

CIRCULAR DATED 27 OCTOBER 2014

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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

- (A) THE PROPOSED ACQUISITION OF AUSTRALAND PROPERTY GROUP**
- (B) THE PROPOSED ISSUE AND PLACEMENT OF PERPETUAL CAPITAL SECURITIES TO TCC PROSPERITY LIMITED AS AN INTERESTED PERSON TRANSACTION**

Independent Financial Adviser
in relation to the Proposed Issue and Placement of Perpetual Capital Securities to
TCC Prosperity Limited as an Interested Person Transaction

Deloitte & Touche Corporate Finance Pte Ltd

Company Registration No. 200200144N
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms	:	10 November 2014 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	12 November 2014 at 2.00 p.m.
Place of Extraordinary General Meeting	:	Level 2, Alexandra Point, 438 Alexandra Road Singapore 119958

CONTENTS

	Page
DEFINITIONS	1
A. INTRODUCTION	7
B. THE PROPOSED ACQUISITION	8
C. THE PROPOSED INTERESTED PERSON TRANSACTION	17
D. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	26
E. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS	27
F. CONSENT OF INDEPENDENT FINANCIAL ADVISER	27
G. ACTION TO BE TAKEN BY SHAREHOLDERS	27
H. DIRECTORS' RESPONSIBILITY STATEMENT	27
I. DOCUMENTS FOR INSPECTION	28
ANNEX I	
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER.....	29
ANNEX II	
DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	43
NOTICE OF EXTRAORDINARY GENERAL MEETING	44
PROXY FORM	

DEFINITIONS

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

- “Aggregate Consideration”** : Assuming full acceptance of the Offer, the aggregate consideration payable for all the Australand Securities.
- “AHL”** : Australand Holdings Limited (ABN 12 008 443 696).
- “AIL”** : Australand Investments Limited (ABN 12 086 673 092, AFS Licence No. 228837).
- “Allowed Distribution”** : A distribution of 2.63 Australian cents per Australand Security paid to the Australand Securityholders on the Australand register of members on the Allowed Distribution Record Date, which amount is equal to the proportion of Australand’s second half distribution for 2014 (being 12.75 Australian cents per Australand Security) pro-rated for the period from 1 July 2014 until 7 August 2014 (being the date the Offer became unconditional), inclusive of both dates.
- “Allowed Distribution Record Date”** : The record date for the Allowed Distribution as determined by the Australand Board, which is 5.00 p.m. (EST) on 18 August 2014.
- “Amount at Risk”** : The amount at risk to the Company as described under Rule 909 of the Listing Manual.
- “APL”** : Australand Property Limited (ABN 90 105 462 137, AFS Licence No. 231130).
- “ASIC”** : Australian Securities and Investments Commission.
- “ASSETS”** : Australand Subordinated Step-up Exchangeable Trust Securities, which are preference units in the Australand ASSETS Trust (ARSN 115 338 513) and which can be converted to Australand Securities in certain circumstances.
- “ASX”** : ASX Limited or the Australian Securities Exchange, as appropriate.
- “Audit Committee”** : The audit committee of the Company as at the date of this Circular.
- “Australand”** : Australand Property Group, a stapled group comprising AHL, APL (in its capacity as responsible entity of Australand Property Trust (ARSN 106 680 424)) and AIL (in its capacity as responsible entity of Australand Property Trust No.4 (ARSN 108 254 413) and Australand Property Trust No.5 (ARSN 108 254 771)).
- “Australand Board”** : Collectively, the boards of directors of AHL, AIL and APL.
- “Australand Directors”** : Collectively, the directors of AHL, AIL and APL for the time being.
- “Australand Securities”** : The issued stapled securities of Australand, and each an **“Australand Security”**.
- “Australand Securityholders”** : The holders of the Australand Securities.

“BIA”	:	The binding bid implementation agreement executed between the Company and Australand under which the Company agreed to make an off-market takeover offer to acquire up to 100% of the Australand Securities for cash consideration of A\$4.48 per Australand Security.
“Bidder’s Statement”	:	The bidder’s statement containing the Offer.
“Bridge Facility”	:	The S\$3,000,000,000 facility agreement dated 1 July 2014 entered into by the Offeror and the Company with, <i>inter alia</i> , Standard Chartered Bank, Singapore Branch, Deutsche Bank AG, Singapore Branch, and Sumitomo Mitsui Banking Corporation, Singapore Branch.
“Business Day”	:	Shall have the meaning ascribed to it in the Listing Rules of ASX.
“CDF”	:	The Central Depository (Pte) Limited.
“Circular”	:	This circular to Shareholders dated 27 October 2014.
“Companies Act”	:	Companies Act (Chapter 50 of Singapore).
“Company”	:	Frasers Centrepoint Limited.
“Conditions”	:	The conditions which the Proposed Acquisition is subject to, and each a “Condition” .
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company or (b) in fact exercises Control over the Company.
“Corporations Act”	:	Corporations Act 2001 (Cth) of Australia.
“Deed of Undertaking”	:	The deed of undertaking executed by TCCA in favour of the Company on 1 July 2014.
“Directors”	:	The directors of the Company for the time being.
“Distribution Rate”	:	The distribution rate on the Perpetual Capital Securities.
“Due Diligence”	:	The due diligence on Australand conducted by the Company.
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on page 44 of this Circular.
“EPS”	:	Earnings per Share.
“F&N”	:	Fraser and Neave, Limited.
“FCL Undertaking”	:	The written undertaking from the Company to the SGX-ST that it will seek Shareholders’ ratification of the Offer at an extraordinary general meeting.
“Financial Advisers”	:	Deutsche Bank AG, Singapore Branch and Standard Chartered Bank, and each a “Financial Adviser” .
“FIRB”	:	Foreign Investment Review Board of Australia.

<u>“First Reset Date”</u>	:	The first date on which the Distribution Rate will be reset.
<u>“FY2013”</u>	:	The financial year ended 30 September 2013 of the Company.
<u>“FY2015”</u>	:	The financial year ending 30 September 2015 of the Company.
<u>“GC”</u>	:	Golden Capital (Singapore) Limited.
<u>“Group”</u>	:	The Company and its subsidiaries.
<u>“IFA”</u>	:	Deloitte & Touche Corporate Finance Pte Ltd, as the independent financial adviser.
<u>“IFA Letter”</u>	:	The letter from the IFA to the Independent Directors and the members of the Audit Committee.
<u>“Independent Directors”</u>	:	The independent directors of the Company as at the date of this Circular.
<u>“Independent Expert”</u>	:	KPMG Financial Advisory Services (Australia) Pty Ltd.
<u>“Introductory Document”</u>	:	The Company’s introductory document dated 28 October 2013.
<u>“Issue Date”</u>	:	The issue date of the Perpetual Capital Securities.
<u>“Issuer”</u>	:	FCL Treasury Pte. Ltd.
<u>“Latest Practicable Date”</u>	:	17 October 2014, being the latest practicable date prior to the printing of this Circular.
<u>“Listing Manual”</u>	:	The listing manual of the SGX-ST.
<u>“Maxtop”</u>	:	Maxtop Management Corp.
<u>“MM Group”</u>	:	MM Group Limited.
<u>“NAV”</u>	:	Net asset value.
<u>“Net Present Value”</u>	:	The net present value of the distributions payable under the Relevant Perpetual Capital Securities in perpetuity.
<u>“NTA”</u>	:	Net tangible assets.
<u>“Offer”</u>	:	The off-market takeover offer made by the Company to acquire up to 100% of the Australand Securities for cash consideration of A\$4.48 per Australand Security.
<u>“Offer Announcement”</u>	:	The announcement dated 1 July 2014 made by the Company relating to, <i>inter alia</i> , the Offer.
<u>“Offeror”</u>	:	Frasers Amethyst Pte. Ltd.
<u>“Perpetual Capital Securities”</u>	:	The perpetual capital securities proposed to be issued by the Company through the Issuer.
<u>“Process Agreement”</u>	:	The process agreement entered into by the Company with Australand under which, <i>inter alia</i> , the Company was provided with an exclusive period of four (4) weeks to conduct the Due Diligence.

<u>“Programme”</u>	:	The Issuer’s S\$3.0 billion Multicurrency Debt Issuance Programme (guaranteed by the Company).
<u>“Proposed Acquisition”</u>	:	The proposed acquisition of up to 100% of the Australand Securities via an off-market takeover offer for cash consideration.
<u>“Proposed Interested Person Transaction”</u>	:	The proposed issue and placement of Perpetual Capital Securities to TCCPL pursuant to the Proposed Offering.
<u>“Proposed Offering”</u>	:	The proposed offering of the Perpetual Capital Securities by the Company through the Issuer.
<u>“Relevant Perpetual Capital Securities”</u>	:	The Perpetual Capital Securities to be issued pursuant to the Proposed Offering that TCCPL has expressed a willingness to subscribe for as lead anchor investor to support the book-building activities, subject to a maximum subscription of 50.0% of the issue size of the Proposed Offering or S\$300 million in aggregate principal amount of Perpetual Capital Securities, whichever is lower.
<u>“Relevant Shares”</u>	:	The 1,716,160,124 Shares (excluding treasury shares) representing approximately 59.39% of all the issued Shares as at 1 July 2014 of which TCCA is the legal and beneficial owner.
<u>“RM”</u>	:	Risen Mark Enterprise Ltd.
<u>“Securities Account”</u>	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account.
<u>“September Perpetual Capital Securities Offering”</u>	:	The issue of an aggregate principal amount of S\$600 million subordinated perpetual capital securities in September 2014 by the Issuer and the Company.
<u>“SFA”</u>	:	Securities and Futures Act (Chapter 289 of Singapore).
<u>“SGX-ST”</u>	:	Singapore Exchange Securities Trading Limited.
<u>“Share”</u>	:	Ordinary share in the share capital of the Company.
<u>“Shareholders”</u>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <u>“Shareholders”</u> shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited.
<u>“Step-up Date”</u>	:	The date on which the Distribution Rate shall be increased by the Step-up Margin, in the event that the Perpetual Capital Securities have not been redeemed by the Issuer.
<u>“Step-up Margin”</u>	:	The increase in the Distribution Rate by up to 2.0% from the Step-up Date, in the event that the Perpetual Capital Securities have not been redeemed by the Issuer by the Step-up Date.
<u>“Substantial Shareholder”</u>	:	A person who has an interest or interests in one or more voting shares in the Company where the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company.

<u>“Target’s Statement”</u>	:	The target’s statement dated 14 July 2014 released by Australand in response to the Offer.
<u>“TCCA”</u>	:	TCC Assets Limited, a Controlling Shareholder of the Company.
<u>“TCCPL”</u>	:	TCC Prosperity Limited, a corporation wholly-owned by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.
<u>“TCC Group”</u>	:	TCCA and its subsidiaries.
<u>“Term Facility”</u>	:	The facility agreement dated 15 August 2014 entered into by, <i>inter alia</i> , the Offeror and the Company with Standard Chartered Bank, Singapore Branch, Malayan Banking Berhad, Singapore Branch and Maybank International Labuan Bank for a S\$1.8 billion five (5)-year fixed bullet term loan facility in favour of the Company.
<u>“ThaiBev”</u>	:	Thai Beverage Public Company Limited.
<u>“Treasurer”</u>	:	The Treasurer of the Commonwealth of Australia.
<u>“USPPs”</u>	:	Australand US Private Placement notes.
<u>“Waiver”</u>	:	The conditional waiver obtained by the Company from the SGX-ST from strict compliance with the requirements of Rule 1014 of the Listing Manual and that the Company may instead seek Shareholders’ ratification in a general meeting for the Proposed Acquisition after the Offer is made.
<u>“Waiver Announcement”</u>	:	The announcement dated 10 June 2014 made by the Company in relation to the Waiver.
<u>“Waiver Conditions”</u>	:	The conditions that the Waiver is subject to.

CURRENCIES, UNITS AND OTHERS

<u>“A\$”</u>	:	Australian dollars.
<u>“S\$”</u> and <u>“cents”</u>	:	Singapore dollars and cents, respectively.
<u>“%”</u>	:	Per centum or percentage.

