CIRCULAR DATED 12 MAY 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the accuracy or correctness of any of the statements made, reports contained or opinions expressed in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

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

(1) THE PROPOSED REIT TRANSACTION AS AN INTERESTED PERSON TRANSACTION INVOLVING:

A. THE PROPOSED DIVESTMENT OF SERVICED RESIDENCES FROM FCL AND ITS SUBSIDIARIES TO FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST; AND

B. THE PROPOSED ENTRY INTO VARIOUS TRANSACTIONS BY FCL AND ITS SUBSIDIARIES IN CONNECTION WITH THE PROPOSED DIVESTMENT AND THE REIT TRANSACTION

(2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

Independent Financial Adviser to the Independent Directors and the Audit Committee

PricewaterhouseCoopers Corporate Finance Pte Ltd

IMPORTANT DATES AND TIMES

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<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last date and time for lodgement of Proxy Forms</td>
<td>26 May 2014 at 2.30 p.m.</td>
</tr>
<tr>
<td>Date and time of Extraordinary General Meeting</td>
<td>28 May 2014 at 2.30 p.m.</td>
</tr>
<tr>
<td>Place of Extraordinary General Meeting</td>
<td>Level 2, Alexandra Point</td>
</tr>
<tr>
<td></td>
<td>438 Alexandra Road</td>
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<tr>
<td></td>
<td>Singapore 119958</td>
</tr>
</tbody>
</table>
In this Circular, the following definitions apply throughout unless otherwise stated:

“ABS” : Asset-backed securitisation

“AGM” : Annual general meeting

“associate” : Has the meaning ascribed to it in the Listing Manual

“AUD”, “A$” and “Australian dollars” : The lawful currency of Australia

“Audit Committee” : The audit committee of the Company as at the date of this Circular, comprising Mr Charles Mak Ming Ying, Mr Sithichai Chaikriangkrai, Mr Philip Eng Heng Nee and Mr Wee Joo Yeow

“Authority” or “MAS” : The Monetary Authority of Singapore

“BCH Hotel Investment PL” : BCH Hotel Investment Pte Ltd

“Board” : The board of directors of FCL

“Business Trusts Act” : Business Trusts Act, Chapter 31A of Singapore

“Cash Equivalent Proceeds” : The cash equivalent component raised from the sale of the Serviced Residences, comprising units of Stapled Securities equivalent to approximately 22.0% of the total number of Stapled Securities to be issued by FHT

“Cash Proceeds” : The cash component raised from the sale of the Serviced Residences

“CBD” : Central business district

“CDP” : The Central Depository (Pte) Limited

“CEO” : Chief Executive Officer

“Companies Act” : The Companies Act, Chapter 50 of Singapore

“Company’s Listing” : The admission of the Company to the Official List of the SGX-ST

“Company’s Listing Date” : 9 January 2014

“controlling shareholder” : Has the meaning ascribed to it in the Listing Manual

“Corporate Guarantees” : Corporate guarantees granted by FCL (as guarantor) to FH-REIT or the relevant FH-REIT entity (as the case may be) in respect of each of the Master Lease and Tenancy Agreements

“Directors” : The directors of the Company

“EGM” : The extraordinary general meeting of the Company, notice of which is given on pages H-1 to H-2 of this Circular

“EPS” : Earnings per share

“F&N” : Fraser and Neave, Limited
GLOSSARY

"F&NHB" : Fraser & Neave Holdings Bhd

"FCL" or the "Company" : Frasers Centrepoint Limited

"FCL Centrepoint" : FCL Centrepoint Pte. Ltd.

"FCL Group" : FCL and its subsidiaries

"FCL ROFR" : The right of first refusal which will be granted by FCL to the REIT Trustee and the Trustee-Manager

"FF&E" : Furniture, fixtures and equipment

"FH-BT" : The proposed Frasers Hospitality Business Trust

"FH-BT Trust Deed" : The trust deed constituting FH-BT

"FH-BT Trust Property" : The Trust Property (as defined in the Business Trusts Act) of FH-BT

"FH-REIT" : The proposed Frasers Hospitality Real Estate Investment Trust

"FH-REIT Trust Deed" : The trust deed constituting FH-REIT

"FHT" : The proposed Frasers Hospitality Trust

"FHT London 1 Limited" : A wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 1 Limited, which will acquire the 75-year leasehold interest in FP Canary Wharf

"FHT London 2 Limited" : A wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 2 Limited, which will acquire the 75-year leasehold interest in FS Queens Gate

"FHT London 3 Limited" : A wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 3 Limited, which will acquire the 75-year leasehold interest in Park International London

"FHT London 4 Limited" : A wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 4 Limited, which will acquire the 75-year leasehold interest in Best Western Cromwell London

"FHT Scotland 1 Limited" : A wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT Scotland 1 Limited, which will acquire the 75-year leasehold interest in FS Edinburgh

"FHT Scotland 2 Limited" : A wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT Scotland 2 Limited, which will acquire the 75-year leasehold interest in FS Glasgow

"FHT Sydney Trust 1" : A proposed sub-trust of FH-REIT to be named FHT Sydney Trust 1, which will acquire the 75-year leasehold interest in FS Sydney

"FHT Sydney Trust 2" : A proposed sub-trust of FH-REIT to be named FHT Sydney Trust 2, which will acquire the 84-year leasehold interest in Novotel Rockford Darling Harbour

"FP Canary Wharf" : Fraser Place Canary Wharf
“FS Edinburgh” : Fraser Suites Edinburgh
“FS Glasgow” : Fraser Suites Glasgow
“FS Queens Gate” : Fraser Suites Queens Gate
“FS Singapore” : Fraser Suites Singapore
“FS Sydney” : Fraser Suites Sydney
“FY2013” : Financial year ended 30 September 2013
“General Transactions” : The general transactions with the Mandated Interested Persons under the IPT Mandate
“Golden Shower” : Golden Shower Development (PTC) Ltd
“Group” : For the purposes of the IPT Mandate,
(a) the Company;
(b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange;
(c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Company and its interested person(s), have control over the associated company
“Hotels” : The six hotels to be acquired by FH-REIT from the TCC Group, being collectively:
(a) InterContinental Singapore;
(b) Novotel Rockford Darling Harbour;
(c) Park International London;
(d) Best Western Cromwell London;
(e) ANA Crowne Plaza Kobe; and
(f) Westin Kuala Lumpur
“Housing Developers (Control and Licensing) Act” : Housing Developers (Control and Licensing) Act, Chapter 130 of Singapore
“IFA Letter” : The letter dated 12 May 2014 from the Independent Financial Adviser to the Independent Directors and the Audit Committee setting out its advice to the Independent Directors in respect of the Proposed REIT Transaction
“Independent Directors” : The independent directors of the Company as at the date of this Circular, being Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Wee Joo Yeow and Mr Weerawong Chittmittrapap
“Independent Financial Adviser” or “IFA” : The independent financial adviser to the Independent Directors and the Audit Committee in relation to the Proposed REIT Transaction, being PricewaterhouseCoopers Corporate Finance Pte Ltd
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<td>Knight Frank PL, Knight Frank and Savills</td>
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<td>“Initial Portfolio”</td>
<td>The initial portfolio of properties of FHT as at the Listing Date</td>
</tr>
<tr>
<td>“Interested Person”</td>
<td>Means: (a) a director, chief executive officer or controlling shareholder of a listed company; or (b) an associate of such director, chief executive officer or controlling shareholder</td>
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<td>“Interested Person Transaction”</td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
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<td>“Investment Management Agreements”</td>
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</tr>
<tr>
<td>“IPT Mandate”</td>
<td>The Company’s general mandate for Interested Person Transactions</td>
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<td>“JBB Hotels”</td>
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<td>“Listing”</td>
<td>The listing of FHT on the Main Board of the SGX-ST</td>
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<td>“Listing Date”</td>
<td>The date of listing of FHT on the Main Board of the SGX-ST</td>
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<td>“Listing Manual”</td>
<td>The Listing Manual of the SGX-ST</td>
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<td>“Malaysian SPV”</td>
<td>The special purpose vehicle to be incorporated in Malaysia under an ABS structure</td>
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<tr>
<td>“Mandated Interested Persons”</td>
<td>For the purposes of the IPT Mandate, Thai Beverage Public Company Limited, TCC Assets Limited, F&amp;N, the Directors and their respective associates</td>
</tr>
<tr>
<td>“Mandated Transactions”</td>
<td>The transactions to which the IPT Mandate applies</td>
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<td>“Master Lease Agreements”</td>
<td>The master lease agreements to be entered into between FH-REIT and/or its property-holding entities and the Master Lessees</td>
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<td>Collectively, (i) the Master Lease Agreements and (ii) the Tenancy Agreement</td>
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<tr>
<td>Master Lessees</td>
<td>The master lessees of the Initial Portfolio (excluding Westin Kuala Lumpur), being:</td>
</tr>
<tr>
<td></td>
<td>(a) BCH Hotel Investment PL;</td>
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<td></td>
<td>(b) RVAPL;</td>
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<td></td>
<td>(c) Golden Shower (as trustee of Viewgrand Trust C);</td>
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<td></td>
<td>(d) Frasers Town Hall Residence Operations Pty Ltd;</td>
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<td></td>
<td>(e) Fairdace Limited;</td>
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<td>(f) 39QGG Management Ltd;</td>
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<td></td>
<td>(g) Frasers St Giles Street Management Limited;</td>
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<td></td>
<td>(h) P I (UK); and</td>
</tr>
<tr>
<td></td>
<td>(i) Shinkobe Japan</td>
</tr>
<tr>
<td>Master Lessors</td>
<td>The master lessors of the Initial Portfolio, being FH-REIT and/or its property-holding entities</td>
</tr>
<tr>
<td>Minimum Aggregate Sale Consideration</td>
<td>The minimum aggregate sale consideration for the sale of the Serviced Residences</td>
</tr>
<tr>
<td>MIT Australia</td>
<td>A managed investment trust in Australia, proposed to be named FHT Australia Trust, which holds the units in the MIT Sub-trusts</td>
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<tr>
<td>MIT Manager</td>
<td>FHT Australia Management Pty Ltd</td>
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<td>MIT Sub-trusts</td>
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<td>MIT Sub-trustee</td>
<td>The Trust Company (PTAL) Limited (in its respective capacities as the trustee of the two underlying MIT Sub-trusts)</td>
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<tr>
<td>MIT Trust Deeds</td>
<td>Trust deeds to be executed by MIT Trustee (in its capacity as trustee of MIT Australia) or, as the case may be, MIT Sub-Trustee (in its respective capacities as the trustee of the two underlying MIT Sub-trusts)</td>
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<td>MIT Trustee</td>
<td>The Trust Company (Australia) Limited</td>
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<td>NLC</td>
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<td>NAV</td>
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<td>New FCL Subsidiaries</td>
<td>The two entities of the TCC Group Companies to be acquired by FCL and which will become wholly-owned subsidiaries of the FCL Group on the Listing Date, being:</td>
</tr>
<tr>
<td></td>
<td>(a) P I (UK); and</td>
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<tr>
<td></td>
<td>(b) Shinkobe Japan</td>
</tr>
</tbody>
</table>
GLOSSARY

“NTA”: Net tangible assets

“Offering”: The initial public offering of the Stapled Securities

“Ordinary Resolution”: A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Shareholders convened in accordance with the Company’s memorandum and articles of association

“P I (UK)”: P I Hotel Management Limited

“Proposed Disposal”: In relation to the FCL ROFR, means a disposal of interest in any Relevant Asset which is owned by the Relevant Entity

“Proposed Divestment”: The proposed grant of a 75-year leasehold interest in each of six serviced residences held by FCL (whether directly or indirectly through its subsidiaries) to FH-REIT, a proposed REIT which will form part of FHT, a proposed hospitality stapled group to be sponsored by FCL, on the terms and conditions set out in the REIT SPA and Lease Agreements

“Proposed REIT Transaction”: Collectively, the Proposed Divestment and the Proposed FCL Transactions

“Proposed FCL Transactions”: The proposed entry into transactions by FCL (whether directly or indirectly through its subsidiaries) and payment of all fees and expenses contemplated by the REIT SPA and Lease Agreements or are necessary to give effect to the REIT Transaction, including transactions which amount to Interested Person Transactions for the purposes of the Listing Manual as set out in Appendix E to this Circular

“Proposed Offer”: In relation to the FCL ROFR, means a proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity

“Registration Date”: The date of registration of the final prospectus of FHT with the MAS

“REIT”: Real estate investment trust

“REIT Manager”: FCL Pearl Pte. Ltd. (to be renamed), in its capacity as manager of FH-REIT

“REIT SPA and Lease Agreements”: Collectively, the

(a) conditional sale and purchase agreement between RVAPL, RVSCPL, RVTPL and the REIT Trustee, pursuant to which RVAPL, RVSCPL and RVTPL will grant a 75-year leasehold interest in FS Singapore to FH-REIT commencing from the Listing Date;

(b) conditional lease agreement between Frasers Town Hall Residences Pty Ltd and The Trust Company (PTAL) Limited, as trustee of FHT Sydney Trust 1, pursuant to which Frasers Town Hall Residences Pty Ltd will grant a 75-year leasehold interest in FS Sydney to FHT Sydney Trust 1 commencing from the Listing Date;

(c) conditional sale and purchase agreement between Fairdace Limited and FHT London 1 Limited, pursuant to which Fairdace Limited will grant a 75-year leasehold interest in FP Canary Wharf to FHT London 1 Limited commencing from the Listing Date;
(d) conditional sale and purchase agreement between Queensgate Garden (C.I.) Limited and FHT London 2 Limited, pursuant to which Queensgate Garden (C.I.) Limited will grant a 75-year leasehold interest in FS Queens Gate to FHT London 2 Limited commencing from the Listing Date;

(e) conditional sale and purchase agreement between Frasers (St Giles Street, Edinburgh) Limited and FHT Scotland 1 Limited, pursuant to which Frasers (St Giles Street, Edinburgh) Limited will grant a 75-year leasehold interest in FS Edinburgh to FHT Scotland 1 Limited commencing from the Listing Date; and

(f) conditional sale and purchase agreement between Fairdace Limited and FHT Scotland 2 Limited, pursuant to which Fairdace Limited will grant a 75-year leasehold interest in FS Glasgow to FHT Scotland 2 Limited commencing from the Listing Date

“REIT Trustee” : The Trust Company (Asia) Limited, in its capacity as trustee of FH-REIT

“Relevant Asset” : In relation to the FCL ROFR, means a completed income-producing real estate anywhere in the world except Thailand used primarily for hospitality purposes, whether wholly or partially, where real estate used for “hospitality” purposes includes hotels, serviced residences, resorts and other lodging facilities, and the term, “serviced residences”, means apartments with full or partial services

“Relevant Entity” : In relation to the FCL ROFR, means FCL or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by FCL

“Restricted Business” : In relation to the ROFR/RTP, means any opportunity whether by way of sale, investment or otherwise, in relation to:

(a) any completed income-producing residential, retail, office, business space and mixed use properties, hotels and serviced apartments located anywhere in the world except Thailand; and

(b) any development of residential, retail, office, business space or mixed use properties located anywhere in the world except Thailand, and the management of hotels and serviced apartments located anywhere in the world except Thailand

“ROFR” : Right of first refusal

“ROFR/RTP” : The ROFR and right to participate granted on 25 October 2013 in connection with the listing of FCL by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi

“RVAPL” : River Valley Apartments Pte Ltd

“RVSCPL” : River Valley Shopping Centre Pte Ltd

“RVTPL” : River Valley Tower Pte Ltd

“Savills” : Savills Advisory Services Limited
“Serviced Residences” : The serviced residences to be divested by members of the FCL Group to FH-REIT, being collectively:

(a) FS Singapore;
(b) FS Sydney;
(c) FP Canary Wharf;
(d) FS Queens Gate;
(e) FS Glasgow; and
(f) FS Edinburgh

“SGX-ST” : Singapore Exchange Securities Trading Limited

“Shareholders” : The shareholders of FCL

“Shares” : Shares in the share capital of the Company

“Shinkobe Japan” : K.K. Shinkobe Holding

“SPC” : In relation to the FCL ROFR, means any single purpose company, vehicle or entity

“SPV” : Special purpose vehicle

“Stapled Securities” : Stapled securities in FHT

“Summary Valuation Certificates” : The summary valuation certificates prepared by each of the Independent Valuers for the Proposed Divestment

“TBI” : Trust beneficiary interests

“TCC-FCL Agreement” : The agreement entered into between FCL, Mr Charoen Sirivadhanabhakdi, Khunying Wanna Sirivadhanabhakdi, the REIT Trustee and the Trustee-Manager to address the interaction between the ROFR and the right to participate granted on 25 October 2013 by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi to FCL in connection with the Company’s Listing

“TCC Entities” : The four entities of the TCC Group Companies which will be acquired by FCL post-Listing, being:

