



Sofitel Sydney Wentworth, Australia – Facade

Frasers Centrepoint Limited

**Extraordinary
General Meeting –
Proposed
Sale and Leaseback
Arrangement in Respect of
Sofitel Sydney Wentworth**

24 June 2015

Sofitel Sydney Wentworth (the “Hotel”)¹



Sofitel Sydney Wentworth, Australia – Lobby



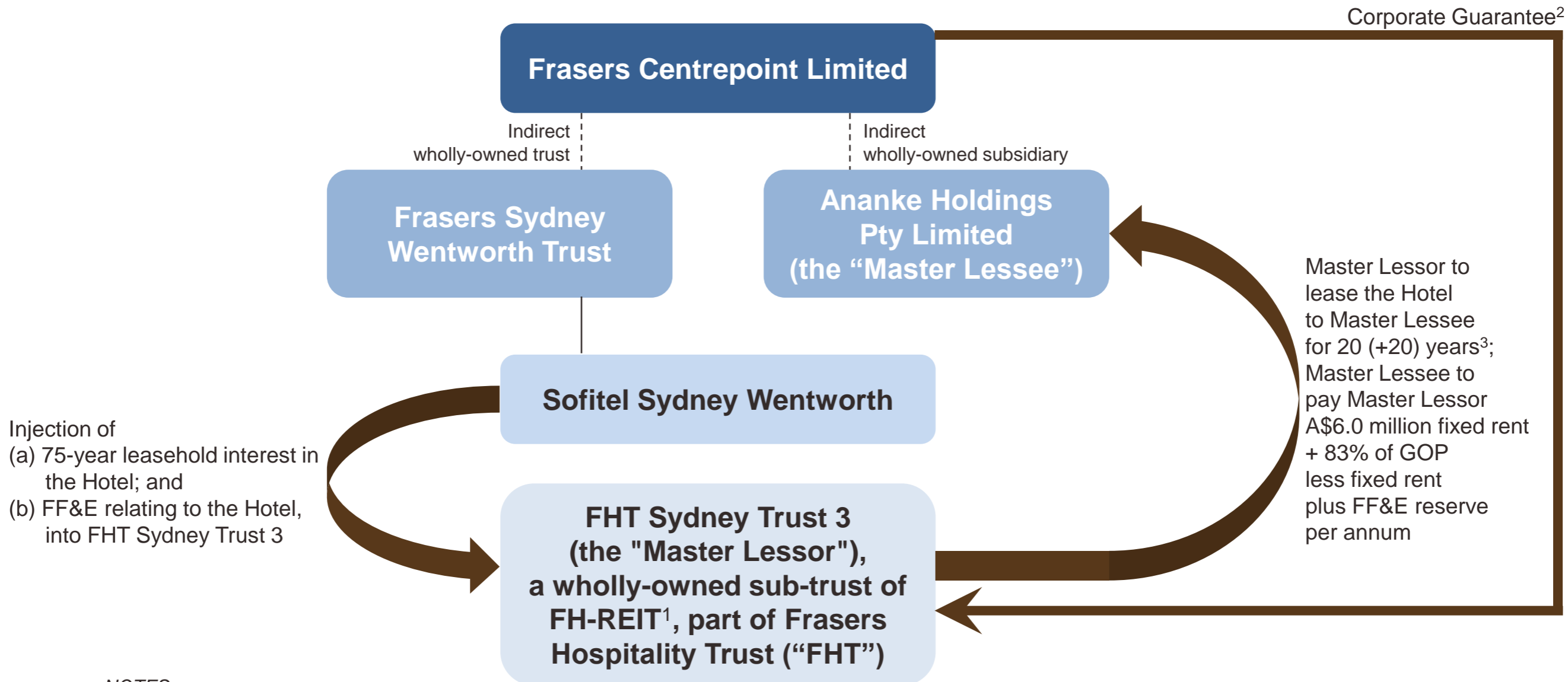
Sofitel Sydney Wentworth, Australia –
Luxury Club King Room

Location	• 61 – 101 Phillip Street, Sydney, NSW 2000, Australia
Grade	• Luxury
Underlying Land Tenure	• Freehold
Hotel Manager	• Accor Hotel Group
Description of Hotel	<ul style="list-style-type: none"> • Iconic heritage-listed hotel which is prominently located in the heart of Sydney’s Central Business District • Within walking distance to major tourist attractions in Sydney
Rooms and Facilities	<ul style="list-style-type: none"> • 436 guest rooms and suites • Lobby bar, restaurant, club lounge, and substantial conference facilities
Sale Consideration²	• A\$224.0 million (approximately S\$230.8 million ³)
Independent Valuation⁴	• A\$220.0 million on a 75-year Leasehold basis