Any term defined under the Companies Act or the Listing Manual and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual, as the case may be, unless otherwise provided. Without prejudice to the generality of the foregoing, the terms **“depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act and the term **“subsidiary”** shall have the meaning ascribed to it under Section 5 of the Companies Act.

Unless the context otherwise requires, words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the other genders and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

The headings in this Circular are inserted for convenience only and shall not be taken into account in the interpretation or construction of this Circular.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended, modified or re-enacted. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof, and relevant percentages, if any, are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Unless indicated otherwise, translations of amounts in A\$ into S\$ in this Circular have been made on the basis of A\$1: S\$1.174 as at 31 December 2013.

FRASERS CENTREPOINT LIMITED

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

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 Chittmitrapap (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)

Registered Office:

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

27 October 2014

To: The Shareholders of Frasers Centrepoint Limited

Dear Sir / Madam,

THE PROPOSED ACQUISITION OF AUSTRALAND PROPERTY GROUP AND THE PROPOSED INTERESTED PERSON TRANSACTION

A. INTRODUCTION

1. The Directors are convening the EGM to be held on 12 November 2014 to:
 - (a) seek Shareholders' retroactive approval for the proposed acquisition of up to 100% of the Australand Securities via an off-market takeover offer for cash consideration (the "**Proposed Acquisition**"), as described in Section B below; and
 - (b) seek Shareholders' approval for the proposed issue and placement of Perpetual Capital Securities to TCCPL pursuant to the Proposed Offering (the "**Proposed Interested Person Transaction**"), as described in Section C below.
2. The purpose of this Circular is to provide Shareholders with relevant information relating to:
 - (a) the Proposed Acquisition and to seek Shareholders' retroactive approval in respect of the same at the EGM; and
 - (b) the Proposed Interested Person Transaction and to seek Shareholders' approval in respect of the same at the EGM.
3. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.

B. THE PROPOSED ACQUISITION

1. Background

On 3 June 2014, the Company submitted an indicative non-binding conditional proposal to Australand to acquire up to 100% of the issued stapled securities of Australand (the "**Australand Securities**") and each, an "**Australand Security**") via an off-market takeover offer for cash consideration.

In connection with the Proposed Acquisition, the Company entered into a process agreement (the "**Process Agreement**") with Australand under which, *inter alia*, the Company was provided with an exclusive period of four (4) weeks during which the Company conducted due diligence on Australand (the "**Due Diligence**") and the parties negotiated in good faith with a view to finalising a binding implementation agreement.

On 1 July 2014, the Company announced (the "**Offer Announcement**"):

- (a) the satisfactory completion of the Due Diligence following access granted under the Process Agreement;
- (b) the execution of a binding bid implementation agreement with Australand (the "**BIA**") under which the Company agreed to make an off-market takeover offer to acquire up to 100% of the Australand Securities for cash consideration of A\$4.48 per Australand Security (the "**Offer**"); and
- (c) that the Offer would be made by Frasers Amethyst Pte. Ltd. (the "**Offeror**"), a wholly-owned subsidiary of the Company.

A copy of the Offer Announcement, attaching a copy of the BIA, is available on the website of the SGX-ST at www.sgx.com. The Offeror also lodged (i) a bidder's statement containing the Offer (the "**Bidder's Statement**") and (ii) a supplementary bidder's statement dated 31 July 2014 supplementing the Bidder's Statement with Australand, ASIC and ASX, copies of which may be found on the ASX website at www.asx.com.au.

As announced by the Company on 10 June 2014 (the "**Waiver Announcement**"), the Company had applied for, and obtained, a conditional waiver (the "**Waiver**") from the SGX-ST from strict compliance with the requirements of Rule 1014 of the Listing Manual and that the Company may instead seek Shareholders' ratification in a general meeting for the Proposed Acquisition after the Offer is made. More information can be found in Section B.10 of this Circular.

The Bidder's Statement was duly despatched to all the Australand Securityholders.

As announced by Australand on ASX on 1 July 2014, the Australand Directors unanimously recommended the Offer, in the absence of a superior proposal and subject to KPMG Financial Advisory Services (Australia) Pty Ltd. (the "**Independent Expert**") concluding that the Offer was fair and reasonable to the Australand Securityholders. The target's statement dated 14 July 2014 released by Australand in response to the Offer (the "**Target's Statement**") contained a report from the Independent Expert concluding that the Offer is "fair and reasonable, in the absence of a superior proposal".

As stated in the first supplementary target's statement dated 12 August 2014 supplementing the Target's Statement, each of the Australand Directors who held or controlled Australand Securities accepted the Offer in respect of all of the Australand Securities that they held.

The Offer opened on 7 July 2014 and closed at 7.00 p.m. (Sydney time) on 4 September 2014 after having been extended on 7 August 2014 and again on 21 August 2014. At the close of the Offer, the Offeror's relevant interest in Australand was approximately 98.4%.

The Offeror also continued to acquire further Australand Securities on ASX, at an average price of A\$4.47 per Australand Security, resulting in an aggregate interest in Australand on the part of the Offeror of approximately 98.6% as at 1 October 2014.

On 24 September 2014, the Offeror issued to the remaining Australand Securityholders a notice of compulsory acquisition pursuant to Section 661B(1) of the Corporations Act to acquire all outstanding Australand Securities. The Offeror will arrange for Australand to be removed from the official list of ASX after the compulsory acquisition exercise has been completed.

2. Information on Australand

Australand is one of Australia's leading diversified property groups. Australand has been involved in property development for more than 90 years, and its activities span across Australia and property segments. Australand's operations, which include development of residential land, housing and apartments, development of and investment in income producing commercial and industrial properties, and property management, are located in Sydney, Melbourne, South East Queensland, Adelaide and Perth.

Based on the audited consolidated financial statements of Australand for the year ended 31 December 2013, announced by Australand on ASX on 17 March 2014, the book value / NTA value of the Australand Securities was A\$2.1 billion. Based on the weighted average price of the Australand Securities on ASX of A\$4.44 on 30 June 2014 (being the last market day on which the Australand Securities were traded on ASX prior to the date of the Offer Announcement), the latest available open market value of the Australand Securities preceding the Offer Announcement was A\$2.6 billion.

3. Information on the Offeror

The Offeror is a wholly-owned subsidiary of the Company that was incorporated in Singapore on 27 June 2014 for the purpose of making the Offer and to invest in the Australand Securities.

The directors of the Offeror are Mr Panote Sirivadhanabhakdi, Mr Chotiphat Bijananda, Mr Lim Ee Seng, Mr Chia Khong Shoong, Mr Piya Treruanchada and Mr Jerry Yang Chiang Lee.

4. Salient terms of the Offer and the BIA including status thereof

4.1 Consideration

- (a) The Offer was made for all the Australand Securities at A\$4.48 per Australand Security, which represents a 14.6% premium over the volume weighted average price of each Australand Security for the three (3) months up to and including 18 March 2014 of A\$3.88. Assuming full acceptance of the Offer, the aggregate consideration payable for all the Australand Securities (the "**Aggregate Consideration**") is approximately A\$2.6 billion¹ (approximately S\$3.0 billion²).
- (b) Under the terms of the Offer, the Australand Securityholders will be entitled to receive the Allowed Distribution. The Offer will not affect the entitlement of the Australand Securityholders to Australand's first half distribution for 2014, the record date for which was 30 June 2014.
- (c) Any distributions in excess of the Allowed Distribution or Australand's first half distribution for 2014 will be deducted from the consideration payable under the Offer.
- (d) The Aggregate Consideration was arrived at taking into account, *inter alia*, the earnings, financial position, market price and management experience as well as the prospects of Australand in the property sector in Australia.

¹ This is calculated based on the number of Australand Securities being 581,797,922 as at 4 September 2014, being the date of the close of the Offer.

² The translation of this amount has been made on the basis of A\$1: S\$1.16.

- (e) The Aggregate Consideration will be fully satisfied in cash and will be funded by a combination of internal and external funding arrangements that have been put in place by the Company. For more details on the methods of financing the Proposed Acquisition, please refer to Section B.7 below.
- (f) The consideration payable under the Offer was required to be paid in full to the Australand Securityholders who accepted the Offer by the later of (i) 28 August 2014 (being 15 Business Days after the date that the Offer became unconditional), and (ii) 10 Business Days after the date of acceptance of the Offer by the relevant Australand Securityholder.
- (g) The consideration payable under the Offer has been paid in full to all the Australand Securityholders who accepted the Offer.

4.2 Conditions

The Proposed Acquisition is subject to a limited number of conditions (the “**Conditions**” and each, a “**Condition**”) having been fulfilled (or waived by the Company in its sole discretion).

The Conditions are:

- (a) a minimum acceptance condition of more than 50% (on a fully diluted basis);
- (b) FIRB approval;
- (c) Australand continuing to conduct its business in the ordinary course;
- (d) no changes to Australand’s distribution policy;
- (e) no further issuance of Australand Securities or performance rights (other than the issuance of Australand Securities on the vesting of performance rights already on issue);
- (f) no material change by Australand to its senior management team; and
- (g) no prescribed occurrences, material acquisitions or disposals or regulatory actions.

The Conditions are set out in full in Schedule 2 to the BIA.

The Condition relating to FIRB approval states that prior to the end of the Offer Period, either:

- (i) the Treasurer (or his delegate) has provided written advice with or without conditions that there are no objections under Australia’s foreign investment policy to the proposed acquisition of Australand Securities under the Offer; or
- (ii) following notice of the proposed acquisition of Australand Securities under the Offer having been given by the Company to the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Treasurer has ceased to be empowered to make any order under Part II of that Act because of the lapse of time.

In particular, under the terms of the BIA, within three (3) Business Days of the Conditions relating to minimum acceptance and FIRB approval both being satisfied, the Company agreed to waive all Conditions (other than any Conditions in respect of which the Company had publicly announced a breach or suspected breach before that time).

The Condition relating to FIRB approval was satisfied on 9 July 2014 as announced by the Company on the same day.

The Condition relating to minimum acceptance was satisfied on 7 August 2014, and the Offer was declared unconditional on the same day.

4.3 Termination

The BIA may be terminated in, *inter alia*, the following circumstances:

- (a) by either the Company or Australand by notice to the other party if:
 - (i) the other party is in material breach of the BIA and that breach is not remedied by that other party within five (5) Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate; or
 - (ii) there is a material breach of a representation or warranty contained in Clause 11.1 or Clause 11.3 of the BIA by the other party (as the case may be); and
- (b) by the Company by notice in writing to Australand if any entity comprising Australand becomes insolvent.

No notice of termination of the BIA was served prior to the close of the Offer.

For more information on the terms of the Offer and the BIA, please refer to the Offer Announcement and the BIA.

5. Rationale for the Proposed Acquisition

- 5.1 The Company is a full-fledged international real estate company and one of Singapore's top property companies with total assets of approximately S\$11.8 billion as at 30 June 2014. The Company has three (3) core businesses focused on residential, commercial and hospitality properties spanning over 30 cities across Asia, Australasia, Europe, and the Middle-East. The Company is also the sponsor of three (3) real estate investment trusts listed on the Main Board of the SGX-ST, namely Frasers Centrepoint Trust, Frasers Commercial Trust and Frasers Hospitality Trust, which are focused on retail, office and business space properties and hotels and serviced residences, respectively.
- 5.2 As stated in Section B.2 above, Australand is one of Australia's leading diversified property groups with activities that span across Australia and property segments. The Proposed Acquisition, if implemented, is in line with the Company's strategy and it is expected that the Proposed Acquisition will be a transformational transaction that delivers significant benefits to the Company, including:
 - (a) increasing contribution from outside of Singapore. Assuming that the Proposed Acquisition was completed at the end of FY2013, contribution from the Australian market will increase from 16% to 43% and Australand will constitute 32% of the Group's total assets;
 - (b) increasing contribution from recurring income, which correspondingly increases the stability and visibility of the Company's earnings. This will enable the Company to have greater ability and flexibility in making strategic capital allocation decisions. Assuming that the Proposed Acquisition had taken place at the beginning of FY2013, recurring income will constitute 54% of the Group's profit before interest and tax, as compared to 33% had the Proposed Acquisition not taken place;
 - (c) a quality platform with immediate scale in Australia, a core market. Australand offers not only a well diversified portfolio of Australian assets but also an experienced management team which, together, will help diversify the Company's residential capabilities in Australia;

- (d) ownership of an attractive commercial and industrial portfolio with development capabilities in Australia. The Proposed Acquisition is an acquisition of a leading commercial and industrial platform with a portfolio asset value of approximately A\$2.4 billion in Australia, which will increase sector and development capabilities; and
- (e) enhancing the Company's residential development capabilities in Australia. Australand's multiple capabilities will complement the Company's current product offerings in Australia.

