vendor will be selling a 75-year leasehold interest in the Property. Upon the expiry of FHT Sydney Trust 3's Leasehold Interest, title to the Hotel will revert to the Vendor without any payment to be made by the Vendor to FHT Sydney Trust 3.

LETTER TO SHAREHOLDERS

- (ii) in connection with the Proposed Divestment, a master lease agreement (the “**Master Lease Agreement**”) between Ananke Holdings Pty Limited (an indirect wholly-owned subsidiary of FCL) (the “**Master Lessee**”) and FHT Sydney Trust 3 (the “**Master Lessor**”)¹, pursuant to which the Master Lessee will lease the Hotel for an initial term of 20 years, with an option granted to the Master Lessee and exercisable at the option of the Master Lessee to renew the lease for a further term of 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew (the “**Master Lease**”).

In connection with the Proposed Divestment, the Vendor has also entered into a separate sale and purchase agreement (the “**FF&E Agreement**”) with FHT Sydney Trust 3, under which FHT Sydney Trust 3 will acquire the furniture, furnishings and equipment (“**FF&E**”) relating to the Hotel².

In connection with the Master Lease, the Company will grant a corporate guarantee (as guarantor) to FHT Sydney Trust 3 to guarantee the obligations of the Master Lessee under the Master Lease (the “**Corporate Guarantee**”).

In addition, FHT Australia Management Pty Ltd (the “**MIT Manager**”), an indirect wholly-owned subsidiary of the Company, has entered into an investment management agreement with FHT Sydney Trust 3 pursuant to which the MIT Manager shall provide certain services to FHT Sydney Trust 3 (the “**Investment Management Agreement**”).

(Please refer to Section 3 of this Circular for further details on the Proposed Sale and Leaseback Arrangement, the FF&E Agreement, the Corporate Guarantee and the Investment Management Agreement.)

By approving the Proposed Sale and Leaseback Arrangement, Shareholders are deemed to have specifically approved the Proposed Divestment, the Master Lease and the entry into of all agreements in connection therewith (including but not limited to the 75-year Lease Agreement, the Master Lease Agreement, the FF&E Agreement, the Corporate Guarantee and the Investment Management Agreement) and all ancillary agreements contemplated thereby or incidental thereto.

1.2 Requirement for Shareholders’ Approval

The Proposed Sale and Leaseback Arrangement, the FF&E Agreement, the Corporate Guarantee and the Investment Management Agreement will each constitute an “Interested Person Transaction” as defined under Chapter 9 of the Listing Manual and are therefore subject to, *inter alia*, the approval of the Shareholders.

(Please refer to Section 7 of this Circular for further details.)

2. THE PROPOSED SALE AND LEASEBACK ARRANGEMENT IN RESPECT OF SOFITEL SYDNEY WENTWORTH

2.1 Background

FHT is a hospitality stapled group which was listed on the Main Board of the SGX-ST on 14 July 2014 (the “**Listing**”), and comprises FH-REIT and Frasers Hospitality Business Trust (“**FH-BT**”). FH-REIT is a Singapore-based real estate investment trust (“**REIT**”) established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. FH-BT is a Singapore-based business trust which is currently dormant.

FCL wholly-owns each of Frasers Hospitality Asset Management Pte. Ltd. (the “**REIT Manager**”) and Frasers Hospitality Trust Management Pte. Ltd. (the “**Trustee-Manager**”).

¹ There is currently an existing master lease in place between the Master Lessee and the Vendor. Prior to completion of the Proposed Divestment, the existing master lease will be terminated and the Master Lessee will be the master lessee in respect of the Hotel under the new Master Lease Agreement entered into between the Master Lessee and the Vendor. Once the Proposed Divestment is completed, FHT Sydney Trust 3 will automatically become the lessor under the Master Lease Agreement by operation of law.

² As the 75-year leasehold interest in the Hotel is granted to FHT Sydney Trust 3 under a lease agreement (being the 75-year Lease Agreement), the sale of the FF&E is provided for under a separate agreement (being the FF&E Agreement).

LETTER TO SHAREHOLDERS

In connection with the Listing, FCL (as sponsor of FHT) had on 23 June 2014 granted a right of first refusal to The Trust Company (Asia) Limited (in its capacity as trustee of FH-REIT) (the “**REIT Trustee**”) and the Trustee-Manager over any future sales by a Relevant Entity (as defined herein) of income-producing properties located anywhere in the world except Thailand, which are primarily used for hospitality and/or hospitality-related purposes, subject to certain terms and conditions (the “**FCL ROFR**”). The Hotel is now being offered to FH-REIT (through FHT Sydney Trust 3) pursuant to the terms of the FCL ROFR.

As used in this Circular, real estate used for “**hospitality**” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “**serviced residences**” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residences.

2.2 Overview of the Proposed Sale and Leaseback Arrangement

On 11 May 2015, the Vendor (being an indirect wholly-owned trust of FCL¹) had entered into the 75-year Lease Agreement with FHT Sydney Trust 3 (an Australian sub-trust wholly-owned by FH-REIT), for the divestment of a 75-year leasehold interest in the Hotel. Upon the expiry of the 75-year lease granted under the 75-year Lease Agreement, title to the Hotel will revert to the Vendor without any payment to be made by the Vendor to FHT Sydney Trust 3².

In connection with the Proposed Divestment, the Vendor had also entered into the FF&E Agreement for the sale of the FF&E relating to the Hotel to FHT Sydney Trust 3³.

FH-REIT had, in connection with the Listing, established FHT Australia Trust, a managed investment scheme in Australia which qualified as a managed investment trust for the purposes of the Australian Taxation Administration Act 1953. FHT Australia Trust had in turn established two sub-trusts for the purposes of acquiring Fraser Suites Sydney and Novotel Rockford Darling Harbour, which form part of the existing portfolio of FHT. FHT Sydney Trust 3 had been established on 8 May 2015, as a new sub-trust under FHT Australia Trust, for the purposes of acquiring the Leasehold Interest from the Vendor. The MIT Manager had also on 8 May 2015 entered into the Investment Management Agreement with The Trust Company (PTAL) Limited (in its capacity as trustee of FHT Sydney Trust 3) (the “**MIT Sub-trustee**”), pursuant to which the MIT Manager will provide certain services to FHT Sydney Trust 3, including the management of FHT Sydney Trust 3 for and on behalf of the MIT Sub-trustee.

In connection with the Proposed Divestment, the Master Lease Agreement will be entered into between the Master Lessor and the Master Lessee, pursuant to which the Master Lessee will lease the Hotel for an initial term of 20 years, with an option granted to the Master Lessee and exercisable at the option of the Master Lessee to renew the lease for a further term of 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew.⁴

In connection with the Master Lease, the Company will grant the Corporate Guarantee to FHT Sydney Trust 3.

¹ The Vendor, Frasers Sydney Wentworth Trust is wholly owned by Frasers Hospitality Sydney Investments Pty Ltd, which is in turn wholly-owned by Frasers Hospitality Investments Melbourne Pte Ltd, a direct wholly-owned subsidiary of FCL.

² If FHT Sydney Trust 3 transfers the 75-year leasehold interest to another entity before expiry of the 75-year leasehold interest, the transferee will then own the remaining unexpired 75-year leasehold interest, and title to the Hotel will still revert to the Vendor after expiry of the said 75-year leasehold interest.

³ As the 75-year leasehold interest in the Hotel is granted to FHT Sydney Trust 3 under a lease agreement (being the 75-year Lease Agreement), the sale of the FF&E is provided for under a separate agreement (being the FF&E Agreement).

⁴ There is currently an existing master lease in place between the Master Lessee and the Vendor. Prior to completion of the Proposed Divestment, the existing master lease will be terminated and the Master Lessee will be the master lessee in respect of the Hotel under the new Master Lease Agreement entered into between the Master Lessee and the Vendor. Once the Proposed Divestment is completed, FHT Sydney Trust 3 will automatically become the lessor under the Master Lease Agreement by operation of law.

LETTER TO SHAREHOLDERS

(Please refer to **Appendix A** to this Circular for a diagram of the holding structure of the Leasehold Interest both prior to and after the Proposed Sale and Leaseback Arrangement.)

3. DETAILS OF THE PROPOSED SALE AND LEASEBACK ARRANGEMENT IN RESPECT OF SOFITEL SYDNEY WENTWORTH

3.1 The Proposed Divestment

3.1.1 Description of the Hotel

The Property comprises the Hotel known as Sofitel Sydney Wentworth¹.

Sofitel Sydney Wentworth is an iconic heritage-listed hotel which is prominently located in the heart of Sydney's Central Business District ("**CBD**"), nestled among the city's prominent buildings, large retail and busy commercial spaces, including the Australia Stock Exchange and Chifley Tower which are in close proximity.

Sofitel Sydney Wentworth is within walking distance to major tourist attractions in Sydney such as the Royal Botanic Gardens, the Sydney Opera House, Sydney Harbour Bridge, Circular Quay, Hyde Park and Pitt Street Mall. Sofitel Sydney Wentworth features 436 guest rooms and suites together with a lobby bar, restaurant, club lounge and substantial conference facilities, including one of the largest pillarless ballrooms in Sydney.

Sofitel Sydney Wentworth's strategic location and close proximity to the city's prominent buildings and major tourist attractions appeal to both business and leisure travellers alike. Sofitel Sydney Wentworth also has easy access to public transportation, with Martin Place train station located approximately 200 metres away, which provides services to Bondi Junction, Town Hall, and Central Station. The Circular Quay bus, rail, and ferry terminus, are also within walking distance from Sofitel Sydney Wentworth.

Built in 1966, Sofitel Sydney Wentworth was the first international hotel in Sydney. As the oldest major hotel in Sydney, Sofitel Sydney Wentworth was Australia's biggest international hotel at the time of construction. Its distinctive horse shoe design is significant as a familiar architectural landmark in Sydney. Sofitel Sydney Wentworth is also aesthetically significant for the huge copper canopy over the entrance, which at the time of construction, was one of the largest completely fabricated copper awnings in the world.

Selected information on the Property is set out in the table below:

Location	61-101 Phillip Street, Sydney, NSW 2000, Australia
Grade	Luxury
Underlying Land Tenure ⁽¹⁾	Freehold
Number of Available Rooms	436
Independent Valuation by Colliers (as at 11 May 2015) (A\$m)	220.0 ⁽³⁾ on a 75-year leasehold basis
Sale Consideration (A\$m)	224.0 ⁽⁴⁾
Fixed Rent (per annum) (A\$m)⁽⁷⁾	6.0
Variable Rent (per annum)⁽²⁾⁽⁷⁾	83.0% of GOP ⁽⁶⁾ less Fixed Rent plus FF&E Reserve ⁽⁵⁾
Vendor	Frasers Sydney Wentworth Trust ⁽⁶⁾
Master Lessee	Ananke Holdings Pty Ltd ⁽⁶⁾
Term of Master Lease	20 years plus an option to renew for another 20 years at the Master Lessee's discretion on the same terms and conditions, save for any any amendments required due to change in law and excluding any further option to renew

¹ The land on which the Hotel is situated is sub-divided into two stratum lots. There is a basement carpark and a retail arcade over two levels under Lot 1 held by a third party which is not within the FCL Group and accordingly, these are not part of the Proposed Sale and Leaseback Arrangement. References to "Hotel" and "Property" in this Circular exclude Lot 1.

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Notes:

- (1) This refers to the underlying land tenure of the Property. The Vendor will be selling a 75-year leasehold interest to FHT Sydney Trust 3 pursuant to the 75-year Lease Agreement.
- (2) If the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.
- (3) The valuation of A\$220.0 million on a 75-year leasehold basis takes into account the FF&E of the Hotel.
- (4) This refers to the aggregate consideration under the 75-year Lease Agreement and the FF&E Agreement and is inclusive of the FF&E of the Hotel. As at 30 September 2014, the net book value of the Leasehold Interest in the Hotel was A\$191.0 million and the net book value of the FF&E was A\$4.4 million.
- (5) FF&E Reserve (as defined herein) not utilised and not carried forward to the following year, if any. Please refer to paragraph 3.2.2 of this Circular under “Master Lessee’s Obligations – FF&E” for further information on the FF&E Reserve.
- (6) Frasers Sydney Wentworth Trust and Ananke Holdings Pty Ltd are an indirect wholly-owned trust and subsidiary of FCL, respectively.
- (7) The Fixed Rent and Variable Rent set out here are the rent payable under the Master Lease Agreement.
- (8) Please refer to the “Glossary” which sets out the definitions of GOP, GOR and Operating Expenses.

3.1.2 Valuation and Sale Consideration

FCL has commissioned Colliers International, CIVAS (NSW) Pty Limited (the “**Independent Valuer**”) to value the Leasehold Interest. The following table sets out the appraised value by the Independent Valuer:

75-year leasehold valuation	
Asset	Appraised value ⁽¹⁾ (AUD) (million)
Sofitel Sydney Wentworth	220.0 ⁽²⁾

Notes:

- (1) Based on the appraised value as at 11 May 2015 (which takes into account the FF&E).
- (2) The S\$ equivalent of the appraised value is S\$226.7 million.

The market value of the Leasehold Interest as at 11 May 2015 is A\$220.0 million, which takes into account the FF&E of the Hotel.

The total sale consideration under the 75-year Lease Agreement and the FF&E Agreement is A\$224.0 million (approximately S\$230.8 million) (the “**Sale Consideration**”), which was negotiated on a willing-buyer and willing-seller basis, taking into account the 75-year leasehold valuation by the Independent Valuer, which was arrived at using the capitalisation and the discounted cashflow method. The Sale Consideration is payable to the Vendor in cash in Australian dollars on Completion.

(See **Appendix D** to this Circular for the summary valuation letter of the Independent Valuer.)

3.1.3 Transaction-Related Costs

In addition to the above, the Company will incur estimated professional and other fees and expenses of approximately S\$0.5 million in connection with the Proposed Divestment.

3.1.4 Use of Proceeds from the Proposed Divestment

The Proposed Divestment will raise gross proceeds of approximately A\$224.0 million¹ in cash.

¹ This is inclusive of the sale of the FF&E under the FF&E Agreement.

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The Company expects to use the cash proceeds from the sale of the Leasehold Interest and the FF&E as follows:

- (i) repayment of existing bank loans;
- (ii) transaction-related costs; and/or
- (iii) funding of working capital and the future business needs of the FCL Group.

3.1.5 Key Terms of the 75-year Lease Agreement

The Company (through the Vendor) had entered into the 75-year Lease Agreement with FHT Sydney Trust 3 (an Australian sub-trust wholly-owned by FH-REIT), pursuant to which the Vendor will grant a 75-year leasehold interest in the Hotel to FHT Sydney Trust 3 commencing from the date of Completion. Upon the expiry of the 75-year lease granted under the 75-year Lease Agreement, title to the Hotel will revert to the Vendor without any payment to be made by the Vendor to FHT Sydney Trust 3¹.

Conditions Precedent

Pursuant to the terms of the 75-year Lease Agreement, the sale of the Leasehold Interest is subject to and conditional upon the following:

- (i) FHT having obtained the necessary approvals from the relevant Australian regulatory authorities for the acquisition of the Leasehold Interest;
- (ii) approval of the stapled securityholders of FHT and the approval of the Shareholders of the Company;
- (iii) approval from any third party which has a contractual right to approve the 75-year Lease Agreement;
- (iv) FHT having obtained financing to its satisfaction; and
- (v) FHT being satisfied with the due diligence conducted on the Hotel.