(a) BCH Hotel Investment PL;
(b) JBB Hotels;
(c) Viewgrand Trust C; and
(d) Golden Shower

“TCC Group” : The companies and entities in the Thai Charoen Corporation Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi

“TCC Group Companies” : TCC Group and its associates
GLOSSARY

“TCC ROFR” : The right of first refusal which will be granted by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi to the REIT Trustee and the Trustee-Manager

“Tenancy Agreement” : The tenancy agreement to be entered into between the Malaysian SPV and the Tenant

“Tenant” : The tenant of Westin Kuala Lumpur, JBB Hotels

“Top-Up Deed” : The top-up deed to be entered into between RVAPL and FH-REIT in relation to the REIT SPA and Lease Agreement in respect of FS Singapore

“Trustee-Manager” : FCL Quartz Pte. Ltd. (to be renamed), in its capacity as trustee-manager of FH-BT


“Vacaron Joint Venture Transactions” : The transactions undertaken pursuant to the joint venture between FCL Centrepoint and F&NHB

“%” or “per cent.” : Per centum or percentage

“$”, “S$” and “cents”: The lawful currency of the Republic of Singapore

“£”, “GBP” and “Pound Sterling” : The lawful currency of the United Kingdom

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

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

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

BOARD OF DIRECTORS : Charoen Sirivadhanabhakdi (Non-Executive and Non-Independent Chairman)

Khunying Wanna Sirivadhanabhakdi (Non-Executive and Non-Independent Vice Chairman)

Charles Mak Ming Ying (Non-Executive and Independent Director)

Chan Heng Wing (Non-Executive and Independent Director)

Philip Eng Heng Nee (Non-Executive and Independent Director)

Wee Joo Yeow (Non-Executive and Independent Director)

Weerawong Chittmittrapap (Non-Executive and Independent Director)

Chotiphat Bijananda (Non-Executive and Non-Independent Director)

Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director)

Sithichai Chaikriangkrai (Non-Executive and Non-Independent Director)

COMPANY SECRETARIES : Anthony Cheong Fook Seng
Piya Treruangrachada

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS : 438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

SHARE REGISTRAR : Tricor Barbinder Share Registration Services
80 Robinson Road, #02-00
Singapore 068898

LEGAL ADVISER TO THE COMPANY : Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

INDEPENDENT FINANCIAL ADVISER : PricewaterhouseCoopers Corporate Finance Pte Ltd
8 Cross Street
#17-00, PWC Building
Singapore 048424

INDEPENDENT AUDITOR : Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay North Tower, Level 18
Singapore 048583
CORPORATE INFORMATION

INDEPENDENT VALUERS FOR THE PROPOSED DIVESTMENT:

Knight Frank Pte Ltd
16 Raffles Quay, #30-01
Hong Leong Building
Singapore 048581

Knight Frank Valuations
Level 18, Angel Place
123 Pitt Street
Sydney NSW 2000

Savills Advisory Services Limited
33 Margaret Street
London W1G OJD
OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages ii to x of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

INTRODUCTION

Listed on the Main Board of the SGX-ST on 9 January 2014, the Company is a full-fledged international real estate company. FCL is headquartered in Singapore and its principal activities are property development, investment and management of commercial property, serviced residences and property trusts. The FCL group’s property portfolio comprises properties located in Singapore and overseas, ranging from residential and commercial developments to shopping malls, serviced residences and office and business space properties, as represented by the following four lead brands/divisions, namely Frasers Centrepoint Homes (for Singapore residential development properties), Frasers Property (for overseas development properties), Frasers Centrepoint Commercial (for shopping malls, office and business space properties) and Frasers Hospitality (for serviced residences). Frasers Hospitality has interests in and/or manages serviced residences under the branded lifestyle offerings of Fraser Suites, Fraser Place, Fraser Residence, Modena by Fraser and Capri by Fraser, offering, as at 30 September 2013, about 8,000 apartments in over 30 cities.

OVERVIEW

The Company seeks the approval of the shareholders of the Company (the “Shareholders”) in relation to the following resolutions:

(a) Resolution 1 (Ordinary Resolution¹): The Proposed REIT Transaction (as defined herein) as an Interested Person Transaction, involving

(i) the Proposed Divestment (as defined herein); and

(ii) the Proposed FCL Transactions (as defined herein);

(b) Resolution 2 (Ordinary Resolution): The Proposed Renewal of the Shareholders’ Mandate for Interested Person Transactions.

By approving Resolution 1, Shareholders are deemed to have specifically approved the proposed establishment of Frasers Hospitality Trust (“FHT”) (comprising the proposed Frasers Hospitality Real Estate Investment Trust (“FH-REIT”) and the proposed Frasers Hospitality Business Trust (“FH-BT”)), the Proposed Divestment, the Proposed FCL Transactions and the entry into all agreements in connection therewith (including but not limited to the FCL ROFR and the TCC-FCL Agreement (each as defined herein), the REIT SPA and Lease Agreements (as defined herein), the Master Lease and Tenancy Agreements (as defined herein) and all ancillary agreements contemplated thereby or incidental thereto, including agreements relating to transactions which amount to Interested Person Transactions² as set out in Appendix E to this Circular to be entered into in connection with the REIT Transaction).

¹ “Ordinary Resolution” means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Shareholders convened in accordance with the Company’s memorandum and articles of association.

² “Interested Person Transaction” has the meaning ascribed to it in the Listing Manual of the SGX-ST (the “Listing Manual”).
SUMMARY OF THE PROPOSED TRANSACTIONS

Resolution 1: The Proposed REIT Transaction

FCL is seeking the approval of the Shareholders to carry out the following transaction (the “Proposed REIT Transaction”):

(i) the proposed grant of a 75-year leasehold interest in each of six serviced residences held by FCL (whether directly or indirectly through its subsidiaries), to FH-REIT, a proposed real estate investment trust which will form part of FHT, a proposed hospitality stapled group to be sponsored by FCL, on the terms and conditions set out in the REIT SPA and Lease Agreements (the “Proposed Divestment”); and

(ii) the proposed entry into transactions by FCL (whether directly or indirectly through its subsidiaries) and payment of all fees and expenses contemplated by the REIT SPA and Lease Agreements or are necessary to give effect to the REIT Transaction, including transactions which amount to Interested Person Transactions as set out in Appendix E to this Circular (the “Proposed FCL Transactions”).

FCL currently expects to hold, either directly or indirectly, approximately 22.0% of the stapled securities in FHT (the “Stapled Securities”) at the completion of the initial public offering of the Stapled Securities (the “Offering”). FHT has, on 12 March 2014, received a letter of eligibility from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST for (i) up to 500,000,000 Stapled Securities and (ii) Stapled Securities which will be issued from time to time in full or part payment of fees payable to FCL Pearl Pte. Ltd. (to be renamed) (the “REIT Manager”), FCL Quartz Pte. Ltd. (to be renamed) (the “Trustee-Manager”) and the operators of the Serviced Residences (as defined herein). FHT’s eligibility to list on the Main Board of the SGX-ST does not indicate the merits of the Offering, FHT, FH-REIT, FH-BT, the REIT Manager, The Trust Company (Asia) Limited (the “REIT Trustee”), the Trustee-Manager, FCL (in its capacity as sponsor to FHT), the joint global coordinators to the Offering, the joint bookrunners to the Offering or the Stapled Securities. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, FHT, FH-REIT, FH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager or the Stapled Securities. The Offering is still pending the necessary regulatory approvals from the Monetary Authority of Singapore (the “Authority” or “MAS”).

For the avoidance of doubt, the actual completion of the REIT Transaction shall be conditional upon the completion of the Offering. In the event that the Offering is not completed, the REIT Transaction will not take place.

In the meantime, Shareholders are advised to refrain from taking any action in respect of their shares in the Company (“Shares”) which may be prejudicial to their interests and to exercise caution when dealing with the Shares. In the event that Shareholders wish to deal in the Shares, they should seek their own advice and/or consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

FHT is a proposed hospitality stapled group to be sponsored by FCL, and comprises FH-REIT and FH-BT. FH-REIT is a Singapore-based real estate investment trust (“REIT”) established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. FH-BT is a Singapore-based business trust which will be dormant as at the date of listing of FHT on the Main Board of the SGX-ST (the “Listing”, and the date of Listing, the “Listing Date”).

As used in this Circular, real estate used for “hospitality” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “serviced residences” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act, Chapter 130 of Singapore (the “Housing Developers (Control and Licensing Act)”) and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residences.
The initial portfolio of properties of FHT as at the Listing Date (the “Initial Portfolio”) is expected to comprise of six hotels and six serviced residences across Singapore, Australia, the United Kingdom, Japan and Malaysia that will be injected into FHT by the TCC Group (as defined herein) and FCL. Certain information on the properties expected to comprise the Initial Portfolio is set out in Appendix A to this Circular.

**Overview of the Proposed Divestment**

Under the Proposed Divestment, the relevant members of FCL and its subsidiaries (the “FCL Group”) will grant leasehold interests over six serviced residences to FH-REIT, as follows:

A 75-year leasehold interest in each of:

(i) Fraser Suites Singapore (“FS Singapore”);
(ii) Fraser Suites Sydney (“FS Sydney”);
(iii) Fraser Place Canary Wharf (“FP Canary Wharf”); 
(iv) Fraser Suites Queens Gate (“FS Queens Gate”);
(v) Fraser Suites Glasgow (“FS Glasgow”); and
(vi) Fraser Suites Edinburgh (“FS Edinburgh”),
(collectively, the “Serviced Residences”)

each commencing from the Listing Date. Under the Proposed Divestment, only a specified 75-year leasehold interest in each of the Serviced Residences (and not the entire interests of the relevant members of the FCL Group in the Serviced Residences) will be sold to FH-REIT. Upon the expiry of FH-REIT’s leasehold term in the Serviced Residences, title to the Serviced Residences will revert back to the FCL Group without any payment to be made by the FCL Group to FH-REIT1. The freehold and leasehold interests currently owned by the FCL Group in the Serviced Residences are set out in Appendix B to this Circular.

Knight Frank Pte Ltd (“Knight Frank PL”), Knight Frank Valuations (“Knight Frank”) and Savills Advisory Services Limited (“Savills”) have been appointed by the Company as the independent valuers for the Proposed Divestment (collectively, the “Independent Valuers for the Proposed Divestment”). The following table sets out the appraised values and methods adopted by the Independent Valuers for the Proposed Divestment as at 31 December 2013 for each of the Serviced Residences, on a 75-year leasehold basis:

<table>
<thead>
<tr>
<th>Property</th>
<th>Independent Valuer for the Proposed Divestment</th>
<th>Valuation Method</th>
<th>Adopted Value (S$ ‘m)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS Singapore</td>
<td>Knight Frank PL</td>
<td>Capitalisation Method Discounted Cash Flow Method</td>
<td>303.0</td>
</tr>
<tr>
<td>FS Sydney</td>
<td>Knight Frank</td>
<td>Direct Comparison Method</td>
<td>118.4</td>
</tr>
<tr>
<td>FP Canary Wharf</td>
<td>Savills</td>
<td>Discounted Cash Flow Method</td>
<td>62.5</td>
</tr>
<tr>
<td>FS Queens Gate</td>
<td>Savills</td>
<td>Discounted Cash Flow Method</td>
<td>96.3</td>
</tr>
<tr>
<td>FS Glasgow</td>
<td>Savills</td>
<td>Discounted Cash Flow Method</td>
<td>17.5</td>
</tr>
<tr>
<td>FS Edinburgh</td>
<td>Savills</td>
<td>Discounted Cash Flow Method</td>
<td>22.7</td>
</tr>
</tbody>
</table>

1 If FHT transfers the 75-year leasehold interests to another entity before expiry of the 75-year leasehold interest, the transferee will then own the remaining unexpired 75-year leasehold and title to the Serviced Residences after expiry of the said 75-year leasehold interest will revert back to the FCL Group.

2 The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD: 1 SGD and 0.4754 GBP: 1 SGD as at the Latest Practicable Date.
The FCL Group will receive the consideration for the sale of the Serviced Residences in a combination of cash and Stapled Securities. FCL wholly-owns each of the REIT Manager and the Trustee-Manager. With effect from the Listing Date, FCL will also grant a right of first refusal to the REIT Trustee and the Trustee-Manager (the “FCL ROFR”) over any future sales by a Relevant Entity (as defined herein) of income-producing real estate located anywhere in the world except Thailand, which are primarily used for hospitality purposes, subject to certain terms and conditions.

(See paragraph 3 (Details of the Proposed Divestment) of the Letter to Shareholders for further details on the Proposed Divestment.)

Overview of the Proposed FCL Transactions

FH-REIT will also acquire the following six hotels from the TCC Group¹, which together with the Serviced Residences, will form the Initial Portfolio:

(i) InterContinental Singapore;
(ii) Novotel Rockford Darling Harbour;
(iii) Park International London;
(iv) Best Western Cromwell London;
(v) ANA Crowne Plaza Kobe; and
(vi) Westin Kuala Lumpur,

(collectively, the “Hotels”).

In connection with the Proposed REIT Transaction, FCL will acquire five entities² of the TCC Group and its associates (the “TCC Group Companies”)³, which will be the Master Lessees (as defined herein) and Tenant (as defined herein) of the Hotels. These five entities are Viewgrand Trust C, P I (UK), K.K. Shinkobe Holding (“Shinkobe Japan”), BCH Hotel Investment Pte Ltd (“BCH Hotel Investment PL”) and JBB Hotels Sdn. Bhd. (“JBB Hotels”). In addition to these five entities, FCL will also acquire the trustee of Viewgrand Trust C, Golden Shower Development (PTC) Ltd (“Golden Shower”). On the Listing Date, the purchase of two of these entities (being P I (UK) and Shinkobe Japan) will be completed under the respective sale and purchase agreements between FCL and the relevant members of the TCC Group Companies and these two entities will become wholly-owned subsidiaries of the FCL Group (the “New FCL Subsidiaries”). Post-Listing, FCL will complete the acquisition of the remaining four entities (being BCH Hotel Investment PL, JBB Hotels, Viewgrand Trust C and Golden Shower) of the TCC Group Companies (each a “TCC Entity” and together, the “TCC Entities”) from the relevant members of the TCC Group Companies⁴.

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¹ “TCC Group” refers to the companies and entities in the Thai Charoen Corporation Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.
² These five entities that FCL will acquire from TCC are operating companies/trusts which hold the employees and/or operational licences in respect of the Hotels.
³ FCL will acquire only five entities from the TCC Group Companies to be the Master Lessees and Tenant of the Hotels to be acquired from the TCC Group, as one of the entities, P I Hotel Management Limited (“P I (UK)”) will be the Master Lessee of two of the Hotels, Park International London and Best Western Cromwell London.
⁴ BCH Hotel Investment PL and JBB Hotels will only become wholly-owned subsidiaries of FCL post-Listing of FHT as these TCC Entities are the direct owners of each of InterContinental Singapore and Westin Kuala Lumpur, respectively. Upon the sale of InterContinental Singapore and Westin Kuala Lumpur to FH-REIT on the Listing Date, a capital reduction process will need to be completed to upstream sales proceeds and prior period profits to the TCC Group. In the case of Viewgrand Trust C and Golden Shower, Viewgrand Trust C is the direct owner of the furniture, fixtures and equipment (“FF&E”) in connection with Novotel Rockford Darling Harbour. Upon the sale of the FF&E to FH-REIT on the Listing Date, a distribution to the unitholder of Viewgrand Trust C will need to be completed to upstream sale proceeds and prior period profits to the TCC Group. Therefore, FCL will only complete acquisition of the TCC Entities post-Listing at their respective net asset values only after the capital reduction and distribution processes are completed.
Immediately after the Proposed Divestment, Golden Shower (as trustee of Viewgrand Trust C), P I (UK), Shinkobe Japan and BCH Hotel Investment PL and five of FCL's existing wholly-owned subsidiaries (collectively, the “Master Lessees”), will on the Listing Date enter into the master lease agreements with FH-REIT (directly or, as the case may be, indirectly through FH-REIT’s property-holding entity) (the “Master Lessors”, and the agreements, the “Master Lease Agreements”) in respect of the Initial Portfolio, save for Westin Kuala Lumpur.

In respect of Westin Kuala Lumpur, the remaining TCC Entity, JBB Hotels (the “Tenant”), will on the Listing Date enter into a tenancy agreement with a special purpose vehicle (“SPV”) to be incorporated in Malaysia under an asset-backed securitisation1 (“ABS”) structure (the “Malaysian SPV”) (the “Tenancy Agreement”, and together with the Master Lease Agreements, the “Master Lease and Tenancy Agreements”).

The acquisition by FH-REIT of the Initial Portfolio comprising the Serviced Residences and the Hotels will complete on the Listing Date. Only the completion of the acquisition by FCL of the Master Lessees/Tenant of Westin Kuala Lumpur, Novotel Rockford Darling Harbour and Intercontinental Singapore will complete post-Listing. Notwithstanding the completion of the acquisition of the above-mentioned TCC Entities post-Listing, the Master Lease and Tenancy Agreements will be in place on the Listing Date and FCLs consent will be sought by the existing owners of the TCC Entities in respect of operational matters in the interim period from the Listing Date to the date of completion of the acquisition. Accordingly, the operations of the Initial Portfolio will not be affected on the Listing Date notwithstanding the completion of the acquisitions post-Listing.

