



FRASERS CENTREPOINT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 196300440G)

ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF MHDV HOLDINGS (UK) LIMITED

1. INTRODUCTION

The Board of Directors of Frasers Centrepoint Limited (“**FCL**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Frasers Hospitality UK Holdings Limited (“**FHUK**”), a wholly-owned subsidiary of FCL, has executed a sale and purchase agreement (the “**SPA**”) with MHDV Holdings II Sarl (the “**Vendor**”), an affiliate of KSL Capital Partners, LLC, pursuant to which the Vendor has agreed to sell, and FHUK has agreed to purchase, all of the ordinary shares (the “**Shares**”) constituting the entire issued share capital of MHDV Holdings (UK) Limited (“**MHDVUK**”) (the “**Acquisition**”), which was completed today.

2. INFORMATION ON THE TARGET GROUP

- 2.1 MHDVUK and its subsidiaries (the “**Target Group**”) own and operate two upscale boutique lifestyle brands, namely Malmaison and Hotel du Vin, comprising 29 boutique lifestyle hotels with 2,082 keys located across 25 cities in the United Kingdom¹ (the “**Hotel Properties**”). Founded in 1994, the Target Group has developed a unique collection of premier boutique hotels throughout the United Kingdom, specialising in the conversion and repositioning of iconic heritage buildings to capture the upmarket segment of leisure and business travellers.

*The admission and listing of Frasers Centrepoint Limited on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing**”) 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. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. assume no responsibility for the contents of this announcement.*

¹ Including Aberdeen, Belfast, Birmingham, Brighton, Bristol, Cambridge, Cheltenham, Dundee, Edinburgh, Glasgow, Harrogate, Henley-on-Thames, Leeds, Liverpool, London, Manchester, Newcastle, Oxford, Poole, Reading, St Andrews, Tunbridge Wells, Wimbledon and Winchester.

3. SALIENT TERMS OF THE SPA

- 3.1 Pursuant to the terms of the SPA, the consideration (the “**Consideration**”) payable by FHUK to the Vendor for the Acquisition is £363.4 million (equivalent to approximately S\$759.5 million²), being the aggregate of £355.0 million (equivalent to approximately S\$742.0 million) and a sum of approximately £8.4 million (equivalent to approximately S\$17.6 million) derived from adjustments based on the net working capital and cash of the Target Group as at 31 May 2015 and certain agreed transaction costs.
- 3.2 Of the Consideration, approximately £132.1 million (equivalent to approximately S\$276.1 million) was paid to the Vendor on the date of completion of the Acquisition (“**Completion**”), and the remaining £231.3 million (equivalent to approximately S\$483.4 million) was applied towards achieving the discharge of certain indebtedness of the Target Group, payment of warranty insurance policy premium, payment of certain transaction costs and transaction bonuses due to certain employees of the Target Group.
- 3.3 The Consideration is subject to adjustments post-Completion based on audited accounts of the Target Group as at the Business Day immediately preceding the date of Completion.
- 3.4 The Consideration was arrived at on a willing buyer, willing seller basis following a tender exercise conducted by the Vendor, after taking into account, *inter alia*, the desktop valuation report prepared by Savills dated 24 April 2015 and commissioned by FCL in respect of the Hotel Properties (the “**Valuation Report**”). Pursuant to the Valuation Report, the market value of the Hotel Properties is £355.1 million (equivalent to approximately S\$742.2 million). The Consideration will be fully satisfied in cash and will be funded by the Group’s internal cash resources and external bank borrowings to be taken up by FHUK.
- 3.5 Based on the unaudited consolidated financial statements of the Target Group for the period ended 31 March 2015, the net tangible asset value (“**NTA**”) of MHDVUK is approximately £12.8 million (equivalent to approximately S\$26.8 million). The Target Group carried the Hotel Properties at the net book value of £240.7 million (equivalent to approximately S\$503.1 million) in its books as at 31 March 2015.

4. RATIONALE FOR THE ACQUISITION

- 4.1 FCL is a full-fledged international real estate company and one of Singapore’s top property companies with total assets above S\$22 billion as at 31 March 2015. FCL has four core businesses focused on residential, commercial and hospitality and industrial properties spanning more than 77 cities across Asia, Australasia, Europe, and the Middle-East. FCL is listed on the Main Board of the SGX-ST. FCL is the sponsor of three real estate investment trusts listed on the Main Board of the SGX-ST. They are Frasers Centrepoint Trust, Frasers Commercial Trust and Frasers Hospitality Trust (a stapled group comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust), which are focused on retail properties, office and business space properties, and hospitality properties, respectively.
- 4.2 As stated in paragraph 2.1 of this Announcement, the Target Group owns and operates a chain of boutique hotels in the United Kingdom. The Acquisition, if implemented, is in line with FCL’s

² In this Announcement, unless otherwise stated, translations of amounts from the British pounds to Singapore dollars have been made on the basis of £1.00 to S\$2.09.

strategy and it is expected that the Acquisition will deliver significant benefits to the Group, including:

- (a) Extension of Frasers Hospitality's existing product offerings to the boutique lifestyle hotel segment;
- (b) Expansion of Frasers Hospitality's brand portfolio to include two best-in-class lifestyle brands with a rich heritage; and
- (c) Strengthening Frasers Hospitality's European foothold with a ready platform for expansion.