Other key terms

Certain limited representations and warranties are made by the Vendor relating to the property. Under the 75-year Lease Agreement, no liability shall arise in respect of any claim for breach of warranties unless the amount of the claim (together with the aggregate amount of any other or previous claim or claims) shall exceed a total sum of A\$100,000, and claims for breach of warranties must be made within 15 months after the date of commencement of the lease. The maximum aggregate liability of the Vendor in respect of the claims shall not exceed the purchase consideration for the Leasehold Interest under the 75-year Lease Agreement, being the amount of A\$224.0 million less the purchase price of the FF&E under the FF&E Agreement². If, prior to the commencing date of the lease, it is found that there is a material breach of warranty by the Vendor, FHT Sydney Trust 3 shall be entitled to rescind the lease, without prejudice to its other rights including the right to claim damages.

¹ If FHT Sydney Trust 3 transfers the 75-year leasehold interest to another entity before expiry of the 75-year leasehold interest, the transferee will then own the remaining unexpired 75-year leasehold interest, and title to the Hotel will still revert to the FCL Group after expiry of the said 75-year leasehold interest.

² The purchase price for the FF&E under the FF&E Agreement is the net book value based on the Vendor's management accounts as at the day preceding Completion.

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3.2 The Master Lease Arrangement

3.2.1 The Master Lease

FHT Sydney Trust 3 will, in connection with the Proposed Divestment, enter into the Master Lease Agreement with the Master Lessee. Pursuant to the Master Lease Agreement, the Master Lessee will lease the Hotel for an initial term of 20 years¹, with an option exercisable by the Master Lessee to renew the master lease for a further 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew.

3.2.2 Key Terms of the Master Lease Agreement

Term of the Master Lease

The initial term of the Master Lease is for 20 years, with an option exercisable by the Master Lessee to renew the master lease for an additional lease for a further 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew.

The total term of the Master Lease is therefore up to 40 years.

Rental Payment

The Master Lessee is required to pay rent on a monthly basis, comprising:

- (i) a fixed rent of A\$6.0 million per annum (“**Fixed Rent**”); and
- (ii) a variable rent computed based on 83% of the GOP² for that fiscal year less the Fixed Rent for the relevant fiscal year, plus any unutilised balance in the FF&E Reserve³ which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero (“**Variable Rent**”).

The quantum of the Variable Rent will be adjusted within 90 days at the end of each fiscal year based on the audited profit and loss statement of the Hotel for such fiscal year.

If the Hotel is damaged or destroyed, the Master Lessee is not liable to pay rent for the period that the Hotel cannot be used. If part of the Hotel is still useable, the Master Lessee's liability to pay rent is adjusted such that:

- (i) if the total costs for the reinstatement of the part(s) of the premises so damaged or destroyed (as estimated by a qualified and independent quantity surveyor) exceed 25.0% of the total reinstatement cost of the premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by FHT Sydney Trust 3, in respect of the period from the date such damage or destruction occurred until the date of completion of restoration and reinstatement of such part(s) of the premises, the Master Lessee will pay a reduced rent equivalent to the sum of (a) 83% of the Hotel's GOP for such period and, where applicable, any unutilised balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement less an amount equivalent to half the Fixed Rent for such period, and (b) an amount equivalent to half the Fixed Rent for such period; or

¹ There is currently an existing master lease in place between the Master Lessee and the Vendor. Prior to completion of the Proposed Divestment, the existing master lease will be terminated and the Master Lessee will be the master lessee in respect of the Hotel under the new Master Lease Agreement entered into between the Master Lessee and the Vendor. Once the Proposed Divestment is completed, FHT Sydney Trust 3 will automatically become the lessor under the Master Lease Agreement by operation of law.

² Please refer to the “Glossary” which sets out the definitions of GOP, GOR and Operating Expenses.

³ Please refer to paragraph 3.2.2 of this Circular under “Master Lessee's Obligations – FF&E” for further information on the FF&E Reserve.

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- (ii) if the total costs for the reinstatement of the part(s) of the Premises so damaged or destroyed (as estimated by a qualified and independent quantity surveyor) do not exceed 25.0% of the total reinstatement cost of the premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by FHT Sydney Trust 3, in respect of the period from the date such damage or destruction occurred until the date of completion of restoration and reinstatement of such part(s) of the premises, the Master Lessee will continue to pay the rent for such period, without any abatement of the Fixed Rent amount.

Master Lessee's Obligations

- (i) **Security Deposit**

The Master Lessee will provide a security deposit, by way of cash or bank guarantee, of an amount equivalent to eight months of the monthly Fixed Rent and applicable Australian Goods and Services Tax. In addition to such security deposit, the Master Lessee shall furnish a corporate guarantee from FCL for, amongst other things, the payment of rent.

- (ii) **FF&E**

The FF&E which is located in the Hotel at the commencement date of the Master Lease Agreement will be the property of the Master Lessor and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessee, subject to the condition that the title to the FF&E items which are owned by the Master Lessee and still in use shall, at the option of the Master Lessor, be transferred to the Master Lessor at the end of the Master Lease for A\$1.00.

For each fiscal year, the Master Lessee is required to set aside in the FF&E Reserve an amount equivalent to three per cent. of the Hotel's gross operating revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the Master Lessor. Any unutilised balance in the FF&E Reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E Reserve in the next fiscal year. However, if the unutilised balance in the FF&E Reserve is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement, the unutilised balance shall be deemed to form part of the Variable Rent.

The total expenditure by the Master Lessee in any fiscal year shall not exceed the unutilised balance in the FF&E Reserve. Any unutilised amounts standing to the credit of the FF&E Reserve at the end of the Master Lease Agreement shall be paid in cash by the Master Lessee to the Master Lessor¹.

- (iii) **Annual Budget**

The Master Lessee must submit to the Master Lessor for review and approval by no later than 60 days prior to the commencement of the following fiscal year, an annual budget for that fiscal year which includes, *inter alia*, a proposed capital budget for capital improvements². In respect of such proposed capital budget, the Master Lessor is not obliged to undertake any expenditure for capital improvements unless (a) it is approved in writing by the Master Lessor, or (b) such capital improvements are (I) required to comply with any directive, order or requirement of any relevant government authorities or (II) required to meet safety or health requirements relating to the Property or (III) in certain cases of emergency.

¹ For the avoidance of doubt, the amount to be paid under this provision shall be net of the Variable Rent.

² Such capital improvements refer to any improvement or replacement to the plant, services infrastructure (both as defined in the Master Lease Agreement) or to the essential fabric of the Hotel being the foundations, load bearing walls, structural columns, structural floors and structural ceilings including the façade of the Hotel, but excluding any improvement or replacement to the FF&E.

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Maintenance of the Hotel and the FF&E

The Master Lessee must, at its cost, repair and maintain the Hotel, its infrastructure, plant and equipment in good and substantial repair and in working order required for the operation of the Hotel but the Master Lessee is not responsible for works which are in the nature of capital improvements. The Master Lessee must, at its cost, repair and replace all FF&E and operating equipment required for the operations of the Hotel. The Master Lessor may in its absolute discretion fund any expenditure by the Master Lessee for the repair and replacement of the FF&E, but this shall not reduce the amount that the Master Lessee has to set aside in the FF&E Reserve for the relevant fiscal year or any subsequent fiscal year(s).

Licences and Permits

All necessary licences and permits must be obtained and maintained by the Master Lessee at its cost.

Insurance

The Master Lessee must, at its cost, take out and maintain public liability insurance policy, insurance relating to workers' compensation and contract works insurance in respect of any works undertaken or carried out by the Master Lessee. The Master Lessor will take out and maintain, at its cost, a property insurance insuring the Hotel, the infrastructure, plant and equipment and the contents of the Hotel, and business interruption policy for the respective rights and interests of the Master Lessor as lessor, and the Master Lessee as lessee. The Master Lessee is required to pay the insurance premium in respect of the business interruption policy attributable to the insurance coverage for the Master Lessee's interests.

Sale and Assignment

The Master Lessor may sell or assign its interest in the Property subject to the terms of the Master Lease Agreement. The Master Lessor may also sell or assign its interest in the Property at any time free and clear of the Master Lease Agreement and without the Master Lessee being liable for any claims, damages, compensations, costs and expenses for such termination provided (i) the Master Lessor gives at least six months' written notice to the Master Lessee and (ii) in any sale or assignment of the Master Lessor's interest in the Property free and clear of the Master Lease Agreement, the Master Lessor shall use reasonable endeavours to procure the purchaser's or assignee's agreement to have the sale or assignment (as the case may be) subject to (a) the terms of the Master Lease Agreement and/or (b) the operator's agreement to continue with the hospitality management agreement then in force.

To the extent that the Master Lessee suffers any direct loss (excluding indirect and consequential loss, including loss of profit, loss of revenue and/or loss of opportunity) because of the operation of the paragraph immediately above, the parties will meet in good faith to discuss how to mitigate such loss and agree on the amount (if any) to be paid by the Master Lessor to the Master Lessee in relation to such a loss. For the avoidance of doubt, the Company will comply with Rules 905 and 906 of the Listing Manual for such payment (if any).

3.2.3 Key Terms of the Corporate Guarantee

The Company will unconditionally and irrevocably guarantee to FHT Sydney Trust 3 that the Master Lessee will punctually pay all rent and all other sums payable under the Master Lease Agreement and observe and perform the covenants, terms and conditions of the Master Lease Agreement.

Upon the default of the Master Lessee, the Company will pay the rent and other sums payable under the Master Lease Agreement and/or as the case may be, perform (or procure performance of) any of the covenants, terms or conditions of the Master Lease Agreement.

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The obligations of the Company under the Corporate Guarantee will end on the earlier of (a) six months after the Master Lessee yields up vacant possession of the Hotel in accordance with the terms of the Master Lease Agreement, on the expiry or termination of the term (as may be extended or renewed) under the Master Lease Agreement, (b) the due and proper and complete performance of all of the obligations of the Master Lessee under the Master Lease Agreement and (c) FCL having complied with the obligations or made good any losses relating to any breach of the Master Lessee under the Master Lease Agreement, because of termination of the Master Lease Agreement.

3.3 Other Agreements entered into by the FCL Group in connection with the Proposed Sale and Leaseback Arrangement

There are other agreements that have been entered into by FCL (directly or indirectly) in connection with the Proposed Sale and Leaseback Arrangement, including but not limited to the following:

3.3.1 Under the FF&E Agreement, the Vendor will sell the FF&E in relation to the Hotel to FHT Sydney Trust 3 at the net book value of such FF&E. Under the FF&E Agreement, certain limited representations and warranties are made by the Vendor relating to the FF&E. The maximum aggregate liability of the Vendor in respect of all claims under the FF&E Agreement shall not exceed the purchase price for the FF&E (being the net book value based on the Vendor's management accounts as at the day preceding Completion). Completion of the FF&E Agreement is subject to and conditional on the completion of the acquisition of the Leasehold Interest.

3.3.2 Under the Investment Management Agreement entered into between the MIT Manager and the MIT Sub-trustee, the MIT Manager shall provide certain services to the MIT Sub-trustee and FHT Sydney Trust 3 under the Investment Management Agreement, and including (but not limited to) management of FHT Sydney Trust 3 for and on behalf of the MIT Sub-trustee, keeping the trust property under periodic review and conferring with the MIT Sub-trustee at agreed intervals regarding the management of FHT Sydney Trust 3.

3.3.3 In consideration for the MIT Manager providing services under the Investment Management Agreement in connection with FHT Sydney Trust 3, the MIT Manager will be entitled to:

- (i) a base fee of 0.3% per annum of the total value of FHT Sydney Trust 3's trust property;
- (ii) a performance fee of 5.5% per annum of FHT Sydney Trust 3's earnings before interest, taxes, depreciation and amortisation;
- (iii) an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases of:
 - (a) the acquisition price of any real estate purchased by FHT Sydney Trust 3 whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the acquisition price made by FHT Sydney Trust 3 or a special purpose vehicle to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of FHT Sydney Trust 3's interest);
 - (b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by FHT Sydney Trust 3 whether directly or indirectly through one or more special purpose vehicles, plus any other payments made by FHT Sydney Trust 3 or a special purpose vehicle to the vendor in connection with the purchase of such equity interests (prorated, if applicable, to the proportion of FHT Sydney Trust 3's interest); or

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- (c) the acquisition price of any investment purchased by FHT Sydney Trust 3, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate;
- (iv) a divestment fee of 0.5% of:
 - (a) the sale price of any real estate sold or divested by FHT Sydney Trust 3 whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the sale price received by FHT Sydney Trust 3 or a special purpose vehicle from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of FHT Sydney Trust 3's interest);
 - (b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FHT Sydney Trust 3, whether directly or indirectly through one or more special purpose vehicles, plus any other payments received by FHT Sydney Trust 3 or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the FHT Sydney Trust 3's interest); or
 - (c) the sale price of any investment sold or divested by FHT Sydney Trust 3, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and
- (v) a development management fee of 3.0% of the total project costs incurred in a development project. Where the estimated total project costs is greater than S\$200.0 million, the MIT Sub-trustee and the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the development management fee may be directed to be reduced.

Except for the development management fee which may only be paid in cash, the fees are payable to the MIT Manager in the form of cash and/or Stapled Securities (as defined herein).

The fees payable to the MIT Manager under the Investment Management Agreement will only apply subject to there being no double-counting of the payment of fees to the MIT Manager under the Investment Management Agreement and payment of fees to the MIT Manager (in its capacity as manager of FHT Australia Trust) pursuant to the investment management agreement for FHT Australia Trust.

For the avoidance of doubt, any fees paid to the MIT Manager under the Investment Management Agreement for FHT Sydney Trust 3 or the investment management agreement in respect of FHT Australia Trust will correspondingly reduce the final amount of the relevant fees to be received by the REIT Manager under the trust deed constituting FH-REIT (as amended).

3.4 Directors' service contracts in relation to the Proposed Sale and Leaseback Arrangement

No person is proposed to be appointed as a Director in relation to the Proposed Sale and Leaseback Arrangement or any other transactions contemplated in relation to the Proposed Sale and Leaseback Arrangement.

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4. CHAPTER 10 OF THE LISTING MANUAL

FCL is a full-fledged international real estate company with business operations spanning the areas of property development, investment and management of properties. The Company is of the view that the Proposed Sale and Leaseback Arrangement is in the ordinary course of the Company's business. As such, the Proposed Sale and Leaseback Arrangement is not subject to Chapter 10 of the Listing Manual.

5. FINANCIAL EFFECTS OF THE PROPOSED SALE AND LEASEBACK ARRANGEMENT

5.1 Bases and Assumptions

The proforma financial effects of the Proposed Sale and Leaseback Arrangement on the FCL Group have been prepared based on the audited consolidated financial statements of the FCL Group for the financial year ended 30 September 2014 ("FY2014"). The proforma financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the FCL Group post the Proposed Sale and Leaseback Arrangement.

The proforma financial effects on the net asset value ("NAV") and NAV per Share for FY2014 have been prepared based on the assumption that the Proposed Sale and Leaseback Arrangement was completed on 30 September 2014. The proforma financial effects on profit after tax and non-controlling interest and earnings per Share ("EPS") for FY2014 have been prepared based on the assumption that the Proposed Sale and Leaseback Arrangement was completed on 14 July 2014, being the listing date of FHT.