The Master Lease Agreements have an initial term of 20 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions save for amendments required due to any change in law, save in respect of the following Hotels:

(i) the Master Lease Agreement in respect of ANA Crowne Plaza Kobe, which will be for a fixed and non-renewable term of 10 years from the Listing Date; and

(ii) the Master Lease Agreement in respect of each of Park International London and Best Western Cromwell London, which will be for an initial term of 10 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 10-year term on the same terms and conditions as the initial term and including an option to renew for two further successive 10-year terms.

In respect of Westin Kuala Lumpur, the Tenancy Agreement (which will be for an initial term of three years from the Listing Date with two options for the Tenant to renew the tenancy for a further three years each on the same terms and conditions) will be converted into a lease for 20 years with an option for the Tenant to renew the lease for a further 20 years on the same terms and conditions of the Tenancy Agreement.

Aside from the Master Lease and Tenancy Agreements, FCL will also enter into certain other agreements in connection with and to give effect to the REIT Transaction, including agreements which amount to Interested Person Transactions as set out in Appendix E to this Circular to be entered into in connection with the REIT Transaction.

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1 A Singapore special purpose vehicle (being a wholly-owned subsidiary of FH-REIT) will hold junior asset-backed securitisation bonds issued by the Malaysian SPV pursuant to the ABS structure. The ordinary shares in the Malaysian SPV will be held by a trustee for the benefit of charitable organisations.

2 Under the National Land Code of Malaysia (“NLC”), a tenancy is for a term of three years and below, while a lease can be for a term exceeding three years. A grant of lease to a foreign company (as defined under the NLC) requires State Authority consent but FH-REIT has proceeded on the basis of a tenancy as there are no issues with a tenancy under the ABS structure. Once the State Authority consent is obtained, the tenancy will be converted into a lease.
Resolution 2: The Proposed Renewal of the Shareholders’ Mandate for Interested Person Transactions

The Company was admitted to the Official List of the SGX-ST (the “Company’s Listing”) on 9 January 2014 (the “Company’s Listing Date”).

In accordance with Rule 920(2) of the Listing Manual, the Company has in place a general mandate for interested person transactions (the “IPT Mandate”) for the purposes of Chapter 9 of the Listing Manual, the terms of which, together with other requisite information required by Rule 920(1)(b) of the Listing Manual, were set out on pages 140 to 145 of the Company's introductory document dated 28 October 2013 (the “Introductory Document”). The IPT Mandate enables the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual, on and after the Company’s Listing Date, to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company's interested persons, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 920(2) of the Listing Manual, the IPT Mandate was expressed in the Introductory Document to be effective until the earlier of (a) the conclusion of the first annual general meeting (“AGM”) of the Company following the Company's Listing, and (b) the first anniversary of the Company's Listing Date. Hence, the IPT Mandate will continue in force only until 9 January 2015, being the first anniversary of the Company's Listing Date, which is expected to be before the first AGM after the Company's Listing.

Accordingly, FCL is seeking the approval of Shareholders to renew the existing IPT Mandate at the EGM (as defined herein), to take effect until the conclusion of the next AGM of the Company.

REQUIREMENT FOR SHAREHOLDERS’ APPROVAL

Interested Person Transactions

The Proposed Divestment and the Proposed FCL Transactions (including those agreements to be entered into pursuant to and to give effect to the REIT Transaction (set out in Appendix E to this Circular)) constitute “Interested Person Transactions” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Rule 906 of the Listing Manual.

PricewaterhouseCoopers Corporate Finance Pte Ltd has been appointed as the independent financial adviser (the “Independent Financial Adviser” or “IFA”) to advise the independent directors of the Company as at the date of this Circular, being Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Wee Joo Yeow and Mr Weerawong Chittmittrapap (the “Independent Directors”) and the audit committee of the Company as at the date of this Circular, comprising Mr Charles Mak Ming Ying, Mr Sithichai Chaikriangkrai, Mr Philip Eng Heng Nee and Mr Wee Joo Yeow (the “Audit Committee”) on whether the Proposed REIT Transaction is on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the considerations set out in the IFA Letter and the information available as at the Latest Practicable Date1, the IFA is of the opinion from a financial point of view that the Proposed REIT Transaction is on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the IFA advises the Independent Directors to recommend that minority Shareholders vote in favour of the Proposed REIT Transaction.

A copy of the letter dated 12 May 2014 from the IFA to the Independent Directors and the Audit Committee setting out its advice to the Independent Directors in respect of the Proposed REIT Transaction (the “IFA Letter”) is set out in Appendix C to this Circular.

(See paragraphs 5 (Interested Person Transactions) and 10 (Advice of the Independent Financial Adviser on the Proposed REIT Transaction) of the Letter to Shareholders and Appendix C to this Circular for further details.)

1 “Latest Practicable Date” means 17 April 2014, being the latest practicable date prior to the printing of this Circular.
RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED TRANSACTIONS

FCL believes that the Proposed Transactions will bring the following key benefits to FCL and its Shareholders:

Proposed REIT Transaction

(i) **Unlocking value in the Serviced Residences**

The Proposed Divestment will unlock and release capital from the Serviced Residences, thereby allowing FCL to retain a significant amount of the cash proceeds to pursue growth opportunities and to fund the Company’s future business plans and requirements for growth. The proceeds will also allow the Company to reduce its borrowings and gearing. Based on the pro-forma financial effects of the Proposed REIT transaction, assuming this has taken place on 30 September 2013 and post Company’s Listing, the gearing of the FCL Group is estimated to decrease from 40.0% to 33.0%.

The Company will also maintain the ability to operate the Serviced Residences via the Master Lease Agreements, pursuant to which the Company and/or its subsidiaries (as the Master Lessee) will be responsible for the day-to-day management and maintenance of the Serviced Residences.

In addition, through the ownership of 100.0% of the REIT Manager and the Trustee-Manager, the Company will earn a sustainable and steady fee income stream tied to the size of FHT.

(ii) **Create an efficient platform for the holding of hospitality properties**

The injection of TCC assets into FHT and the acquisition of the TCC operating companies will provide the FCL Group with an integrated platform to hold hospitality assets. A larger platform will enable the FCL Group to reap more economies of scale in managing the global portfolio of hospitality assets through taking on a holistic approach in managing both hotels and serviced residences. Furthermore, the FCL Group can benefit from a higher fee income from managing a larger portfolio of assets. FHT will also complement the two existing REITs sponsored and managed by FCL, being Frasers Centrepoint Trust and Frasers Commercial Trust.

In addition, FCL believes that FHT would serve as an efficient platform for holding future hospitality properties which FCL may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the long-term capital appreciation value created in such properties. In addition, FHT, being a separate listed entity, will be able to finance itself independently and will not need to rely on FCL for its financing needs.

(iii) **Additional fee-based income stream**

The management fee, the acquisition fee, the divestment fee and the development management fee will be received by the REIT Manager, which is a wholly-owned subsidiary of FCL. This will add a valuable, fee-based fund management business to FCL’s portfolio.

(iv) **Shareholders continue to benefit from substantial ownership of the Initial Portfolio**

It is currently expected that FCL will hold approximately 22.0% of the Stapled Securities upon Listing. Therefore, the establishment of FHT would allow Shareholders to continue to benefit from FCL’s ownership of the Initial Portfolio through FHT and the recurring distributable income from FCL’s unitholdings in FHT. FCL will also continue to be closely involved in FHT through its ownership of the REIT Manager and the Trustee-Manager.
Proposed Renewal of the IPT Mandate

(v) Enhancement of the Group’s Ability to pursue Business Opportunities

The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons (as defined herein) arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group (as defined herein).

The IPT Mandate is intended to facilitate transactions in the normal course of the Group’s business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

(See paragraph 8 (Rationale for and Key Benefits of the Proposed Transactions) of the Letter to Shareholders.)
The timetable for the events which are scheduled to take place after the extraordinary general meeting (the “EGM”) is indicative only and is subject to change at the Company’s absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last date and time for lodgement of Proxy Forms</td>
<td>Monday, 26 May 2014 at 2.30 p.m.</td>
</tr>
<tr>
<td>Date and time of the EGM</td>
<td>Wednesday, 28 May 2014 at 2.30 p.m.</td>
</tr>
</tbody>
</table>

**Proposed REIT Transaction**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target date for completion of the REIT Transaction</td>
<td>Date of listing of FHT on the Main Board of the SGX-ST, which is expected to take place in the second half of 2014 (or such other date as may be agreed between the Company and the REIT Trustee)</td>
</tr>
</tbody>
</table>
To: The Shareholders of Frasers Centrepoint Limited

Dear Sir/Madam

1. INTRODUCTION

The directors of the Company ("Directors") are convening the EGM to be held on 28 May 2014 to seek Shareholders’ approval for the following resolutions:

(1) Resolution 1 (Ordinary Resolution): The Proposed REIT Transaction as an Interested Person Transaction consisting of:

(i) the Proposed Divestment, being the grant of a 75-year leasehold interest in each of six serviced residences held by FCL (whether directly or indirectly through its subsidiaries), to FH-REIT, a proposed REIT which will form part of FHT, a proposed hospitality stapled group to be sponsored by FCL, on the terms and conditions set out in the REIT SPA and Lease Agreements; and

(ii) the Proposed FCL Transactions, being the entry into transactions by FCL (whether directly or indirectly through its subsidiaries) and payment of all fees and expenses contemplated by the REIT SPA and Lease Agreements or are necessary to give effect to the REIT Transaction, including transactions which amount to Interested Person Transactions as set out in Appendix E to this Circular.

(2) Resolution 2 (Ordinary Resolution): The Proposed Renewal of the Shareholders’ Mandate for Interested Person Transactions.

By approving Resolution 1, Shareholders are deemed to have specifically approved the proposed establishment of FHT (comprising FH-REIT and FH-BT), the Proposed Divestment, the Proposed FCL Transactions and the entry into all agreements in connection therewith (including but not limited to the FCL ROFR and the TCC-FCL Agreement, the REIT SPA and Lease Agreements, the Master Lease and Tenancy Agreements, and all ancillary agreements contemplated thereby or incidental thereto, including agreements which amount to Interested Person Transactions set out in Appendix E to this Circular to be entered into in connection with the REIT Transaction).
LETTER TO SHAREHOLDERS

For the avoidance of doubt, the actual completion of the REIT Transaction shall be conditional upon the completion of the Offering. In the event that the Offering is not completed, the REIT Transaction will not take place.

In the meantime, Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests and to exercise caution when dealing with the Shares. In the event that Shareholders wish to deal in the Shares, they should seek their own advice and/or consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Shareholders should note that Resolutions 1 and 2 are not inter-conditional and in the event that Shareholders do not approve any one of the Resolutions, the Company will still proceed with the other Resolution.

2. THE PROPOSED REIT TRANSACTION

2.1 The REIT Transaction

FHT is a proposed hospitality stapled group to be sponsored by FCL, and comprises FH-REIT and FH-BT. FH-REIT is a Singapore-based REIT established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. FH-BT is a Singapore-based business trust which will be dormant as at the Listing Date.

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

The Initial Portfolio is expected to comprise six hotels and six serviced residences across Singapore, Australia, the United Kingdom, Japan and Malaysia that will be injected into FHT by the TCC Group and FCL. Certain information on the properties expected to comprise the Initial Portfolio is set out in Appendix A to this Circular.

Overview of the Proposed Divestment

Under the Proposed Divestment, the relevant members of the FCL Group will grant leasehold interests over the Serviced Residences to FH-REIT, namely, a 75-year leasehold interest in each of FS Singapore, FS Sydney, FP Canary Wharf, FS Queens Gate, FS Glasgow and FS Edinburgh, each as commencing from the Listing Date.

Only a specified 75-year leasehold interest in each of the Serviced Residences (and not the entire interests of the relevant members of the FCL Group in the Serviced Residences) will be sold to FH-REIT. Upon the expiry of FH-REIT’s leasehold term in the Serviced Residences, title to the Serviced Residences will revert back to the FCL Group without any payment to be made by the FCL Group to FH-REIT. The freehold and leasehold interests currently owned by the FCL Group in the Serviced Residences are set out in Appendix B to this Circular.

1 If FHT transfers the 75-year leasehold interests to another entity before expiry of the 75-year leasehold interest, the transferee will then own the remaining unexpired 75-year leasehold and title to the Serviced Residences after expiry of the said 75-year leasehold interest will revert back to the FCL Group.
LETTER TO SHAREHOLDERS

The FCL Group will receive the consideration for the sale of the Serviced Residences in a combination of cash and Stapled Securities. FCL wholly-owns each of the REIT Manager and the Trustee-Manager. FCL will also grant the FCL ROFR to the REIT Trustee and the Trustee-Manager.

Overview of the Proposed FCL Transactions

FH-REIT will also acquire the Hotels from the TCC Group. Simultaneous with the sale of the Serviced Residences to FH-REIT, FCL will acquire the New FCL Subsidiaries, being P I (UK) and Shinkobe Japan, from the relevant members of the TCC Group Companies. These New FCL Subsidiaries will be wholly-owned subsidiaries of the FCL Group on the Listing Date. Post-Listing, FCL will also acquire the remaining four TCC Entities, being BCH Hotel Investment PL, JBB Hotels, Viewgrand Trust C and Golden Shower, from the relevant members of the TCC Group Companies1. The TCC Entities will only become wholly-owned subsidiaries of FCL post-Listing2. Together, Golden Shower (as trustee of Viewgrand Trust C), P I (UK), Shinkobe Japan, BCH Hotel Investment PL and JBB Hotels3 will be the Master Lessees and the Tenant of the Hotels.

The Master Lessees (being Golden Shower (as trustee of Viewgrand Trust C), P I (UK), Shinkobe Japan, BCH Hotel Investment PL and five of FCL's existing wholly-owned subsidiaries) will on the Listing Date enter into the Master Lease Agreements in respect of the Initial Portfolio, save for Westin Kuala Lumpur. In respect of Westin Kuala Lumpur, the Tenant will on the Listing Date, enter into the Tenancy Agreement with the Malaysian SPV.

The acquisition by FH-REIT of the Initial Portfolio comprising the Serviced Residences and the Hotels will complete on the Listing Date. Only the completion of the acquisition by FCL of the Master Lessees/Tenant of Westin Kuala Lumpur, Novotel Rockford Darling Harbour and Intercontinental Singapore will complete post-Listing. Notwithstanding the completion of the acquisition of the above-mentioned TCC Entities post-listing, the Master Lease and Tenancy Agreements will be in place on the Listing Date and FCL's consent will be sought by the existing owners of the TCC Entities in respect of operational matters in the interim period from the Listing Date to the date of completion of the acquisition. Accordingly, the operations of the Initial Portfolio will not be affected on the Listing Date notwithstanding the completion of the acquisitions post-Listing.

The Master Lease Agreements have an initial term of 20 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions save for amendments required due to any change in law, save in respect of the following Hotels:

(a) the Master Lease Agreement in respect of ANA Crowne Plaza Kobe, which will be for a fixed and non-renewable term of 10 years from the Listing Date; and

(b) the Master Lease Agreement in respect of each of Park International London and Best Western Cromwell London, which will be for an initial term of 10 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 10-year term on the same terms and conditions as the initial term, and including an option to renew for two further successive 10-year terms.

FCL will acquire only five entities from the TCC Group Companies to be the Master Lessees and Tenant of the Hotels to be acquired from the TCC Group Companies, as one of the entities, P I (UK) will be the Master Lessee of two of the Hotels, Park International London and Best Western Cromwell London.

BCH Hotel Investment PL and JBB Hotels will only become wholly-owned subsidiaries of FCL post-Listing of FHT as these TCC Entities are the direct owners of each of InterContinental Singapore and Westin Kuala Lumpur, respectively. Upon the sale of InterContinental Singapore and Westin Kuala Lumpur to FH-REIT on the Listing Date, a capital reduction process will need to be completed to upstream sales proceeds and prior period profits to the TCC Group. In the case of Viewgrand Trust C and Golden Shower, Viewgrand Trust C is the direct owner of the FF&E in connection with Novotel Rockford Darling Harbour. Upon the sale of the FF&E to FH-REIT on the Listing Date, a distribution to the unitholder of Viewgrand Trust C will need to be completed to upstream sales proceeds and prior period profits to the TCC Group. Therefore, FCL will only complete acquisition of the TCC Entities post-Listing at their respective net asset values only after the capital reduction process is completed.