5. FINANCIAL EFFECTS OF THE ACQUISITION

5.1 For illustrative purposes only, the financial effects of the Acquisition on FCL as set out below are prepared based on the Group's consolidated audited financial statements for the financial year ended 30 September 2014 ("**FY2014**") and are based on the following bases and assumptions:

- (a) the effect of the Acquisition on the Group's net asset value ("**NAV**") per share of FCL ("**FCL Share**") and NTA per FCL Share for FY2014 are based on the assumption that the Acquisition had been effected at the end of FY2014;
- (b) the effect of the Acquisition on the Group's earnings per FCL Share ("**EPS**") for FY2014 is based on the assumption that the Acquisition had been effected at the beginning of FY2014;
- (c) the Consideration will be £363.4 million;
- (d) the effect of the Acquisition on the Group's NAV per FCL Share and NTA per FCL Share for FY2014 are based on the assumption that the issued share capital of FCL is 2,889,812,572 FCL Shares, which is the number of issued FCL Shares as at 30 September 2014;
- (e) the effect of the Acquisition on the EPS for FY2014 is based on the assumption that the issued share capital of FCL is 2,457,316,063 FCL Shares, which is the weighted average number of issued FCL Shares for FY2014;
- (f) the *pro forma* financial effects of the Acquisition have been computed based on the unaudited consolidated financial statements of the Target Group for the year ended 30 June 2014 and taking into account provisional purchase price allocation adjustments; and
- (g) expenses relating to the Acquisition is approximately £4.0 million.

5.2 The financial effects as set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FCL or the Group following the Acquisition.

The financial effects as set out below are based on an exchange rate of £1: S\$2.0555 as at 30 September 2014.

(a) EPS

	Before the Acquisition	After the Acquisition
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$'000,000)	501.0	513.0
Weighted average number of issued FCL Shares for FY2014	2,457,316,063	2,457,316,063
EPS (before fair value change and exceptional items) (Singapore cents)	20.4	20.9

(b) NAV per FCL Share

	Before the Acquisition	After the Acquisition
NAV (S\$'000,000)	6,435.5	6,427.2 ⁽¹⁾
No. of issued FCL Shares	2,889,812,572	2,889,812,572
NAV per FCL Share (S\$)	2.23	2.22

Note:

(1) The NAV of the Group has been adjusted for the transaction costs of the Acquisition.

(c) NTA per FCL Share

	Before the Acquisition	After the Acquisition
NTA (S\$'000,000)	5,813.1	5,591.2 ⁽¹⁾
No. of issued FCL Shares	2,889,812,572	2,889,812,572
NTA per FCL Share (S\$)	2.01	1.93

Note:

(1) The NTA of the Group has been adjusted for the transaction costs and provisional intangibles arising from the Acquisition.

6. RELATIVE FIGURES OF THE ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 Based on FCL's latest announced unaudited consolidated financial statements and dividend announcement for the six months ended 31 March 2015, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "Listing Manual") are as follows:

Rule 1006**Relative Figure**

- | | |
|---|---|
| (a) The net asset value of the assets to be disposed of, compared with the Group's net asset value. | Not applicable. This is not a disposal. |
| (b) The net profits attributable to the assets to be acquired, being the sum of S\$3.6 million, compared with the Group's net profits of S\$387.3 million. | 0.9% |
| (c) The aggregate value of the consideration to be given, compared with FCL's market capitalisation of approximately S\$5.2 billion (calculated based on the weighted average price of S\$1.7965 per FCL Share and 2,895,009,863 FCL Shares (excluding treasury shares)) as at 16 June 2015 being the market day immediately preceding the date of the SPA. | 14.6% |
| (d) The number of equity securities issued by FCL as consideration for the Acquisition, compared with the number of equity securities previously in issue. | Not applicable. No equity securities are issued as consideration for the Acquisition. |
- 6.2 The Acquisition is undertaken in the ordinary course of the Group's business and the above figures are provided for information only.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS

- 7.1 No person is proposed to be appointed to the board of FCL in connection with the Acquisition, and hence no director's service contract is proposed to be entered into by FCL with any person in connection with the Acquisition.
- 7.2 None of the directors or the controlling shareholders of FCL has any interest, direct or indirect, in the Acquisition other than in their capacity as directors or shareholders of FCL.

8. DOCUMENTS FOR INSPECTION

- 8.1 Copies of the SPA and the Valuation Report will be made available for inspection at the registered office of FCL at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours for a period of three months from the date of this Announcement.

BY ORDER OF THE BOARD

Piya Treruangrachada
Company Secretary
17 June 2015