The significant assumptions and bases are set out as follows:

- (i) grant of the 75-year leasehold interest in the Property at the Sale Consideration as at 14 July 2014 (for EPS effects) and as at 30 September 2014 (for NAV effects);
- (ii) listing of FHT on 14 July 2014 and FCL holding an indirect interest of 22.0% in the Stapled Securities as at 14 July 2014 and 30 September 2014;
- (iii) FHT recognised as an associate of FCL and accounted for using the equity method¹;
- (iv) loss of operating profits of the Property after the Proposed Sale and Leaseback Arrangement; and
- (v) interest adjustment incurred for the Property, assuming all related borrowings are repaid.

5.2 NAV per Share

Assuming the Proposed Sale and Leaseback Arrangement had been completed on 30 September 2014, the financial effects of the Proposed Sale and Leaseback Arrangement on the consolidated NAV of the FCL Group as at 30 September 2014 are as follows:

	Before the Proposed Sale and Leaseback Arrangement ⁽¹⁾	After the Proposed Sale and Leaseback Arrangement
NAV (S\$m)	6,435.5	6,454.0 ⁽²⁾⁽³⁾
Number of Shares as at 30 September 2014	2,889,812,572	2,889,812,572
NAV per Share (S\$)	2.23	2.23

Notes:

- (1) Based on the audited consolidated financial statements of the FCL Group for FY2014.

¹ With effect from the financial year ending 30 September 2015, the FCL Group adopted FRS110 and consolidated its controlled entities, including FHT, which were previously accounted for using the equity method.

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- (2) In the announcement dated 11 May 2015, this figure was stated to be S\$6,452.7 million. Please refer to this updated figure instead.
- (3) Adjusted for the increase in retained earnings mainly due to the net gain from the sale of the Leasehold Interest and FF&E of approximately S\$21.1 million.

5.3 Earnings per Share

Assuming the Proposed Sale and Leaseback Arrangement had been completed on 14 July 2014, being the listing date of FHT, the financial effects on the consolidated earnings of the FCL Group for FY2014 are as follows:

	Before the Proposed Sale and Leaseback Arrangement ⁽¹⁾	After the Proposed Sale and Leaseback Arrangement
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$m)	501.0	521.4 ⁽²⁾
Weighted average number of issued Shares	2,457,316,063	2,457,316,063
EPS (before fair value change and exceptional items) (Singapore cents)	20.39	21.22

Notes:

- (1) Based on the audited consolidated financial statements of the FCL Group for FY2014.
- (2) Adjusted for the increase in profit after tax and non-controlling interests (before fair value change and exceptional items) mainly due to the net gain from the sale of the 75-year Leasehold Interest and FF&E of approximately S\$20.2 million.

5.4 Gearing

Assuming completion of the Proposed Sale and Leaseback Arrangement had taken place on 30 September 2014, the gearing of the FCL Group will be as follows:

	Before the Proposed Sale and Leaseback Arrangement ⁽¹⁾	After the Proposed Sale and Leaseback Arrangement
Total Equity (S\$m)	7,087.8	7,106.3 ⁽²⁾
Net Debt (S\$m)	6,732.8	6,477.9 ⁽³⁾
Net Debt over Total Equity (%)	95.0	91.0

Notes:

- (1) Based on the audited consolidated financial statements of the FCL Group for FY2014.
- (2) Adjusted for the increase in retained earnings mainly due to the net gain from the sale of the 75-year Leasehold Interest and FF&E of approximately S\$21.1 million.
- (3) Adjusted for the Sale Consideration.

6. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED SALE AND LEASEBACK ARRANGEMENT

FCL believes that the Proposed Sale and Leaseback Arrangement will bring the following key benefits to the Shareholders:

6.1 Optimise capital productivity through REIT platforms

The Proposed Sale and Leaseback Arrangement is in line with the FCL Group's strategy to optimise capital productivity through its REIT platforms and to generate additional fee-based income. The Proposed Sale and Leaseback Arrangement will unlock and release capital from the Hotel, thereby allowing FCL to redeploy capital to pursue new growth opportunities. Shareholders will continue to benefit from FCL's partial ownership of the Hotel through FHT, and the recurring distributable income from FCL's stapled securityholding in FHT.

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FCL believes that FHT serves as an efficient platform for holding hospitality properties which FCL may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the capital appreciation in such properties.

FCL, as a sponsor of FHT, had granted the FCL ROFR to FHT over its hospitality properties (except in Thailand). The Hotel was one of 12 properties that fell under the FCL ROFR at the time of the listing of FHT. FCL believes that the FCL ROFR improves the competitive position of FHT by providing a potential pipeline for future growth.

6.2 Strengthen the FCL Group's balance sheet

The proceeds will allow the FCL Group to reduce its borrowings and gearing. Based on the proforma financial effects of the Proposed Sale and Leaseback Arrangement, assuming this has taken place on 30 September 2014, the gearing of the FCL Group is estimated to decrease from 95.0% to 91.0%.

Therefore, the Proposed Sale and Leaseback Arrangement would strengthen the FCL Group's balance sheet and provide additional debt capacity for future growth.

7. INTERESTED PERSON TRANSACTIONS

7.1 Interested Person Transaction under Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where the Company proposes to enter into a transaction with an Interested Person¹ 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 5.0% of the Company's latest audited net tangible assets ("NTA"), Shareholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of the FCL Group for FY2014, the audited consolidated NTA of the FCL Group as at 30 September 2014 (the "**Latest NTA**") was approximately S\$5,813.1 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by the Company 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 is in excess of S\$290.7 million (being 5.0% of the Latest NTA), such a transaction would be subject to Shareholders' approval.

Under the 75-year Lease and the FF&E Agreement, the aggregate sale consideration is A\$224.0 million (approximately S\$230.8 million).

Under the Master Lease Agreement, the Master Lessee will pay a Fixed Rent of A\$6.0 million (approximately S\$6.2 million) per annum for a fixed initial term of 20 years plus an extended term of 20 years, which is equivalent to an aggregate amount of A\$240.0 million (approximately S\$247.3 million). The Master Lessee is also required to pay a Variable Rent based on the formula as set out in the Master Lease Agreement.

The value of the Sale Consideration and the aggregate Fixed Rent under the Master Lease Agreement is in aggregate A\$464.0 million (approximately S\$478.1 million) (being approximately 8.2% of the Latest NTA). Accordingly, the value of the Proposed Transactions (as defined herein) exceeds the threshold under the Listing Manual and the Proposed Transactions are therefore subject to Shareholders' approval.

¹ "**Interested Person**" means:

- (i) a director, chief executive officer or controlling shareholder of a listed company; or
- (ii) an associate of such director, chief executive officer or controlling shareholder.

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As at the Latest Practicable Date, TCC Hospitality Limited (“**TCC Hospitality**”)¹ owns approximately 39.56% of FHT. FHT, and thus FH-REIT, is therefore considered to be an associate² of the TCC Group³. Interbev Investment Limited and TCC Assets Limited, entities of the TCC Group, are the controlling shareholders (as defined in the Listing Manual) of FCL, and constitute Interested Persons of FCL. Therefore, the Proposed Transactions would constitute “Interested Person Transactions” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Rule 906 of the Listing Manual.

7.2 Existing Interested Person Transactions and Confirmation from the SGX-ST

The Company had on 16 April 2015 obtained a confirmation from SGX-ST that the Company may rely on the exemption laid out in Rule 908(2) of the Listing Manual such that:

7.2.1 the Proposed Sale and Leaseback Arrangement will not need to be aggregated with other interested person transactions between the Company and the TCC Group in the current financial year; and

7.2.2 any future transactions between the Company and FHT will be treated as separate interested person transactions and will not need to be aggregated with the interested person transactions between the Company and the TCC Group provided that the objective of Rule 908(2) is complied with⁴.

Save for the Proposed Transactions, there have been no other interested person transactions (with a value of S\$100,000 or more)⁵ with FHT for the current financial year.

Other than transactions with a value of less than S\$100,000 and transactions carried out under the Company’s shareholders’ general mandate for transactions with interested persons, the current total of all interested person transactions for the current financial year is approximately S\$391.3 million⁶.

¹ TCC Hospitality is a BVI company owned equally by Atinanta Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi (being the five children of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi) in equal proportions.

² “**associate**” means:

- (a) in relation to any Director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

³ “**TCC Group**” refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

⁴ The SGX-ST has confirmed that the objective of Rule 908(2) of the Listing Manual is met on the basis that (i) the REIT Manager and the Trustee-Manager have boards the majority of whose directors are not nominees of the TCC Group and are not accustomed to act on the instructions of the TCC Group and their associates and (ii) the members of the audit committee of the REIT Manager and the Trustee-Manager are all independent directors and are not on the audit committees of the TCC Group.

⁵ Rules 905(1), 905(2) and 906 of the Listing Manual do not apply to any transaction below S\$100,000.

⁶ Reference is made to the announcement dated 11 May 2015. The Company wishes to clarify that the current total of interested person transactions entered into in the current financial year and with a value of S\$100,000 or more (including any transactions previously approved by Shareholders) should be approximately S\$391.3 million.

LETTER TO SHAREHOLDERS

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 Interests of Directors

The interests of Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares held	%	No. of Shares held	%
Charoen Sirivadhanabhakdi ⁽¹⁾	–	–	2,541,007,768	87.77
Khunying Wanna Sirivadhanabhakdi ⁽¹⁾	–	–	2,541,007,768	87.77

Note:

(1) See the notes to the table in paragraph 8.2 below.

The direct and deemed interests of the Directors in FHT as at the Latest Practicable Date are set out below:

Name of Director	Direct Interest		Deemed Interest	
	No. of Stapled Securities held	%	No. of Stapled Securities held	%
Charoen Sirivadhanabhakdi ⁽¹⁾	–	–	274,343,258	22.77
Khunying Wanna Sirivadhanabhakdi ⁽¹⁾	–	–	274,343,258	22.77
Panote Sirivadhanabhakdi ⁽²⁾	–	–	476,501,000	39.56

Notes:

- (1) The Company is deemed interested in 274,343,258 Stapled Securities through its wholly-owned subsidiaries, FCL Investments Pte. Ltd., Frasers Hospitality Asset Management Pte. Ltd. and Frasers Hospitality Pte. Ltd.. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are deemed interested in the Stapled Securities held by the Company based on their respective shareholdings in FCL (direct or indirect) as at the Latest Practicable Date.
- (2) Panote Sirivadhanabhakdi holds 20.0% of the issued share capital of TCC Hospitality Limited and is deemed interested in TCC Hospitality Limited's direct interest in 476,501,000 Stapled Securities.

Panote Sirivadhanabhakdi is a director of the REIT Manager and the Trustee-Manager.

8.2 Interests of Substantial Shareholders

The interests of the substantial shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares held	%	No. of Shares held	%
TCC Assets Limited	1,716,160,124	59.28	–	–
InterBev Investment Limited	824,847,644	28.49	–	–
Charoen Sirivadhanabhakdi ⁽¹⁾	–	–	2,541,007,768	87.77
Khunying Wanna Sirivadhanabhakdi ⁽¹⁾	–	–	2,451,007,768	87.77
International Beverage Holdings Limited ⁽²⁾	–	–	824,847,644	28.49
Thai Beverage Public Company Limited ⁽³⁾	–	–	824,847,644	28.49
Siriwana Company Limited ⁽⁴⁾	–	–	824,847,644	28.49
MM Group Limited ⁽⁵⁾	–	–	824,847,644	28.49
Maxtop Management Corp. ⁽⁵⁾	–	–	824,847,644	28.49
Risen Mark Enterprise Ltd. ⁽⁵⁾	–	–	824,847,644	28.49
Golden Capital (Singapore) Limited ⁽⁵⁾	–	–	824,847,644	28.49

LETTER TO SHAREHOLDERS

Notes:

- (1) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued and paid-up share capital of TCC Assets Limited (“**TCCA**”), and is therefore deemed to be interested in all of the shares of FCL in which TCCA has an interest.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:

- a 51% direct interest in Siritwana Company Limited, which in turn holds an approximate 45.27% direct interest in Thai Beverage Public Company Limited (“**ThaiBev**”); and
- a 100% direct interest in MM Group Limited (“**MM Group**”). MM Group holds a 100% direct interest in each of Maxtop Management Corp. (“**Maxtop**”), Risen Mark Enterprise Ltd. (“**RM**”) and Golden Capital (Singapore) Limited (“**GC**”). Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited (“**IBHL**”), which in turn holds a 100% direct interest in InterBev Investment Limited (“**IBIL**”). Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

- (2) IBHL holds a 100% direct interest in IBIL and is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.
- (3) ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.
- (4) Siritwana Company Limited holds an approximately 45.27% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
 - IBHL holds a 100% direct interest in IBIL.

Siritwana Company Limited is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

- (5) MM Group Limited holds a 100% direct interest in each of Maxtop, RM and GC;
- Maxtop holds a 17.23% direct interest in ThaiBev;
 - RM holds a 3.32% direct interest in ThaiBev;
 - GC holds a 0.06% direct interest in ThaiBev;
 - ThaiBev holds a 100% direct interest in IBHL; and
 - IBHL holds a 100% direct interest in IBIL.

MM Group is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

Save as disclosed in this paragraph 8 and based on information available to the Company as at the Latest Practicable Date, none of the Directors or substantial shareholders have any interest, direct or indirect, in the Proposed Transactions.

9. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER ON THE PROPOSED TRANSACTIONS

9.1 Independent Financial Adviser

KPMG has been appointed as the Independent Financial Adviser to advise the Independent Directors as at the date of this Circular, being Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Wee Joo Yeow and Mr Weerawong Chittmittrapap and the Audit Committee on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. A copy of the IFA Letter (as defined herein) setting out the IFA’s advice to the Independent Directors and the Audit Committee in respect of the Proposed Transactions are set out in **Appendix C** to this Circular and Shareholders are advised to read the IFA Letter carefully.

The view of the IFA is set out in paragraph 9.2 below.

LETTER TO SHAREHOLDERS

9.2 Advice

Having regard to the considerations set out in the IFA Letter and the information available as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

10. RECOMMENDATIONS

After taking into consideration the factors likely to affect the economics of the Proposed Transactions, including the opinion of the IFA (as set out in the IFA Letter in **Appendix C** to this Circular), the rationale for and key benefits of the Proposed Transactions (as set out in Section 6 above), the Summary Valuation Letter (as set out in **Appendix D** to this Circular), and after discussion with the management of the Company and the IFA, the Independent Directors and the Audit Committee are of the view that the Proposed Transactions are based on normal commercial terms and would not be prejudicial to the interests of FCL or its minority Shareholders.

Accordingly, the Independent Directors recommend that Shareholders vote at the EGM in favour of the Proposed Transactions.

11. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 24 June 2015 at 10.00 a.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution set out in the Notice of EGM, which is set out on pages E-1 to E-2 of this Circular. Approval by way of an Ordinary Resolution is required in respect of the Resolution.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the Central Depository (Pte) Limited ("**CDP**") as at 48 hours before the EGM.

12. ABSTENTIONS FROM VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates from voting on a resolution in relation to a matter in respect of which such persons are interested in the EGM.

As at the Latest Practicable Date, the TCC Group has a deemed interest in 87.77% of the Shares in the Company. TCC Hospitality is considered to be an associate of the TCC Group. The TCC Group (i) will abstain, and will procure their associates to abstain from voting at the EGM on the Resolution and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to the Resolution unless specific instructions as to voting are given.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice of EGM and a Proxy Form.