These five entities that FCL will acquire from TCC are operating companies/trusts and currently hold the employees and/or operational licences in respect of the Hotels.
In respect of Westin Kuala Lumpur, the Tenancy Agreement (which will be for an initial term of three years from the Listing Date with two options for the Tenant to renew the tenancy for a further three years each on the same terms and conditions) will be converted into a lease for 20 years with an option for the Tenant to renew the lease for a further 20 years on the same terms and conditions of the Tenancy Agreement.

Aside from the Master Lease and Tenancy Agreements, FCL will also enter into certain other agreements in connection with and to give effect to the REIT Transaction, including agreements relating to transactions which amount to Interested Person Transactions as set out in Appendix E to this Circular to be entered into in connection with the REIT Transaction.

(See paragraphs 3 (Details of the Proposed Divestment) and 4 (Details of the Proposed FCL Transactions) of the Letter to Shareholders for further details on each of the Proposed Divestment and the Proposed FCL Transactions.)

2.2 FCL ROFR

Pursuant to, and in connection with the Offering, the Company proposes to grant, with effect from the Listing Date, the FCL ROFR to the REIT Trustee and the Trustee-Manager on the following terms:

2.2.1 Scope of the FCL ROFR

The FCL ROFR shall cover any proposed offer ("Proposed Offer") by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity ("Proposed Disposal").

A "Relevant Entity" means FCL or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by FCL.

A "Relevant Asset" refers to a completed income-producing real estate anywhere in the world except Thailand, which is used primarily for hospitality purposes, where real estate used for "hospitality" purposes includes hotels, serviced residences, resorts and other lodging facilities, and the term, "serviced residences", means apartments with full or partial services. For the avoidance of doubt, serviced residences shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act, Chapter 130 of Singapore and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residences. Where such real estate is held by a Relevant Entity through a single purpose company, vehicle or entity (an "SPC") established solely to own such real estate, the term, "Relevant Asset", shall refer to the shares or equity interests, as the case may be, in that SPC. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term, "Relevant Asset" shall refer to the ownership share of the Relevant Entity in such real estate.

If the Relevant Asset is (i) owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to FH-REIT or FH-BT is required; or (ii) owned by FCL's subsidiaries or private funds which are not wholly-owned by FCL and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to FH-REIT or FH-BT is required, FCL shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the FCL ROFR will exclude the disposal of such Relevant Asset.
LETTER TO SHAREHOLDERS

2.2.2 Duration of FCL ROFR

The FCL ROFR subsists for so long as:

(i) the REIT Manager or any of its related corporations (as defined in the Companies Act) remains the manager of FH-REIT;

(ii) the Trustee-Manager or any of its related corporations remains the trustee-manager of FH-BT;

(iii) FCL and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of FH-REIT and of the trustee-manager of FH-BT; and

(iv) FCL and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of FH-REIT and FH-BT.

2.2.3 Exceptions

The FCL ROFR shall:

(i) be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these Relevant Assets;

(ii) exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and

(iii) be subject to the applicable laws, regulations and government policies and the listing rules of SGX-ST.

2.2.4 In the event that the REIT Trustee (or the Trustee-Manager, as the case may be) fails or does not wish to exercise the FCL ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the REIT Trustee or the Trustee-Manager (as the case may be). However, if the completion of the disposal of the Relevant Assets by the Relevant Entity does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the FCL ROFR.

2.3 TCC ROFR

2.3.1 Scope of the TCC ROFR

Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, the ultimate controlling shareholders of the TCC Group, will grant and shall procure that the TCC Group grants a ROFR to the REIT Trustee and the Trustee-Manager (the “TCC ROFR”), subject to certain conditions, which will also provide FHT with access to future acquisition opportunities of income-producing properties located anywhere in the world except Thailand, which are primarily used for hospitality purposes.

2.3.2 Duration of the TCC ROFR

The TCC ROFR subsists for so long as:

(i) the REIT Manager or any of its related corporations (as defined in the Companies Act) remains the manager of FH-REIT;

1 “controlling shareholder” has the meaning ascribed to it in the Listing Manual.
(ii) the Trustee-Manager or any of its related corporations remains the trustee-manager of FH-BT;

(iii) any entity within the TCC Group (as defined below) and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of FH-REIT and of the trustee-manager of FH-BT; and

(iv) any entity within the TCC Group and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of FH-REIT and FH-BT.

2.4 TCC-FCL Agreement

In relation to the FCL ROFR and the TCC ROFR, FCL, Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi will enter into an agreement with the REIT Trustee and the Trustee-Manager to address the interaction between the ROFR1 and the right to participate2 (the “ROFR/RTP”) which Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi had earlier granted to FCL (the “TCC-FCL Agreement”).

2.4.1 Scope of the TCC-FCL Agreement

As the TCC ROFR is subject to the pre-existing contractual obligations of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi pursuant to the ROFR/RTP, for FHT’s benefit, in the event that there is a Relevant Asset3 (as defined in the TCC ROFR) which is offered or to be offered to the REIT Trustee or the Trustee-Manager under the TCC ROFR, FCL shall not exercise its right under the ROFR/RTP unless and until the REIT Trustee or, as the case may be, the Trustee-Manager is deemed to be unable to, or does not, exercise the right of first refusal as set out in the TCC ROFR in respect of a Relevant Asset (as defined in the TCC ROFR).

In the event that the REIT Trustee or, as the case may be, the Trustee-Manager is deemed to be unable to, or does not, exercise the right of first refusal as set out in the TCC ROFR in respect of any offer of a Relevant Asset (as defined in the TCC ROFR), FCL shall have full rights under the ROFR/RTP in relation to such asset.

2.4.2 Duration of the TCC-FCL Agreement

Please refer to paragraphs 2.2.2 and 2.3.2 above for the conditions under which each of the TCC ROFR and the FCL ROFR will remain in full force and effect.

The TCC-FCL Agreement will remain in effect for as long as each of the TCC ROFR and the FCL ROFR remain in full force and effect.

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1 The ROFR was granted on 25 October 2013 (in connection with the Company’s Listing), by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, the ultimate controlling shareholders of the TCC Group, over any opportunity whether by way of sale, investment or otherwise, in relation to (i) any completed income-producing residential, retail, office, business space and mixed use properties, hotels and serviced apartments located anywhere in the world except Thailand; and (ii) any development of residential, retail, office, business space or mixed use properties located anywhere in the world except Thailand, and the management of hotels and serviced apartments located anywhere in the world except Thailand, called by the TCC Group (the “Restricted Business”) referred to and/or made available to the TCC Group from or through any third party sources.

2 The “right to participate” was granted on 25 October 2013 (in connection with the Company’s Listing), by Mr Charoen Srivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, to FCL in any bidding process in relation to any opportunity, whether by way of sale, investment or otherwise, in respect of the Restricted Business.

3 For the purposes of the TCC ROFR, “Relevant Asset” refers to the hospitality assets of the TCC Group located anywhere in the world except Thailand. Two existing investments of the TCC Group, being Melia, Hanoi and Grand Luang Prabang in Laos shall be excluded from the definition of “Relevant Asset” as subjecting them to the TCC ROFR may contravene existing joint venture arrangements with government-related agencies.
LETTER TO SHAREHOLDERS

3. DETAILS OF THE PROPOSED DIVESTMENT

3.1 Divestment of the Serviced Residences

3.1.1 Description of the Serviced Residences to be transferred by members of the FCL Group to FH-REIT

_Fraser Suites Singapore_

River Valley Apartments Pte Ltd (“RVAPL”), River Valley Shopping Centre Pte Ltd (“RVSCPL”) and River Valley Tower Pte Ltd (“RVTPL”) will grant a 75-year leasehold interest in FS Singapore to FH-REIT, commencing from the Listing Date. Immediately thereafter, FS Singapore will be leased by FH-REIT to RVAPL for 20 years, subject to renewal for another 20 years at the option of RVAPL.

FS Singapore is a serviced residence located in the prime residential district, with convenient access to Orchard Road and the central business district (“CBD”). It is also within close proximity to the Dempsey, Boat Quay and Clarke Quay entertainment areas and various embassies. The newly-refurbished Serviced Residence offers 255 units with unit sizes ranging from 50.0 sq m to 350.0 sq m. Facilities in FS Singapore include a café, an outdoor and indoor playzone, a gymnasium, a swimming pool and steam and sauna facilities.

_Fraser Suites Sydney_

Frasers Town Hall Residences Pty Ltd will grant a 75-year leasehold interest in FS Sydney to a proposed sub-trust of FH-REIT to be named FHT Sydney Trust 1 (“FHT Sydney Trust 1”), commencing from the Listing Date. Immediately thereafter, FS Sydney will be leased by FHT Sydney Trust 1 to Frasers Town Hall Residences Operations Pty Ltd for 20 years, subject to renewal for another 20 years at the option of Frasers Town Hall Residences Operations Pty Ltd.

FS Sydney is a serviced residence located in Sydney’s CBD, with convenient access to Sydney’s vibrant entertainment and shopping precinct and local attractions including Darling Harbour, Cockle Bay, Chinatown and Hyde Park. It is located close to Town Hall Station and provides easy access to local modes of transportation like trains, buses and the light rail line. The Serviced Residence offers 201 units with unit sizes ranging from 26.0 sq m to 191.0 sq m. Facilities in FS Sydney include a gymnasium, a heated lap pool and spa and sauna facilities and conference facilities.

_Fraser Place Canary Wharf_

Fairdace Limited will grant a 75-year leasehold interest in FP Canary Wharf to a wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 1 Limited (“FHT London 1 Limited”), commencing from the Listing Date. Immediately thereafter, FP Canary Wharf will be leased by FHT London 1 Limited to Fairdace Limited for 20 years, subject to renewal for another 20 years at the option of Fairdace Limited.

FP Canary Wharf is a serviced residence located by the River Thames right next to the heart of London’s new financial district, and a stone’s throw away from the O2. It is also within walking distance to the Canary Wharf shopping and entertainment complex, which is linked to the Docklands Light Railway and the Canary Wharf underground station, providing direct access to the West End, the London City Airport and the ExCel London Exhibition Centre. FP Canary Wharf offers 96 units with unit sizes ranging from 22.0 sq m to 200.4 sq m. Facilities in FP Canary Wharf include a café, a gymnasium and a business centre.
LETTER TO SHAREHOLDERS

Fraser Suites Queens Gate
Queensgate Garden (C.I.) Limited will grant a 75-year leasehold interest in FS Queens Gate to, a wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 2 Limited (“FHT London 2 Limited”), commencing from the Listing Date. There is an existing master lease agreement between Queensgate Garden (C.I.) Limited (the current owner of FS Queens Gate) and 39QGG Management Ltd for a period of 20 years from 18 March 2014, subject to renewal for another 20 years at the option of 39QGG Management Ltd. Once the 75-year leasehold interest in FS Queens Gate is granted to FHT London 2 Limited under the Proposed Divestment, the master lease agreement will be novated to FHT London 2 Limited.

FS Queens Gate is a serviced residence located in the Kensington area of central London, with convenient access to Knightsbridge, Chelsea, Hyde Park, the Royal Albert Hall and Harrods. It is also within close proximity to the Gloucester Road underground station with a 3-stop connection to Victoria Station. FS Queens Gate offers 105 units with unit sizes ranging from 24.0 sq m to 62.0 sq m. Facilities in FS Queens Gate include a café/bar, a gymnasium and a meeting room.

Fraser Suites Edinburgh
Frasers (St Giles Street, Edinburgh) Limited will grant a 75-year leasehold interest in FS Edinburgh to, a wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT Scotland 1 Limited (“FHT Scotland 1 Limited”), commencing from the Listing Date. There is an existing master lease agreement between Frasers (St Giles Street, Edinburgh) Limited (the current owner of FS Edinburgh) and Frasers St Giles Street Management Limited for a period of 20 years from 18 March 2014, subject to renewal for another 20 years at the option of Frasers St Giles Street Management Limited. Once the 75-year leasehold interest in FS Edinburgh is granted to FHT Scotland 1 Limited under the Proposed Divestment, the master lease agreement will be novated to FHT Scotland 1 Limited.

FS Edinburgh is a luxury boutique serviced residence located in the Edinburgh city centre. It offers convenient access to the Royal Mile, Princes Street and Edinburgh Castle, and is surrounded by restaurants, bars, cafes and shops in the historic quarter. It is also within close proximity to attractions such as the Holyrood Palace, the National Gallery of Art, the National Museum of Scotland and Arthur’s Seat. FS Edinburgh offers 75 units with unit sizes ranging from 19.0 sq m to 51.0 sq m. Facilities in FS Edinburgh include a restaurant, a meeting room and a fitness suite.

Fraser Suites Glasgow
Fairdace Limited will grant a 75-year leasehold interest in FS Glasgow to, a wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT Scotland 2 Limited (“FHT Scotland 2 Limited”), commencing from the Listing Date. Immediately thereafter, FS Glasgow will be leased by FHT Scotland 2 Limited to Fairdace Limited for 20 years, subject to renewal for another 20 years at the option of Fairdace Limited.

FS Glasgow is a serviced residence located in Merchant City, the heart of Glasgow’s historic centre. It offers convenient access to the restaurants, boutiques, theatres and pavement cafes in Merchant City. It is also within close proximity to George Square, the Gallery of Modern Art, Glasgow Cathedral and the shopping destinations of Buchanan Street and St Enoch Centre. FS Glasgow offers 98 units with unit sizes ranging from 34.0 sq m to 74.0 sq m. Facilities in FS Glasgow include a breakfast room, a 24-hour gymnasium and meeting facilities.
3.1.2 Valuation and Purchase Price of the Serviced Residences

The following table sets out the appraised values by the Independent Valuers for the Proposed Divestment as at 31 December 2013 for each of the Serviced Residences on a 75-year leasehold basis:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Appraised value(^{(1)}) (local currency) (million)</th>
<th>Appraised value (SGD)(^{(2)}) (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS Singapore</td>
<td>S$303.0</td>
<td>303.0</td>
</tr>
<tr>
<td>FS Sydney</td>
<td>AUD101.3</td>
<td>118.4</td>
</tr>
<tr>
<td>FP Canary Wharf</td>
<td>GBP 29.7</td>
<td>62.5</td>
</tr>
<tr>
<td>FS Queens Gate</td>
<td>GBP 45.8</td>
<td>96.3</td>
</tr>
<tr>
<td>FS Glasgow</td>
<td>GBP 8.3</td>
<td>17.5</td>
</tr>
<tr>
<td>FS Edinburgh</td>
<td>GBP 10.8</td>
<td>22.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>620.4</td>
</tr>
</tbody>
</table>

Notes:
(1) Based on the appraised values as at 31 December 2013.
(2) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD: 1 SGD and 0.4754 GBP: 1 SGD as at the Latest Practicable Date.

(See Appendix D to this Circular for the summary valuation certificates of the Independent Valuers for the Proposed Divestment (the “Summary Valuation Certificates”) in respect of the Serviced Residences.)

The purchase price of the leasehold interests in each of the Serviced Residences is as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Sale Consideration(^{(1)}) (local currency) (million)</th>
<th>Sale Consideration (SGD)(^{(2)}) (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS Singapore(^{(3)})</td>
<td>S$327.0</td>
<td>327.0</td>
</tr>
<tr>
<td>FS Sydney</td>
<td>AUD 103.5</td>
<td>121.0</td>
</tr>
<tr>
<td>FP Canary Wharf</td>
<td>GBP 31.5</td>
<td>66.3</td>
</tr>
<tr>
<td>FS Queens Gate</td>
<td>GBP 46.3</td>
<td>97.4</td>
</tr>
<tr>
<td>FS Glasgow</td>
<td>GBP 7.5</td>
<td>15.8</td>
</tr>
<tr>
<td>FS Edinburgh</td>
<td>GBP 11.5</td>
<td>24.2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>651.7</td>
</tr>
</tbody>
</table>

Notes:
(1) This is inclusive of the FF&E of the Serviced Residences. As at 30 September 2013, the net book value of the FF&E was S$12.1 million. In the case of FS Sydney, the FF&E will be sold to FH-REIT pursuant to a separate FF&E agreement (please refer to Appendix E to this Circular for further details).
(2) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD: 1 SGD and 0.4754 GBP: 1 SGD as at the Latest Practicable Date.
(3) This is inclusive of an income support sum of S$1.65 million under the top-up deed to be entered into between RVAPL and FH-REIT in relation to the REIT SPA and Lease Agreement in respect of FS Singapore (the “Top-Up Deed”).

3.1.3 Sale Consideration

The sale consideration for the leasehold interests in the Serviced Residences was negotiated on a willing-buyer and willing-seller basis, taking into account the 75-year leasehold valuation of each of the Serviced Residences as at 31 December 2013, which had been independently appraised by the Independent Valuers for the Proposed Divestment based on accepted valuation procedures and practices.
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The sale of the Serviced Residences is set at a minimum aggregate sale consideration of approximately S$651.7 million (the “Minimum Aggregate Sale Consideration”) by translating the Australian dollars and pound sterling amounts into Singapore dollars based on certain specified exchange rates as set out above under paragraph 3.1.2.