NOTES

1. References to the “Hotel” exclude the basement carpark and a retail arcade over two levels, which are under a separate stratum lot held by a third party and which will not be part of the Sale and Leaseback Arrangement.
2. This refers to the aggregate consideration under the 75-year lease agreement and the furniture, furnishings and equipment (“FF&E”) agreement and is inclusive of the FF&E of the Hotel.
3. Based on an exchange rate of A\$1: S\$1.0303 as at 29 May 2015.
4. Based on the valuation of Colliers International, CIVAS (NSW) Pty Limited (“Colliers”) as at 11 May 2015 on a 75-year leasehold basis and taking into account the FF&E of the Hotel.

The Proposed Sale and Leaseback Arrangement



NOTES

1. Frasers Hospitality Real Estate Investment Trust ("FH-REIT") is part of FHT, a stapled group comprising FH-REIT and Frasers Hospitality Business Trust ("FH-BT").
2. Frasers Centrepoint Limited ("FCL") will provide a corporate guarantee to the Master Lessor to unconditionally and irrevocably guarantee 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.
3. The option to renew the master lease for another 20 years is 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 future option to renew.

Rationale for and Key Benefits of the Proposed Sale and Leaseback Arrangement

1

Optimise capital productivity through REIT platforms

2

Strengthen FCL Group's balance sheet

Rationale for and Key Benefits of the Proposed Sale and Leaseback Arrangement

Rationale 1: Optimise capital productivity through REIT platforms

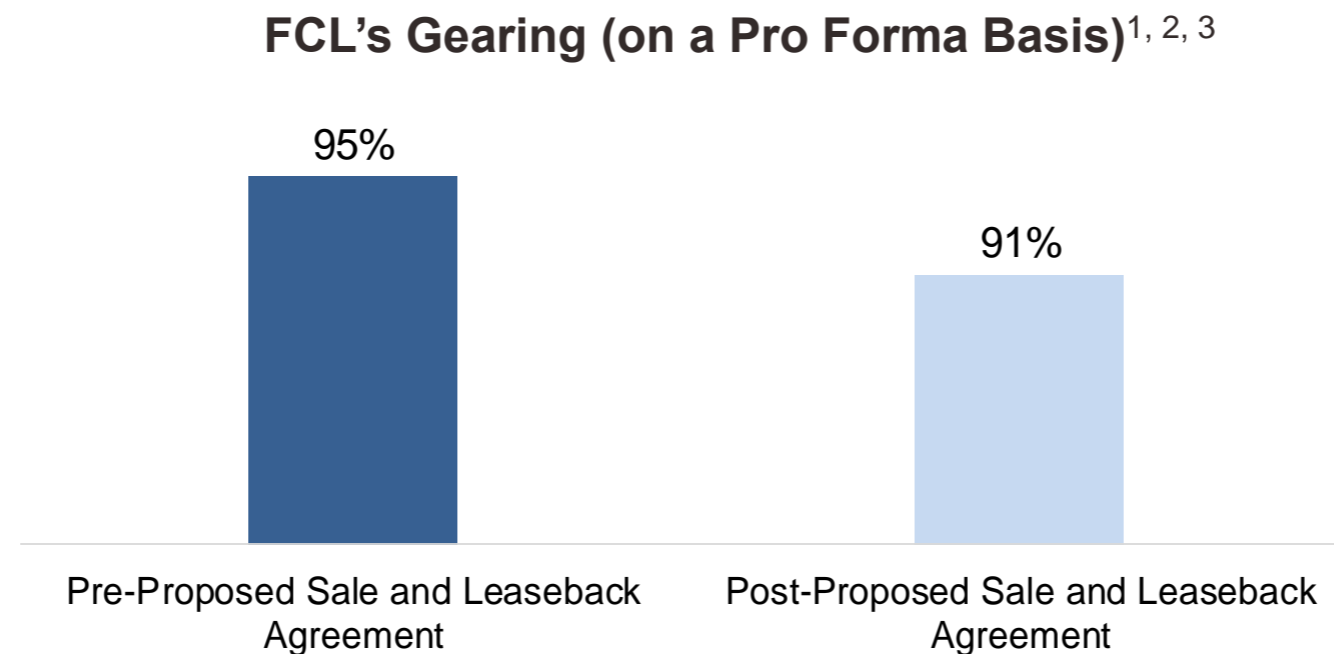
- Unlock and release capital from the Hotel
 - Also thereby allows FCL to redeploy capital to pursue new growth opportunities
- FHT serves as an efficient platform for holding hospitality properties which FCL may divest
 - Such disposals have the potential to realise the capital appreciation in such properties
 - 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
- Generate additional fee-based income