If a Shareholder 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 attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958, not later than 10.00 a.m. on 22 June 2015. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

LETTER TO SHAREHOLDERS

Persons who have an interest in the approval of the Resolution must decline to accept appointment as proxies unless the Shareholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the Resolution.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

15. CONSENTS

15.1 Independent Financial Adviser

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter and all references thereto, in the form and context in which they are included in this Circular.

15.2 Independent Valuer

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Summary Valuation Letter and all references thereto, in the form and context in which they are included in this Circular.

16. DOCUMENTS FOR INSPECTION

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

- (i) the memorandum and articles of association of the Company;
- (ii) Annual Report of the Company for FY2014, which includes the audited consolidated financial statements of the FCL Group for FY2014;
- (iii) the 75-year Lease Agreement;
- (iv) the FF&E Agreement;
- (v) the Investment Management Agreement;
- (vi) the Master Lease Agreement;
- (vii) the Corporate Guarantee;
- (viii) the summary valuation letter and the full valuation report prepared by the Independent Valuer;

LETTER TO SHAREHOLDERS

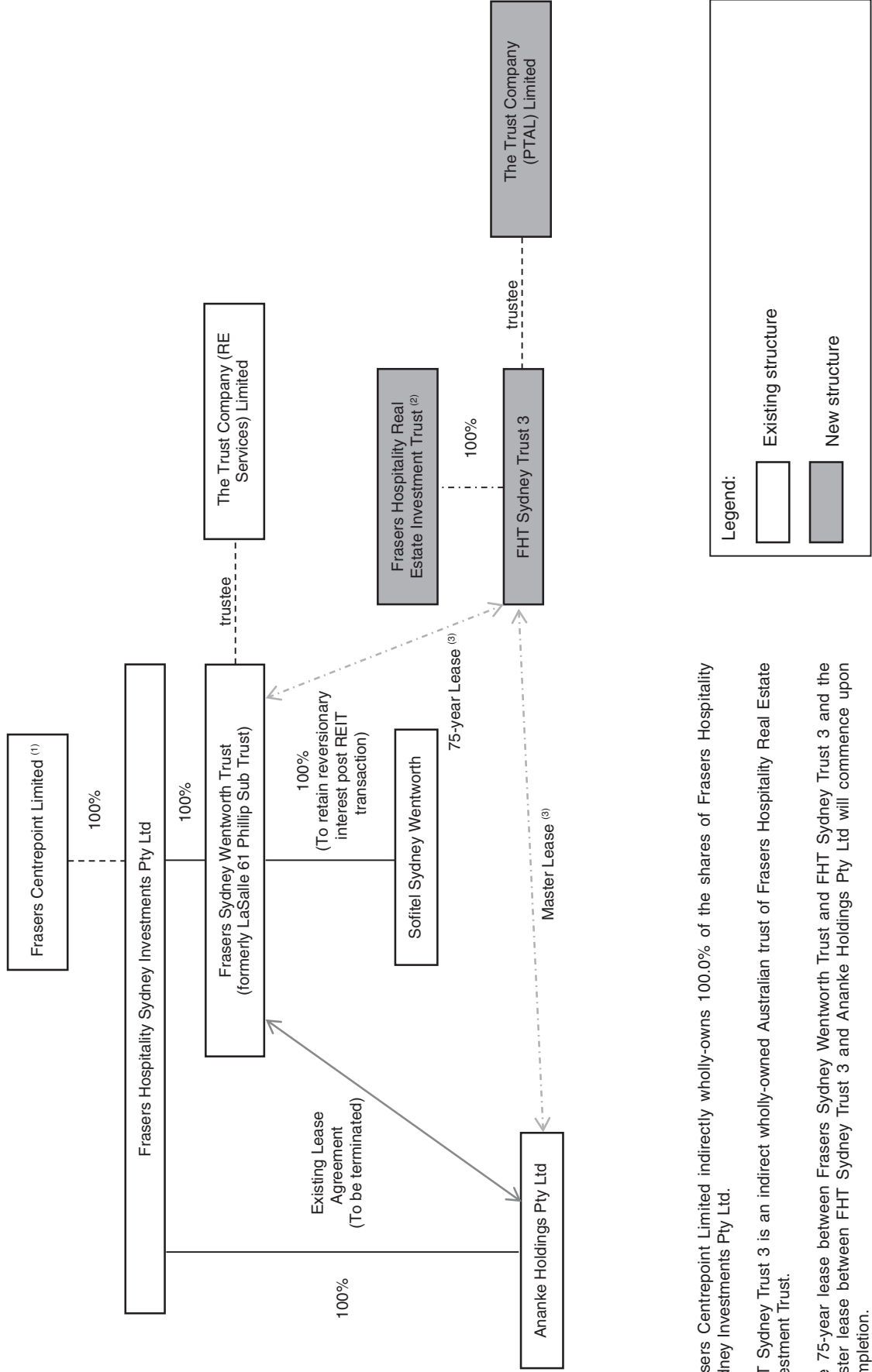
- (ix) the letters of consent from the Independent Valuer and the IFA; and
- (x) the IFA Letter.

Yours faithfully
For and on behalf of
the Board of Directors of
FRASERS CENTREPOINT LIMITED

Charoen Sirivadhanabhakdi
Non-Executive and Non-Independent Chairman

APPENDIX A

HOLDING STRUCTURE OF THE HOTEL PRIOR TO AND AFTER THE PROPOSED SALE AND LEASEBACK ARRANGEMENT



Notes:

- (1) Frasers Centrepoint Limited indirectly wholly-owns 100.0% of the shares of Frasers Hospitality Sydney Investments Pty Ltd.
- (2) FHT Sydney Trust 3 is an indirect wholly-owned Australian trust of Frasers Hospitality Real Estate Investment Trust.
- (3) The 75-year lease between Frasers Sydney Wentworth Trust and FHT Sydney Trust 3 and the master lease between FHT Sydney Trust 3 and Ananke Holdings Pty Ltd will commence upon Completion.

APPENDIX B
FREEHOLD AND LEASEHOLD INTERESTS IN THE HOTEL AND CERTAIN
INFORMATION ON THE HOTEL

1. INTERESTS OWNED BY THE FCL GROUP IN THE HOTEL

The table below sets out the interest in the Hotel currently owned by the FCL Group:

Property	Underlying Land Tenure	Tenure to be acquired by FH-REIT (through FHT Sydney Trust 3)
Sofitel Sydney Wentworth ¹	Freehold	75 years

2. CERTAIN INFORMATION ON THE HOTEL

The table below sets out certain information with respect to the Hotel:

Location	61-101 Phillip Street, Sydney NSW 2000, Australia
Grade	Luxury
Underlying Land Tenure²	Freehold
Number of Available Rooms	436
Master Lessee	Ananke Holdings Pty Ltd ³
Term of Master Lease	20 years plus option to renew for another 20 years ⁴ at the Master Lessee's discretion on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew
Hotel Manager	Accor Hotel Group
Vendor	Frasers Sydney Wentworth Trust ³

¹ The land on which the Hotel is situated is sub-divided into two stratum lots. There is a basement carpark and a retail arcade over two levels under Lot 1 held by a third party which is not within the FCL Group and accordingly, these are not part of the Proposed Sale and Leaseback Arrangement. References to "Hotel" and "Property" in this Circular exclude Lot 1.

² This refers to the underlying land tenure of the Hotel. The Vendor will be selling a 75-year leasehold interest to FHT Sydney Trust 3 pursuant to the 75-year Lease Agreement. Upon the expiry of the 75-year lease under the 75-year lease Agreement, title to the Hotel will revert to the Vendor without any payment to be made by the Vendor to FHT Sydney Trust 3.

³ Frasers Sydney Wentworth Trust and Ananke Holdings Pty Ltd are an indirect wholly-owned trust and a subsidiary of FCL, respectively.

⁴ There is currently an existing master lease in place between the Master Lessee and the Vendor. Prior to completion of the Proposed Divestment, the existing master lease will be terminated and the Master Lessee will be the master lessee in respect of the Hotel under the new Master Lease Agreement entered into between the Master Lessee and the Vendor. Once the Proposed Divestment is completed, FHT Sydney Trust 3 will automatically become the lessor under the Master Lease Agreement by operation of law.

APPENDIX C

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Audit Committee and Independent Directors
Fraser's Centrepoint Limited
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

9 June 2015

Dear Sirs

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED SALE AND LEASEBACK OF SOFITEL SYDNEY WENTWORTH

Unless otherwise defined in this IFA Letter or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

1. INTRODUCTION

Background

The directors of Fraser's Centrepoint Limited (the "**Company**" or "**FCL**") (the "**Directors**") seek Shareholders' approval for the proposed sale and leaseback arrangement of Sofitel Sydney Wentworth (the "**Hotel**" or "**Property**" and the proposed sale and leaseback arrangement, the "**Proposed Sale and Leaseback Arrangement**") comprising:

- the proposed divestment (the "**Proposed Divestment**") of a 75-year leasehold estate interest (the "**Leasehold Interest**") in the Hotel held by Fraser's Sydney Wentworth Trust (an Australian trust indirectly wholly-owned by FCL) (the "**Vendor**"), to FHT Sydney Trust 3 (an Australian sub-trust wholly-owned by Fraser's Hospitality Real Estate Investment Trust ("**FH-REIT**")) on the terms and conditions set out in the conditional lease agreement (the "**75-year Lease Agreement**"). FH-REIT is a real estate investment trust which forms part of Fraser's Hospitality Trust ("**FHT**") (a hospitality stapled group sponsored by FCL); and
- in connection with the Proposed Divestment the entry into a master lease agreement (the "**Master Lease Agreement**") between Ananke Holdings Pty Limited (being a wholly-owned subsidiary of FCL) (the "**Master Lessee**") and FHT Sydney Trust 3 (the "**Master Lessor**"), pursuant to which the Master Lessee will lease the Hotel for an initial term of 20 years, with an option granted to the Master Lessee and exercisable at the option of the Master Lessee to renew the lease for a further term of 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew (the "**Master Lease**").

In connection with the Proposed Divestment, Fraser's Sydney Wentworth Trust has also entered into a separate sale and purchase agreement (the "**FF&E Agreement**") with FHT Sydney Trust 3, under which FHT Sydney Trust 3 will acquire the furniture, furnishings and equipment ("**FF&E**") relating to the Hotel.

In connection with the Master Lease, the Company will grant a corporate guarantee (as guarantor) in respect of the Master Lease Agreement to FHT Sydney Trust 3 (the "**Corporate Guarantee**").

In addition, FHT Australia Management Pty Ltd (the "**MIT Manager**"), a wholly-owned subsidiary of the Company, has entered into an investment management agreement with FHT Sydney Trust 3 pursuant to which the MIT Manager shall provide certain services to FHT Sydney Trust 3 (the "**Investment Management Agreement**").

APPENDIX C

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(the Proposed Sale and Leaseback Arrangement, the FF&E Agreement, the Investment Management Agreement and the Corporate Guarantee are collectively referred to as the “**Proposed Transactions**”)

The Proposed Transactions would constitute an “Interested Person Transaction” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Chapter 9 of the Listing Manual.

KPMG Corporate Finance Pte Ltd (“**KPMG CF**”) has been appointed to advise the Audit Committee and Independent Directors on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders (“**Opinion**”).

2. TERMS OF REFERENCE

Our responsibility is to provide the Opinion in respect of the Proposed Transactions.

Our Opinion is delivered solely for the use and benefit of the addressees of this letter (the “**Addressees**”) for their deliberations on the Proposed Transactions, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Proposed Transactions, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees to proceed with these. The decisions of and recommendations made by the Addressees shall remain their sole responsibility.

Our Opinion should not be relied on as recommendation to any Shareholder as to how such Shareholder should vote in relation to the relevant resolutions or any matters related thereto.

We have not conducted a comprehensive review of the business, operations or financial condition of the Company. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Proposed Transactions, or on the future prospects of the Company and as such, we do not express opinions thereon. Such evaluations or comments remain the sole responsibility of the Addressees.

It is also not within our terms of reference to compare the relative merits of the Proposed Transactions to any alternative transactions previously considered by, or that may have been available to, the Company or any alternative transactions that may be available in the future. Such evaluations or comments remain the sole responsibility of the Addressees, 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.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of the Company.

In formulating our Opinion, we have held discussions with the Directors and the management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Company and its professional advisers, which may include solicitors, auditors, tax advisers and valuers. We have not independently verified such information, whether written or 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 all such information, provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and used our judgment in assessing and the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

The Directors have jointly and severally accepted responsibility in the “Directors’ Responsibility Statement” of the Circular.

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

No representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our Opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the latest practicable date prior to the printing of the Circular, being 29 May 2015 (the “**Latest Practicable Date**”). Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our Opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our Opinion contained herein.

In rendering our Opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder. As different Shareholders would have different investment objectives and profiles, we would advise the Addressees to recommend that any Shareholder who may require specific advice in relation to his investment portfolio(s) consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our Opinion should be considered in the context of the entirety of this letter and the Circular.

3. DETAILS OF THE PROPOSED TRANSACTIONS

Details of the Proposed Transactions are set out in Section 3 of the Letter to Shareholders in the Circular.

4. EVALUATION OF THE PROPOSED TRANSACTIONS

In our evaluation of whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of FCL and its minority Shareholders, we have duly considered the following key factors:

Rationale

The rationale surrounding the Proposed Transactions as set out in Section 6 of the Letter to Shareholders in the Circular is reproduced below.

“FCL believes that the Proposed Sale and Leaseback Arrangement will bring the following key benefits to the Shareholders:

Optimise capital productivity through REIT platforms

The Proposed Sale and Leaseback Arrangement is in line with the FCL Group’s strategy to optimise capital productivity through its REIT platforms and to generate additional fee-based income. The Proposed Sale and Leaseback Arrangement will unlock and release capital from the Hotel, thereby allowing FCL to redeploy capital to pursue new growth opportunities. Shareholders will continue to benefit from FCL’s partial ownership of the Hotel through FHT, and the recurring distributable income from FCL’s stapled securityholding in FHT.

FCL believes that FHT serves as an efficient platform for holding hospitality properties which FCL may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the capital appreciation in such properties.

APPENDIX C

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FCL, as a sponsor of FHT, had granted the FCL ROFR to FHT over its hospitality properties (except in Thailand). The Hotel was one of 12 properties that fell under the FCL ROFR at the time of the listing of FHT. FCL believes that the FCL ROFR improves the competitive position of FHT by providing a potential pipeline for future growth.

Strengthen the FCL Group's balance sheet

The proceeds will allow the FCL Group to reduce its borrowings and gearing. Based on the proforma financial effects of the Proposed Sale and Leaseback Arrangement, assuming this has taken place on 30 September 2014, the gearing of the FCL Group is estimated to decrease from 95.0% to 91.0%.

Therefore, the Proposed Sale and Leaseback Arrangement would strengthen the FCL Group's balance sheet and provide additional debt capacity for future growth."

We have reviewed the rationale and are of the view that the Proposed Transactions are being pursued on a reasonable basis.

Basis for arriving at the sale consideration

The total sale consideration under the 75-year Lease Agreement and the FF&E Agreement is A\$224.0 million (approximately S\$230.8 million based on an assumed exchange rate of 1 AUD: 1.0303 SGD as at the Latest Practicable Date) (the "**Sale Consideration**"), which was negotiated on a willing-buyer and willing-seller basis, taking into account the 75-year leasehold valuation by Colliers International CIVAS (NSW) Pty Limited (the "**Independent Valuer**").