Accordingly, the actual amount of Singapore dollars received by the FCL Group from the sale of the Serviced Residences could be higher or lower than the Minimum Aggregate Sale Consideration amount due to differences in the AUD/SGD and the GBP/SGD exchange rates prevailing at the date of registration of the final prospectus of FHT with the MAS (the “Registration Date”) from the exchange rates applied in paragraph 3.1.2 above, as the purchase consideration of each of the Serviced Residences under the REIT SPA and Lease Agreements is specified in the local currency (being Singapore dollars in the case of FS Singapore, Australian dollars in the case of FS Sydney and pound sterling in the case of FP Canary Wharf, FS Queens Gate, FS Glasgow and FS Edinburgh), but the purchase consideration will be paid in Singapore dollars based on the AUD/SGD and the GBP/SGD exchange rates on the Registration Date.

3.1.4 Transaction-Related Costs

In addition to the above, the Company will incur estimated professional and other fees and expenses of approximately S$2.0 million in connection with the Proposed Divestment.

3.1.5 Use of Proceeds from the sale of the Serviced Residences

The sale of the Serviced Residences will raise gross proceeds of about S$651.7 million, comprising of (i) a cash equivalent component comprising such units of Stapled Securities equivalent to approximately 22.0% of the total number of Stapled Securities to be issued by FHT (“Cash Equivalent Proceeds”), and (ii) a cash component (being the balance of the consideration less the Cash Equivalent Proceeds) (“Cash Proceeds”).

The Company expects to use the Cash Proceeds from the sale of the Serviced Residences as follows:

(i) repayment of existing bank loans;

(ii) transaction-related costs; and

(iii) funding of working capital and the future business needs of the FCL Group.

3.1.6 Key Terms of the REIT SPA and Lease Agreements

The Company (through the relevant members of the FCL Group) proposes to enter into the following conditional sale and purchase agreements and lease agreement, on the terms and subject to the conditions therein:

(a) a conditional sale and purchase agreement between RVAPL, RVSCPL, RVTPL and the REIT Trustee, pursuant to which RVAPL, RVSCPL and RVTPL will grant a 75-year leasehold interest in FS Singapore to FH-REIT commencing from the Listing Date. The agreement contains a condition that on the Listing Date, RVAPL and the REIT Trustee will enter into a Top-Up Deed under which an amount of S$1.65 million will be paid by RVAPL to the escrow agent to be dealt with in accordance with the provisions of the Top-Up Deed;

(b) a conditional lease agreement between Frasers Town Hall Residences Pty Ltd and The Trust Company (PTAL) Limited (as trustee of FHT Sydney Trust 1), pursuant to which Frasers Town Hall Residences Pty Ltd will grant a 75-year leasehold interest in FS Sydney to FHT Sydney Trust 1 commencing from the Listing Date;

As the 75-year leasehold interest in FS Sydney is granted to FHT Sydney Trust 1 under a lease agreement instead of a sale and purchase agreement, the sale of the FF&E to FHT Sydney Trust 1 is provided for under a separate agreement.

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LETTER TO SHAREHOLDERS

(c) a conditional sale and purchase agreement between Fairdace Limited and FHT London 1 Limited, pursuant to which Fairdace Limited will grant a 75-year leasehold interest in FP Canary Wharf to FHT London 1 Limited commencing from the Listing Date;

(d) a conditional sale and purchase agreement between Queensgate Garden (C.I.) Limited and to FHT London 2 Limited, pursuant to which Queensgate Garden (C.I.) Limited will grant a 75-year leasehold interest in FS Queens Gate to FHT London 2 Limited commencing from the Listing Date;

(e) a conditional sale and purchase agreement between Frasers (St Giles Street, Edinburgh) Limited and FHT Scotland 1 Limited, pursuant to which Frasers (St Giles Street, Edinburgh) Limited will grant a 75-year leasehold interest in FS Edinburgh to FHT Scotland 1 Limited commencing from the Listing Date; and

(f) a conditional sale and purchase agreement between Fairdace Limited and FHT Scotland 2 Limited, pursuant to which Fairdace Limited will grant a 75-year leasehold interest in FS Glasgow to FHT Scotland 2 Limited commencing from the Listing Date.

(collectively, the “REIT SPA and Lease Agreements”).

Conditions Precedent

Pursuant to the terms of the REIT SPA and Lease Agreements, the disposal of the Serviced Residences is subject to and conditional upon the listing of the Stapled Securities and commencement of trading of the Stapled Securities on the SGX-ST on the Listing Date.

For a fuller list of the terms of each of the REIT SPA and Lease Agreements, please refer to Appendix E to this Circular for further details.

3.2 Directors’ service contracts in relation to the Proposed Divestment

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

4. DETAILS OF THE PROPOSED FCL TRANSACTIONS

4.1 The Master Lease and Tenancy Agreements

The Company proposes to enter into the following Master Lease and Tenancy Agreements with FH-REIT in respect of the Initial Portfolio on the Listing Date, on the terms and subject to the conditions therein:

(i) BCH Hotel Investment PL, the REIT Trustee and the REIT Manager will enter into a master lease agreement, pursuant to which BCH Hotel Investment PL will be the master lessee of Intercontinental Singapore. Post-Listing, FCL will acquire BCH Hotel Investment PL from the TCC Group Companies, whereupon BCH Hotel Investment PL will become a wholly-owned subsidiary of FCL;

(ii) RVAPL (an existing wholly-owned subsidiary of FCL), the REIT Trustee and the REIT Manager will enter into a master lease agreement, pursuant to which RVAPL will be the master lessee of FS Singapore;

(iii) Golden Shower (as trustee of Viewgrand Trust C) and the trustee of a proposed sub-trust of FH-REIT to be named FHT Sydney Trust 2 (“FHT Sydney Trust 2”) (a wholly-owned Australian sub-trust of FH-REIT)\(^1\), will enter into a master lease agreement, pursuant to which Golden Shower (as trustee of Viewgrand Trust C) will be the master lessee of Novotel Rockford Darling Harbour;

\(^1\) FHT Sydney Trust 2 will hold the 84-year leasehold interest in Novotel Rockford Darling Harbour.
(iv) Frasers Town Hall Residences Operations Pty Ltd (an existing wholly-owned subsidiary of FCL) and The Trust Company (PTAL) Limited, as trustee of FHT Sydney Trust will enter into a master lease agreement, pursuant to which Frasers Town Hall Residence Operations Pty Ltd will be the master lessee of FS Sydney;

(v) Fairdace Limited (an existing wholly-owned subsidiary of FCL) and FHT London 1 Limited will enter into a master lease agreement, pursuant to which Fairdace Limited will be the master lessee of FP Canary Wharf;

(vi) Fairdace Limited (an existing wholly-owned subsidiary of FCL) and FHT Scotland 2 Limited will enter into a master lease agreement, pursuant to which Fairdace Limited will be the master lessee of FS Glasgow;

(vii) 39QGG Management Ltd (an existing wholly-owned subsidiary of FCL) and FHT London 2 Limited will enter into a master lease agreement, pursuant to which 39QGG Management Ltd will be the master lessee of FS Queens Gate;

(viii) Frasers St Giles Street Management Limited (an existing wholly-owned subsidiary of FCL) and FHT Scotland 1 Limited will enter into a master lease agreement, pursuant to which Frasers St Giles Street Management Limited will be the master lessee of FS Edinburgh;

(ix) P I (UK) (being one of the New FCL Subsidiaries and therefore a wholly-owned subsidiary of FCL) and a wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 3 Limited (“FHT London 3 Limited”) will enter into a master lease agreement, pursuant to which P I (UK) will be the master lessee of Park International London;

(x) P I (UK) (being one of the New FCL Subsidiaries and therefore a wholly-owned subsidiary of FCL) and a wholly-owned subsidiary of FH-REIT to be incorporated in Jersey and named FHT London 4 Limited (“FHT London 4 Limited”) will enter into a master lease agreement, pursuant to which P I (UK) will be the master lessee of Best Western Cromwell London;

(xi) Shinkobe Japan (being one of the New FCL Subsidiaries and therefore a wholly-owned subsidiary of FCL) and Deutsche Trust Company Limited Japan (the trust bank which holds the legal title to ANA Crowne Plaza Kobe) will enter into a master lease agreement in respect of the hotel component of ANA Crowne Plaza Kobe, pursuant to which Shinkobe Japan will be the master lessee of the hotel component; and

(xii) Malaysian SPV and JBB Hotels will enter into a Tenancy Agreement pursuant to which JBB Hotels will be the Tenant of Westin Kuala Lumpur. Post-Listing, FCL will acquire JBB Hotels, whereupon JBB Hotels will become a wholly-owned subsidiary of FCL.

1 FHT Sydney Trust 1 will hold the 75-year leasehold interest in FS Sydney.
2 FHT London 1 Limited will hold the 75-year leasehold interest in FP Canary Wharf.
3 FHT Scotland 2 Limited will hold the 75-year leasehold interest in FS Glasgow.
4 FHT London 2 Limited will hold the 75-year leasehold interest in FS Queens Gate.
5 There is an existing master lease agreement between Queensgate Garden (C.I.) Limited (the current owner of FS Queens Gate) and 39QGG Management Ltd for a period of 20 years from 18 March 2014, subject to renewal for another 20 years at the option of 39QGG Management Ltd. Once the 75-year leasehold interest in FS Queens Gate is granted to FHT London 2 Limited under the Proposed Divestment, the master lease agreement will be novated to FHT London 2 Limited.
6 FHT London 1 Limited will hold the 75-year leasehold interest in FS Edinburgh.
7 There is an existing master lease agreement between Frasers (St Giles Street, Edinburgh) Limited (the current owner of FS Edinburgh) and Frasers St Giles Street Management Limited for a period of 20 years from 18 March 2014, subject to renewal for another 20 years at the option of Frasers St Giles Street Management Limited. Once the 75-year leasehold interest in FS Edinburgh is granted to FHT Scotland 1 Limited under the Proposed Divestment, the master lease agreement will be novated to FHT Scotland 1 Limited.
8 FHT London 3 Limited will hold the 75-year leasehold interest in Park International London.
9 FHT London 4 Limited will hold the 75-year leasehold interest in Best Western Cromwell London.
10 Kobe Excellence TMK, a wholly-owned subsidiary of FH-REIT, will hold the trust beneficiary interests (“TBI”) in respect of ANA Crowne Plaza Kobe.
The Master Lease Agreements have an initial term of 20 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions save for amendments required due to any change in law, save in respect of the following Hotels:

(a) the Master Lease Agreement in respect of ANA Crowne Plaza Kobe, which will be for a fixed and non-renewable term of 10 years from the Listing Date; and

(b) the Master Lease Agreement in respect of each of Park International London and Best Western Cromwell London, which will be for an initial term of 10 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 10 year term on the same terms and conditions as the initial term and including an option to renew for two further successive 10 year terms.

In respect of Westin Kuala Lumpur, the Tenancy Agreement (which will be for an initial term of three years from the Listing Date with two options for the Tenant to renew the tenancy for a further three years each on the same terms and conditions) will be converted into a lease for 20 years with an option for the Tenant to renew the lease for a further 20 years on the same terms and conditions of the Tenancy Agreement.

FH-REIT or its property-holding entity will receive rental payment for each property from the relevant Master Lessee or Tenant comprising of (i) a fixed rent and (ii) a variable rent.

(See Appendix A to this Circular for certain information on the properties expected to comprise the Initial Portfolio, including details on the Master Lessee and Tenant of each property.)

For a fuller list of the terms of each of the Master Lease and Tenancy Agreements, please refer to Appendix E to this Circular for further details.

4.2 Other Agreements to be entered into by FCL in connection with the REIT Transaction

There will be agreements that will be entered into by FCL (directly or indirectly) in connection with the REIT Transaction, including but not limited to the following:

(i) the FCL ROFR and the TCC-FCL Agreement;

(ii) corporate guarantees granted by FCL (as guarantor) to FH-REIT or the relevant FH-REIT entity, (as the case may be) in respect of each of the Master Lease and Tenancy Agreements (the “Corporate Guarantees”);

(iii) the Top-Up Deed;

(iv) the trust deed constituting FH-REIT (the “FH-REIT Trust Deed”);

(v) the trust deed constituting FH-BT (the “FH-BT Trust Deed”); and

(vi) the Investment Management Agreements and the MIT Trust Deeds (each as defined herein).

4.2.1 Fees payable under the FH-REIT Trust Deed

Management Fees

(a) a base fee of 0.3% per annum of the value of gross assets of FH-REIT, for the time being held or deemed to be held by FH-REIT under the FH-REIT Trust Deed; and

(b) a performance fee of 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the FH-REIT performance fee and the FH-BT performance fee but after accounting for the FH-REIT base fee and the FH-BT base fee). There should be no double-counting
of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the performance fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the performance fee. For the avoidance of doubt, the maximum performance fee payable to both the REIT Manager and the Trustee-Manager collectively is 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the performance fee but after accounting for the base fee).

The management fees are payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units (as the REIT Manager may elect, and in such proportion as may be determined by the REIT Manager).

**Acquisition Fee and Divestment Fee**

(c) an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

(i) the acquisition price of any real estate purchased by FH-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more SPVs, plus any other payments in addition to the acquisition price made by FH-REIT or its SPV to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-REIT’s interest);

(ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-REIT whether directly or indirectly through a holding of shares, units or any other interests in one or more SPVs (plus any other payments made by FH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests or, as the case may be, contractual interest) (pro-rated, if applicable to the proportion of FH-REIT’s interest); or

(iii) the acquisition price of any investment purchased by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units (as the REIT Manager may elect, and in such proportion as may be determined by the REIT Manager).

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1 In the event that one of FH-REIT and FH-BT generates negative distributable income in the relevant financial year while the other stapling entity generates positive distributable income, such other stapling entity shall be entitled to the whole amount of the performance fee.

2 No acquisition fee is payable for the transfer assets from FH-BT.

3 “other payments” refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.

4 For example, if FH-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by FH-REIT as purchase price and any debt of the special purpose company.
LETTER TO SHAREHOLDERS

(d) a divestment fee\(^1\) of 0.5% of each of the following as is applicable (subject to there being no double-counting):

(i) the sale price of any real estate sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments\(^2\) in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-REIT’s interest);

(ii) the underlying value\(^3\) of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments received by the FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-REIT’s interest); or

(iii) the sale price of the investment sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The divestment fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units (as the REIT Manager may elect, and in such proportion as may be determined by the REIT Manager).

**Development Management Fees**

(e) development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project (as defined herein) undertaken by the REIT Manager on behalf of FH-REIT. FH-REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments).

“Development Project”, in relation to FH-REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FH-REIT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works, provided always that the Property Funds Appendix shall be complied with for the purposes of such development.

When the estimated Total Project Costs are greater than S$200.0 million\(^4\), the REIT Trustee and the REIT Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager’s view, materially lower than the development management fee, the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

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1 No divestment fee is payable for the transfer of assets to FH-BT.
2 “other payments” refer to additional payments to FH-REIT or its SPVs for the sale of the real estate, for example, where FH-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.
3 For example, if FH-REIT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by FH-REIT as sale price and any debt of the special purpose company.
4 The threshold of S$200.0 million is derived by the REIT Manager and Trustee-Manager based on industry estimates that the development costs of hospitality real estate assets are generally greater than development costs compared to other types of real estate asset class.
For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project.

4.2.2 Fees payable under the FH-BT Trust Deed

Management Fees

(a) a base fee of 0.3% per annum of the value of the Trust Property (as defined in the Business Trusts Act, Chapter 31A of Singapore) of FH-BT (the “FH-BT Trust Property”);

(b) a performance fee of 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the FH-BT performance fee but after accounting for the FH-BT base fee). There should be no double-counting of fees. In the event that both the Trustee-Manager and the REIT Manager are entitled to the performance fee, such fees payable to both the Trustee-Manager and the REIT Manager will be apportioned based on the respective proportionate contributions of FH-BT and FH-BT in the performance fee. For the avoidance of doubt, the maximum performance fee payable to both the Trustee-Manager and the REIT Manager collectively is 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the performance fee but after accounting for the base fees); and

(c) a trustee fee of a maximum of 0.1% per annum of the FH-BT Trust Property, subject to a minimum fee of S$10,000 per month, provided that the value of the FH-BT Trust Property is at least S$50.0 million. The fees above are payable in the event that FH-BT becomes active.

The management fees are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units (as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager).

Acquisition Fee and Divestment Fee

(d) an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):

(i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by FH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-BT’s interest);

(ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of such real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments made by FH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of FH-BT’s interest); or

1 In the event that one of FH-BT generates negative distributable income in the relevant financial year while the other stapling entity generates positive distributable income, such other stapling entity shall be entitled to the whole amount of the performance fee.
2 No acquisition fee is payable for the transfer of assets from FH-BT.
3 “other payments” refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.
4 For example, if FH-BT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by FH-BT as purchase price and any debt of the special purpose company.
(iii) the acquisition price of any investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

(e) a divestment fee\(^1\) of 0.5% of each of the following as is applicable (subject to there being no double-counting):

(i) the sale price of any real estate sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments\(^2\) in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);

(ii) the underlying value\(^3\) of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments\(^1\) received by the FH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or

(iii) the sale price of the investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The divestment fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

**Development Management Fees**

(f) development management fees equivalent to 3.0% of the Total Project Costs\(^4\) incurred in a Development Project (as defined herein) undertaken by the Trustee-Manager on behalf of FH-BT.