6. Intentions Regarding Australand

As mentioned in the Bidder's Statement, the Company intends to:

- (a) review the holding structure of Australand and Australand's assets with a view to determining the optimal structure for the Australand properties under 100% ownership by the Company; and
- (b) review Australand's assets (including operational changes, acquisitions or disposals and changes to development programmes), financial arrangements, corporate structure and operations.

7. Financing the Proposed Acquisition

For the purpose of financing the Proposed Acquisition, the Offeror and the Company entered into (a) a S\$3,000,000,000 facility agreement dated 1 July 2014 (the "**Bridge Facility**") with, *inter alia*, Standard Chartered Bank, Singapore Branch, Deutsche Bank, Singapore Branch and Sumitomo Mitsui Banking Corporation, Singapore Branch, as well as (b) a facility agreement dated 15 August 2014 (the "**Term Facility**") with, *inter alia*, Standard Chartered Bank, Singapore Branch, Malayan Banking Berhad, Singapore Branch and Maybank International Labuan Bank for a S\$1.8 billion five (5)-year fixed bullet term loan facility in favour of the Company. The Proposed Acquisition was funded using the S\$1.8 billion Term Facility, S\$300 million of the Bridge Facility and, *inter alia*, internal resources. The Bridge Facility has since 24 September 2014 been fully repaid and cancelled. As stated in the unaudited results for the third quarter ended 30 June 2014, the cash balance of the Group is approximately S\$797 million.

8. Financial Effects of the Proposed Acquisition

8.1 For illustrative purposes only, the financial effects of the Proposed Acquisition on the Company as set out below (a) are prepared based on the Group's consolidated audited financial statements for FY2013 and the financing for the Proposed Acquisition as set out in Section B.7 above, (b) assumes full redemption of the ASSETS and the USPPs, and (c) are subject to the following key assumptions:

- (i) the effect of the Proposed Acquisition on the Group's NAV per Share and NTA per Share for FY2013 are based on the assumption that the Proposed Acquisition had been effected at the end of FY2013;
- (ii) the effect of the Proposed Acquisition on the Group's EPS for FY2013 is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2013;
- (iii) the effect of the Proposed Acquisition on the Group's gearing for FY2013 is based on the assumption that the Proposed Acquisition had been effected at the end of FY2013; and
- (iv) the effect of the Proposed Acquisition is based on Australand's audited financial statements for the year ended 31 December 2013.

- 8.2 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 the Company or the Group.

The financial effects as set out below are based on an exchange rate of A\$1 : S\$1.174 as at 31 December 2013.

(a) *EPS*

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$'000,000)	401	401	456 ⁽²⁾
No. of issued Shares ('000)	753,292	2,889,813	2,889,813
EPS (before fair value change and exceptional items) (cents) attributable to ordinary shareholders	53.2	13.9	15.8

Notes:

- (1) Post Company's Listing assumes that (i) the NAV of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document and the announcement released by the Company on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.

The capitalisation events referred to above include, *inter alia*, the following key events:

- (A) On 25 October 2013, the Company issued, and F&N subscribed for, 330,000,000 Shares for a subscription amount of S\$330 million, and the Company redeemed all the redeemable preference shares held by F&N in the Company for an aggregate amount of S\$330 million. On 23 December 2013, the Company issued, and F&N subscribed for, an additional 1,806,520,790 Shares for a subscription amount of S\$670 million.
- (B) As at 30 June 2014, the Company's issued and paid-up ordinary share capital was S\$1,753,976,920 comprising 2,889,812,572 Shares.
- (2) This figure assumes full redemption of the ASSETS and the USPPs. As at 31 December 2013, Australand had in issue US\$170 million of guaranteed senior notes through the US Private Placement debt market, comprising a Series A USPP of US\$140 million that matures in May 2021 and a Series B USPP of US\$30 million that matures in 2023.

(b) *NAV per Share*

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
NAV (S\$'000,000)	5,451 ⁽²⁾	6,121	6,043 ⁽³⁾
No. of issued Shares ('000)	753,292	2,889,813	2,889,813
NAV per ordinary Share (S\$)	6.80	2.12	2.09

Notes:

- (1) Post Company's Listing assumes that (i) the NAV of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document and the announcement released by the Company on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure includes the redeemable preference shares of S\$330,000,000 as at the end of FY2013.
- (3) The NAV of the Group has been adjusted for the transaction costs of the Proposed Acquisition and assumes the Proposed Acquisition is financed by bank loans and internal resources.

(c) *NTA per Share*

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
NTA (S\$'000,000)	5,384 ⁽²⁾	6,054	5,277 ⁽³⁾
No. of issued Shares ('000)	753,292	2,889,813	2,889,813
NTA per ordinary Share (S\$)	6.71	2.09	1.83

Notes:

- (1) Post Company's Listing assumes that (i) the NTA of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document and the announcement released by the Company on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure includes the redeemable preference shares of S\$330,000,000 as at the end of FY2013.
- (3) The NTA of the Group has been adjusted for the transaction costs and provisional intangibles arising from the Proposed Acquisition and assumes the Proposed Acquisition is financed by bank loans and internal resources.

(d) *Gearing*

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
Net debt over total equity (%)	57	40	119 ⁽²⁾

Notes:

- (1) Post Company's Listing assumes that (i) the equity of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document and the announcement released by the Company on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure assumes the Proposed Acquisition is financed by bank loans and internal resources, and also assumes full redemption of the ASSETS and the USPPs.

9. Relative Figures under Chapter 10 of the Listing Manual

9.1 The Proposed Acquisition is governed by the rules of Chapter 10 of the Listing Manual. Based on the Company's announced unaudited consolidated financial statements and dividend announcement for the second quarter ended 31 March 2014, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Relative Figure
(a) The NAV of the assets to be disposed of, compared with the Group's NAV.	Not applicable
(b) The net profits attributable to the assets to be acquired, being the sum of S\$37.2 million, compared with the Group's net profits of S\$308.0 million. ⁽¹⁾	12.1%
(c) The aggregate value of the consideration to be given, compared with the Company's market capitalisation of approximately S\$5.4 billion (calculated based on the weighted average price of S\$1.86 per Share and 2,889,812,572 Shares (excluding treasury shares)) as at 30 June 2014 being the market day immediately preceding the date of the BIA.	56.8%
(d) The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	Not applicable

Note:

- (1) As the financial year end for Australand is different from that of the Company, (i) the net profits attributable to the assets to be acquired are derived from Australand's net profits for the financial year ended 31 December 2013 after deducting its net profits for the half year ended 30 June 2013, based on Australand's audited full year and half year results for the financial year ended 31 December 2013 as released on ASX, and (ii) the net profits of the Group reflected here are for the six (6) months ended 31 March 2014. The figures in the table above are accurate as at the time of the Offer Announcement.

9.2 In view of the foregoing, the Proposed Acquisition constitutes a major transaction under Chapter 10 of the Listing Manual.

10. Shareholders' Approval of the Proposed Acquisition – SGX Waiver

10.1 As stated in Section B.1 of this Circular, the Company had obtained the Waiver from the SGX-ST. At the time of application for the Waiver, the Company believed that any delay in making the Offer may put the Company at a disadvantage in view of the competing proposal by Stockland Group and that it is critical for the Company to proceed with the Proposed Acquisition as soon as possible in order to protect its interests and those of the Shareholders.

10.2 The Waiver is subject, *inter alia*, to the conditions (the "**Waiver Conditions**") set out below:

- unanimous approval of the Directors on the Offer;
- submission of a written undertaking from the Company to the SGX-ST that it will seek Shareholders' ratification of the Offer at an extraordinary general meeting (the "**FCL Undertaking**");
- TCCA providing a written undertaking to the Company to vote in favour of approving the Offer at the EGM; and
- TCCA providing a written undertaking to the Company that it will not dispose of its equity stake in the Company before and up to the date of the EGM.

10.3 In satisfaction of the Waiver Conditions:

- (a) the Company has:
 - (i) obtained the unanimous approval of the Offer from the Directors following the receipt of the Waiver; and
 - (ii) submitted the FCL Undertaking. In line with the FCL Undertaking, the Company is seeking retroactive approval from Shareholders for the Offer at the EGM; and
- (b) TCCA being the legal and beneficial owner of 1,716,160,124 Shares (representing approximately 59.39% of all the issued Shares as at 1 July 2014) (the “**Relevant Shares**”) executed a deed of undertaking in favour of the Company on 1 July 2014 (the “**Deed of Undertaking**”) under which TCCA unconditionally and irrevocably confirmed and undertook to the Company that:
 - (i) it would vote, or procure the voting of, all the Relevant Shares in favour of the resolution at any extraordinary general meeting of the Company to approve and/or ratify (as the case may be) the Proposed Acquisition in accordance with the terms of the Offer; and
 - (ii) during the period commencing on the date of the Deed of Undertaking and ending on the date on which the Deed of Undertaking lapses, it would not, before and up to the date of the EGM, directly or indirectly, sell, transfer, divest, give or otherwise dispose of all or any of the Relevant Shares or any interest therein.

10.4 For more details on the Waiver, please refer to the Waiver Announcement.

11. Financial Advisers for the Proposed Acquisition and their Responsibility Statement

11.1 The financial advisers to the Company for the Proposed Acquisition are Deutsche Bank AG, Singapore Branch and Standard Chartered Bank (collectively, the “**Financial Advisers**” and each, a “**Financial Adviser**”).

11.2 Each Financial Adviser confirms that, to the best of its knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and it is not aware of any facts the omission of which would make any statement in this Circular relating to the Proposed Acquisition misleading in any material aspect, provided that where information has been extracted from published or publicly available sources or obtained from the Company, its subsidiaries or any of their advisers or agents, the sole responsibility of the Financial Adviser has been to ensure that such information has been accurately and correctly extracted from such sources, or as the case may be, accurately reflected or reproduced in this Circular in its proper form and context.

12. Directors’ Recommendation on the Proposed Acquisition

Having considered and reviewed, amongst others, the terms of the BIA, the rationale for and the financial effects of the Proposed Acquisition, other investment considerations and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Acquisition.

C. THE PROPOSED INTERESTED PERSON TRANSACTION

1. Proposed Offering of Perpetual Capital Securities

The Company, through FCL Treasury Pte. Ltd. (a wholly-owned subsidiary of the Company) (the “**Issuer**”), proposes to undertake an offering (the “**Proposed Offering**”) of perpetual capital securities (the “**Perpetual Capital Securities**”). The Company intends to undertake the Proposed Offering to, *inter alia*, diversify its funding sources and to improve its gearing position pursuant to recent acquisitions, including the Proposed Acquisition. Please also refer to Section B.7 above for details relating to the financing of the Proposed Acquisition.

The above Proposed Offering, once completed, will follow a previous successful launch and issue of an aggregate principal amount of S\$600 million subordinated perpetual capital securities (the “**September Perpetual Capital Securities Offering**”) in September 2014 by the Issuer and the Company. TCCPL, as the lead anchor investor, subscribed for S\$250 million of the subordinated perpetual capital securities offered pursuant to the September Perpetual Capital Securities Offering. This arrangement in connection with the September Perpetual Capital Securities Offering was approved by the Audit Committee and no fee was paid to TCCPL in respect of this arrangement. The subscription by TCCPL for the subordinated perpetual capital securities helped to build up momentum in the book-building activities and tighten the price of the subordinated perpetual capital securities from the initial price guidance of low 5.0% to 4.88%.

To enhance the success of the Proposed Offering, TCCPL has expressed a willingness to subscribe for the Perpetual Capital Securities to be issued pursuant to the Proposed Offering as lead anchor investor to support the book-building activities, subject to a maximum subscription of 50.0% of the issue size of the Proposed Offering or S\$300 million in aggregate principal amount of Perpetual Capital Securities, whichever is lower (the “**Relevant Perpetual Capital Securities**”). No fee will be payable to TCCPL in respect of this arrangement.