The Independent Valuer was appointed for the purposes of determining the market value of the 75-year leasehold stratum and the market value of the freehold stratum of the Hotel as at 11 May 2015.

We set out in the table below the market values as appraised by the Independent Valuer:

(Values in AUD)	Valuation Approach			Adopted Value
	Passing Yield Approach	Initial Yield Approach	Discounted Cash Flow Approach	
Freehold	\$227,060,557	\$229,162,250	\$231,282,480	\$229,000,000
75-year Leasehold	\$214,847,696	\$218,390,311	\$220,862,572	\$220,000,000

Source: Valuation Report

Note:

1. The adopted values are the final market values of the Hotel as prescribed by the Independent Valuer after considering the various valuation methods.

Our observations in relation to the Valuation Report are as follows:

- The Independent Valuer has stated that their Valuation Report was prepared in accordance with the Australian Property Institute ("**API**") and the Property Institute of New Zealand ("**PINZ**") Australia and New Zealand Valuation and Property Standards (January 2012, 7th Edition).
- The Valuation Report assesses the market value of the Hotel as at 11 May 2015, which is close to the intended settlement date.

The 'market value', as defined in the Valuation Report is the 'estimated amount for which an asset or liability should exchange on the date of valuation 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'.

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- The Valuation Report assesses the market value of the Hotel as a 'going concern' and is inclusive of all the fixtures, furnishings and equipment necessary to operate as a hotel business on a walk-in walk-out basis.
- The methodologies adopted for calculation of market value included following:

- 75-year leasehold stratum passing income capitalised

In this approach the EBITDA from the passing year is capitalised at a yield derived from comparable sales evidence, which given the maturity of the hotel, is assumed to reflect a stabilised level of trading.

- 75-year leasehold stratum projected income capitalised

In this approach the projected EBITDA for the first year is capitalised at a yield derived from comparable sales evidence, which given the maturity of the hotel, is assumed to reflect a stabilised level of trading.

- 75-year leasehold stratum discounted cash flow approach

In this approach an internal rate of return or discount rate is used based on analysis of comparable hotel sales. The discount rate is then applied to cash flow projections and added to the terminal value to arrive at a net present value.

The Independent Valuer used the value per room method to cross-check the values obtained.

- The Independent Valuer referenced recent hotel recent hotel transactions in Sydney, Australia in determining the market value of the Hotel.

We have extracted the following table from the Valuation Report:

Hotel	Location	Star rating	Date of Sale	Price (AUD in mIn)	No of rooms	Price per room	Passing yield	Projected initial yield	IRR (5yrs)
Sofitel Sydney Wentworth Hotel	Sydney	5.0	May-10	\$130.0	436	\$298,165	5.9%	7.6%	10.0%
Marriott Hyde Park Sydney	Sydney	4.5	Dec-11	\$82.0	241	\$340,249	6.3%	7.3%	10.5%
Sydney Harbour Marriott Circular Quay	Sydney	5.0	May-12	\$249.0	563	\$442,274	4.7%	7.0%	10.0%
Observatory Hotel	Sydney	5.0	Jun-12	\$40.0	96	\$416,667	3.1%	5.1%	10.0%
Shangri La Hotel	Sydney	5.0	Jun-12	\$330.0	561	\$588,235	6.0%	6.5%	10.0%
Four Seasons Hotel	Sydney	5.0	Aug-13	\$335.0 ¹	531	\$630,885	N/A	7.1%	10.0%
Sofitel Sydney Wentworth Hotel	Sydney	5.0	May-14	\$201.0	436	\$461,009	5.5%	6.4%	10.0%
Sheraton on the Park	Sydney	5.0	Nov-14	\$463.0	557	\$831,239	6.3%	6.5%	9.0%
						\$896,949 ²	5.8% ²	5.98% ²	-

Source: Valuation Report
N/A: Not Applicable

Notes:

1. Excludes Value of Laundry.
2. Considered reflective yields should the Present Value (PV) of the A\$42 million in capital expenditure committed by the purchaser be added back into the purchase price.

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We note that the hotel transactions in Sydney, Australia displayed above are not exhaustive and to the best of our knowledge and belief and after discussion with the Independent Valuer, there are no properties which may be considered to be directly comparable to the Hotel in terms of building size and design, building age, building location, accessibility, land title, leasehold period, revenue mix, market risk, future prospects, operating history, branding and other relevant criteria.

For the above reasons, whilst the hotel transactions in Sydney, Australia when taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Divestment, care has to be taken in the selection and use of any individual data point for the same purposes.

Accordingly, it should be noted that any comparison made with respect to the recent hotel transactions in Australia may serve as an illustrative guide only.

We observe as follows:

- All of the hotel transactions identified in Australia concern 4.5 / 5 Star rated hotels that are located in Sydney, Australia.
- The Passing Yield of 5.93 percent reflected in the adopted value for the 75-year leasehold stratum of the Hotel, as well as the Passing Yield of 5.70 percent reflected in the adopted value for the freehold stratum of the Hotel, is within the range of Passing Yield statistics for the recent hotel transactions.
- The Projected Initial Yield of 6.51 percent reflected in the adopted value for the 75-year leasehold stratum of the Hotel, as well as the Projected Initial Yield of 6.25 percent reflected in the adopted value for the freehold stratum of the Hotel, is within the range of Projected Initial Yield statistics for the recent hotel transactions.
- The Price per Room of A\$504,587 reflected in the adopted value for the 75-year leasehold stratum of the Hotel, as well as the Price per Room of A\$525,229 reflected in the adopted value for the freehold stratum of the Hotel, is within the range of Price per Room statistics for the recent hotel transactions.

We have reviewed the methodologies used in the Valuation Report and do not find them to be unreasonable.

We note that the Sale Consideration for the 75-year leasehold stratum of the Hotel is at a premium of 1.8 percent to the market value of the 75-year leasehold stratum of the Hotel as determined by the Independent Valuer.

We consider the Sale Consideration to be received by FCL for a 75-year leasehold interest and the FF&E in the Hotel to be reasonable and not prejudicial to the interests of FCL and its minority Shareholders.

Terms of the Master Lease Agreement

As set out in Section 3 of the Letter to Shareholders in the Circular, FHT Sydney Trust 3, will in connection with the Proposed Divestment, enter into the Master Lease Agreement with the Master Lessee. Pursuant to the Master Lease Agreement, the Master Lessee will lease the Hotel for an initial term of 20 years, with an option exercisable by the Master Lessee to renew the master lease for a further 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew.

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We set out in the table below relevant information regarding the Master Lease Agreement for the Hotel:

Hotels	Country	Initial term + option	Renewal Option	Fixed Rent (in mIn)	Variable Rent		FF&E Reserve
					% Rev	% GOP	
Sofitel Sydney Wentworth	Australia	20 + 20	Lessee	AUD 6.0	0.0%	83%	3.0%

Source: Circular and Company

Note:

1. The Master Lessee is required to pay rent on a monthly basis, comprising:
 - (i) a fixed rent of A\$6.0 million per annum (“**Fixed Rent**”); and
 - (ii) a variable rent computed based on 83% of the GOP for that fiscal year less the Fixed Rent for the relevant fiscal year, plus any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero (“**Variable Rent**”).

Based on our understanding, as well as discussions with FCL, there are limited information sources available to reference fee amounts paid under master lease agreements for hotels in Australia.

Given the above, it is difficult to obtain complete disclosure on master lease arrangements. Therefore, to ascertain the reasonableness of the rental payable under the Master Lease Agreement for the Hotel, we have calculated the yield from the Master Lease Agreement (based on the Sale Consideration), and have compared it to the yields accruing from transaction data concerning other 4.5 / 5 Star rated hotels that are based in Sydney, Australia.

We note that the yield from the Master Lease Agreement (based on the Sale Consideration) is 6.73 percent (based on the passing year) and 7.08 percent (based on the projected initial year). These yields are commensurate with the yields accruing from transaction data concerning other 4.5 / 5 Star rated hotels that are based in Sydney, Australia of between 3.1 percent and 6.3 percent yield for the passing year, and between 5.1 percent and 7.6 percent yield for the projected initial year.

Separately, we note that master lease agreements are typically based on fixed rent, as well as different variations of variable rent. We have compared the structure of Master Lease Agreement for the Hotel with other master lease agreements entered into by FCL for hotels as follows:

Hotels	Country	Lease term and extension (years)	Renewal Option	Fixed Rent (per annum)	Variable Rent (per annum)		% Variable rent to gross rental income	FF&E Reserve
					% Revenue	% Gross Operating Profit		
Novotel Rockford Darling Harbour	Australia	20 + 20	At the option of the Master Lessee	AUD 2.5 million	0.0%	84.0%	60.6%	3.0%
InterContinental Singapore	Singapore	20 + 20	At the option of the Master Lessee	SGD 8.0 million	0.0%	76.0%	60.2%	4.0%
Park International London	United Kingdom	10 + 10 + 10 + 10	At the option of the Master Lessee	GBP 1.3 million	0.0%	91.5%	44.6%	3.0%
Best Western Cromwell London	United Kingdom	10 + 10 + 10 + 10	At the option of the Master Lessee	GBP 0.6 million	0.0%	91.5%	41.1%	3.0%
ANA Crowne Plaza Kobe	Japan	10	Non-renewable	JPY 600 million	0.0%	77.8%	48.7%	3.0%
The Westin Kuala Lumpur	Malaysia	3 + 3 + 3	At the option of the Master Lessee	MYR 14.8 million	0.0%	78.5%	48.8%	4.0%
Min						76.0%	41.1%	3.0%
Median						81.3%	48.8%	3.0%
Mean						83.2%	50.7%	3.3%
Max						91.5%	60.6%	4.0%
Sofitel Wentworth Hotel Sydney	Australia	20 + 20	At the option of the Master Lessee	AUD 6.0m	0.0%	83.0%	58.0%	3.0%

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We observe as follows:

- The variable rent is calculated based on the gross operating profit of the Hotel.
- The percentage of gross operating profit applicable in the Master Lease Agreement for the Hotel is comparable with that of other master lease agreements entered into by FCL for hotels.
- The FF&E reserve prescribed in the Master Lease Agreement for the Hotel is comparable with that of other master lease agreements entered into by FCL for hotels.

We have also enquired with the Independent Valuer regarding the FF&E reserve prescribed in the Master Lease Agreement for the Hotel. The Independent Valuer has confirmed that the typical FF&E reserve for hotels in Australia is 3.0 percent.

Based on the above, we consider the Master Lease Agreement for the Hotel to be reasonable and not prejudicial to the interests of FCL and its minority Shareholders.

Terms of the Corporate Guarantee

The Company will grant a Corporate Guarantee in respect of the Master Lease Agreement to FHT Sydney Trust 3.

Under the Corporate Guarantee, the Company will unconditionally and irrevocably guarantee to FHT Sydney Trust 3 that the Master Lessee will punctually pay the rent and all other sums payable under the Master Lease Agreement and observe and perform the covenants, terms and conditions of the Master Lease Agreement.

Upon a default of the Master Lessee, the Company will pay the rent and other sums payable under the Master Lease Agreement and/or as the case may be, perform (or procure performance of) any of the covenants, terms or conditions of the Master Lease Agreement. The obligations of the Company under the Corporate Guarantee will end on the earlier of (a) six months after the Master Lessee yields up vacant possession of the Hotel in accordance with the terms of the Master Lease Agreement, on the expiry or termination of the term (as may be extended or renewed) under the Master Lease Agreement, (b) the due and proper and complete performance of all of the obligations of the Master Lessee under the Master Lease Agreement and (c) FCL having complied with the obligations or made good any losses relating to any breach of the Master Lessee under the Master Lease Agreement, because of termination of the Master Lease Agreement.

This arrangement is in line with recent developments. Similar corporate guarantees were provided to Far East Hospitality Trust during the latter's listing on the Main Board of SGX-ST. We note that the terms of the Corporate Guarantee to be provided by FCL are broadly similar with those of corporate guarantees provided in similar situations.

Based on the above, we consider the proposed MLA to be reasonable and not prejudicial to the interests of FCL and its minority Shareholders.

Investment Management Agreement

Under the Investment Management Agreement entered into between the MIT Manager and the MIT Sub-trustee, the MIT Manager shall provide certain services to the MIT Sub-trustee and FHT Sydney Trust 3 under the Investment Management Agreement, and including (but not limited to) management of FHT Sydney Trust 3 for and on behalf of the MIT Sub-trustee, keeping the trust property under periodic review and conferring with the MIT Sub-trustee at agreed intervals regarding the management of FHT Sydney Trust 3.

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In consideration for the MIT Manager providing services under the Investment Management Agreement in connection with FHT Sydney Trust 3, the MIT Manager will be entitled to certain fees as stipulated in Section 3.3.3 of the Letter to Shareholders in the Circular.

The fees payable to the MIT Manager under the Investment Management Agreement will only apply subject to there being no double-counting of the payment of fees to the MIT Manager under the Investment Management Agreement and payment of fees to the MIT Manager (in its capacity as manager of FHT Australia Trust) pursuant to the investment management agreement in respect of FHT Australia Trust.

To evaluate these fees, we have compared them to the fee levels charged by other hospitality REITs listed on the SGX-ST, some of which manage regional assets:

Hospitality REIT	Year listed	Base	Performance	Acquisition	Divestment	Development
Ascendas Hospitality Trust	2012	0.30%	5.6%	1.0%	0.5%	3.0%
Ascott Residence Trust	2006	0.30%	6.4%	1.0%	0.5%	n.a.
CDL Hospitality Trust	2006	0.25%	5.7%	1.0%	0.5%	n.a.
Far East Hospitality Trust	2012	0.30%	4.6%	1.0%	0.5%	3.0%
OUE Hospitality Trust	2013	0.30%	4.7%	1.0%	0.5%	3.0%
Frasers Hospitality Trust	2014	0.30%	5.5%	1.0%	0.5%	3.0%
Min		0.25%	4.6%	1.0%	0.5%	3.0%
Median		0.30%	5.6%	1.0%	0.5%	3.0%
Mean		0.29%	5.4%	1.0%	0.5%	3.0%
Max		0.30%	6.4%	1.0%	0.5%	3.0%
Frasers Centrepoint Limited	2014	0.30%	5.5%	1.0%	0.5%	3.0%

Source: Prospectuses and Annual Reports

The fees payable to the MIT Manager under the Investment Management Agreement are broadly comparable to the fees charged by other hospitality REITs listed on the SGX-ST. Accordingly, we consider that the fees payable to the MIT Manager under the Investment Management Agreement are reasonable and not prejudicial to the interests of FCL and its minority Shareholders.

We note that any fees paid to the MIT Manager under the Investment Management Agreement for FHT Sydney Trust 3 or the investment management agreement in respect of FHT Australia Trust will correspondingly reduce the final amount of the relevant fees to be received by the REIT Manager. We consider the arrangement to be reasonable and not prejudicial to FCL and its minority Shareholders.

Financial effects of the Proposed Sale and Leaseback Arrangement

The pro forma financial effects of the Proposed Sale and Leaseback Arrangement are set out in Section 5 of the Letter to Shareholders in the Circular.

Shareholders should note that the pro forma financial effects of the Proposed Sale and Leaseback Arrangement are for illustrative purposes only. The illustrative financial effects should not be construed to mean that the actual results, performance or achievements will be as expected, expressed or implied in such financial effects.

