



FRASERS CENTREPOINT LIMITED

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

S\$600,000,000 4.88% SUBORDINATED PERPETUAL SECURITIES TO BE ISSUED UNDER THE S\$3,000,000,000 MULTICURRENCY DEBT ISSUANCE PROGRAMME ESTABLISHED BY FCL TREASURY PTE. LTD. AND GUARANTEED BY FRASERS CENTREPOINT LIMITED – INTERESTED PERSON TRANSACTION

1. ALLOCATION OF PERPETUAL SECURITIES TO INTERESTED PERSON

- 1.1 Frasers Centrepoint Limited (the "**Company**") refers to its announcement dated 17 September 2014 (the "**Pricing Announcement**") on the launch of S\$600,000,000 in aggregate principal amount of 4.88% subordinated perpetual securities (the "**Perpetual Securities**") by its wholly-owned subsidiary, FCL Treasury Pte. Ltd. (the "**Issuer**"), under the Issuer's S\$3,000,000,000 Multicurrency Debt Issuance Programme (the "**Programme**"), and guaranteed by the Company. DBS Bank Ltd. and Maybank Kim Eng Securities Pte. Ltd. are the joint global coordinators, and DBS Bank Ltd., Maybank Kim Eng Securities Pte. Ltd., Standard Chartered Bank and United Overseas Bank Limited are the joint lead managers and joint bookrunners (collectively, the "**Joint Lead Managers and Joint Bookrunners**") for the offering of the Perpetual Securities (the "**Offering**").
- 1.2 The Company wishes to announce that TCC Prosperity Limited ("**TCCPL**") has agreed to subscribe for S\$250,000,000 in aggregate principal amount of Perpetual Securities (the "**Relevant Perpetual Securities**"). TCCPL is a company established in the British Virgin Islands and wholly-owned by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi in equal shares. Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, through TCC Assets Limited ("**TCCA**"), hold 1,716,160,124 shares of the Company (representing approximately 59.39% of all the issued shares of the Company). As such, Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are controlling shareholders of the Company. Accordingly, TCCPL is an associate (as defined in the Listing Manual (the "**Listing Manual**" of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) of the controlling shareholders and an interested person of the Company, and its proposed subscription of the Relevant Perpetual Securities is considered an interested person transaction, for the purposes of Chapter 9 of the Listing Manual.
- 1.3 The Perpetual Securities are expected to be issued on 24 September 2014.

2. AMOUNT AT RISK

- 2.1 Under Rule 905 of the Listing Manual, an announcement must be made if any interested person transaction is of a value equal to, or more than 3% of the latest audited net tangible assets of the Company and its subsidiaries (collectively, the "**Group**"). Based on the audited consolidated financial statements of the Group as at 30 September 2013, the latest audited consolidated net tangible assets of the Group is approximately S\$5.4 billion (the "**Group's FY2013 NTA**").

2.2 Under Rule 909 of the Listing Manual, the value of an interested person transaction is the amount at risk to the Company. The Relevant Perpetual Securities are perpetual securities and have no fixed redemption date. The Company has determined the possible methods of calculations for determining the amount at risk in respect of the Relevant Perpetual Securities (the "**Amount at Risk**") which are set out as follows:

(a) *Principal Amount*

As the Perpetual Securities to be offered have no fixed redemption date, the Amount at Risk in respect of the Relevant Perpetual Securities that can be determined based on the principal amount which TCCPL will subscribe for may be used as the basis of calculation.

Given that (i) the issue size of the Perpetual Securities is S\$600,000,000, and (ii) TCCPL will subscribe for a principal amount of S\$250,000,000 of the Perpetual Securities, the Amount at Risk is S\$250,000,000. This represents approximately 4.6% of the Group's FY2013 NTA.

(b) *Net Present Value of Distributions Payable*

An alternative calculation method for the Amount at Risk is to determine the net present value of the distributions payable under the Relevant Perpetual Securities in perpetuity (the "**Net Present Value**"), calculated on the basis of a discount rate which is equivalent to the Company's weighted average cost of capital as at 17 September 2014.

Based on the following:

- (i) the issue size of the Perpetual Securities is S\$600,000,000;
- (ii) the principal amount of the Relevant Perpetual Securities is S\$250,000,000;
- (iii) the Relevant Perpetual Securities are not redeemed by the Issuer in accordance with the definitive terms and conditions of the Perpetual Securities (the "**Conditions**");
- (iv) the distribution rate of the Perpetual Securities is 4.88% per annum, the initial spread is 3.046% and the step-up margin is 1.0%;
- (v) no change of control margin is applied towards the determination of the distribution rate of the Perpetual Securities; and
- (vi) there is no change in the five (5)-year S\$ Swap Offer Rate upon reset of the distribution rate in accordance with the Conditions,

and taking into account the Company's weighted average cost of capital as at 17 September 2014 obtained from Bloomberg (being 6.3%), the Net Present Value is S\$208 million.

On the above basis, the Amount at Risk is approximately S\$208 million, which represents approximately 3.9% of the Group's FY2013 NTA.