2. Proposed Timing for the Proposed Offering

The Issuer and the Company will in due course appoint lead manager(s) to arrange and manage the Proposed Offering, which will be offered to institutional and accredited investors pursuant to exemptions invoked under Sections 274 and 275 of the SFA. The Company will make the appropriate announcements upon the launch and pricing of the Proposed Offering.

The exact timing of the Proposed Offering will be subject to the advice of the relevant lead manager(s) and prevailing market conditions. As the subscription of the Relevant Perpetual Capital Securities by TCCPL will be subject to Shareholders’ approval as required by Chapter 9 of the Listing Manual, the Proposed Offering is not scheduled to proceed any earlier than 12 November 2014, being the proposed date of the EGM. Please refer to Section C.4 below for details relating to the requirement to seek Shareholders’ approval.

3. Terms of the Perpetual Capital Securities

It is intended that the Proposed Offering will be made pursuant to the Issuer’s S\$3.0 billion Multicurrency Debt Issuance Programme (guaranteed by the Company) (the “**Programme**”). Under the Programme, the Issuer may from time to time issue, *inter alia*, perpetual capital securities in Singapore dollars or any other currency as may be agreed between the relevant dealer(s) of the Programme and the Issuer. Such perpetual capital securities may be issued in various amounts and may bear distribution at a fixed or floating rate as may be agreed between the Issuer and the relevant dealer(s).

The payment obligations of the Issuer arising from the Perpetual Capital Securities will be guaranteed by the Company. The indicative terms of the Perpetual Capital Securities to be issued pursuant to the Proposed Offering are set out as follows:

Distribution Rate	:	The distribution rate on the Perpetual Capital Securities (the “ Distribution Rate ”) will be determined following a book-building exercise undertaken by the lead manager(s).
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		<p>Distributions will be payable semi-annually in arrear and calculated on a fixed basis from the issue date of the Perpetual Capital Securities (the "Issue Date") to the First Reset Date (as defined below).</p> <p>The "First Reset Date" shall be determined subsequently but shall in any case be the 3rd, 4th, 5th or 6th anniversary of the Issue Date.</p> <p>If the Perpetual Capital Securities are not redeemed by the Issuer by the First Reset Date, the Distribution Rate will be reset on the First Reset Date and reset again thereafter continuously after the lapse of every 3rd, 4th, 5th or 6th year period (as the case may be) to the swap offer rate or such other relevant rate to be specified in the applicable pricing supplement plus an initial spread to be determined plus the Step-Up Margin (as defined below).</p>
Step-up Distribution Date	:	<p>Should there be a Step-up Date (as defined below), the Distribution Rate shall be increased by up to 2.0% (the "Step-Up Margin") from the Step-up Date in the event the Perpetual Capital Securities are not redeemed by the Issuer by the Step-up Date.</p> <p>The "Step-up Date" (if any) shall be determined subsequently but shall in any case be the 6th, 8th, 10th or 12th anniversary of the Issue Date.</p>

The following redemption options are available under the Programme. Whether or not any of these options will apply to the Proposed Offering will depend on whether any such option will be specified to be applicable in the pricing supplement for the Proposed Offering.

Redemption at the Option of the Issuer	:	<p>Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may at its option redeem all or (if so allowed under the pricing supplement) some of the Perpetual Capital Securities on the date(s) and at the redemption amount so specified in the pricing supplement.</p>
Redemption for Accounting Reasons	:	<p>Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may redeem the Perpetual Capital Securities in whole, but not in part, on any distribution payment date or (if so allowed under the pricing supplement) at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Capital Securityholders at the redemption amount so specified in the pricing supplement, together with distribution accrued to the date fixed for redemption (including any arrears of distributions and any additional distribution amount), upon the occurrence of any change or amendment to any interpretations of the relevant accounting standard such that the Perpetual Capital Securities, in whole or in part, must not or must no longer be recorded as "equity" of the Issuer pursuant to the relevant accounting standard.</p>

Redemption for Tax Reasons	:	Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may redeem the Perpetual Capital Securities in whole, but not in part, on any distribution payment date or (if so allowed under the pricing supplement) at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Capital Securityholders at the redemption amount so specified in the pricing supplement, together with distribution accrued to the date fixed for redemption (including any arrears of distributions and any additional distribution amount), if the Issuer has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of any relevant jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date and such obligations cannot be avoided by the Issuer taking reasonable measures available to it.
Redemption for Tax Deductibility	:	Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may redeem the Perpetual Capital Securities in whole, but not in part, on any distribution payment date or (if so allowed under the pricing supplement) at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Capital Securityholders at the redemption amount so specified in the pricing supplement, together with distribution accrued to the date fixed for redemption (including any arrears of distributions and any additional distribution amount), if as a result of any change, or amendment to, the laws or regulations of any relevant jurisdiction, or any change in the application or official interpretation of such laws or regulations, or a change in the generally official interpretation or pronouncement of such laws or regulations, the payments by the Issuer would no longer be fully deductible by the Issuer for the income tax purposes.
Redemption for Minimal Outstanding Amount	:	Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may redeem the Perpetual Capital Securities in whole, but not in part, on any distribution payment date or (if so allowed under the pricing supplement) at any time, on giving not less than 30 days' irrevocable notice to the Perpetual Capital Securityholders at the redemption amount so specified in the pricing supplement, together with distribution accrued to the date fixed for redemption (including any arrears of distributions and any additional distribution amount), if, immediately before giving such notice, the aggregate principal amount of the Perpetual Capital Securities outstanding is less than 10% of the aggregate principal amount originally issued.

The final terms of the Proposed Offering will be determined following the launch of a book-building exercise undertaken by the lead manager(s) and will be subject to the advice of the lead manager(s). The management of the Company will work directly with the lead manager(s) to determine the structure and terms of the Proposed Offering. The time schedule, structure and terms of the Proposed Offering will take into account market conditions and other factors that the management of the Company and the lead manager(s) consider relevant.

As an integral part of the process, the lead manager(s) will engage with a range of third party investors to negotiate the detailed terms that will clear the market for the Proposed Offering. Neither TCCPL nor any of its representatives will be directly involved in that process.

It is the intention of the Company to accept the offer that may be made by TCCPL to subscribe for the Proposed Offering as a lead anchor investor, for a maximum of 50.0% or S\$300 million in aggregate principal amount of the Perpetual Capital Securities to be issued under the Proposed Offering, whichever is lower.

The offer may be taken up by TCCPL taking up a maximum of 50.0% or S\$300 million in aggregate principal amount of the Perpetual Capital Securities to be issued pursuant to the Proposed Offering, whichever is lower, at the market clearing price derived from the book-building exercise. TCCPL will acquire the Relevant Perpetual Capital Securities on the same terms and at the same price as other investors under the Proposed Offering.

4. Application of the Rules relating to Interested Person Transactions under the Listing Manual

- 4.1 Under Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) 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 Group's latest audited NTA, shareholders' approval is required in respect of the transaction.

In respect of the proposed placement and issue of the Perpetual Capital Securities to TCCPL as described in Section C.1 above:

- (a) the Issuer, being a subsidiary of the Company which is not listed on any stock exchange, is the **"entity at risk"** for the purposes of Chapter 9 of the Listing Manual;
- (b) TCCPL is wholly-owned by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi in equal shares. Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are Controlling Shareholders. Accordingly, TCCPL, being a corporation in which the Controlling Shareholders, Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, have an interest of 30% or more, is an associate (as defined in the Listing Manual) of the Controlling Shareholders and an interested person of the Company for the purposes of Chapter 9 of the Listing Manual; and
- (c) 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 the purposes of this Circular treated them as the "same interested person" for the purposes of Chapter 9 of the Listing Manual.

Based on the latest audited consolidated financial statements of the Company for FY2013, the NTA of the Group was approximately S\$5.4 billion as at 30 September 2013. Accordingly, if the value of the Proposed Interested Person Transaction, which is proposed to be entered into in the current financial year by the Issuer with TCCPL and the TCC Group, either in itself or in aggregation with all other earlier transactions entered into with TCCPL and the TCC Group during the current financial year is equal to or in excess of approximately S\$269.0 million, being 5.0% of the Group's latest audited NTA as at 30 September 2013, such a transaction would be subject to Shareholders' approval.

Under Rule 909 of the Listing Manual, the value of an interested person transaction is the amount at risk to the Company (the “**Amount at Risk**”). The Company has determined the possible methods of calculations for determining the Amount at Risk in respect of the Relevant Perpetual Capital Securities which are set out as follows:

Maximum Principal Amount

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

Assuming therefore that TCCPL subscribes for a maximum principal amount of S\$300 million of the Perpetual Capital Securities, being the maximum quantum which TCCPL is willing to subscribe for in the Proposed Offering, the Amount at Risk is S\$300 million. This represents approximately 5.6% of the Group’s latest audited NTA as at 30 September 2013.

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 Capital Securities in perpetuity (“**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 a specific point in time. As at the date of this Circular, the exact pricing details of the Relevant Perpetual Capital Securities cannot be determined since it is only possible to make such determination after the launch of a book-building exercise in relation to the Proposed Offering by the lead manager(s) of such offering.

However, solely for the purposes of illustrating the possible Amounts at Risk (by way of computing the Net Present Value) which in turn is dependent on the pricing of the Relevant Perpetual Capital Securities, the Distribution Rate shall be assumed to fall within a range of 4.0% to 6.0% per annum. Accordingly, the calculations of the Net Present Value based on the assumed Distribution Rates of 4.0% and 6.0% per annum are illustrated below.

For illustrative purposes, the following is assumed:

- (i) the principal amount of the Relevant Perpetual Capital Securities is S\$300 million;
- (ii) the Relevant Perpetual Capital Securities are not redeemed by the Issuer in accordance with the definitive terms and conditions of the Perpetual Capital Securities;
- (iii) the Step-up Margin is 2.0%; and
- (iv) there is no subsequent adjustment to the assumed Distribution Rates (save for the step-up, where indicated below).

Based on the above assumptions and the assumed minimum Distribution Rate of 4.0% per annum, and taking into account the Company’s weighted average cost of capital as at 13 October 2014 obtained from Bloomberg (being 6.7%), the Net Present Value is set out below against different permutations of the terms of the Perpetual Capital Securities:

Terms of the Perpetual Capital Securities	Net Present Value (S\$’000,000)	Percentage of the Group’s latest audited NTA as at 30 September 2013 (%)
Step-up in year 6 ⁽¹⁾	239.8	4.5
Step-up in year 8 ⁽²⁾	232.4	4.3
Step-up in year 10 ⁽³⁾	225.9	4.2
Step-up in year 12 ⁽⁴⁾	220.2	4.1

Notes:

- (1) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 3rd anniversary of the Issue Date and the First Reset Date falls on the 3rd anniversary of the Issue Date.
- (2) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 4th anniversary of the Issue Date and the First Reset Date falls on the 4th anniversary of the Issue Date.
- (3) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 5th anniversary of the Issue Date and the First Reset Date falls on the 5th anniversary of the Issue Date.
- (4) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 6th anniversary of the Issue Date and the First Reset Date falls on the 6th anniversary of the Issue Date.

Based on the above assumptions and the assumed maximum Distribution Rate of 6.0% per annum, and taking into account the Company's weighted average cost of capital as at 13 October 2014 obtained from Bloomberg (being 6.7%), the Net Present Value is set out below against different permutations of the terms of the Perpetual Capital Securities:

Terms of the Perpetual Capital Securities	Net Present Value (S\$'000,000)	Percentage of the Group's latest audited NTA as at 30 September 2013 (%)
Step-up in year 6 ⁽¹⁾	329.3	6.1
Step-up in year 8 ⁽²⁾	322.0	6.0
Step-up in year 10 ⁽³⁾	315.5	5.9
Step-up in year 12 ⁽⁴⁾	309.8	5.8

Notes:

- (1) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 3rd anniversary of the Issue Date and the First Reset Date falls on the 3rd anniversary of the Issue Date.
- (2) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 4th anniversary of the Issue Date and the First Reset Date falls on the 4th anniversary of the Issue Date.
- (3) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 5th anniversary of the Issue Date and the First Reset Date falls on the 5th anniversary of the Issue Date.
- (4) Assuming the Perpetual Capital Securities are redeemable at the option of the Issuer from the 6th anniversary of the Issue Date and the First Reset Date falls on the 6th anniversary of the Issue Date.