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	Before the Proposed Sale and Leaseback Arrangement	After the Proposed Sale and Leaseback Arrangement	% change
Earnings per Share (S\$)	0.2039	0.2122	4.1%
NAV per Share (S\$)	2.23	2.23	-
Net Debt over Total Equity (%)	95.0	91.0	-4.2%

We note the following:

- The earnings per Share increased from S\$0.2039 to S\$0.2122 as a result of the Proposed Sale and Leaseback Arrangement.
- The NAV per Share remained at S\$2.23 per Share as a result of the Proposed Sale and Leaseback Arrangement.
- The net gearing decreased from 95 percent to 91 percent as a result of the Proposed Sale and Leaseback Arrangement.

5. OPINION

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting as at the Latest Practicable Date and based on our considerations above, we are of the Opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of FCL and its minority Shareholders.

This Opinion is addressed to the Audit Committee and Independent Directors for their use and benefit, in connection with and for the purpose of their consideration of the Proposed Transactions and for inclusion in the Circular.

The recommendations to be made by the Audit Committee and Independent Directors to the Shareholders shall remain their responsibility.

In rendering the above Opinion, we have not taken into consideration the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. Accordingly, any individual Shareholder who may require specific advice in relation to their investment portfolio including their investment in FCL should consult their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional advisers immediately.

This Opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Vishal Sharma
Executive Director

Jeremy Bogue
Director

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SUMMARY VALUATION LETTER

Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

PO R61 Royal Exchange NSW 1225
www.colliers.com.au

MAIN +61 2 9257 0222
DIR +61 2 9257 0245
FAX +61 2 9347 0745
MOB +61 412 053 598
EMAIL michael.thomson@colliers.com



11 May 2015

The Board of Directors
Frasers Centrepoint Limited
438 Alexandra Road #21-00
Alexandra Point
Singapore 119958

Dear Sirs,

RE: [SUMMARY VALUATION LETTER](#)
[SOFITEL SYDNEY WENTWORTH,61-101 PHILLIP STREET,SYDNEY NSW 2000](#)

1. INSTRUCTIONS

In accordance with our instructions issued by Frasers Centrepoint Limited(FCL), (CIVAS) NSW Pty Limited has undertaken a valuation of the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney as at 11 May 2015 based on our inspection of the property on 16 April 2015. Due to possible changes in market forces and circumstances in relation to the subject property the report can only be regarded as representing our opinion of the value of the property as at the date of this letter, which has been based on appropriate assumptions determined as at the date of valuation. We have assumed that the property is in the same condition on the valuation date as the inspection date and the valuation should be re-confirmed with the valuer at the valuation date as we can not provide valuations as at a future date.

We have been instructed to value the hotel subject to its current freehold stratum tenure as well as a proposed 75 year ground lease. The leasehold interest is to be sold by FCL as lessor to Frasers Hospitality Trust (FHT) as lessee. Concurrently FCL will enter into a 20yr plus 20 yr master lease agreement (MLA) with FHT, where FCL will be the lessee and FHT will be the Lessor. We confirm we are not experts on financial structuring but have relied upon this information and as the two parties are related we have assumed that the 75 lease will be continually extended. Should our understanding subsequently prove to be incorrect we reserve the right to have the valuation returned for reconsideration and amendment if necessary.



Colliers International Valuation & Advisory Services Pty Limited | ABN 88 076 848 112
Liability limited by a scheme approved under Professional Standards Legislation.

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Sofitel Sydney Wentworth
11 May 2015



2. VALUATIONS SUMMARY

The following table reflects a summary of the individual values assessed for the two scenarios.

Basis of Valuation	Value (AUD)
Freehold stratum value subject to current management agreement.	Market value on a Going Concern basis \$229,000,000 GST Exclusive (Two Hundred and Twenty Nine Million Dollars Only)
Leasehold stratum value subject to 75 year lease and current management agreement.	Market value on a Going Concern basis \$220,000,000 GST Exclusive (Two Hundred and Twenty Million Dollars Only)

3. BASIS OF VALUATION

The valuation has been completed in accordance with the following definition of Market Value as defined by the International Valuation Standards Committee (IVSC), endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law:

"Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation 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 a freehold stratum basis and 75 year stratum leasehold interest as a going concern on a walk-in walk-out basis but subject to the existing Management Agreement. Value as a going concern may be defined as the value of all tangible assets, such as land and buildings, plant, furniture, equipment and other chattels, and all intangible assets such as goodwill and licences, in the hands of the purchaser acquiring them as part of the business for which they are designed and used.

The valuation report is provided by CIVAS (NSW) Pty Limited and not by any other company in the Colliers International Group. The valuation report has been prepared for **Frasers Centrepoint Limited (FCL)** for inclusion into the Extraordinary General Meeting (EGM) circular for the shareholders of **FCL** in respect to the proposed sale and leaseback arrangement in respect of Sofitel Sydney Wentworth. The valuation report should not be relied upon for any other purpose or by any other person save for the purposes set out herein. CIVAS (NSW) Pty Limited accepts no responsibility for any statements in this report other than for the stated purpose. This report is issued on the basis that no liability attaches to the companies in the Colliers International Group other than CIVAS (NSW) Pty Limited in relation to any statements contained in the Valuation Reports.

4. VALUATION METHODOLOGY

For the purposes of the circular we have prepared this letter which summarises our report and outlines key factors which have been considered in arriving at our opinion of Market Value. This letter alone does not contain all the necessary data and supporting information included in our report. For further information, reference should be made to the full valuation report, copies of which are held by Frasers

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Centrepoint Limited and which we understand will be available for inspection for a period of three months from the date of the circular. The valuation and market information are not guarantees or predictions and must be read in connection with the following:

- The report is approximately 90 pages in length and the conclusion on the estimated value is based upon the factual information within the report. Whilst CIVAS (NSW) Pty Limited has endeavoured to ensure the accuracy of the factual information, it has not independently verified all information provided by FCL or other sources. CIVAS (NSW) Pty Limited believes that before making a decision on the proposed disposal by FCL of a 75 year leasehold interest in the Sofitel Sydney Wentworth to FHT the full valuation report should be read to understand the complexity of the assumptions, methodology and variables involved. Our valuation report and this summary are subject to the information provided, terms and conditions, limitations, exclusions, key assumptions and comments contained in the valuation.
- The methodologies used by CIVAS (NSW) Pty Limited in valuing the hotel includes the Capitalisation of Income Approach, Discounted Cash Flow Analysis and Direct Comparison Approach and are based on estimates of future results and are not predictions. These valuation methodologies are summarised below. The income methodology is based on a set of assumptions as to income and expenses of the hotels and future economic conditions in the various markets. The income and expense figures are mathematically extended with adjustments for estimated changes and economic conditions. The results and conclusion of value are considered the best practice estimate, and are not to be construed as a prediction or guarantee and are fully dependent upon the accuracy of the assumptions as to income expenses and market conditions. The basic assumptions utilised for the hotel are summarised in the hotel Valuation Rationale section of this letter.

Valuation Rationale Going Concern

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular, have investigated a broad range of market evidence and the trading performance of comparable properties. We have also reviewed historical trading levels and the future trading potential of the subject property. Our assessment has been made utilising Capitalisation of Income Approach, Discounted Cash Flow Analysis and Direct Comparison.

Capitalisation of Income Approach

In this approach we have utilised income capitalisations which include the capitalisation of the past 12 months income and initial Year One projected income. Both approaches capitalise the income at a rate reflected in comparable sales evidence.

Discounted Cash Flow Analysis

In this approach the projected cash flow of the hotel over the next 5 years is forecast with an assumed sale at the end of the period. This allows an investor to make an assessment over the longer term with a wide range of assumptions made including income growth, expenditure growth, sale price of the property at the end of the investment horizon, potential capital expenditure, and costs associated with the initial purchase of the property and the disposal at the end of the investment period.

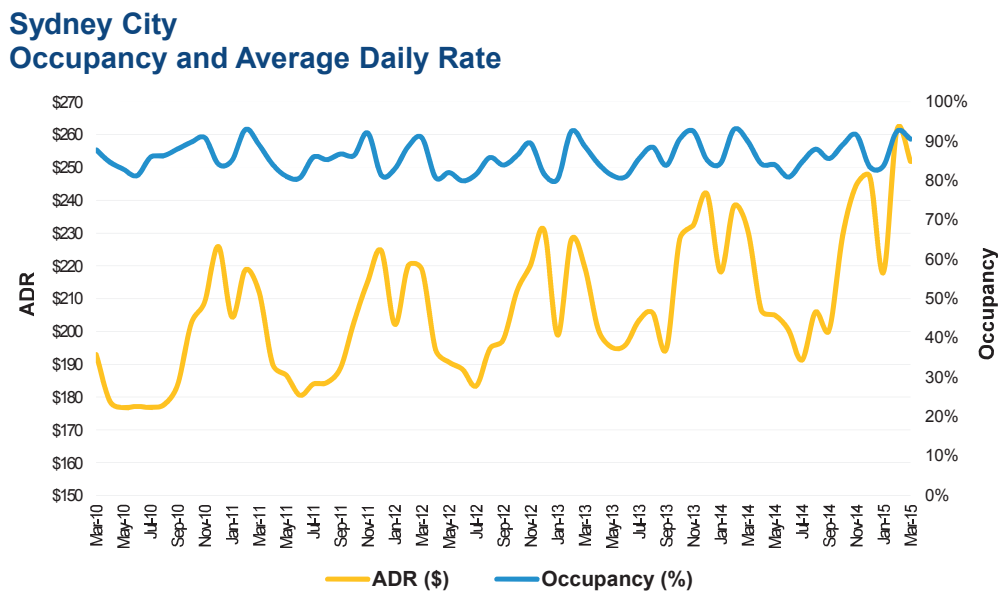
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5. MARKET COMMENTARY

The below data produced by STR Global Data outlines the Occupancy Rates and Average Room Rates for the Sydney City on a monthly basis across a sample of 90 properties.



Source: STR Global/Colliers Edge

- The chart shows occupancy has typically stayed between 80% and 90% over the last four years.
- In comparison average room rates have shown more fluctuation with winter typically being the low season which is due to the preference of northern hemisphere visitors coming to Australia in the southern hemisphere summer and typical downturn in domestic corporate spending due to the financial year end. Therefore the market generally peaks in the December quarter.
- The 2013 calendar year for the Sydney Hotel Market experienced some growth in comparison to 2012 with occupancy increasing by 2.1% from 84.3% to 86.1%.
- Average rates over the period showed growth of 4.2% to \$211.64.
- The consequence was an increase in RevPAR by 6.4% to \$182.25.
- For the calendar year 2014 the Sydney Hotel Market experienced continued growth in comparison to 2013 with occupancy increasing 0.5% from 86.1% to 86.5%.
- Average rates over the 2014 period showed growth of 3.5% to \$217.41 resulting in RevPAR Growth of 4.5%.
- For the first three months of 2015 in comparison to the same period for 2014 occupancy has decreased slightly from 89% to 88.8% while average room rates have increased by 6.9%



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increasing from \$227.73 to \$243.35. The consequence has been 6.6% RevPAR growth from \$202.64 to \$216.05

6. SALES

Comparable Sales Comments

Sydney Harbour Marriott Circular Quay, Sydney



The Marriott Circular Quay is the oldest sale of the five (4) properties and is larger than the subject property with 563 rooms. We believe there has been some capital growth in the market since this sale. The property is held on a superior freehold rather than a freehold stratum title. The Marriott achieved a higher average room rate than the subject at approximately \$250 and slightly lower occupancy of circa 85% at the time of sale. We also note that this property had a significantly smaller F&B component which contributed approximately 20% of the total revenue in comparison to the Sofitel where F&B contributes approximately 34%. The passing yield was particularly low which was impacted by the disruption experienced over the refurbishment period and the hotel was sold with more emphasis on the projected uplift in income post refurbishment. On a value per room of \$442,274 and initial yield of 7.02% we believe the Sofitel to be higher on a value per room basis given the higher occupancy and improved market conditions.

Shangri La Hotel, Sydney



The Shangri La is once again larger in size than the subject property with 561 rooms. The purchaser of the hotel was the operator and this was an off market transaction with limited details revealed to the market. However the purchaser was perceived to be very motivated with the risk of losing a flagship property if the hotel was put to the general market with the availability of vacant possession. Useful evidence for the leasehold stratum scenario with 80 years remaining on the Head Lease at the time of sale. We would expect a lower value per room than the reported \$588,235 for the subject based on its budgeted level of profitability at approximately \$13.7 million as opposed to the Shangri La at an estimated \$20 million.

Four Seasons Hotel, Sydney



One of the more recent sales of a significant sized Five Star hotel in the Sydney Market and again a slightly larger hotel than the subject but of a similar age. We note however that the Four Seasons is a leasehold property with approximately sixty five (65) years remaining on the head lease at the time of sale in comparison to the superior freehold stratum tenure of the subject. We are of the opinion that the Four Seasons is located in a superior location for the leisure market with views of the Opera House and Harbour Bridge. The property was achieving a higher room rate to the subject at the time of sale however a lower occupancy rate of circa 85% in comparison to the subject which is currently achieving 88%. We note that both properties have a similar breakup of rooms revenue as a percentage of total revenue. However we understand that the Four Seasons was achieving a higher passing EBITDA than the Sofitel Sydney Wentworth Hotel at the time of its sale. We are of the opinion that a lower value per room is warranted for the subject property given the lower level of profitability and room rate.

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Sofitel Sydney Wentworth
11 May 2015



Comparable Sales Comments (Continued)

Sheraton on the Park, Sydney



The hotel has been sold subject to a 50 year management agreement to Starwood with fees understood to include a base fee of 2.5% of Gross Operating Revenue and Incentive Fee at 8.00% of Gross Operating Profit and a FF&E Reserve Fund of 4.00% of Gross Operating Revenue. We also understand that the new owner has committed to a mandated property improvement plan of \$42 million to be spent by 2018. This is a premium asset which has been sold with the benefit of extraordinary high occupancy figures resulting in high profitability and translates to the high value reflected on a value per room basis. The sales campaign has been able to benefit from the perceived future upside of significant new infrastructure being added to the City and a relatively benign supply pipeline. The transaction sets a record on a value per room basis in Sydney for a large 5 Star Hotel and the length of the Management Agreement protects Starwood's Sheraton brand in one of the gateway cities in the Asia Pacific for the next 50 years.

The property was achieving a higher room rate and occupancy rate to the subject at the time of sale, and the Sheraton on the Park was significantly more profitable showing a Circa 35% EBITDA in comparison to the subject property which is showing a 28% EBITDA. We are of the opinion that a lower value per room is warranted for the subject property given the superior profitability of the Sheraton and freehold stratum tenure of the Sofitel. We have considered the yield reflected in this transaction on a broad indicative basis.

Note: We have also considered the reflective yields should the Present Value (PV) of the committed \$42 million be added back into the purchase price. The passing yield on this basis is shown as 5.80% with the first year's projected yield estimated at 5.98%. On a value per room basis this shows a value of \$896,949 per room.