Rationale for and Key Benefits of the Proposed Sale and Leaseback Arrangement

Rationale 2: Strengthen FCL Group's balance sheet

- Proceeds of A\$224.0 million will allow FCL Group to reduce its borrowing and gearing
- The Proposed Sale and Leaseback Arrangement would strengthen FCL Group's balance sheet and provide additional debt capacity for future growth



NOTES

1. Based on the pro forma financial effects of the Proposed Sale and Leaseback Arrangement, assuming this has taken place on 30 September 2014.
2. Based on the audited consolidated financial statements of FCL Group for FY2014.
3. Gearing is computed as Net Debt over Total Equity.

Interested Person Transactions

FH-REIT as an Interested Person

- FCL's controlling shareholders InterBev Investment Limited and TCC Assets Limited are entities of the TCC Group¹ and constitute interested persons of FCL
- FHT is 39.56%-owned² by TCC Hospitality Limited
 - FHT, and thus FH-REIT, is therefore considered an associate of the TCC Group¹ and the proposed transactions would constitute interested person transactions

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
- The TCC Group will abstain, and will procure that their associates will abstain, from voting at the EGM on the resolution; and 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

NOTE

1. Refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.
2. As at 29 May 2015.

Independent Financial Adviser Opinion

KPMG Corporate Finance Pte Ltd has been appointed as the Independent Financial Adviser (the “IFA”)

IFA Opinion

- Having regard to the considerations set out in the IFA’s letter (set out in Appendix C to the Circular) and the information available as at the Latest Practicable Date, the proposed transactions are on normal commercial terms and are not prejudicial to the interests of FCL and its minority shareholders.



Summary

Rationale for and key benefits of the Proposed Sale and Leaseback Arrangement

Optimise capital productivity through REIT platforms

- Unlock and release capital from the Hotel
- FHT serves as a efficient platform for holding hospitality properties which FCL may divest
- Generate additional fee-based income

Strengthen FCL Group's balance sheet

- Proceeds of A\$224.0 million will allow FCL Group to reduce its borrowing and gearing
- The Proposed Sale and Leaseback Arrangement would strengthen FCL Group's balance sheet and provide additional debt capacity for future growth

The Resolution

- EGM to seek shareholders' approvals on the **Proposed Sale and Leaseback Arrangement**¹ for the Hotel, comprising:
 1. The **Proposed Divestment** of a 75-year leasehold interest in the Hotel held by FCL² to FHT³
 2. The **Master Lease Agreement** between FCL⁴ and FHT³, in connection with the Proposed Divestment
- In connection with the Proposed Divestment, FCL² has also entered into a separate sale and purchase agreement with FHT³, under which FHT³ will acquire the FF&E relating to the Hotel (the "**FF&E Agreement**")¹. In addition, FCL⁵ has entered into an investment management agreement to provide certain services to FHT³ (the "**Investment Management Agreement**")¹
- In connection with the Master Lease, FCL will grant a corporate guarantee (as guarantor) in respect of the Master Lease Agreement to FHT³ (the "**Corporate Guarantee**")¹

NOTES

1. *The Proposed Sale and Leaseback Agreement, 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 of FCL.*
2. *Through Frasers Sydney Wentworth Trust, an indirect wholly-owned trust of FCL.*
3. *Through FHT Sydney Trust 3, an Australian sub-trust wholly-owned by FH-REIT. FH-REIT is part of FHT, a stapled group comprising FH-REIT and FH-BT.*
4. *Through Ananke Holdings Pty Limited, an indirect wholly-owned subsidiary of FCL.*
5. *Through FHT Australia Management Pty Ltd, an indirect wholly-owned subsidiary of FCL.*



Thank You

Sofitel Sydney Wentworth, Australia – Garden Court Restaurant