It is emphasised that the above values are merely for illustration purposes only. The exact pricing details of the Relevant Perpetual Capital Securities will only be available after the launch of a book-building exercise in relation to the Proposed Offering by the lead manager(s) of such offering.

4.2 In light of the above, the proposed subscription by TCCPL for the Relevant Perpetual Capital Securities will constitute an "**interested person transaction**" under Chapter 9 of the Listing Manual, for which Shareholders' approval is required.

5. Rationale for and Key Benefits of the Proposed Offering and the Proposed Subscription for the Relevant Perpetual Capital Securities by TCCPL

5.1 The Proposed Offering

The Company intends to undertake the Proposed Offering to, *inter alia*, diversify its funding sources and to improve its gearing position pursuant to recent acquisitions, including the Proposed Acquisition.

The Proposed Acquisition is funded by, *inter alia*, a S\$1.8 billion five (5)-year fixed bullet term loan and internal resources. Please refer to Section B.7 of this Circular for details relating to the financing of the Proposed Acquisition.

The Company has considered various funding options and has determined that the Proposed Offering of Perpetual Capital Securities will best serve the needs of the Company for the following reasons:

- (a) the issue of the Perpetual Capital Securities will allow the Company to partially refinance the debt raised to fund the Proposed Acquisition and diversify its funding sources;
- (b) as the Perpetual Capital Securities are treated as equity under generally accepted accounting principles, the issue of the Perpetual Capital Securities will strengthen the balance sheet of the Company by increasing equity, reducing leverage and therefore improving its capital position; and
- (c) while a placement of new common equity or preference shares could achieve the objective of reducing the Company's leverage, the issue of the Perpetual Capital Securities is non-dilutive and its distributions provide for tax deductibility (subject to confirmation from the Inland Revenue Authority of Singapore).

The following tables show the financial effects of the Proposed Offering on the Group's EPS and gearing. With the Proposed Offering and the Proposed Acquisition, the Company's net debt to total equity would improve to 83% as compared to 119% prior to the Proposed Offering. The Group's EPS would be 14.4 cents with the Proposed Offering and the Proposed Acquisition, which is higher than the 13.9 cents prior to the Proposed Acquisition and the Proposed Offering.

For illustrative purposes only, the financial effects of the Proposed Offering and the Proposed Acquisition on the Company as set out below are prepared based on the Group's consolidated audited financial statements for FY2013 and subject to the following key assumptions:

- (i) the effect of the Proposed Offering and Proposed Acquisition on the Group's EPS for FY2013 is based on the assumption that the Proposed Offering and the Proposed Acquisition had been effected at the beginning of FY2013;
- (ii) the effect of the Proposed Offering and the Proposed Acquisition on the Group's gearing for FY2013 is based on the assumption that the Proposed Offering and the Proposed Acquisition had been effected at the end of FY2013; and
- (iii) the effect of the Proposed Acquisition is based on Australand's audited financial statements for the year ended 31 December 2013.

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 the Company or the Group.

The financial effects as set out below are based on an exchange rate of A\$1 : S\$1.174 as at 31 December 2013.

(A) *EPS*

	Pre-Proposed Offering and Proposed Acquisition	Pre-Proposed Offering and Post-Proposed Acquisition	Post-Proposed Offering and Proposed Acquisition
	(Post Company's Listing)⁽¹⁾	(Post Company's Listing)⁽¹⁾	(Post Company's Listing)⁽¹⁾
Profit after tax and non-controlling interests (before fair value change and exceptional items) attributable to:			
- ordinary shareholders	401	456 ⁽²⁾	416 ⁽²⁾
- perpetual capital securities holders	–	–	59 ⁽³⁾
(S\$'000,000)			
No. of issued Shares ('000)	2,889,813	2,889,813	2,889,813
EPS (before fair value change and exceptional items) (cents) attributable to ordinary shareholders	13.9	15.8	14.4

Notes:

- (1) Post Company's Listing assumes that (i) the NAV of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document and the announcement released by the Company on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure assumes full redemption of the ASSETS and the USPPs.
- (3) Following the launch of S\$600 million subordinated perpetual capital securities in September 2014, the total perpetual capital securities amounts to S\$1.2 billion (including the Proposed Offering). For illustration purposes only, the distribution rate for the Proposed Offering is assumed to be the same as that of the S\$600 million subordinated perpetual capital securities issued in September 2014.

(B) *Gearing*

	Pre-Proposed Offering and Proposed Acquisition	Pre-Proposed Offering and Post-Proposed Acquisition	Post-Proposed Offering and Proposed Acquisition
	(Post Company's Listing)⁽¹⁾	(Post Company's Listing)⁽¹⁾	(Post Company's Listing)⁽¹⁾
Net debt over total equity (%)	40	119 ⁽²⁾	83 ⁽³⁾

Notes:

- (1) Post Company's Listing assumes that (i) the equity of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document and the announcement released by the Company on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure assumes that the Proposed Acquisition is financed by bank loans and internal resources, and also assumes the full redemption of the ASSETS and the USPPs.
- (3) This figure assumes that the Proposed Acquisition is financed by S\$1.2 billion of perpetual capital securities with the balance by bank loans and internal resources and assumes the full redemption of the ASSETS and the USPPs.

5.2 The Proposed Subscription for the Relevant Perpetual Capital Securities by TCCPL

The Issuer and the Company will in due course appoint lead manager(s) to arrange and manage the Proposed Offering. The Proposed Offering will be largely confined to institutional and accredited investors, allowing the Issuer to invoke exemptions from prospectus requirements under Sections 274 and 275 of the SFA.

It is anticipated that the lead manager(s) will market the Perpetual Capital Securities to debt capital market investors including financial institutions and private bank customers.

To enhance the success of the Proposed Offering, TCCPL has expressed a willingness to subscribe for the Perpetual Capital Securities to be issued pursuant to the Proposed Offering, as lead anchor investor to support the book-building activities, subject to a maximum subscription of 50.0% of the issue size of the Proposed Offering or S\$300 million in aggregate principal amount of Perpetual Capital Securities, whichever is lower. No fee will be payable to TCCPL in respect of this arrangement.

5.3 TCCPL

TCCPL is a company established in the British Virgin Islands and wholly-owned by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi in equal shares. The principal activity of TCCPL is that of an investment holding company for Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, through TCCA, also hold 1,716,160,124 Shares (representing approximately 59.39% of all the issued Shares) as at the Latest Practicable Date.

Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is also deemed to be interested in all of the 824,847,644 Shares (representing 28.54% of all the issued Shares as at the Latest Practicable Date) in which InterBev Investment Limited has a direct interest³.

As such, Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are Controlling Shareholders.

6. Other Interested Person Transactions

As at the Latest Practicable Date, there are no interested person transactions with TCCPL and the TCC Group in the current financial year i.e. FY2015.

7. Advice of the Independent Financial Adviser

- 7.1 The Company has appointed Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the “**IFA**”) to advise the Independent Directors and the Audit Committee in relation to the Proposed Interested Person Transaction. A copy of the letter from the IFA to the Independent Directors and the members of the Audit Committee (the “**IFA Letter**”), containing its advice in full, is set out in Annex I to this Circular and Shareholders are advised to read the IFA Letter carefully.

³ Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to be interested in InterBev Investment Limited's shares of the Company by virtue of the following:

Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi jointly hold a 51% direct interest in Siriwana Company Limited, which in turn holds an approximate 45.27% direct interest in Thai Beverage Public Company Limited (“**ThaiBev**”) as at the Latest Practicable Date. Further, Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold 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**”). As at the Latest Practicable Date, 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. As at the Latest Practicable Date, ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turn holds a 100% direct interest in InterBev Investment Limited.

7.2 Having considered the factors and the assumptions set out in the IFA Letter, subject to the qualifications set out therein and based on the IFA's evaluation of the methods and procedures to be used for determining the salient terms and transaction pricing for the Proposed Interested Person Transaction, the IFA is of the opinion that the methods and procedures to be used for determining the terms and pricing of the Proposed Interested Person Transaction as set out in Section C.3 of this Circular and paragraph 4.2 of the IFA letter, if adhered to, are sufficient to ensure that the Proposed Interested Person Transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. Statement of the Audit Committee

The Audit Committee has reviewed the rationale for and the terms of the Proposed Offering and the Proposed Interested Person Transaction and, having regard to the opinion of the IFA (as set out in the IFA Letter in Annex I to this Circular), is of the view that the Proposed Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

9. Recommendation of the Independent Directors

Based on the opinion of the IFA (as set out in the IFA Letter in Annex I to this Circular) and the rationale for and the terms of the Proposed Offering and the Proposed Interested Person Transaction as set out in this Circular, the Independent Directors believe that the Proposed Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote at the EGM in favour of the ordinary resolution to approve the Proposed Interested Person Transaction as set out in the Notice of EGM.

10. Abstention from Voting on the Proposed Interested Person Transaction

Rule 919 of the Listing Manual requires that interested persons and their associates (as defined in the Listing Manual) must not vote on any shareholders' resolution approving any interested person transactions. Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi will abstain, and has undertaken to ensure that his/her associates will abstain, from voting at the EGM on the ordinary resolution to approve the Proposed Interested Person Transaction as set out in the Notice of EGM.

D. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. As at the Latest Practicable Date, Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are shareholders of TCCPL and Mr Chotiphat Bijananda is a director of TCCPL.
2. No person is proposed to be appointed to the board of the Company in connection with the Offer or the Proposed Offering, and hence no director's service contract is proposed to be entered into by the Company with any person in connection with the Offer or the Proposed Offering.
3. Certain Directors also hold direct and/or indirect interests in the Shares as at the Latest Practicable Date. Details of the Directors' interests in the Shares are set out in Annex II to this Circular.
4. Details of the Substantial Shareholders' interests in the Shares are set out in Annex II to this Circular.
5. Save as disclosed above and based on information available to the Company as at the Latest Practicable Date, none of the Directors or the Substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition or the Proposed Offering, other than in their capacity as directors or shareholders of the Company.

E. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The EGM, notice of which is set out on page 44, will be held on 12 November 2014 at 2.00 p.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions to (a) retroactively approve the Proposed Acquisition, and (b) approve the Proposed Interested Person Transaction, in each case as set out in this Circular.

F. CONSENT OF 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.

G. ACTION TO BE TAKEN BY SHAREHOLDERS

1. Shareholders will find enclosed with this Circular, the Notice of the EGM and a Proxy Form.
2. 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 2.00 p.m. on 10 November 2014. 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.
3. 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 such resolution.

H. 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 Acquisition, the Proposed Interested Person Transaction, 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.

I. DOCUMENTS FOR INSPECTION

A copy of each of the following documents is 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 the date of the EGM:

- (a) the Memorandum and Articles of Association of the Offeror;
- (b) the Memorandum and Articles of Association of the Company;
- (c) the annual report of the Company for FY2013 (which includes the audited financial statements of the Company for FY2013);
- (d) the BIA;
- (e) the IFA Letter; and
- (f) the written consent of the IFA as referred to in Section F above.

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

Charoen Sirivadhanabhakdi
Non-Executive and Non-Independent Chairman
27 October 2014

ANNEX I

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N)

27 October 2014

The Independent Directors and the Audit Committee
Fraser's Centrepont Limited
438 Alexandra Road
#02-00 Alexandra Point
Singapore 119958

Dear Sirs

THE PROPOSED OFFERING OF PERPETUAL CAPITAL SECURITIES TO TCC PROSPERITY LIMITED AS AN INTERESTED PERSON TRANSACTION

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 27 October 2014 to the shareholders of Fraser's Centrepont Limited (the "Circular").

1. INTRODUCTION

Fraser's Centrepont Limited (the "Company") is headquartered in Singapore and is engaged in property development, investment and management of commercial property, serviced residences and property trusts. Its core markets are Singapore, China and Australia. The Company is listed on the Main Board of the SGX-ST. As at 30 June 2014, the Company has over 12,000 homes built in Singapore and approximately 8,600 serviced residence apartments in more than 30 cities. It also has interests in and/or manages 15 retail malls and 12 offices/business parks globally.