Current Sale Campaigns for the Hilton and Westin Hotels in Sydney

The Hilton was offered to the market under an Expressions of Interest marketing campaign with the selling agent being JLL. The campaign commenced in December 2014 with the expressions of interest closing 30 January 2015. We have had discussions with the marketing agent in order to gauge the level of interest shown in the property. Although the agent could not reveal the level at which the offers had come in at we have been advised that there were approximately seven (7) interested parties. We also note that the offers had come in from Singapore, China, UAE, Korea, Hong Kong and also one Australian fund. The one additional Chinese party was knocked back given that they showed their interest in the property during the current exclusive due diligence process. We have been advised that Glory Property III Investments Pty Ltd (Bright Ruby) was chosen given that they were more progressed in terms of their initial due diligence at the time of submitting their offer which we understand is approximately \$450 million. The purchase is subject to a 50 year management agreement to Hilton and our analysis suggests a value of approximately \$777k per room with a passing yield of circa 5.8% and initial yield of approximately 6.0%. This is a superior property to the subject which was refurbished at a reported cost of \$190 million in 2006 and was achieving a higher room rate and occupancy than the Sofitel and we would anticipate a lower value on a per room basis for the Sofitel based on its current condition and trading however the yields are broadly indicative.

We also highlight that the Westin Hotel Sydney is currently on the market with the marketing campaign only recently commenced. The property is considered one of the premier hotels within the Sydney CBD with a total of 416 rooms and suites, food and beverage facilities, conferencing and a leasehold interest in the retail component fronting Martin Place. In comparison to the subject we note that this property comprises larger rooms and also note that vacant possession is available from October 2019, unlike the subject which has a 20 year management agreement in place with eleven years remaining.

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Discussions with the marketing agents advise that the indicative yield range for the Westin Hotel is in the order of 5.00% to 5.50%.

2014 Sale Campaign of Sofitel

The subject property which sold for a reported \$201 million in May 2014 still reflects one of the more recent sales in the Sydney Hotel Market our analysis suggests a value of \$461,009 per room, 5.5% passing yield and 6.44% projected initial yield. Since that time we note that the hotel's EBITDA has improved from \$10.9 million for the year end December 2013 to \$13 million for the year end December 2014 and is projected to improve to \$14.8 million by the operator for the year end December 2016. Furthermore the sales of the Sheraton, Hilton and current Westin Hotel sales campaigns suggest that capitalisation rates continue to tighten.

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7. VALUATION CERTIFICATE – SOFITEL WENTWORTH SYDNEY

Property	Sofitel Wentworth Sydney, 61-101 Phillip Street, Sydney, NSW, 2000, Australia
Prepared For	Frasers Centrepoint Limited.
Interest Valued	Freehold Stratum and Leasehold Stratum subject to a proposed 75 year lease, subject to the existing management agreement and inclusive of all plant, equipment, furniture and fittings (excluding stock).
Registered Owner	The Trust Company (RE Services) Limited
Land Area	3,393m ²
Legal Description	Lot 2 in Deposited Plan 1084537.
Town Planning	B8 Metropolitan Centre in Sydney LEP 2012.
Location	The hotel is located in the Sydney CBD and provides easy access to the financial district with nearby significant commercial buildings including Chifley Tower, 1 Bligh Street, Aurora Place and Governor Phillip and Macquarie Tower. The hotel is also well located for easy access to the prime retail district of Sydney being Pitt Street Mall and the leisure demand generators of Circular Quay, The Rocks and the Sydney Opera House.
Brief Description	The subject property comprises a purpose built five star 436 room hotel held on a freehold stratum title (Lot 2 in Deposited Plan 1084537) with three food and beverage outlets including the ground floor Soiree lobby Bar and the level five Garden Court Restaurant. Further facilities include the Club Sofitel Executive Lounge, 11 meeting rooms including a pillar less ballroom, business centre and library with access to a fitness centre and basement parking from the adjoining freehold stratum (Lot1 in Deposited Plan 1084537). We note that Lot 1 is held under different ownership and is outside the scope of this valuation..
Management Profile	The hotel is managed by Accor which is the world's largest hotel and tourism group with more than 3,500 hotels and 440,000 rooms in 92 countries. Accor's hotel brands include the Sofitel, Pullman, M Gallery, Grand Mercure, Mercure, Novotel, Ibis, Ibis Styles and Ibis Budget.

Trading Summary	Actual	Actual	Actual	Actual & Forecast	Forecast	Forecast
Period Ending	Dec 12	Dec 13	Dec 14	Y/E Dec 15	Y/E May 16	Y/E May 17
Occupancy	79.1%	86.8%	87.6%	88.5%	88.2%	87.3%
Average Daily Rate	205.74	209.00	221.06	230.30	236.86	247.34
RevPAR	162.74	181.35	193.65	203.82	209.01	215.88
Total Revenue	40,595,682	43,351,156	46,841,146	48,852,908	50,024,442	51,264,488
Gross Operating Profit	11,639,989	13,982,759	16,477,204	17,335,303	18,003,667	18,481,454

Valuation Approach	Passing Income and First Years Income and 5 Year Discounted Cash Flow Approach
Date of Valuation	11 May 2015
Freehold Stratum	\$AUD229,000,000 GST Exclusive (TWO HUNDRED AND TWENTY NINE MILLION DOLLARS)
Passing Yield	5.70%
Initial Yield	6.25%
Price per Room	\$525,229
5 Year DCF – IRR	8.75%
Terminal Yield	6.50%
Leasehold Stratum	\$AUD220,000,000 GST Exclusive (TWO HUNDRED AND TWENTY MILLION DOLLARS)
Passing Yield	5.93%
Initial Yield	6.51%
Price per Room	\$504,587
5 Year DCF – IRR	9.00%
Terminal Yield	6.75%

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8. KEY ASSUMPTIONS AND IMPORTANT COMMENTS

In the preparation of this valuation report we have made a variety of key assumptions and important comments. In this regard we advise that this entire report, including appendices, must be read and understood by the nominated parties to whom reliance is extended in order that the various assumptions and comments are understood in the context of the adopted valuation. Should the parties to this report have any concerns or queries regarding the contents or key assumptions made in the preparation of this valuation, those issues should be promptly directed to the nominated Valuer for comment and review. A selection of Key Assumptions and Important Comments are as follows:-

- (i) Due to possible changes in market forces and circumstances in relation to the subject property the report can only be regarded as representing our opinion of the value of the property as at the date of signing the report, which has been based on appropriate assumptions determined as at the date of valuation. We have assumed the property is in the same condition on the valuation date as the inspection date.
- (ii) We assume all information provided by the Instructing Party and Hotel Management is correct and current.
- (iii) We assume there are no other encumbrances or notations except those shown on Title or noted within this valuation report.
- (iv) We assume the property is not flood liable or within a landslip designated area.
- (v) We assume appropriate planning permission has been granted by the relevant statutory authorities in relation to the existing improvements on site.
- (vi) We assume all fire and electrical services meet the Building Code of Australia requirements.
- (vii) We assume there are no GST or arrears liabilities over the subject property unless identified.
- (viii) We assume the business will continue to be marketed and managed in a professional manner.
- (ix) We assume that all required licences and registrations are held by management and are current.
- (x) Our valuation as a 'going concern' is inclusive of all the fixtures, fittings and equipment necessary to operate as a hotel business on a walk in walk out basis. Accordingly we have assumed that all the FF & E is unencumbered and would be part of the sale of the subject hotel if placed on the market.
- (xi) Our valuation assumes no significant capital expenditure is required beyond the existing FF & E Reserve which over the six year cash flow accumulates to \$9,738,914. We confirm we are not experts in assessing the condition of the plant and machinery however our verbal enquiries of the owner and operator have confirmed they are not aware of any significant capital expenditure requirements for these items.
- (xii) In accordance with the Australian Property Institute Valuers Limited (APIV), this valuation is current as at the date of valuation only. The values assessed herein 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). We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above, we do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on valuation.

However, in the context of the above the APIV reiterates that it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only.
- (xiii) We have been instructed to provide both a freehold and leasehold valuation of the subject property with the latter based on a 75 year lease and proposed rental accounting for 100% of the earnings before interest, tax, depreciation and amortisation (EBITDA). We have assumed as the lease is between related parties that the lease will be extended.
- (xiv) The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate. Further to this, we note that accommodation cash flows are operator dependant and susceptible to economic changes and accordingly regular review of the trading levels should be undertaken. Should actual trading levels deteriorate, this report should be returned for review.
- (xv) Due to areas of the building being occupied, we were unable to inspect all of the rooms. We have therefore assumed the areas not inspected provide a similar level of finish to the areas that were inspected.
- (xvi) **Investment return based real estate such as the subject property is a dynamic investment medium to which point in time**

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capital value pricing has the ability to vary widely over time, being highly dependent on the prevailing and future net cash flow certainty and strength in light of the corresponding market conditions. Accordingly due consideration must be given to the dynamic nature of this style of investment. On the basis of the aforementioned comments, it is our strong recommendation that valuation updates for this property be initiated and formally instructed by the reliant parties at appropriate regular intervals.

- (xvii) We have been asked to provide a future valuation beyond the date of our inspection of 16 April 2015 with the valuation date identified as at 11 May 2015. The valuation assumes the property is in the same physical condition on the inspection date as the valuation date and the valuation should be re-confirmed with the valuer at the valuation date as we can not provide valuations as at a future date.
- (xviii) We reserve the right to review and in appropriate circumstances revise our valuation report should any of the above key assumptions and important comments result in matters that will have a material impact on valuation.

9. QUALIFICATIONS AND WARNING

CIVAS (NSW) Pty Limited has been engaged by Frasers Centrepoint Limited to provide a valuation of The Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales Australia.

Frasers Centrepoint Limited wishes to include our valuation in a Circular and have requested CIVAS (NSW) Pty Limited to consent to the inclusion of this Report. CIVAS (NSW) Pty Limited consents to the inclusion of this Report in the Circular, being named in the Circular and have not withdrawn our consent at the date of this report, subject to the condition that Frasers Centrepoint Limited include this Qualification and Warning: -

- (i) The Report has been prepared for Frasers Centrepoint Limited only and for the specific purposes outlined within the Instruction section of this Report and cannot be relied upon by third parties.
- (ii) This Valuation Report of the subject property, The Sofitel Sydney Wentworth 61-101 Phillip Street Sydney, New South Wales Australia dated 11 May 2015 has not been prepared for the purpose of assessing the property as an investment opportunity.
- (iii) CIVAS (NSW) Pty Limited has not been involved in the preparation of the Circular nor has the Report had regard to the other material contained in the Circular. The Report and its content do not take into account any matters concerning the investment opportunity contained in the Circular.
- (iv) CIVAS (NSW) Pty Limited makes no representation or recommendation to a Recipient in relation to the valuation of the property or the investment opportunity contained in the Circular.
- (v) We draw your attention to the fact that the market value adopted herein is subject to the issues outlined above, and should be closely monitored in light of future events. Furthermore, it is our recommendation that regular valuation updates be initiated and instructed by the party wishing to rely upon this valuation.

CIVAS (NSW) Pty Limited has prepared this Report on the basis of, and limited to, the financial and other information (including market information and third party information) referred to in the Report and contained in the Valuation Report. We have assumed that the third party information is accurate, reliable and complete and confirm that we have not tested information in that respect.

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10. LIABILITY DISCLAIMER

In the case of advice provided in this Report and our valuation which is of a projected nature, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.

This Report has been prepared subject to the conditions referred to in our Qualification & Warning. Neither CIVAS (NSW) Pty Limited nor any of its Directors makes any representation in relation to the Circular nor accepts responsibility for any information or representation made in the Circular, apart from this Report.

CIVAS (NSW) Pty Limited has prepared this Report which appears in the Circular. CIVAS (NSW) Pty Limited was involved only in the preparation of this valuation referred to herein, and specifically disclaim any liability to any person in the event of any omission from, or false or misleading statement included in the Circular, other than in respect of the valuation. We confirm that this report may be used in the Circular.

The valuation is current as at the date of the valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

CIVAS (NSW) Pty Limited confirms that it does not have a pecuniary interest that would conflict with its valuation of the property.

CIVAS (NSW) Pty Limited is not providing advice about a financial product, nor the suitability of the investment set out in the Circular. Such an opinion can only be provided by a person who holds an appropriate Financial Services Licence. CIVAS (NSW) Pty Limited does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the property detailed in this report.

11. VALUER'S EXPERIENCE AND INTEREST

The undersigned Valuer has had in excess of five (5) years continuous experience in the valuation of property of a similar type to the Sofitel Wentworth Sydney and is authorised by law to practise as a Valuer in New South Wales.

We advise that (CIVAS) NSW Pty Limited has received a fee for the preparation of the valuation report and this summary letter. Further, we confirm that the nominated Valuer does not have a pecuniary interest that could conflict with the proper valuation of the property, and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

Yours sincerely

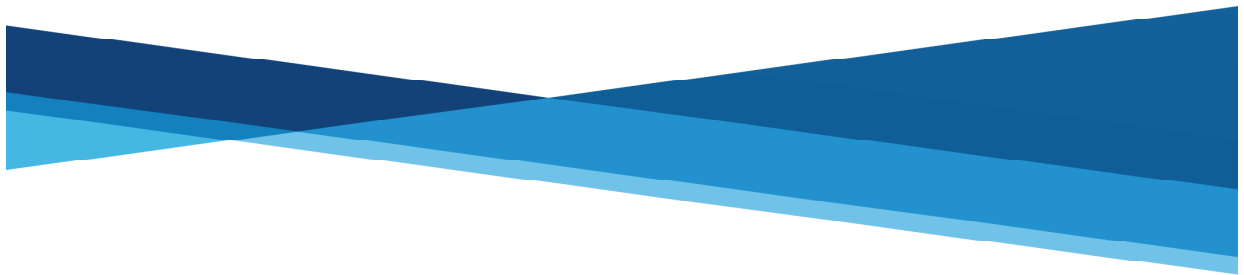
CIVAS (NSW) Pty Limited

A handwritten signature in blue ink, appearing to read "Michael Thomson", with a long horizontal flourish extending to the right.

Michael Thomson
National Director | Valuation
Hotels Asia Pacific

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APPENDIX A
CIVAS (NSW) Pty Limited Standard Terms of Business



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Colliers International Valuation & Advisory Services Pty Limited Terms and Conditions



IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

'Confidential information' means information that:

- (a) Is by its nature confidential;
- (b) Is designated by Us as confidential;
- (c) You know or ought to know is confidential;
- (d) and includes, without limitation:
 - (i) Information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services; and
 - (ii) The Quotation annexed hereto.

'Currency Date' means, in relation to any valuation or advisory report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Party' means You or Us and Parties means You and Us.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation or advisory services provided pursuant to these Terms & Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the services.

'Services Validity Period' means the three month period following the Currency Date during which Our professional opinion is valid. After this period, Our professional opinion cannot be relied upon or referred to.

'We', 'Us', 'Our' means the entity that You engage with to perform the Services as set out in the Quotation being either CIVAS (NSW) Pty Limited (ABN 32 168 282 728), CIVAS (VIC) Pty Limited (ABN 21168282620), CIVAS (ACT) Pty Limited (ABN 70168282451), CIVAS (SA) Pty Limited (ABN 87168282586) or CIVAS (QLD) Pty Limited (ABN 87168282522).

'You', 'Your' means the entity engaging Us to perform the Services as set out in the Quotation.

2. PERFORMANCE OF SERVICES

2.1. We will provide the Services in accordance with:

- (a) The Terms & Conditions contained herein; and
- (b) The relevant provisions of the current Australian Property Institute (API) Valuation and Property Standards and/or the current Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards. If there is any inconsistency, they are to be read in the following order: letter of instruction, standing instructions, API Valuation and Property Standards, RICS Valuation – Professional Standards.