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1 No divestment fee is payable for the transfer of assets to FH-REIT.
2 "Other payments" refer to additional payments to FH-BT or its SPVs for the sale of the real estate, for example, where FH-BT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.
3 For example, if FH-BT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by FH-BT as sale price and any debt of the special purpose company.
4 "Total Project Costs" means the sum of the following (where applicable):

   (i) construction cost based on the project final account prepared by the project quantity surveyor;

   (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;

   (iii) the cost of obtaining all approvals for the project;

   (iv) site staff costs;

   (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and

   (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with generally accepted accounting practices in Singapore.

For the avoidance of doubt, land costs will not be included in the computation of Total Project Costs.
“Development Project”, in relation to FH-BT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FH-BT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works.

When the estimated Total Project Costs are greater than $200.0 million, the Trustee-Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager’s view, materially lower than the development management fee, the Trustee-Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT.

For the avoidance of doubt, no acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project.

4.2.3 Fees payable under the Investment Management Agreements

The fees payable to FHT Australia Management Pty Ltd (the “MIT Manager”) under the investment management agreements comprise the following:

(i) a base fee of 0.3% per annum of the total value of MIT Australia’s trust property;

(ii) a performance fee of 5.5% per annum of MIT Australia earnings before interest, taxes, depreciation and amortisation;

(iii) an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases of:

(a) the acquisition price of any real estate purchased by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the acquisition price made by MIT Australia or a special purpose vehicle to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of MIT Australia’s interest);

(b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments made by MIT Australia or a special purpose vehicle to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of MIT Australia’s interest); or

(c) the acquisition price of any investment purchased by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

1 The threshold of $200.0 million is derived by the REIT Manager and the Trustee-Manager based on industry estimates that the development costs of hospitality real estate assets are generally greater than development costs compared to other types of real estate asset class.
(iv) a divestment fee of 0.5% of:

(a) the sale price of any real estate sold or divested by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the sale price received by MIT Australia or a special purpose vehicle from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of MIT Australia’s interest), the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate sold or divested by MIT Australia or the acquisition price of any investment purchased by MIT Australia (as the case may be);

(b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, plus any other payments received by MIT Australia or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of MIT Australia’s interest); or

(c) the sale price of any investment sold or divested by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and

(v) a development management fee of 3.0% of the Total Project Costs incurred in a Development Project. Where the estimated Total Project Costs is greater than S$200.0 million, the MIT Trustee and the REIT Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the development management fee may be directed to be reduced.

Except for the development management fee which may only be paid in cash, the fees are payable to the MIT Manager in the form of cash and/or Stapled Securities or, as the case may be, units in FH-REIT.

(See paragraph 2.2 (FCL ROFR) and Appendix E to this Circular for further details on these contracts to be entered into by FCL (directly or indirectly) in connection with and pursuant to the REIT Transaction which amount to Interested Person Transactions.)

4.3 Directors’ Service Contracts in relation to the Proposed FCL Transactions

No person is proposed to be appointed as a Director in relation to the Proposed FCL Transactions or any other transactions contemplated in relation to the Proposed FCL Transactions.

As FHT and the Offering will be subject to review by the relevant regulators, save for the Minimum Aggregate Sale Consideration for the Proposed Divestment, the terms of the agreements set out above and as described in this Circular may be subject to amendments pursuant to review by the relevant regulators.

5. INTERESTED PERSON TRANSACTIONS

5.1 Interested Person Transactions under Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where the Company proposes to enter into a transaction with an Interested Person 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

1 “Interested Person” means:

(i) a director, chief executive officer or controlling shareholder of a listed company; or

(ii) an associate of such director, chief executive officer or controlling shareholder.
Interested Person during the same financial year) is equal to or exceeds 5.0% of the Company's latest audited net tangible assets ("NTA"), Shareholders’ approval is required in respect of the transaction.

Based on the audited consolidated financial statements of the FCL Group for the financial year ended 30 September 2013 ("FY2013"), the audited consolidated NTA of the FCL Group as at 30 September 2013 (the “Latest NTA”) was approximately S$5,384.2 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by the Company with an Interested Person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same Interested Person during the current financial year, equal to or is in excess of S$269.2 million (being 5.0% of the Latest NTA), such a transaction would be subject to Shareholders’ approval.

(See Appendix G to this Circular for general information on the listing rules relating to interested person transactions, including the meanings of terms such as “associate”, “entity at risk”, “interested person”, “same interested person” and “interested person transaction” used in Chapter 9 of the Listing Manual.)

The Interested Person Transactions into which the Company proposes to enter are set out below.

5.1.1 Interested Person Transactions under the REIT Transaction

The Proposed Divestment

TCC Hospitality¹ is expected to own more than 40.0% of FHT on the Listing Date. FHT is therefore considered to be an associate² of the TCC Group. Interbev Investment Limited and TCC Assets Limited, entities of the TCC Group, are the controlling shareholders (as defined in the Listing Manual) of FCL, and constitute Interested Persons of FCL. The Minimum Aggregate Sale Consideration (which includes the amount under the Top-Up Deed for FS Singapore) for the Serviced Residences of approximately S$651.7 million is equal to approximately 12.1% of the Latest NTA of the FCL Group.

As such, the Proposed Divestment entered into pursuant to the REIT Transaction would constitute an “Interested Person Transaction” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Rule 906 of the Listing Manual as the value of the REIT SPA and Lease Agreements exceeds the threshold under the Listing Manual.

The Proposed FCL Transactions

(i) The Master Lease and Tenancy Agreements

TCC Hospitality is expected to own more than 40.0% of FHT on the Listing Date. FHT is therefore considered to be an associate of the TCC Group. Interbev Investment Limited and TCC Assets Limited, entities of the TCC Group, are the controlling shareholders (as defined in the Listing Manual) of FCL, and constitute Interested Persons of FCL.

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

² "associate" means:

(a) in relation to any Director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

(i) his immediate family;

(ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and

(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.
Under the Master Lease and Tenancy Agreements, the Master Lessees and Tenant will pay a fixed rent per annum for a fixed initial term plus the extended term(s) as out in the relevant Master Lease and Tenancy Agreements, which is equivalent to an aggregate amount of S$1,727.6 million, being approximately 32.1% of the Latest NTA of the FCL Group. The Master Lessees and Tenant are also required to pay a Variable Rent based on the formula as set out in the respective Master Lease and Tenancy Agreements.

As such, the Master Lease and Tenancy Agreements would constitute “Interested Person Transactions” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Rule 906 of the Listing Manual as the value of the Master Lease Agreements exceeds the threshold under the Listing Manual.

(ii) Other Agreements to be entered into by FCL in connection with the REIT Transaction

TCC Hospitality is expected to own more than 40.0% of FH-REIT and FH-BT on the Listing Date. FH-REIT and FH-BT are therefore considered to be associates of the TCC Group. Interbev Investment Limited and TCC Assets Limited, entities of the TCC Group, are the controlling shareholders (as defined in the Listing Manual) of FCL, and constitute Interested Persons of FCL.

The other transactions to be entered into with FH-REIT and/or FH-BT set out in paragraph 2.2 (FCL ROFR) and Appendix E to this Circular pursuant to the REIT Transaction (being the FCL ROFR and the TCC-FCL Agreement, the Corporate Guarantees, the Top-Up Deed, the FH-REIT Trust Deed, the FH-BT Trust Deed, the Investment Management Agreements and the MIT Trust Deeds) are expected to exceed 5.0% of the Latest NTA of the FCL Group.

As such, these transactions would constitute “Interested Person Transactions” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Rule 906 of the Listing Manual.

6. FINANCIAL EFFECTS OF THE PROPOSED REIT TRANSACTION

6.1 Bases and Assumptions

The proforma financial effects of the Proposed REIT Transaction on the FCL Group have been prepared based on the audited consolidated financial statements of the FCL Group for the financial year ended 30 September 2013. The proforma financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the FCL Group post the Proposed Divestment.

The proforma financial effects on the net asset value (“NAV”) and NAV per share for FY2013 have been prepared based on the assumption that the Proposed REIT Transaction was completed on 30 September 2013. The proforma financial effects on profit after tax and non-controlling interest and earnings per share (“EPS”) for FY2013 have been prepared based on the assumption that the Proposed REIT Transaction was completed on 1 October 2012.

FHT will be recognised as an associate of FCL.

The proforma financial effects are prepared only in respect of the Proposed Divestment and the significant assumptions and bases are set out as follows:

(i) grant of the 75-year leasehold interests in the Serviced Residences at the REIT purchase price as at 1 October 2012 (for EPS effects) and as at 30 September 2013 (for NAV effects);

(ii) the loss of operating profits of the Serviced Residences for FY2013;
LETTER TO SHAREHOLDERS

(iii) an estimated share of FHT’s results arising from FCL’s holding in FHT;

(iv) an estimated share of the REIT Manager’s profit arising from FCL’s 100.0% interest in the REIT Manager assuming that the FH-REIT Trust Deed (which sets out the fees payable to the REIT Manager) was in place on 1 October 2012; and

(v) interest adjustment for the Serviced Residences for FY2013, assuming all related borrowings are repaid.

6.2 NAV per Share

Assuming the Proposed REIT Transaction had been completed on 30 September 2013, the financial effects of the Proposed REIT Transaction on the consolidated NAV of the FCL Group as at 30 September 2013 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Before the Proposed REIT Transaction(1)</th>
<th>Pre-Proposed REIT Transaction (Post Company’s Listing)(2)</th>
<th>Post-Proposed REIT Transaction (Post Company’s Listing)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV (S$m)</td>
<td>5,451(2)</td>
<td>6,121</td>
<td>6,129</td>
</tr>
<tr>
<td>No. of issued Shares (’000)</td>
<td>753,292</td>
<td>2,889,813</td>
<td>2,889,813</td>
</tr>
<tr>
<td>NAV per Share (S$)</td>
<td>6.80</td>
<td>2.12</td>
<td>2.12</td>
</tr>
</tbody>
</table>

Notes:
(1) Based on the audited consolidated financial statements of the FCL Group for FY2013.
(2) Includes redeemable preference shares of S$330 million as at 30 September 2013.
(3) Post Company’s Listing assumes that (i) the NAV of the FCL Group was adjusted for the capitalisation events as disclosed in the Introductory Document and in the announcement released by FCL on 8 January 2014, and (ii) the number of Shares in issue was increased from 753,291,782 Shares to 2,889,812,572 Shares.

6.3 Earnings per Share

Assuming the Proposed REIT Transaction had been completed on 1 October 2012, being the beginning of the most recently completed financial year, the financial effects on the consolidated earnings of the FCL Group for FY2013 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Before the Proposed REIT Transaction(1)</th>
<th>Pre-Proposed REIT Transaction (Post Company’s Listing)(2)</th>
<th>Post-Proposed REIT Transaction (Post Company’s Listing)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after tax and non-controlling interests (after fair value change and exceptional items) (S$m)</td>
<td>722</td>
<td>722</td>
<td>740</td>
</tr>
<tr>
<td>No. of issued Shares (’000)</td>
<td>753,292</td>
<td>2,889,813</td>
<td>2,889,813</td>
</tr>
<tr>
<td>EPS (after fair value change and exceptional items) (Singapore cents)</td>
<td>95.9</td>
<td>25.0</td>
<td>25.6</td>
</tr>
</tbody>
</table>

Notes:
(1) Based on the audited consolidated financial statements of the FCL Group for FY2013.
(2) Post Company’s Listing assumes that (i) the NAV of the FCL Group was adjusted for the capitalisation events as disclosed in the Introductory Document and in the announcement released by FCL on 8 January 2014, and (ii) the number of Shares in issue was increased from 753,291,782 Shares to 2,889,812,572 Shares.
6.4 Gearing

Assuming completion of the Proposed REIT Transaction had taken place on 30 September 2013, the gearing of the FCL Group will be as follows:

<table>
<thead>
<tr>
<th></th>
<th>Before the Proposed REIT Transaction(^{(1)})</th>
<th>Pre-Proposed REIT Transaction (Post Company’s Listing)(^{(2)})</th>
<th>Post-Proposed REIT Transaction (Post Company’s Listing)(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt over Total Equity (%)</td>
<td>57</td>
<td>40</td>
<td>33</td>
</tr>
</tbody>
</table>

Notes:

(1) Based on the audited consolidated financial statements of the FCL Group for FY2013.

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

7. DETAILS OF THE PROPOSED RENEWAL OF THE IPT MANDATE

7.1 Background

The Company was admitted to the Official List of the SGX-ST on 9 January 2014. In accordance with Rule 920(2) of the Listing Manual, the Company has in place an IPT Mandate for the purposes of Chapter 9 of the Listing Manual, the terms of which, together with other requisite information required by Rule 920(1)(b) of the Listing Manual, were set out on pages 140 to 145 of the Company’s Introductory Document. The IPT Mandate enables the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual, on and after the Company’s Listing Date, to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company’s interested persons, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

7.2 Renewal of the IPT Mandate

Pursuant to Rule 920(2) of the Listing Manual, the IPT Mandate was expressed in the Introductory Document to be effective until the earlier of (a) the conclusion of the first AGM of the Company following the Company’s Listing, and (b) the first anniversary of the Company’s Listing Date. Hence, the IPT Mandate will continue in force only until 9 January 2015, being the first anniversary of the Company’s Listing Date, which is expected to be before the first AGM after the Company’s Listing.

The Directors propose that the IPT Mandate be renewed at the EGM and to continue in force until the conclusion of the next AGM. It is intended that approval from Shareholders will be sought for renewal of the IPT Mandate at the next AGM and at each subsequent AGM, subject to satisfactory review by the Audit Committee of the IPT Mandate’s continued application to the Mandated Transactions (as defined herein) and that the review procedures continue to be sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
7.3 Particulars of the IPT Mandate

The nature of the interested person transactions and the classes of interested persons in respect of which the IPT Mandate is sought to be renewed remains unchanged. As at the Latest Practicable Date, each of Thai Beverage Public Company Limited, TCC Assets Limited, Fraser and Neave, Limited ("F&N"), FHT, the Directors and their respective associates (but excluding the Company and its subsidiaries), are regarded as “interested persons” of the Company for the purposes of Chapter 9 of the Listing Manual. Particulars of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of interested persons (including the persons who shall abstain from participating in the Audit Committee’s review and approval process of the Mandated Transactions\(^1\)), are set out in Appendix F to this Circular.

The following transactions which will be entered into by members of the Group in connection with the Offering also constitute Interested Person Transactions which fall within the scope of the IPT Mandate:

7.3.1 the master serviced residence management agreement between the Master Lessees and the REIT Trustee, the REIT Manager, the Trustee-Manager and the operators of the Serviced Residences;

7.3.2 the individual serviced residence management agreements between each Master Lessee and the REIT Trustee, the REIT Manager, the Trustee-Manager and Frasers Hospitality Pte Ltd;

7.3.3 the master technical services agreement between the Master Lessees and Frasers Hospitality Pte Ltd and the REIT Trustee, the REIT Manager and the Trustee-Manager;

7.3.4 the individual technical services agreement between each Master Lessee and Frasers Hospitality Pte Ltd and the REIT Trustee, the REIT Manager and the Trustee-Manager;

7.3.5 the ABS servicing agreement between the Malaysian SPV, the REIT Manager and the bond trustee (in its capacity as trustee for the holders of bonds under the ABS structure); and

7.3.6 the serviced residences licence agreement between the Master Lessees, the REIT Manager, the Trustee-Manager and the operators of the Serviced Residences.

Accordingly, the express approval of Shareholders will not be sought under Resolution 1 in respect of these Interested Person Transactions.

7.4 Confirmation by the Audit Committee

The Audit Committee confirms that:

7.4.1 the methods or procedures for determining that the transaction prices under the IPT Mandate have not changed since the Company’s Listing Date; and

7.4.2 the methods or procedures referred to in paragraph 7.4.1 above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

7.5 Chapter 9 of the Listing Manual

General information on the listing rules relating to interested person transactions, including the meanings of terms such as “associate”, “entity at risk”, “interested person”, “same interested person” and “interested person transaction” used in Chapter 9 of the Listing Manual, is set out in Appendix G to this Circular.