On 3 June 2014, the Company submitted an indicative, non-binding and conditional proposal to Australand Property Group ("Australand") to acquire up to 100% of the issued stapled securities of Australand via an off-market takeover offer for a cash consideration at A\$4.48 per stapled security (the "Proposed Acquisition"). On 1 July 2014, the Company announced that it had signed a binding bid implementation agreement to confirm the terms of the Proposed Acquisition. Pursuant to the Proposed Acquisition, the shares of Australand have been valued at approximately A\$2.6 billion. The Company financed the Proposed Acquisition through a combination of cash reserves and debt financing.

In September 2014, FCL Treasury Pte. Ltd. (a wholly-owned subsidiary of the Company) (the "Issuer") and the Company successfully launched and issued an aggregate principal amount of S\$600 million subordinated perpetual capital securities (the "September Perpetual Capital Securities Offering"). TCCPL, as the lead anchor investor, subscribed for S\$250 million of the subordinated perpetual capital securities offered pursuant to the September Perpetual Capital Securities Offering.

The Company, through the Issuer, now proposes to undertake a further offering (the "Proposed Offering") of perpetual capital securities (the "Perpetual Capital Securities"). The Company intends to undertake the Proposed Offering to, *inter alia*, diversify its funding sources and to improve its gearing position pursuant to recent acquisitions, including the Proposed Acquisition.

To enhance the success of the Proposed Offering, TCCPL has once again expressed a willingness to subscribe for the Perpetual Capital Securities to be issued pursuant to the Proposed Offering as lead anchor investor to support the book-building activities, subject to a maximum subscription of 50.0% of the issue size of the Proposed Offering or S\$300 million in aggregate principal amount of Perpetual Capital Securities, whichever is lower (the "Relevant Perpetual Capital Securities"). No fee will be payable to TCCPL in respect of this arrangement.

In respect of the proposed placement and issue of the Perpetual Capital Securities to TCCPL:

- (a) the Issuer, being a subsidiary of the Company which is not listed on any stock exchange, is considered an "entity at risk" for the purposes of Chapter 9 of the Listing Manual; and
- (b) TCCPL is wholly-owned by Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, who are Controlling Shareholders. Accordingly, TCCPL is considered an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Accordingly, the proposed subscription by TCCPL for the Relevant Perpetual Capital Securities will constitute an "interested person transaction" under Chapter 9 of the Listing Manual (the "Proposed Interested Person Transaction").

Based on the latest audited consolidated financial statements of the Company for FY2013, the NTA of the Group was approximately S\$5.4 billion as at 30 September 2013. We understand that the aggregate value of the Proposed Interested Person Transaction and the other transactions entered into in the current financial year by the Issuer with TCCPL and the TCC Group (as defined in the Circular) may exceed 5.0% of the Group's latest audited NTA as at 30 September 2013. Accordingly, the Proposed Interested Person Transaction would be subject to Shareholders' approval.

The Company will issue a Circular, which will include a statement from its audit committee (the "Audit Committee") as to whether the Proposed Interested Person Transaction is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

2. TERMS OF REFERENCE

We have been appointed as the independent financial adviser to the Audit Committee and to the Independent Directors to support them in their process to ascertain whether the methods and procedures to be used for determining the salient terms and transaction pricing for the Proposed Interested Person Transaction are sufficient to ensure that the Proposed Interested Person Transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This letter, which sets out our evaluation for the Audit Committee and for the Independent Directors in respect of our engagement, is an integral part of the Circular.

We were neither a party to the negotiations entered into in relation to the Proposed Offering nor to deliberations in relation to the methods and procedures to be used by the Company to ensure that the Proposed Interested Person Transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Offering or the Proposed Interested Person Transaction. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion. The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of the Company. We do not express any view as to the price at which the Shares may trade upon completion of the Proposed Offering nor on the future value, financial performance or condition of the Company after the Proposed Offering. It is also not within our terms of reference to compare the merits of the Proposed Offering and the Proposed Interested Person Transaction to any alternative transactions that were or may have been available to the Company. Such comparison and consideration remain the responsibility of the Directors and their advisers.

In the course of our evaluation, we have held discussions with the management of the Company and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the Company. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information provided by the Company. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of the Company.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Shareholders should take note of any announcements relevant to their considerations of the Proposed Interested Person Transaction which may be released by the Company after the Latest Practicable Date.

Our opinion in relation to the Proposed Interested Person Transaction as set out in paragraph 5 of this letter should be considered in the context of the entirety of our advice. While a copy of this letter may be reproduced in the Circular, the Company may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As Shareholders will have different investment objectives, we advise the Independent Directors and the Audit Committee to recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

3. TERMS OF THE PERPETUAL CAPITAL SECURITIES

It is intended that the Proposed Offering will be made pursuant to the Issuer's S\$3.0 billion Multicurrency Debt Issuance Programme (guaranteed by the Company) (the "Programme"). Under the Programme, the Issuer may from time to time issue, *inter alia*, perpetual capital securities in Singapore dollars or any other currency as may be agreed between the relevant dealer(s) of the Programme and the Issuer. Such perpetual capital securities may be issued in various amounts and may bear distribution at a fixed or floating rate as may be agreed between the Issuer and the relevant dealer(s).

The indicative terms of the Perpetual Capital Securities to be issued pursuant to the Proposed Offering are set out as follows:

Issuer	:	FCL Treasury Pte. Ltd., a wholly-owned subsidiary of FCL.
Guarantor	:	The Company.
Issue Size	:	To be determined by the Company prior to the launch of the Proposed Offering, with the final issue size based on a book-building exercise undertaken by the lead manager(s).
Aggregate Principal Amount of Relevant Perpetual Capital Securities	:	Maximum subscription of 50.0% of the issue size of the Proposed Offering or S\$300 million in aggregate principal amount of Perpetual Capital Securities, whichever is lower.
Maturity Date	:	The Perpetual Capital Securities are perpetual securities in respect of which there is no fixed redemption date.
Distribution Rate	:	The distribution rate on the Perpetual Capital Securities (the "Distribution Rate") will be determined following a book-building exercise undertaken by the lead manager(s).
Frequency of Distributions	:	Distributions will be payable semi-annually in arrears and calculated on a fixed basis from the issue date of the Perpetual Capital Securities (the "Issue Date") to the First Reset Date (as defined below).
Reset Dates	:	<p>The "First Reset Date" shall be determined subsequently, but shall in any case be on the 3rd, 4th, 5th or 6th anniversary of the Issue Date.</p> <p>If the Perpetual Capital Securities are not redeemed by the Issuer by the First Reset Date, the Distribution Rate will be reset on the First Reset Date and reset again thereafter continuously after the lapse of every 3rd, 4th, 5th or 6th year period (as the case may be) to the swap offer rate or such other relevant rate to be specified in the applicable pricing supplement plus an initial spread to be determined plus the Step-up Margin (as defined below).</p>
Step-up Distribution Rate	:	<p>Should there be a Step-up Date (as defined below), the Distribution Rate shall be increased up to 2.0% (the "Step-Up Margin") from the Step-up Date in the event the Perpetual Capital Securities have not been redeemed by the Issuer by the Step-up Date.</p> <p>The "Step-up Date" (if any) shall be determined subsequently but shall in any case be the 6th, 8th, 10th or 12th anniversary of the Issue Date.</p>

The following redemption options are available under the Programme. Whether or not any of these options will apply to the Proposed Offering will depend on whether any such option will be specified to be applicable in the pricing supplement for the Proposed Offering.

Redemption at the Option of the Issuer	:	Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may at its option redeem all or (if so allowed under the pricing supplement) some of the Perpetual Capital Securities on the date(s) and at the redemption amount so specified in the pricing supplement.
Redemption for Accounting, Taxation or Tax Deductibility and in the case of Minimal Outstanding Amount	:	Should the terms of the Perpetual Capital Securities provide for such redemption, the Issuer may redeem the Perpetual Capital Securities in whole, but not in part, on any distribution payment date or (if so allowed under the pricing supplement) by giving appropriate notice for reasons of Accounting, Taxation or Tax Deductibility and in the case of Minimal Outstanding Amount. Please see Section C.3 of the Circular for further details of redemption terms for reasons of Accounting, Taxation or Tax Deductibility and in the case of Minimal Outstanding Amount.

The final terms of the Proposed Offering, including the Distribution Rate, the First Call Date, the First Reset Date and the Step-up Date, shall be determined following the launch of a book-building exercise undertaken by the lead manager(s) and will be subject to the advice of the lead manager(s). The management of the Company will work directly with the lead manager(s) to determine the structure and terms of the Proposed Offering. The time schedule, structure and terms of the Proposed Offering will take into account market conditions and other factors that the management of the Company and the lead manager(s) consider relevant.

As the subscription of the Relevant Perpetual Capital Securities by TCCPL will be subject to Shareholders' approval as required by Chapter 9 of the Listing Manual, the Proposed Offering is not scheduled to proceed any earlier than 12 November 2014, being the proposed date of the EGM.

4. OUR EVALUATION

In reaching our recommendation in respect of the Proposed Interested Person Transaction, we have given consideration to the following factors:

- (1) The rationale for the Proposed Offering and the Proposed Interested Person Transaction;
- (2) The methods and procedures to be used for determining the salient terms and transaction pricing for the Proposed Offering;
- (3) The terms of the Perpetual Capital Securities;
- (4) The pro forma effects of the Proposed Offering; and
- (5) Other considerations.

4.1 The rationale for the Proposed Offering and the Proposed Interested Person Transaction

The Company's rationale for and key benefits of the Proposed Offering and the Proposed Subscription for the Relevant Perpetual Capital Securities by TCCPL is set out in Section C.5 of the Circular. We have reproduced below excerpts:

5.1 The Proposed Offering

The Company intends to undertake the Proposed Offering to, inter alia, diversify its funding sources and to improve its gearing position pursuant to recent acquisitions, including the Proposed Acquisition.

The Proposed Acquisition is funded by, inter alia, a S\$1.8 billion five (5)-year fixed bullet term loan and internal resources. Please refer to Section B.7 of this Circular for details relating to the financing of the Proposed Acquisition.

The Company has considered various funding options and has determined that the Proposed Offering of Perpetual Capital Securities will best serve the needs of the Company for the following reasons:

- (a) the issue of the Perpetual Capital Securities will allow the Company to partially refinance the debt raised to fund the Proposed Acquisition and diversify its funding sources;*
- (b) as the Perpetual Capital Securities are treated as equity under generally accepted accounting principles, the issue of the Perpetual Capital Securities will strengthen the balance sheet of the Company by increasing equity, reducing leverage and therefore improving its capital position; and*
- (c) while a placement of new common equity or preference shares could achieve the objective of reducing the Company's leverage, the issue of the Perpetual Capital Securities is non-dilutive and its distributions provide for tax deductibility (subject to confirmation from the Inland Revenue Authority of Singapore).*

5.2 The Proposed Subscription for the Relevant Perpetual Capital Securities by TCCPL

To enhance the success of the Proposed Offering, TCCPL has expressed a willingness to subscribe for the Perpetual Capital Securities to be issued pursuant to the Proposed Offering, as lead anchor investor to support the book-building activities, subject to a maximum subscription of 50.0% of the issue size of the Proposed Offering or S\$300 million in aggregate principal amount of Perpetual Capital Securities, whichever is lower. No fee will be payable to TCCPL in respect of this arrangement."

4.2 Methods and procedures to be used for determining the salient terms and transaction pricing for the Proposed Offering

The management of the Company will work directly with the lead manager(s) to determine the structure and terms of the Proposed Offering. The time schedule, structure and terms of the Proposed Offering will take into account market conditions, and other factors that the management and the lead manager(s) consider relevant.

Prior to the launch of the Proposed Offering, the management of the Company will circulate a board paper to the Directors, which will comprise the indicative terms of the Proposed Offering, including, but not limited to, the distribution rate, the First Call Date, the First Reset Date and the Step-up Date. The board paper will also include an indicative term sheet provided by the lead manager(s).

Upon receipt of clearance by the Directors, the lead manager(s) will then engage with a range of third party investors to negotiate the detailed terms that will clear the market for the Proposed Offering.

Neither TCCPL nor any of its representatives will be directly involved in deliberations by the Directors or the price determination process outlined above.