2.3 Illustrations of Possible Fluctuations in the Distribution Rate of the Perpetual Securities

The Perpetual Securities will have no fixed final redemption date and will confer a right to receive distributions as follows:

- (a) in respect of the period from (and including) the issue date of the Perpetual Securities to (but excluding) 24 September 2019 (the "**First Call Date**") at a rate of 4.88% per annum plus the change of control margin (if applicable);
- (b) in respect of the period from (and including) the First Call Date to (but excluding) the date falling 10 years from the issue date of the Perpetual Securities (the "**Step-Up Date**"), the then prevailing five (5)-year S\$ Swap Offer Rate with respect to the First Call Date plus an initial spread of 3.046% plus the change of control margin (if applicable); and
- (c) in respect of the period from (and including) the Step-up Date and the date falling every five (5) years after the Step-up Date (each, a "**Reset Date**") to (but excluding) the immediately following Reset Date, the sum of the then prevailing five (5)-year S\$ Swap Offer Rate plus an initial spread of 3.046% and a step-up margin of 1.0% plus the change of control margin (if applicable).

From September 2009 to September 2014, the five (5)-year S\$ Swap Offer Rate has ranged from 0.76% to 2.53%. The five (5)-year S\$ Swap Offer Rate may continue to change over time. For illustrative purposes only, a range of interest rates are set out in the left column and their corresponding distribution rate for the Perpetual Securities on the First Call Date is set out below on the right column to illustrate the relationship between the five (5)-year S\$ Swap Offer Rate and the distribution rate of the Perpetual Securities, assuming that no change of control margin is applied.

Five (5)-Year S\$ Swap Offer Rate applicable to the First Call Date:	Rate of distribution at First Call Date:
0.76%	3.81%
1.00%	4.05%
1.30%	4.35%
1.60%	4.65%
1.90%	4.95%
2.20%	5.25%
2.53%	5.58%

3. RATIONALE AND BENEFIT

The Company intends to issue the Perpetual Securities to, *inter alia*, diversify its funding sources and to improve its gearing position pursuant to recent acquisitions.

4. RELEVANT TERMS OF THE INTERESTED PERSON TRANSACTION

The salient terms of the Perpetual Securities are disclosed in the Pricing Announcement. The final terms of the Perpetual Securities were determined following the launch of a book-building exercise undertaken by the Joint Lead Managers and Joint Bookrunners on 17 September 2014. The Joint Lead Managers and Joint Bookrunners engaged with a range of third party investors to negotiate the detailed terms that will clear the market with respect to the Offering. Neither TCCPL nor any of its representatives were directly involved in that process. TCCPL will acquire the Relevant Perpetual Securities on the same terms and at the same price as other investors under the Offering.

5. **AUDIT COMMITTEE STATEMENT**

The Audit Committee of the Company is of the view that the transaction and the issue of the Relevant Perpetual Securities to TCCPL is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. **OTHER INTERESTED PERSON TRANSACTIONS**

- 6.1 TCCPL is owned and controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi who are directors and controlling shareholders of the Company.
- 6.2 Transactions between the entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk and the same interested person. Although strictly speaking, TCCA and its subsidiaries (collectively, the "**TCC Group**") are not members of the same group as TCCPL, as TCCA and TCCPL are both wholly-owned by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, the Company has for purposes of this Announcement treated them as the "same interested person" for the purposes of Chapter 9 of the Listing Manual.
- 6.3 The current total value of all interested person transactions with TCCPL and the TCC Group for the financial period from 9 January 2014 (being the date of listing of the Company on the Main Board of the SGX-ST) up to the date of this announcement (including TCCPL's subscription of the Relevant Perpetual Securities) is approximately S\$2,658 million. These interested person transactions include the interested person transactions relating to the listing of Frasers Hospitality Trust which were approved by shareholders at the extraordinary general meeting held by the Company on 28 May 2014, and the interested person transactions conducted under the terms of the Company's general mandate for interested person transactions.
- 6.4 The current total value of interested person transactions with TCCPL and the TCC Group for the current financial year (including TCCPL's subscription of the Relevant Perpetual Securities), other than those conducted pursuant to the Company's general mandate for interested person transactions or which have been approved by the Company's shareholders is less than 5.0% of the Group's FY2013 NTA, being approximately S\$269 million.
- 6.5 The current total of all interested person transactions for FY2014 is approximately S\$2,658 million, which represents approximately 49.4% of the Group's FY2013 NTA.

7. **ISSUE OF PERPETUAL SECURITIES**

- 7.1 The Perpetual Securities are expected to be issued on 24 September 2014. The Company will submit an application to the SGX-ST for the listing and quotation of the Perpetual Securities on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Perpetual Securities on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Company, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or the Perpetual Securities.
- 7.2 As previously announced in the Pricing Announcement, the net proceeds arising from the issue of the Perpetual Securities (after deducting issue expenses) will be used for general corporate purposes, including refinancing the existing borrowings, and financing the investments and general working capital and/or capital expenditure requirements, of the Issuer, the Company or the Group and the associated entities and joint venture entities of the Group.

By Order of the Board

Piya Treruagrachada
Company Secretary

17 September 2014

The admission and listing of Frasers Centrepoint Limited on the Singapore Exchange Securities Trading Limited (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.