\(^1\) In particular, if a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of a Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.
8. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED TRANSACTIONS

FCL believes that the Transactions will bring the following key benefits to the Shareholders:

**Proposed REIT Transaction**

8.1.1 Unlocking value in the Serviced Residences

The Proposed Divestment will unlock and release capital from the Serviced Residences, thereby allowing FCL to retain a significant amount of the cash proceeds to pursue growth opportunities and to fund the Company's future business plans and requirements for growth. The proceeds will also allow the Company to reduce its borrowings and gearing. Based on the pro-forma financial effects of the Proposed REIT transaction, assuming this has taken place on 30 September 2013 and post-Company's Listing, the gearing of the FCL Group is estimated to decrease from 40.0% to 33.0%

The Company will also maintain the ability to operate the Serviced Residences via the Master Lease Agreements, pursuant to which the Company and/or its subsidiaries (as the Master Lessee) will be responsible for the day-to-day management and maintenance of the Serviced Residences.

In addition, through the ownership of 100.0% of the REIT Manager and the Trustee-Manager, the Company will earn a sustainable and steady fee income stream tied to the size of FHT.

8.1.2 Create an efficient platform for the holding of hospitality properties

The injection of TCC assets into FHT and the acquisition of the TCC operating companies will provide the FCL Group with an integrated platform to hold hospitality assets. A larger platform will enable the FCL Group to reap more economies of scale in managing the global portfolio of hospitality assets through taking on a holistic approach in managing both hotels and serviced residences. Furthermore, the FCL Group can benefit from a higher fee income from managing a larger portfolio of assets. FHT will also complement the two existing REITs sponsored and managed by FCL, being Frasers Centrepoint Trust and Frasers Commercial Trust.

In addition, FCL believes that FHT would serve as an efficient platform for holding future hospitality properties which FCL may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the long-term capital appreciation value created in such properties. In addition, FHT, being a separate listed entity, will be able to finance itself independently and will not need to rely on FCL for its financing needs.

8.1.3 Additional fee-based income stream

The management fee, the acquisition fee, the divestment fee and the development management fee will be received by the REIT Manager, which is a wholly-owned subsidiary of FCL. This will add a valuable, fee-based fund management business to FCL's portfolio.

8.1.4 Shareholders continue to benefit from substantial ownership of the Initial Portfolio

It is currently expected that FCL will hold approximately 22.0% of the Stapled Securities upon Listing. Therefore, the establishment of FHT would allow Shareholders to continue to benefit from FCL's ownership of the Initial Portfolio through FHT and the recurring distributable income from FCL's unitholdings in FHT. FCL will also continue to be closely involved in FHT through its ownership of the REIT Manager and the Trustee-Manager.
LETTER TO SHAREHOLDERS

Proposed Renewal of the IPT Mandate

8.1.5 Enhancement of the Group’s Ability to pursue Business Opportunities

The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The IPT Mandate is intended to facilitate transactions in the normal course of the Group’s business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 Interests of Directors

The Non-Executive Chairman, Mr Charoen Sirivadhanabhakdi is the Chairman of several public listed and private entities within the TCC Group. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi.

The Non-Executive Vice Chairman, Khunying Wanna Sirivadhanabhakdi, is Vice Chairman of several public listed and private entities within the TCC Group.

Mr Chotiphat Bijananda, a Non-Executive and Non-Independent Director of the Company, is the advisor of TCC Holding Co., Ltd and is a director of TCC Assets Limited and TCC Technology Co., Ltd within the TCC Group. Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

Mr Panote Sirivadhanabhakdi, a Non-Executive and Non-Independent Director of the Company, is a director of certain entities within the TCC Group and will be a director of the REIT Manager and the Trustee-Manager. Mr Panote Sirivadhanabhakdi is the son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi. Mr Panote Sirivadhanabhakdi also holds 20.0% of the issued share capital of TCC Hospitality, and is therefore deemed interested in TCC Hospitality’s direct interest in the Stapled Securities.

Mr Sithichai Chaikriangkrai, a member of FCL’s Audit Committee, is a director and chief financial officer of Thai Beverage Public Company Limited and a director of certain other companies which are associates of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

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

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Direct Interest</th>
<th>Deemed Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>held</td>
<td></td>
</tr>
<tr>
<td>Charoen Sirivadhanabhakdi</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Khunying Wanna Sirivadhanabhakdi</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
LETTER TO SHAREHOLDERS

9.2 **Interests of Substantial Shareholders**

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

<table>
<thead>
<tr>
<th>Name of Substantial Shareholder</th>
<th>Direct Interest</th>
<th>Deemed Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares held</td>
<td>%</td>
</tr>
<tr>
<td>Charoen Sirivadhanaabhakdi</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Khunying Wanna Sirivadhanaabhakdi</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>InterBev Investment Limited</td>
<td>824,847,644</td>
<td>28.54</td>
</tr>
<tr>
<td>International Beverage Holdings Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Thai Beverage Public Company Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>TCC Assets Limited</td>
<td>1,716,160,124</td>
<td>59.39</td>
</tr>
<tr>
<td>Siriwana Company Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>MM Group Limited</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Maxtop Management Corp.</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Risen Mark Enterprise Ltd.</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Golden Capital (Singapore) Limited</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

9.3 Save as disclosed in this paragraph 9 and based on information available to the Company as at the Latest Practicable Date, none of the Directors or substantial shareholders have any interest, direct or indirect, in the Transactions.

10. **ADVICE OF THE INDEPENDENT FINANCIAL ADVISER ON THE PROPOSED REIT TRANSACTION**

10.1 **Independent Financial Adviser**

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

The view of the IFA is set out in paragraph 10.2 below.

10.2 **Advice**

Having regard to the considerations set out in the IFA Letter and the information available as at the Latest Practicable Date, the IFA is of the opinion that from a financial point of view, the REIT Transaction is on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the IFA advises the Independent Directors to recommend that minority Shareholders vote in favour of the REIT Transaction.
LETTER TO SHAREHOLDERS

11. RECOMMENDATIONS

11.1 On the REIT Transaction

After taking into consideration the factors likely to affect the economics of the REIT Transaction, including the opinion of the IFA (as set out in the IFA Letter in Appendix C to this Circular), the rationale for and key benefits of the Transactions (as set out in paragraph 8 (Rationale for and Key Benefits of the Proposed Transactions) of the Letter to Shareholders), the Summary Valuation Certificates (as set out in Appendix D to this Circular), and after discussion with the management of the Company and the IFA, the Independent Directors and the Audit Committee (with Mr Sithichai Chaikriangkrai abstaining) are of the view that the REIT Transaction is based on normal commercial terms and would not be prejudicial to the interests of FCL or its minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote at the EGM in favour of the REIT Transaction.

The Independent Directors advise the Shareholders, in deciding whether to vote in favour of the REIT Transaction, to carefully consider the advice of PricewaterhouseCoopers Corporate Finance Pte Ltd and in particular, the various factors highlighted by PricewaterhouseCoopers Corporate Finance Pte Ltd in its advice. In giving the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

11.2 On the renewal of the IPT Mandate

Notwithstanding that all the Directors are Mandated Interested Persons (as described in paragraph 4 of Appendix F to this Circular), it is anticipated that none of the Independent Directors (or their respective associates) will enter into any Mandated Transaction with the Group. Accordingly, the Independent Directors are considered independent for the purposes of the proposed renewal of the IPT Mandate. Having considered the terms of the IPT Mandate, the Independent Directors are of the opinion that the entry by the Group into the Mandated Transactions with the Mandated Interested Persons in the ordinary course of business will enhance the efficiency of the Group, and is in the interest of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 2 relating to the proposed renewal of the IPT Mandate.

In giving the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

12. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 28 May 2014 at 2.30 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 modification, the Ordinary Resolution set out in the Notice of EGM, which is set out on pages H-1 to H-2 of this Circular. Approval by way of an Ordinary Resolution is required in respect of both Resolution 1 (the Proposed REIT Transaction) and Resolution 2 (the Proposed Renewal of the Shareholders’ Mandate for Interested Person Transactions).

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

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

13.1 **On the REIT Transaction**

Given that members of the TCC Group are interested in the REIT Transaction, all persons who fall within the definition of “TCC Group” as set out in this Circular, have undertaken that (i) they will abstain, and will procure that their associates will abstain, from voting at the EGM on Resolution 1 relating to the proposed REIT Transaction, and (ii) will not, and will procure that its associates will not, accept appointments as proxies in relation to the Resolution unless specific instructions as to voting are given. The Directors who have interests in the TCC Group, as disclosed in paragraph 9.1 above (i) will abstain, and will procure that their associates will abstain, from voting on at the EGM on Resolution 1 and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 1, unless specific instructions as to voting are given.

13.2 **On the Renewal of the IPT Mandate**

Thai Beverage Public Company Limited, TCC Assets Limited and each of the Directors have undertaken that they will abstain and will procure that their associates will abstain, from voting at the EGM on Resolution 2 relating to the proposed renewal of the IPT Mandate, and each of the Non-Independent Directors have also undertaken that in addition, they will not and will procure that their associates will not, accept appointments as proxies in relation to Resolution 2, unless specific instructions as to voting are given.

14. **ACTION TO BE TAKEN BY SHAREHOLDERS**

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

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not later than 2.30 p.m. on 26 May 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.

Persons who have an interest in the approval of any of the resolutions 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.

15. **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 REIT Transaction, the renewal of the IPT Mandate, 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.
16. CONSENTS

16.1 Independent Financial Adviser on the REIT Transaction

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.

16.2 Independent Valuers for the Proposed Divestment

Each of the Independent Valuers for the Proposed Divestment has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Summary Valuation Certificates and all references thereto, in the form and context in which they are included in this Circular.

17. DOCUMENTS FOR INSPECTION

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

(i) the memorandum and articles of association of the Company;

(ii) the Annual Report of the Company for 2013, which includes the audited consolidated financial statements of the FCL Group for FY2013;

(iii) the drafts of the REIT SPA and Lease Agreements;

(iv) the valuation reports prepared by Knight Frank PL, Knight Frank and Savills in respect of the Serviced Residences;

(v) the letters of consent from Knight Frank PL, Knight Frank, Savills and the IFA; and

(vi) the IFA Letter.

Yours faithfully

For and on behalf of

the Board of Directors of

FRASERS CENTREPOINT LIMITED

Charoen Sirivadhanabhakdi
Non-Executive and Non-Independent Chairman
12 May 2014
1. THE INITIAL PORTFOLIO

1.1 Description of the properties constituting the Initial Portfolio

The table below sets out certain information with respect to each of the Hotels as at 31 December 2013:

<table>
<thead>
<tr>
<th>Location</th>
<th>InterContinental Singapore</th>
<th>Novotel Rockford Darling Harbour</th>
<th>Park International London</th>
<th>Best Western Cromwell London</th>
<th>ANA Crowne Plaza Kobe</th>
<th>Westin Kuala Lumpur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80 Middle Road, Singapore 188966</td>
<td>17 Little Pier Street, Darling Harbour, NSW 2000, Australia</td>
<td>117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom</td>
<td>108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom</td>
<td>1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-002, Japan</td>
<td>199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia</td>
</tr>
<tr>
<td>Market Segment</td>
<td>Upper Upscale</td>
<td>Mid-scale</td>
<td>Mid-scale</td>
<td>Mid-scale</td>
<td>Upper Upscale</td>
<td>Upper Upscale</td>
</tr>
</tbody>
</table>
| Leasehold Tenure | Leasehold of 75 years commencing from Listing Date | Leasehold of 84 years commencing from Listing Date | Leasehold of 75 years commencing from Listing Date | Leasehold of 75 years commencing from Listing Date | Freehold
| Number of Available Rooms | 406 | 230 | 171 | 85 | 593 | 443 |

1 ANA Crowne Plaza Kobe is held through TBI, in the form of a beneficiary interest in a Japanese trust that holds title to ANA Crowne Plaza Kobe.
## APPENDIX A
### INFORMATION ON THE INITIAL PORTFOLIO OF FRASERS HOSPITALITY TRUST

<table>
<thead>
<tr>
<th></th>
<th>InterContinental Singapore</th>
<th>Novotel Rockford Darling Harbour</th>
<th>Park International London</th>
<th>Best Western Cromwell London</th>
<th>ANA Crowne Plaza Kobe</th>
<th>Westin Kuala Lumpur</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term of Master Lease or Tenancy (years)</strong></td>
<td>20 + 20 years commencing from the Listing Date (at the option of the Master Lessee)</td>
<td>10 + 10 + 10 + 10 years commencing from the Listing Date (at the option of the Master Lessee)</td>
<td>10 years commencing from the Listing Date (fixed and non-renewable)</td>
<td>Three + three + three years commencing from the Listing Date (at the option of the Tenant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hotel Manager</strong></td>
<td>InterContinental Hotels (Singapore) Pte Ltd</td>
<td>Rockford Indigo (Hotels) Pty Limited</td>
<td>TCC Hotel Group Co., Ltd</td>
<td>TCC Hotel Group Co., Ltd</td>
<td>IHG ANA Hotels Group Japan LLC</td>
<td>Starwood Asia Pacific Hotels &amp; Resorts Pte Ltd</td>
</tr>
</tbody>
</table>

1. Within 14 business days from the commencement date of the Tenancy Agreement, JBB Hotels is obliged to apply for the approval of the relevant state authority on the conversion of the tenancy into a lease for 20 years with an option for the lessee to obtain an additional lease for a further 20 years.

2. The hotel managers are third parties independent from FCL and the TCC Group save for the hotel manager of Park International London and Best Western Cromwell London which is a subsidiary of the TCC Group.

3. With effect from 1 January 2014, the hotel manager for Novotel Rockford Darling Harbour is Rockford Hotels Pty Limited (as trustee for the Rockford Hotels Management Trust).
APPENDIX A
INFORMATION ON THE INITIAL PORTFOLIO OF FRASERS HOSPITALITY TRUST

The table below sets out certain information with respect to each of the Serviced Residences as at 31 December 2013:

<table>
<thead>
<tr>
<th>Location</th>
<th>Fraser Suites Singapore</th>
<th>Fraser Suites Sydney</th>
<th>Fraser Place Canary Wharf</th>
<th>Fraser Suites Queens Gate</th>
<th>Fraser Suites Glasgow</th>
<th>Fraser Suites Edinburgh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>491A River Valley Road, Singapore 248372</td>
<td>488 Kent Street, Sydney, NSW 2000, Australia</td>
<td>80 Boardwalk Place, London E14 5SF, United Kingdom</td>
<td>39B Queens Gate Gardens, London SW7 5RR, United Kingdom</td>
<td>No 1-19 Albion Street, Glasgow G1 1LH, Scotland, United Kingdom</td>
<td>12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Upper Upscale</th>
<th>Upper Upscale</th>
<th>Upper Upscale</th>
<th>Upper Upscale</th>
<th>Upper Upscale</th>
<th>Upper Upscale</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Leasehold Tenure</th>
<th>Leasehold of 75 years commencing from Listing Date</th>
<th>Leasehold of 75 years commencing from Listing Date</th>
<th>Leasehold of 75 years commencing from Listing Date</th>
<th>Leasehold of 75 years commencing from Listing Date</th>
<th>Leasehold of 75 years commencing from Listing Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number of Serviced Residence Units</th>
<th>255</th>
<th>201</th>
<th>96</th>
<th>105</th>
<th>98</th>
<th>75</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Master Lessee</th>
<th>River Valley Apartments Pte Ltd</th>
<th>Frasers Town Hall Residences Operations Pty Ltd</th>
<th>Fairdace Limited</th>
<th>39QGG Management Ltd</th>
<th>Fairdace Limited</th>
<th>Frasers St Giles Street Management Limited</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Term of Master Lease (years)</th>
<th>20 + 20 years commencing from the Listing Date (at the option of the Master Lessee)</th>
</tr>
</thead>
</table>

|----------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|

<table>
<thead>
<tr>
<th>Vendor</th>
<th>River Valley Apartments Pte Ltd, River Valley Shopping Centre Pte Ltd and River Valley Tower Pte Ltd</th>
<th>Frasers Town Hall Residences Pty Ltd</th>
<th>Fairdace Limited</th>
<th>Queensgate Garden (C.I.) Limited</th>
<th>Fairdace Limited</th>
<th>Frasers (St Giles Street, Edinburgh) Limited</th>
</tr>
</thead>
</table>
APPENDIX B
LIST OF FREEHOLD AND LEASEHOLD INTERESTS OWNED BY THE FCL GROUP IN THE SERVICED RESIDENCES

1. LIST OF FREEHOLD AND LEASEHOLD INTERESTS OWNED BY THE FCL GROUP IN THE SERVICED RESIDENCES

The table below sets out the freehold and leasehold interests in the Serviced Residences currently owned by the FCL Group:

<table>
<thead>
<tr>
<th>Property</th>
<th>Underlying Land Tenure</th>
<th>Tenure to be acquired by FH-REIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraser Suites Singapore</td>
<td>999-year leasehold estate</td>
<td>75 years</td>
</tr>
<tr>
<td>Fraser Suites Sydney</td>
<td>Freehold estate</td>
<td>75 years</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>999-year leasehold estate</td>
<td>75 years</td>
</tr>
<tr>
<td>Fraser Suites Queens Gate</td>
<td>Freehold estate</td>
<td>75 years</td>
</tr>
<tr>
<td>Fraser Suites Glasgow</td>
<td>Freehold estate</td>
<td>75 years</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>Freehold estate</td>
<td>75 years</td>
</tr>
</tbody>
</table>
APPENDIX C
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

12 May 2014

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

Dear Sirs

THE PROPOSED DIVESTMENT OF SERVICED RESIDENCES FROM FRASERS CENTREPOINT LIMITED (“FCL”) AND ITS SUBSIDIARIES TO FRASERS HOSPITALITY REIT (THE “PROPOSED DIVESTMENT”) AND THE PROPOSED ENTRY INTO VARIOUS TRANSACTIONS BY FRASERS CENTREPOINT LIMITED (THE “PROPOSED FCL TRANSACTIONS”) IN CONNECTION WITH THE PROPOSED REIT TRANSACTION, INCLUDING THOSE WHICH AMOUNT TO INTERESTED PERSON TRANSACTIONS

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

1 INTRODUCTION

This IFA Letter has been prepared for inclusion in the circular in connection with, inter alia, the Proposed Divestment and the Proposed FCL Transactions (collectively the “Proposed REIT Transaction”). This letter sets out our view on the Proposed REIT Transaction and our recommendations to the Audit Committee and Independent Directors. This letter also sets forth the factors considered by PricewaterhouseCoopers Corporate Finance Pte Ltd (“PwCCF”) in arriving at its view. The Circular and Letter to Shareholders from the Board of Directors included therein will provide, inter alia, details of the Proposed REIT Transaction and the recommendation(s) of the Audit Committee and the Independent Directors in relation to the Proposed REIT Transaction, having considered PwCCF’s advice in this letter.