It is the intention of the Company to accept the offer made by TCCPL to subscribe for the Proposed Offering as a lead anchor investor, for a maximum of 50.0% or S\$300 million in aggregate principal amount of the Perpetual Capital Securities to be issued under the Proposed Offering, whichever is lower.

This offer may be taken up by TCCPL taking up a maximum of 50.0% or S\$300 million in aggregate principal amount of the Perpetual Capital Securities to be issued pursuant to the Proposed Offering, whichever is lower, at the market clearing price derived from the book building exercise. TCCPL will acquire the Perpetual Capital Securities on the same terms and at the same price as other investors under the Proposed Offering.

We note that the support provided by TCCPL serves to increase investor demand for the issue size by up to 50.0% or S\$300 million in aggregate principal amount and thus should enable the lead manager(s) to achieve tighter pricing than would otherwise be the case through the book building exercise.

4.3 The terms of the Perpetual Capital Securities

The final terms of the Proposed Offering will be determined following the launch of a book-building exercise undertaken by the lead manager(s) and will be subject to the advice of the lead manager(s).

For the purpose of our analysis, we have benchmarked the indicative salient terms of the Perpetual Capital Securities with the relevant terms of all non-convertible perpetual securities listed on the SGX-ST as at the Latest Practicable Date (the “Selected Perpetual Securities Issues”).

There are a total of twenty-seven Selected Perpetual Securities Issues, including the September Perpetual Capital Securities. Of this number, eight Selected Perpetual Securities Issues are issued by entities whose principal activity is in real estate development and/or investment (namely the Issuer (a subsidiary of the Company), GLL IHT Pte Ltd (a subsidiary of Guocoland Limited), Mapletree Treasury Services Ltd (a subsidiary of Mapletree Investments Pte Ltd), Hotel Properties Ltd, Ascendas Pte Ltd, Mapletree Logistics Trust, Global Logistics Properties Ltd and Cheung Kong Bond Securities Ltd (a subsidiary of Cheung Kong (Holdings) Limited; together, the “RE Sector Perpetual Securities”).

In our analysis, we note that the circumstances, structure and pricing of each of the Selected Perpetual Securities Issues will depend on a number of factors such as the issuers’ business activities, scale of operations, risk profile, geographic spread of activities, track record, future prospects, existing capital structure and other relevant factors. Besides the issue of the September Perpetual Capital Securities Offering by the Issuer, none of the issuers of the Selected Perpetual Securities Issues are exactly comparable to the Company on the factors that impact structure and pricing. Accordingly, the Independent Directors and Audit Committee should note that the comparisons made below are for illustrative purposes and can serve only as a general guide.

Issuer Name	Business Overview	Issue Date	Amount Issued (\$ million)	Market Capitalisation (\$ million)	Enterprise Value (\$ million)	Net Debt/ Total Equity
FCL Treasury Pte. Ltd. ⁽²⁾	Wholly-owned subsidiary of the Company.	To be determined ⁽⁶⁾	To be determined ⁽⁶⁾	4,710.4	6,365.3	1.19 ⁽⁵⁾
FCL Treasury Pte. Ltd. ⁽²⁾	Wholly-owned subsidiary of the Company.	Sep-14	600	4,710.4	6,365.3	1.19 ⁽⁵⁾
Hyflux Ltd ("Hyflux")	Provider of integrated water management and environmental solutions with operations and projects worldwide.	Jul-14	175	824.6	2,184.5	1.16
Vibrant Group Ltd ("Vibrant")	Logistics, real estate and financial services group headquartered in Singapore.	Apr-14	100	268.8	525.2	0.35
Trafigura Beheer BV ("Trafigura")	Global company in international commodities trading and logistics.	Feb-14	200	N.A. ⁽¹⁾	N.A. ⁽¹⁾	N.A. ⁽¹⁾
DBS Group Holdings Ltd ("DBS") ⁽³⁾	Financial services group engaged in the provision of retail, small and medium-sized enterprise, corporate and investment banking services in Asia.	Dec-13	805	44,284.3	N.A. ⁽¹⁾	0.63
Sembcorp Industries Ltd ("Sembcorp")	Global provider of essential energy and water solutions to both industrial and municipal customers.	Aug-13	200	8,539.8	10,105.7	(0.05)
United Overseas Bank Ltd ⁽³⁾ ("UOB")	Financial services group engaged in consumer, corporate, transaction investment banking and other financial services in Singapore, Malaysia, Indonesia, Thailand and China.	Jul-13	850	34,989.9	N.A. ⁽¹⁾	0.73
GLL IHT Pte Ltd ⁽²⁾ ("GLL")	A subsidiary of Guocoland Limited, a property development, investment and management company in Singapore, China, Malaysia and Vietnam.	May-13	200	2,289.7	7,457.4	1.46
Swiber Holdings Ltd ("Swiber")	Global engineering, procurement, installation and construction services provider for the offshore oil and gas and marine industries.	Sep-12	80	242.3	1,436.2	0.93
Ezra Holdings Ltd ("Ezra")	Global offshore contractor and provider of integrated offshore solutions for the oil and gas industry.	Sep-12	150	748.8	2,663.1	0.98

Issuer Name	Business Overview	Issue Date	Amount Issued (\$ million)	Market Capitalisation (\$ million)	Enterprise Value (\$ million)	Net Debt/ Total Equity
Ezion Holdings Ltd ("Ezion")	Provider of offshore logistic support vessels services and liftboats and jack-up rigs services for offshore oil and gas industry in Asia and Middle East.	Sep-12	125	2,320.0	3,791.3	1.15
Mapletree Treasury Services Ltd ⁽⁹⁾ ("Mapletree Treasury")	A subsidiary of Mapletree Investments Pte Ltd, an Asia-focused real estate development, investment and capital management company headquartered in Singapore.	Jul-12	600	N.A. ⁽¹⁾	N.A. ⁽¹⁾	N.A. ⁽¹⁾
Overseas Chinese Banking Corporation ("OCBC")	Financial services group engaged in banking, life assurance, general insurance, asset management, investment holding, futures and stock broking in Singapore and Greater China.	Jul-12	1,000	38,081.9	N.A. ⁽¹⁾	1.03
Hotel Properties Ltd ("HPL")	Incorporated in Singapore, engaged in hotel ownership, management and operation, property development and investment holding.	May-12	150	2,076.3	3,269.0	0.52
Ascendas Pte Ltd ("Ascendas")	Provider of business space solutions based in Singapore.	Apr-12	300	N.A. ⁽¹⁾	N.A. ⁽¹⁾	N.A. ⁽¹⁾
Genting Singapore PLC ("Genting")	Gaming and integrated resort developer in Australia, the Bahamas, Malaysia, the Philippines, Singapore and the United Kingdom.	Apr-12	500	13,041.6	12,740.9	(0.15)
Mapletree Logistics Trust ("Mapletree Logistics")	A subsidiary of Mapletree Investments Pte Ltd, described as above.	Mar-12	350	2,930.2	4,639.8	0.49
Singapore Post Ltd ("Sing Post")	Provider of an integrated suite of mail, logistics and retail solutions in Singapore and the Asia Pacific region.	Mar-12	350	3,872.2	4,007.7	(0.24)
Olam International Ltd ("Olam")	Engaged in sourcing, processing, packaging and merchandising of agricultural products with operations in 65 countries.	Mar-12	275	5,076.7	13,086.1	1.84
Global Logistic Properties Ltd ("GLP")	Provider of modern logistics facilities in China, Japan and Brazil.	Dec-11	750	12,824.1	17,493.3	0.11

Issuer Name	Business Overview	Issue Date	Amount Issued (\$ million)	Market Capitalisation (\$ million)	Enterprise Value (\$ million)	Net Debt/ Total Equity
Cheung Kong Bond Securities Ltd ⁽²⁾	A subsidiary of Cheung Kong (Holdings) Limited, engaged in property development, life sciences and other investment activities globally.	Sep-11	730	49,862.4	52,730.0	0.02
OCBC Capital Corp 2008 ^{(2) (3)}	A subsidiary of OCBC, described as above	Aug-08	1,500	38,081.9	N.A. ⁽¹⁾	1.03
Malayan Banking Bhd ⁽³⁾ ("Maybank")	Financial services group engaged in the commercial banking and related financial services in Malaysia, Singapore, Indonesia and the Philippines.	Aug-08	600	34,144.2	N.A. ⁽¹⁾	0.38
DBS Capital Funding II Corporation ^{(2) (3)}	A subsidiary of DBS, described as above.	May-08	1,500	44,284.3	N.A. ⁽¹⁾	0.63
	High		1,800	49,862.4	52,730.0	1.84
	Low		80	242.3	525.2	(0.24)
	Median⁽⁴⁾		350	4,710.4	4,639.8	0.63
	Average⁽⁴⁾		540	13,743.6	9,499.7	0.65
	Median : RE Sector Perpetual Securities		475	3,820.3	6,911.4	0.51
	Average : RE Sector Perpetual Securities		460	12,448.8	15,325.8	0.63

Source: Announcements, circulars and information memorandums of the issuers of the selected perpetual securities and Bloomberg.

Notes:

- (1) N.A. refers to not available.
- (2) The parent company is the guarantor for the perpetual securities issued by these entities.
- (3) The definition of debt used for calculation of the ratios for these financial institutions is the sum of their short-term and long-term borrowings.
- (4) Issuers that have issued more than one perpetual security have been considered once for the purpose of computation of the median and average market capitalisation, enterprise value and the ratio net debt to total equity ratio.
- (5) Pro forma net debt to total equity Pre-Proposed Offering and Post-Proposed Acquisition as set out in Section C.5.1 of the Circular.
- (6) The time schedule of the Proposed Offering will be determined based on discussions between the management of the Company and the lead managers(s) and following the launch of a book-building exercise undertaken by the lead manager(s).

Based on the table above, we note the following:

- (i) The Selected Perpetual Securities Issues were issued between May 2008 and September 2014;
- (ii) The median market capitalisation of the issuers or their guarantors is S\$4.7 billion, which is in line with the market capitalisation of S\$4.7 billion of the Company; and
- (iii) The median and average ratios of net debt to total equity of all issuers are 0.63 and 0.65 respectively, which are lower than the pro forma historical equivalent ratio of 1.19 for the Company.

In the table below, we benchmark the distribution rate, yield to call, yield to maturity, call date and reset frequency of the Perpetual Capital Securities and the Selected Perpetual Securities Issues.

Issuer Name	Issue Date	Amount Issued (\$ million)	Distribution Rate	Yield to Call ⁽³⁾	Yield to Maturity ⁽³⁾	Period Between Issue Date and First Call Date (Years)	Reset Frequency (Years)
FCL Treasury Pte. Ltd⁽²⁾			To be determined by the Company prior to the launch of the Proposed Offering⁽⁵⁾				3 to 6 Years from Issue Date
FCL Treasury Pte. Ltd. ⁽²⁾	Sep-14	600	4.9	4.9	5.7	5.0	5.0
Hyflux	Jul-14	175	4.8	5.4	6.1	2.0	2.0
Vibrant	Apr-14	100	7.4	7.3	10.0	2.5	3.0 ⁽⁴⁾
Trafigura	Feb-14	200	7.5	6.7	8.3	5.0	5.0
Hyflux	Jan-14	300	5.8	5.5	6.6	3.0	3.0
DBS	Dec-13	805	4.7	3.7	5.4	5.5	5.0
Sembcorp	Aug-13	200	5.0	3.8	5.4	5.0	10.0
UOB	Jul-13	850	4.9	3.7	5.7	5.0	5.0
GLL ⁽²⁾	May-13	200	4.7	4.4	7.5	3.0	3.0
Swiber	Sep-12	80	9.8	9.5	14.4	3.0	3.0
Ezra	Sep-12	150	8.8	8.8	13.5	3.0	3.0
Ezion	Sep-12	125	7.8	4.5	12.2	3.0	3.0
Mapletree Treasury	Jul-12	600	5.1	3.9	6.3	5.0	10.0
OCBC	Jul-12	1,000	4.0	3.6	3.9	6.0	N.A. ⁽¹⁾
HPL	May-12	150	6.1	5.1	8.2	5.0	5.0
Ascendas	Apr-12	300	4.8	3.4	6.8	5.0	5.0
Genting	Apr-12	500	5.1	5.5	5.8	5.5	One-time reset in October 2022
Mapletree Logistics	Mar-12	350	5.4	3.6	6.5	5.5	5.0 ⁽⁴⁾
Genting	Mar-12	1,800	5.1	5.8	5.8	5.5	One-time reset in September 2022
Sing Post	Mar-12	350	4.3	3.7	5.6	10.0	10.0
Olam	Mar-12	275	7.0	5.4	7.9	5.0	10.0
GLP	Dec-11	750	5.5	3.8	6.7	5.3	5.0 ⁽⁴⁾
Cheung Kong Bond Securities Ltd ⁽²⁾	Sep-11	730	5.1	7.0	5.3	4.0	No reset
Hyflux	Apr-11	400	6.0	5.0	7.3	7.0	One-time reset on April 2018