3. CONDITION OF THE PROPERTY

- 3.1. In undertaking the Services We will have regard to the apparent state of repair, condition and environmental factors in relation to the property based upon a visual inspection, but We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.2. We will assume that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.3. We will not undertake a detailed inspection of any plant and equipment or obtain advice on its condition or suitability.
- 3.4. We recommend that You engage appropriately qualified persons to undertake investigations excluded from the Services.
- 3.5. No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. ENVIRONMENT AND PLANNING

- 4.1. We will obtain only verbal town planning information. It is Your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.

- 4.2. State or Federal Laws may require environmental audits to be undertaken before there is a change of land use. You will provide such audits to Us where they are required. We will not advise You whether such audits are required or obtain such audits. If You do not provide Us with such audits We will perform the Services on the assumption that such audits are not required.

5. BUILDING AREAS AND LETTABLE AREAS

- 5.1. Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the Property Council of Australia (PCA) Method of Measurement.
- 5.2. If You do not provide Us with a survey, We will estimate building and/or lettable areas based only upon available secondary information (including but not limited to building plans, Deposited Plans, and our own check measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the Property Council of Australia (PCA) Method of Measurement.
- 5.3. Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation or advisory advice back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1. Unless otherwise notified by You, We will assume:
 - (a) there are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title; and
 - (b) all licences and permits can be renewed and We will not make any enquiries in this regard.
- 6.2. Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with the Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/dilapidation reports), We will rely upon the apparent expertise of such experts/specialists. We will not verify the accuracy of such information or reports.

7. VALUATION FOR FIRST MORTGAGE SECURITY

- 7.1. Where the Services are provided for mortgage purposes, You agree that You will not use the valuation where the property is used as security other than for first registered mortgage.
- 7.2. Where our services are prepared for first mortgage security purposes our report will be prepared for the Bank on behalf of the Applicant. Accordingly, our extension of reliance is to the Bank only. In no way is reliance extended to the Applicant for any purpose.

8. ASSIGNMENT OF VALUATION

- 8.1. We reserve the right, at Our absolute discretion, to determine whether or not to assign Our valuation to any third party. Without limiting the extent of Our discretion, We may decline a request for assignment where:
 - (a) the proposed assignee is not a major recognised lending institution (such as a major bank);
 - (b) the assignment is sought in excess of 3 months after the date of valuation;
 - (c) We consider that there has been a change in conditions which may have a material impact on the value of the property;
 - (d) the proposed assignee seeks to use the valuation for an inappropriate purpose (including in a manner inconsistent with Your agreement at clause 7.1); or
 - (e) Our Fee has not been paid in full.
- 8.2. Where We decline to provide an assignment on either of the bases at 8.1(b) or (c), We may be prepared to provide an updated valuation on terms to be agreed at that time.
- 8.3. In the event that You request us to assign Our valuation and We agree to do so, You authorise Us to provide to the assignee a copy of these Terms & Conditions, the Quotation and any other document, including instructions provided by You, relevant to the scope of Our Services.

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- 8.4. Any potential reliance on our valuation by an Intending Mortgagee is conditional upon a formal re-assignment from Us and will be subject to all that is contained within 7.1, 7.2, 8.1, 8.2 and 8.3.
- 8.5. Client instructed valuations for first mortgage security purposes where reliance is extended to a specific Bank may contain particular assumptions which are commented upon throughout this report. We note that each Bank has their own standing instructions, and also from time to time require valuations be undertaken having regard to a specific set of assumptions which are generally property specific and in addition to their standard instructions. Our valuation(s) will be prepared in accordance with the nominated Bank's standard instructions. However, we highlight that where we have not been instructed by the Bank to value the property, specific assumptions required by the Bank may not have been incorporated into this valuation. Should the Bank require the valuation to be undertaken using additional or separate assumptions to those adopted in the valuation, these assumptions should be communicated to the Valuer for comment and if appropriate revision of the valuation may be necessary, which may produce a different result to our opinion of value. We strongly recommend that the Bank issue the Valuer with specific instructions to value the property including any appropriate and/or property specific assumptions that may be required in addition to their standing instructions.
- 8.6. Institutional valuations for financial reporting purposes where reliance is extended to specific Bank(s) for First Mortgage Security purposes will be subject to that within 8.5.
- 9. ESTIMATED SELLING PRICE**
- 9.1. Where You instruct Us to provide an estimated selling price, You agree that the Services:
- (a) are limited to the provision of an opinion based upon Our knowledge of the market and informal enquiries.
- (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search on Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
- (c) provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 9.2. No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an estimated selling price.
- 10. CURRENCY OF VALUATION**
- 10.1. Due to possible changes in market forces and circumstances in relation to the subject property the Services can only be regarded as relevant as at the Currency Date.
- 10.2. Where You rely upon Our valuation or advisory report after the Currency Date, You accept the risks associated with market movement between the Currency Date and the date of such reliance.
- 10.3. Without limiting the generality of 10.2, You cannot rely upon Our valuation or advisory report:
- (a) after the expiry of the Services Validity Period;
- (b) where circumstances have occurred during the Services Validity Period which has a material effect on the value of the property or the assumptions or methodology used in the valuation or advisory report.
- 11. MARKET PROJECTIONS**
- 11.1. Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only, and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 11.2. Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 11.3. Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 12. INSURANCE REPLACEMENT COST ESTIMATE**
- 12.1. Where our services include an Insurance Replacement Cost Estimate, we highlight that our advice in this regard is an indicative estimate only, based on generic replacement costs provided by industry sources. Furthermore, our Insurance Replacement Cost Estimate should be confirmed by a full valuation conducted in accordance with ANZVGN13 of the Australia and New Zealand Valuation and Property Standards – Valuations for Insurance Purposes or verified by a suitably qualified quantity surveyor and / or building expert. We accept no responsibility for reliance on this figure other than as an indicative estimate for internal purposes.
- 13. DEVELOPMENT VALUATIONS**
- 13.1. Our services will be conducted on the basis that all building works will be completed in a workmanlike manner and in accordance with all authority regulations. Furthermore, our analysis will be prepared on the basis that the property is appropriately certified upon completion to allow registration of a Strata Plan/Units Plan/Linen Plan and individual sale of the various allotments.
- 13.2. The values that will be adopted for residential apartments and associated car parking spaces will be inclusive of GST, while the non residential/carspace allotments will be adopted on a GST exclusive basis.
- 13.3. Where the property was purchased prior to 1 July 2000, we will adopt a Margin Value once appropriately confirmed. Accordingly, we will adopt the margin scheme for the residual calculation with input tax credits returned after the scheduled expenditure.
- 13.4. We will conduct our valuation analysis on the basis that all DA approvals, DA plans and consultant's reports are transferable, being reflected in the adopted valuation.
- 14. INVOICING AND PAYMENT**
- 14.1. Our invoice will be made out and addressed to the entity as per the information you provide within the Acknowledgement section of the Professional Services Agreement. Any alternative entity will be required to agree in writing prior to any advice being readdressed. Further fees may be required. Payment due dates will not change.
- 14.2. On receipt of a full draft report (if applicable) you, the Client, agree that We are authorised to invoice the full amount of the agreed fee after 10 business days of receiving said draft report.
- 14.3. Where the brief is terminated prior to its conclusion, you (the client) will be invoiced for the cost of work completed at \$350 per hour exclusive of disbursements and GST, and reimbursed the difference between any payment up front. A copy of partially completed work will not be provided.
- 14.4. You must pay our Fees within 14 days of the date of a correctly rendered invoice. Fees that remain unpaid for a period of 30 days or more will attract an administration charge of 2% of the total of the invoice calculated per month or part thereof incurred from the date of the invoice.
- 15. YOUR OBLIGATIONS**
- 15.1. You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 15.2. You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 15.3. You authorise and licence us to incorporate Your intellectual property within our report(s).
- You will not release any part of Our valuation or advisory report or its substance to any third party without Our written consent. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms

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Colliers International Valuation & Advisory Services Pty Limited Terms and Conditions



- & Conditions be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided that You shall provide any such recipient with a copy of these Terms & Conditions.
- 15.4. You must advise recipients named in Your instruction to Us of the Services Validity Period.
- 15.5. If You release any part of the valuation or advisory advice or its substance with our written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this valuation or advisory services.
- 15.6. We reserve the right to reconsider or amend the valuation or advisory services, or the Fee set out in our Quotation to You if:
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
- (b) Where subsequent site inspections made in relation to any of the matters raised in clause 3 materially affect or may alter the value of the property the subject of the Services.
- 16. CONFIDENTIALITY**
- 16.1. You must not disclose or make any of the Confidential Information available to another person without Our written consent.
- 16.2. If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 17. PRIVACY**
- 17.1. We may obtain personal information about You in the course of performing Our Services. We respect Your privacy. The Privacy Amendment (Private Sector) Act, 2001 requires Us to advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.
- A copy of Our Privacy Policy can be obtained by contacting Our Chief Privacy Officer.
- 18. SUBCONTRACTING**
- 18.1. We may subcontract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms & Conditions, with Your consent.
- 19. LIABILITY**
- 19.1. You agree to release Us and hold Us harmless from all liability to You for or in respect of any loss, damage, costs and expenses of whatsoever kind which we have or may have or, but for the operation of this Clause, might have had arising from or in any way connected with the Services or the use of the Services or any part of them. This release shall be complete and unconditional except in the case of gross negligence or wilful misconduct by Us in the provision of the Services.
- 19.2. You agree that You will fully indemnify Us for and in respect of all loss, liability, costs and expenses of whatsoever kind which We may suffer or incur arising from or in any way connected with any breach by You of Clause 11 or Clause 12. This indemnity shall include but not be limited to loss, liability, costs and expenses which we may suffer or incur in respect of any claims, actions, proceedings, disputes or allegations made against Us or to which we are a party.
- 20. ENTIRE AGREEMENT**
- 20.1. No further agreement, amendment or modification of these Terms & Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 20.2. If there is an inconsistency between these Terms & Conditions and the Quotation, any letter of instruction from You, or other specific request or information, the other specific request or information shall prevail to the extent of the inconsistency.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The admission and listing of Frasers Centrepoint Limited on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) was sponsored by DBS Bank Ltd. as the Sole Issue Manager. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. were the Joint Financial Advisers for the listing of Frasers Centrepoint Limited. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. assume no responsibility for the contents of this Notice.

FRASERS CENTREPOINT LIMITED

Company Registration No. 196300440G
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Frasers Centrepoint Limited (the “**Company**”) will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 24 June 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

THE PROPOSED SALE AND LEASEBACK ARRANGEMENT IN RESPECT OF SOFITEL SYDNEY WENTWORTH (ORDINARY RESOLUTION)

That approval be and is hereby given for the Proposed Transactions (as described in the circular to shareholders of the Company dated 9 June 2015 (the “**Shareholders’ Circular**”)) as an Interested Person Transaction (as defined in the Shareholders’ Circular), which involves:

- (i) the divestment of a 75-year leasehold interest in Sofitel Sydney Wentworth (the “**Hotel**”) by Frasers Sydney Wentworth Trust (an Australian trust indirectly wholly-owned by the Company) (the “**Vendor**”) to FHT Sydney Trust 3 (an Australian sub-trust wholly-owned by Frasers Hospitality Real Estate Investment Trust (“**FH-REIT**”)), on the terms and conditions set out in the 75-year Lease Agreement (as defined in the Shareholders’ Circular), the sale of the furniture, furnishings and equipment under the FF&E Agreement (as defined in the Shareholders’ Circular) and the Investment Management Agreement entered into in respect of FHT Sydney Trust 3 (as defined in the Shareholders’ Circular). FH-REIT is a real estate investment trust which forms part of Frasers Hospitality Trust (a hospitality stapled group sponsored by the Company);
- (ii) the master lease arrangement¹ pursuant to the Master Lease Agreement (as defined in the Shareholders’ Circular) entered into between Ananke Holdings Pty Ltd (the “**Master Lessee**”) (an indirect wholly-owned subsidiary of FCL) and FHT Sydney Trust 3, pursuant to which the Master Lessee will lease the Hotel for an initial term of 20 years, with an option granted to the Master Lessee and exercisable at the option of the Master Lessee to renew the lease for a further term of 20 years on the same terms and conditions, save for any amendments required due to change in law and excluding any further option to renew, and the provision of the Corporate Guarantee (as defined in the Shareholders’ Circular) by the Company in relation to the master lease arrangement; and
- (iii) the Company and any director of the Company be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Company or, as the case may be, such director of the Company may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Transactions (as defined in the Shareholders’ Circular).

By Order of the Board

Piya Treuangrachada
Company Secretary

9 June 2015

¹ There is currently an existing master lease in place between the Master Lessee and the Vendor. Prior to completion of the Proposed Divestment (as defined in the Shareholders’ Circular), the existing master lease will be terminated and the Master Lessee will be the master lessee in respect of the Hotel under the new Master Lease Agreement entered into between the Master Lessee and the Vendor. Once the Proposed Divestment is completed, FHT Sydney Trust 3 will automatically become the lessor under the Master Lease Agreement by operation of law.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Important Notice:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for the Extraordinary General Meeting. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Extraordinary General Meeting if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the Extraordinary General Meeting.
- (3) The Chairman of the Extraordinary General Meeting will be exercising his right under Article 61(B)(a) of the Articles of Association of the Company to demand a poll in respect of the Ordinary Resolution to be put to the vote of members at the Extraordinary General Meeting and at any adjournment thereof. Accordingly, the Ordinary Resolution at the Extraordinary General Meeting will be voted on by way of a poll.
- (4) 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 member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its 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 Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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FRASERS CENTREPOINT LIMITED

Company Registration No. 196700511H
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in Frasers Centrepoint Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 9 June 2015.

PROXY FORM

EXTRAORDINARY GENERAL MEETING

I/We _____ (Name)

of _____ (Address)

being a member/members of Frasers Centrepoint Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, Charles Mak Ming Ying, or failing him, Chan Heng Wing, or failing him, Philip Eng Heng Nee, or failing him, Wee Joo Yeow, or failing him, Weerawong Chittmittrapap, as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 24 June 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution as set out in the Notice of Extraordinary General Meeting. If no specific direction as to voting is given or in the event of any other matter arising at the Extraordinary General Meeting and at any adjournment thereof, my/our proxy/proxies will vote or abstain from voting at his/their discretion.

NOTE: The Chairman of the Extraordinary General Meeting will be exercising his right under Article 61(B) (a) of the Articles of Association of the Company to demand a poll in respect of the Ordinary Resolution to be put to the vote of members at the Extraordinary General Meeting and at any adjournment thereof. Accordingly, the Ordinary Resolution at the Extraordinary General Meeting will be voted on by way of a poll.

No.	Resolution	For*	Against*
1.	To approve the proposed sale and leaseback arrangement in respect of Sofitel Sydney Wentworth		

*If you wish to exercise all your votes "For" or "Against" the Ordinary Resolution, please tick (✓) within the relevant box. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015



Total number of shares held

Signature(s) of Member(s) / Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretary at the registered office of the Company at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.

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Affix
Postage
Stamp

Company Secretary
Fraser's Centrepoint Limited
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

2nd fold here

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified true copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Extraordinary General Meeting.
6. A corporation which is a member 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, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. CPF Approved Nominees acting on the request of CPF investors who wish to attend the Extraordinary General Meeting as observers are required to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the CPF Approved Nominee, should reach the Company Secretary at least 48 hours before the time appointed for the Extraordinary General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being an appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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