Issuer Name	Issue Date	Amount Issued (\$ million)	Distribution Rate	Yield to Call ⁽³⁾	Yield to Maturity ⁽³⁾	Period Between Issue Date and First Call Date (Years)	Reset Frequency (Years)
OCBC Capital Corp 2008 ⁽²⁾	Aug-08	1,500	5.1	3.7	5.0	10.0	Reset in September 2018 and thereafter quarterly
Maybank	Aug-08	600	6.0	3.9	5.7	10.0	Reset in August 2018 and thereafter quarterly
DBS Capital Funding II Corporation ⁽²⁾	May-08	1,500	5.8	3.4	5.7	10.0	Reset in June 2018 and thereafter quarterly
	High⁽⁶⁾	1,800	9.8	9.5	14.4	10.0	
	Low⁽⁶⁾	80	4.0	3.4	3.9	2.0	
	Median⁽⁶⁾	350	5.3	4.4	6.4	5.0	
	Average⁽⁶⁾	538	5.8	5.0	7.2	5.4	
	Median : RE Sector Perpetual Securities⁽⁶⁾	350	5.1	3.9	6.7	5.0	
	Average : RE Sector Perpetual Securities⁽⁶⁾	440	5.2	4.5	6.8	4.8	

Source: Announcements, circulars and information memorandums of the issuers of the selected perpetual securities and Bloomberg.

Notes:

- (1) N.A. refers to not available.
- (2) The parent company is the guarantor for the perpetual securities issued by these entities.
- (3) Yield to call and yield to maturity reflect the yields as at close of trading on the Latest Practicable Date.
- (4) First reset date for Vibrant Group Ltd is in October 2017; Mapletree Logistics Trust is in September 2017 and Global Logistics Properties is in April 2017.
- (5) The time schedule, size, structure and terms of the Proposed Offering, will be determined based on discussions between the management of the Company and the lead managers(s) and following the launch of a book-building exercise undertaken by the lead manager(s).
- (6) The computation does not include the September Perpetual Capital Securities.

Based on the table above, we note the following:

In respect of the Perpetual Capital Securities

- (i) The reset frequency for the Perpetual Capital Securities of 3 to 6 years after the Issue Date is broadly in line with the relevant comparable frequency for the RE Sector Perpetual Securities of between 3 to 10 years.

In respect of the September Perpetual Capital Securities

- (i) The initial distribution rate of the September Perpetual Capital Securities of 4.9% is lower than the average initial distribution rates of both the Selected Perpetual Securities Issues and the RE Sector Perpetual Securities of 5.8% and 5.2% respectively;

- (ii) The yield to call of the September Perpetual Capital Securities of 4.9% is broadly in line with the average yield to call rates of 5.0% of the Selected Perpetual Securities Issues and marginally higher than the average yield to call rates of the RE Sector Perpetual Securities of 4.5%;
- (iii) The yield to maturity of the September Perpetual Capital Securities of 5.7% is lower than the average yield to maturity of both the Selected Perpetual Securities Issues and the RE Sector Perpetual Securities of 7.2% and 6.8% respectively; and
- (iv) The period between Issue Date and First Call Date of 5 years for the September Perpetual Capital Securities is in line with the average of the relevant comparable periods of 5.4 years for the Selected Perpetual Securities and 4.8 years for the RE Sector Perpetual Securities.

4.4 The pro forma effects of the Proposed Offering

The pro forma effects of the Proposed Offering and the Proposed Acquisition on the Company, together with the assumptions used in preparation of the financial effects, are set out in Section C.5.1 of the Circular. In preparation of the pro forma effects of the Proposed Offering it has been assumed that the offering size will be S\$600 million and the distribution rate for the Proposed Offering is the same as that of the September Perpetual Capital Securities. Shareholders are advised to read the assumptions used in preparation of the pro forma effects in Section C.5.1 of the Circular. Based on the information set out, we note the following:

- (i) Following the Proposed Offering and the Proposed Acquisition, the Company's net debt to total equity would improve to 0.83 as compared to 1.19 prior to the Proposed Offering; and
- (ii) The Group's EPS would decline marginally from 15.8 cents to 14.4 cents following the Proposed Offering and the Proposed Acquisition due to distributions payable under the perpetual capital securities.

4.5 Other considerations

Impact of Deferral of Distribution

As stated in paragraph 3 of this letter, the final terms of the Proposed Offering will be determined following the launch of a book-building exercise undertaken by the lead manager(s) and will be subject to the advice of the lead manager(s).

Based on our analysis of the Selected Perpetual Securities Issues, we note that it is typical that the issuer of the perpetual capital security has the discretion to elect to defer any distribution by giving the requisite notice to holders of the securities. Should an issuer elect to defer distributions, the issuer and/or the guarantor faces certain restrictions on the declaration and payment of dividends and distributions, as well as the redemption, cancellation or buy-back of junior securities or parity securities.

The Perpetual Capital Securities may also include a provision whereby the Issuer has the sole discretion to elect to defer any distribution by giving the requisite notice to holders of the securities. Should the Issuer elect to defer any distribution payable under the Perpetual Capital Securities, the Company would face certain restrictions on the declaration and payment of dividends and distributions, as well as the redemption, cancellation or buy-back of Junior Securities or Parity Securities.

5. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Proposed Interested Person Transaction:

- (a) The rationale for the Proposed Offering and the Proposed Interested Person Transaction;
- (b) The methods and procedures to be used for determining the salient terms and transaction pricing for the Proposed Offering;
- (c) The reset frequency for the Perpetual Capital Securities of 3 to 6 years after the Issue Date is broadly in line with the relevant comparable frequency for the RE Sector Perpetual Securities of between 3 to 10 years;
- (d) The salient terms of the September Perpetual Capital Securities (including, but not limited to, the distribution rate, the yield to call, the yield to maturity and the callable period) are generally in line with or lower than the comparable terms of both the Selected Perpetual Securities Issues and of the RE Sector Perpetual Securities;
- (e) Following the Proposed Offering and the Proposed Acquisition, the Company's net debt to total equity would improve to 0.83, as compared to 1.19 prior to the Proposed Offering; and
- (f) The implications of the deferral of distributions payable under the Perpetual Capital Securities by the Issuer on the rights of the Shareholders and the prevalence of similar arrangements in respect of the Selected Perpetual Securities Issues.

Having considered the above and based upon our evaluation of the methods and procedures to be used for determining the salient terms and transaction pricing for the Proposed Interested Person Transaction and subject to the qualifications made in this letter, we are of the opinion that the methods and procedures to be used for determining the terms and pricing of the Proposed Interested Person Transaction as set out in Section C.3 of the Circular and paragraph 4.2 of this letter, if adhered to, are sufficient to ensure that the Proposed Interested Person Transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our recommendation is addressed to the Independent Directors and the Audit Committee for their benefit, in connection with and for the purposes of their consideration of the Proposed Interested Person Transaction. Any recommendations made by the Independent Directors or the Audit Committee in respect of the Proposed Interested Person Transaction shall remain their responsibility.

Our recommendation is governed by 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

Deloitte & Touche Corporate Finance Pte Ltd

Jeff Pirie

Executive Director

ANNEX II

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Name of Director	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Charoen Sirivadhanabhakdi	–	–	2,541,007,768	87.93
Khunying Wanna Sirivadhanabhakdi	–	–	2,541,007,768	87.93

The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are as follows:

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Charoen Sirivadhanabhakdi	–	–	2,541,007,768	87.93
Khunying Wanna Sirivadhanabhakdi	–	–	2,541,007,768	87.93
InterBev Investment Limited	824,847,644	28.54	–	–
International Beverage Holdings Limited	–	–	824,847,644	28.54
Thai Beverage Public Company Limited	–	–	824,847,644	28.54
TCC Assets Limited	1,716,160,124	59.39	–	–
Siriwana Company Limited	–	–	824,847,644	28.54
MM Group Limited	–	–	824,847,644	28.54
Maxtop Management Corp.	–	–	824,847,644	28.54
Risen Mark Enterprise Ltd.	–	–	824,847,644	28.54
Golden Capital (Singapore) Limited	–	–	824,847,644	28.54

FRASERS CENTREPOINT LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Frasers Centrepoint Limited (the “**Company**” or “**FCL**”) will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 12 November 2014 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1 – THE PROPOSED ACQUISITION OF AUSTRALAND PROPERTY GROUP

THAT pursuant to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), retroactive approval be and is hereby given for:

- (a) the Proposed Acquisition (as described in this circular to the shareholders of FCL dated 27 October 2014 (the “**Shareholders’ Circular**”)), which involves the acquisition of up to 100% of the Australand Securities (as defined in the Shareholders’ Circular) via an off-market takeover offer for cash consideration of A\$4.48 per Australand Security (as defined in the Shareholders’ Circular), further details of which are set out in the Shareholders’ Circular; and
- (b) the directors of the Company (or any of them) to complete and do all such acts and things (including without limitation to execute all such deeds and documents and release all relevant announcements) and to approve any amendments, alterations or modifications thereto, as they or any of them may consider necessary, desirable or expedient to give effect to the Proposed Acquisition, this Ordinary Resolution and the transactions contemplated thereunder.

ORDINARY RESOLUTION 2 – THE PROPOSED ISSUE AND PLACEMENT OF PERPETUAL CAPITAL SECURITIES TO TCC PROSPERITY LIMITED AS AN INTERESTED PERSON TRANSACTION

THAT pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for:

- (a) the Proposed Interested Person Transaction (as described in the Shareholders’ Circular), which involves the subscription by TCC Prosperity Limited of up to 50.0% or S\$300 million in principal amount of the Perpetual Capital Securities (as defined in the Shareholders’ Circular) to be offered pursuant to the Proposed Offering (as defined in the Shareholders’ Circular), whichever is lower, further details of which are set out in the Shareholders’ Circular; and
- (b) the directors of the Company (or any of them) to complete and do all such acts and things (including without limitation to execute all such deeds and documents and release all relevant announcements) and to approve any amendments, alterations or modifications thereto, as they or any of them may consider necessary, desirable or expedient to give effect to the Proposed Interested Person Transaction, this Ordinary Resolution and the transactions contemplated thereunder.

By Order of the Board

Piya Treuangrachada
Company Secretary

27 October 2014

FRASERS CENTREPOINT LIMITED

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

IMPORTANT:

1. For investors who have used their CPF monies to buy FRASERS CENTREPOINT LIMITED shares, 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 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.

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 ("EGM") of the Company to be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 12 November 2014 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions as set out in the Notice of EGM. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, my/our proxy/proxies will vote or abstain from voting at his/their discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

NOTE: The Chairman of the EGM 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 Resolutions to be put to the vote at the EGM and at any adjournment thereof. Accordingly, the Ordinary Resolutions at the EGM will be voted on by way of poll.

(Please indicate your vote "For" or "Against" with an "X" within the box provided.)

Ordinary Resolutions	For	Against
To retroactively approve the Proposed Acquisition of Australand Property Group		
To approve the Proposed Issue and Placement of Perpetual Capital Securities to TCC Prosperity Limited as an Interested Person Transaction		

Dated this _____ day of _____ 2014

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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 a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
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.
4. This proxy form 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 EGM.

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AFFIX
POSTAGE
STAMP

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

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5. 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 seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified true copy thereof must be lodged with the instrument.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM 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 EGM.
7. 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 EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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 Shares 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 EGM as certified by The Central Depository (Pte) Limited to the Company.