1.1 Background

We understand that FCL is seeking the approval of the Shareholders in relation to the following transactions:

(i) The proposed granting of a 75-year leasehold interest in each of six serviced residences (the “Serviced Residences”) held by FCL and/or its subsidiaries to Frasers Hospitality Real Estate Investment Trust (“FH-REIT”), a proposed real estate investment trust which together with another proposed business trust, Frasers Hospitality Business Trust (“FH-BT”) will form Frasers Hospitality Trust (“FHT”), a proposed hospitality stapled group to be sponsored by FCL;

(ii) The proposed entry into a series of Master Lease Agreement(s) (“MLAs”) by subsidiaries of FCL as Master Lessee and FH-REIT as the Master Lessor immediately upon completion of the Proposed Divestment;

(iii) The granting of a Corporate Guarantee by FCL to FH-REIT in relation to the liabilities of FCL’s subsidiaries as Master Lessees; and
APPENDIX C
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iv) The entering into of management agreements (the “Management Agreements”) between FH-REIT, FH-BT and the Australia sub-trusts, and the REIT manager (“REIT Manager”), the trustee-manager (“Trustee-Manager”) and the sub-trust managers respectively, which will be wholly owned subsidiaries of FCL. FH-REIT, FH-BT and the Australia sub-trusts will pay management fees to abovementioned subsidiaries of FCL for their services, at the level set by FCL in the Management Agreements.

Further, we understand that the Proposed Divestment and the Proposed FCL Transactions are conditional upon the offering of the securities of FHT (the “Stapled Securities”) on the Main Board of SGX-ST, of which FCL currently expects to hold, either directly or indirectly, approximately 22% of the Stapled Securities upon completion.

The Proposed Divestment and the Proposed FCL Transactions (including those agreements to be entered into pursuant to and to give effect to the Proposed REIT Transaction (set out in Appendix F to this Circular)) constitute “Interested Person Transactions” under Chapter 9 of the Listing Manual in respect of which the approval of Shareholders is required under Rule 906 of the Listing Manual.

It is in this context that PwCCF has been appointed to advise the Audit Committee and Independent Directors on whether the Proposed REIT Transaction is on normal commercial terms and are not prejudicial to the interests of FCL and its minority shareholders.

Detailed information on the Proposed REIT Transaction is set out in Sections 2 to 4 of the Letter to Shareholders. We recommend that the Audit Committee and Independent Directors advise Shareholders to read the aforementioned sections carefully.

2 TERMS OF REFERENCE

PwCCF has been appointed as the IFA to advise, from a financial point of view, as to whether the Proposed REIT Transaction is on normal commercial terms and is not prejudicial to the interests of FCL and its minority shareholders.

We have confined our evaluation of the Proposed REIT Transaction to be solely from a financial point of view on the bases set out herein. We have, amongst other things:

(i) reviewed certain publicly available business and financial information concerning the Proposed REIT Transaction as well as certain information provided and representations made to us by the Directors, senior executives, professional advisers and other authorised representatives of FCL;

(ii) compared the proposed financial terms of the Proposed REIT Transaction with the publicly available financial terms of certain transactions involving companies we deemed relevant;

(iii) participated in discussions with certain members of the management of FCL with respect to certain aspects of the Proposed REIT Transaction as well as the past and current business operations and financial conditions of FCL, and certain other matters we believed necessary or appropriate to our inquiry;

(iv) reviewed and relied on certain internal financial analyses prepared by or at the direction of the management of FCL relating to its business operations;

(v) reviewed and relied on the valuation reports (“Valuation Reports”) for the Serviced Residences issued by Knight Frank Pte Ltd (“Knight Frank PL”), Knight Frank Valuations
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(“Knight Frank”) and Savills Advisory Services Limited (“Savills”) (collectively the “Independent Valuers for the Proposed Divestment”);

(vi) compared the proposed terms of the MLAs with the publicly available financial terms of other similar agreements entered into by REITs which we deemed relevant;

(vii) compared the proposed fees outlined in the REIT Management Agreement with the publicly available financial terms of other similar agreements entered into by REITs which we deemed relevant;

(viii) compared the proposed fees outlined in the Trustee-Manager Management Agreement with the publicly available financial terms and fees of other similar agreements entered into by REITs which we deemed relevant;

(ix) reviewed the proposed fees outlined in the sub-trust Management Agreement;

(x) participated in discussions with representatives of FCL and its legal advisers and Independent Valuers for the Proposed Divestment with respect to the Proposed Divestment and Proposed FCL Transactions;

(xi) reviewed the Circular; and

(xii) performed such other financial analyses and considered such other information as we deemed appropriate for the purposes of this IFA Letter.

We have relied upon and assumed, inter alia, the accuracy, adequacy and completeness of all publicly available information or information provided to or discussed with us by FCL or otherwise reviewed by or for us. We have not independently verified such information or its accuracy, adequacy or completeness, including but not limited to the Valuation Reports. We have nevertheless made reasonable enquiries and exercised reasonable judgement as we deemed necessary or appropriate in assessing such information and we are not aware of any reason to doubt the reliability of the information.

We do not represent or warrant, expressly or impliedly, and do not accept any responsibility for the accuracy, completeness or adequacy of such information. We have not conducted any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of FCL (and parties acting in concert with them) or any other relevant party to the Proposed REIT Transaction under any applicable laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses provided to us or derived therefrom, we have assumed, inter alia, that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the management of FCL as to the financial condition of FCL and the relevant properties to which such analyses relate. We express no view as to such analyses or the assumptions on which they were based. We are not legal, regulatory or tax experts. We are the independent financial advisers only and have relied on, without independent verification, the assessments made by advisers to FCL with respect to such issues. We have nevertheless made reasonable enquiries and exercised reasonable judgement as we deemed necessary or appropriate in assessing such information and we are not aware of any reason to doubt the reliability of the information.

In addition, we have assumed that the Proposed REIT Transaction will be consummated in accordance with the terms set forth in the Circular without any waiver, amendment or delay of any terms or conditions and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Proposed REIT Transaction. We have further assumed, inter alia, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed REIT
APPENDIX C
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Transaction will be obtained and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on FCL or on the contemplated benefits of the Proposed REIT Transaction.

Our opinion as set out in this IFA Letter is based upon prevailing market, economic, industry, monetary and other conditions (if applicable) and the information made available to us as of the Latest Practicable Date. Our opinion is limited to the fairness and reasonableness, from a financial point of view, of the Proposed REIT Transaction. We express no opinion as to the commercial merits of the Proposed REIT Transaction.

We have not been requested to, and we do not, express any opinion on the structure of the Proposed REIT Transaction, the type of the purchase consideration for the Serviced Residences, or any other aspects of the Proposed REIT Transaction, or provide services other than the delivery of this IFA Letter. We were not involved in negotiations pertaining to the Proposed REIT Transaction nor were we involved in the deliberation leading up to the decision to put forth the Proposed REIT Transaction to the Shareholders. We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Proposed REIT Transaction or any other alternative transaction.

We have not made an independent evaluation of the Serviced Residences. We have however been furnished with the Valuation Reports for the Serviced Residences issued by Knight Frank PL, Knight Frank and Savills. The respective summary valuation certificates are set out in Appendix D of the Circular.

Our terms of reference also do not require us to evaluate or comment on the rationale for, risks and/or merits of the Proposed REIT Transaction or the future prospects and earnings potential of FCL, FH-REIT, FH-BT or FHT, nor do our terms of reference require us to evaluate or comment on the merits of the statements or opinions stated in any reports relating to the transaction, including the Valuation Reports and any other reports issued by any other party. We have accordingly not made such evaluation or comment. Such evaluation or comments, if any, remain the sole responsibility of the Directors, although we may draw upon their views to the extent deemed necessary or appropriate by us in arriving at our opinion as set out in this IFA Letter. In addition, our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects, earnings potential and/or financial position of FCL, FH-REIT, FH-BT or FHT.

The Directors have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information in connection with FCL and its subsidiaries, the Proposed REIT Transaction and the Circular has been disclosed to us, that such information constitutes a full and true disclosure in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to FCL or the Proposed REIT Transaction as stated in the Circular to be incomplete, inaccurate or misleading in any material respect. The Directors have jointly and severally accepted the responsibility for the accuracy and completeness of such information. We have relied upon such confirmation by the Directors and the accuracy and completeness of all information given to us by the Directors and/or management of FCL and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent and warrant, expressly or impliedly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised reasonable judgement as we deemed necessary or appropriate in assessing such information and we are not aware of any reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors that the Circular has been approved by the Directors (including those who may have delegated detailed supervision of the Circular) who collectively and individually accept full responsibility for the accuracy of the information given in the
Circular (other than this IFA Letter and information extracted in toto from the Valuation Reports) and confirm after making all reasonable enquiries that, as at the Latest Practicable Date, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about FCL, its subsidiaries and the Serviced Residences in the context of the Proposed REIT Transaction and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading in any material respect. For the purposes of providing this IFA Letter and our evaluation of the Proposed REIT Transaction from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of FCL, the Serviced Residences, FHT, or any part or division of any of the foregoing.

Conditions may change significantly over a short period of time and accordingly we assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion herein.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, tax positions, risk profiles, tax status or positions or particular needs and constraints or other particular circumstances of any Shareholder. As each Shareholder would have different investment objectives and profiles, the Audit Committee and Independent Directors may wish to advise any Shareholder who may require specific advice in relation to his specific investment portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional adviser immediately.

This IFA Letter is addressed to the Audit Committee and Independent Directors and is for their benefit in connection with and for the purpose of their consideration of the Proposed REIT Transaction. However, the recommendations made by them shall remain the responsibility of the Audit Committee and Independent Directors.

FCL has been separately advised by its own advisers in relation to the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed REIT Transaction should be considered in the context of the entirety of this IFA Letter and the Circular.

3 DETAILS OF THE TRANSACTION

Details of the Proposed REIT Transaction are set out in Sections 2 to 4 of the Letter to Shareholders, which Shareholders are advised to refer to. A summary of the key terms of the Proposed REIT Transaction, as extracted from Section 2 to 4 of the Circular, is set out below.

3.1 Sale Consideration for the Proposed Divestment

The Proposed Divestment will involve the sale of a 75-year leasehold interest in each of the Serviced Residences to FH-REIT.

The sale consideration for the Proposed Divestment ("Consideration") was arrived at on a willing-buyer and willing-seller basis after taking into account independent valuations of the current market value of the leasehold interest in each of the Serviced Residences. FCL has commissioned Knight Frank PL, Knight Frank and Savills as independent valuers of the Serviced Residences in Singapore, Australia and the United Kingdom respectively. The respective consideration of each property is set out in the table below:
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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

<table>
<thead>
<tr>
<th>Property</th>
<th>Country</th>
<th>Location</th>
<th>Consideration in local currency ('m) (1)</th>
<th>Consideration in SGD ('m) (1)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraser Suites Singapore</td>
<td>Singapore</td>
<td>River Valley Road, Singapore (near Ganges Avenue)</td>
<td>SGD327.0</td>
<td>327.0 (3)</td>
</tr>
<tr>
<td>Fraser Suites Sydney</td>
<td>Australia</td>
<td>Kent Street, Sydney (near Bathurst Street)</td>
<td>AUD103.5</td>
<td>121.0</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>United Kingdom</td>
<td>Boardwalk Place, London (near Trafalgar Way)</td>
<td>GBP31.5</td>
<td>66.3</td>
</tr>
<tr>
<td>Fraser Suites Queens Gate</td>
<td>United Kingdom</td>
<td>Queen's Gate Gardens, London (near Cromwell Road)</td>
<td>GBP46.3</td>
<td>97.4</td>
</tr>
<tr>
<td>Fraser Suites Glasgow</td>
<td>United Kingdom</td>
<td>Albion Street, Glasgow (near High Street)</td>
<td>GBP7.5</td>
<td>15.8</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>United Kingdom</td>
<td>St Giles’ Street, Edinburgh (near George IV Bridge)</td>
<td>GBP11.5</td>
<td>24.2</td>
</tr>
</tbody>
</table>

Note:
(1) The Consideration is inclusive of the FF&E of the Serviced Residences. As of 30 September 2013, the net book value of the FF&E reserve was S$12.1 million. In the case of Fraser Suites Sydney, the FF&E will be sold to FH-REIT pursuant to a separate FF&E agreement. Please refer to Appendix E of the Circular for further details.
(2) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD:SGD and 0.4754 GBP:SGD as at 17 April 2014.
(3) The property sale and purchase agreement relating to Fraser Suites Singapore contains a top-up deed that requires FCL to set aside an escrow amount of S$1.65m out of the sale price of S$327.0m. The escrow amount will be paid back to FHT in the event that Fraser Suites Singapore is unable to meet certain gross operating profit (“GOP”) targets, reducing the consideration to S$325.4m. As a conservative approach, we have evaluated the sale of Fraser Suites Singapore based on a Consideration of S$325.4m in sections 4.2 to 4.6 of this letter.

While each property has been individually valued and priced, the Proposed Divestment has been conceived as a sale of the entire portfolio comprising the six Serviced Residences. Hence, it is relevant to evaluate the Proposed Divestment on a portfolio basis as well as on an individual property basis.

The Minimum Aggregate Sale Consideration for the portfolio of Serviced Residences of S$651.7m, taking into account the appraised value of the Serviced Residences and by translating Australian dollars and pound sterling into Singapore dollars based on certain specified exchange rates as set out in Section 3 of the Letter to Shareholders.

Accordingly, the actual amount of Singapore dollars received by the FCL Group from the sale of the Serviced Residences could be higher or lower than the Minimum Aggregate Sale Consideration amount due to differences in the AUD/SGD and the GBP/SGD exchange rates prevailing at the date of registration of the final prospectus of FHT with the Monetary Authority of Singapore (the “Registration Date”) from the exchange rates set out in Section 3 of the Letter to Shareholders, as the purchase consideration of each of the Serviced Residences under the REIT SPA and Lease Agreements is specified in the local currency (being Singapore dollars in the case of FS Singapore, Australian dollars in the case of FS Sydney and pound sterling in the case of FP Canary Wharf, FS Queens Gate, FS Glasgow and FS Edinburgh), but the purchase consideration will be paid in Singapore dollars based on the AUD/SGD and GBP/SGD exchange rates on the Registration Date.

As noted above, FCL will be required to set aside an escrow amount of S$1.65m for Fraser Suites Singapore out of the Minimum Aggregate Sale Consideration of S$651.7m.

The Consideration will be satisfied in cash and via the issuance of new Stapled Securities in FHT.
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The six Serviced Residences, which are the subject of the Proposed Divestment are currently owned and managed by FCL or its subsidiaries, and are located in Singapore, Australia and the United Kingdom. Details of the Serviced Residences are set out in Section 3 of the Circular, which Shareholders are advised to refer to.

3.3 MLAs and Corporate Guarantees

FH-REIT, as Master Lessor will enter into a MLA with FCL’s subsidiaries as Master Lessees for each of the properties owned by FH-REIT. FCL, as parent company to the Master Lessees, will provide a Corporate Guarantee to FH-REIT in relation to the liabilities of the Master Lessees under the MLAs.

3.4 REIT Manager and Trustee-Manager Agreements

FH-REIT will appoint a REIT Manager while FH-BT will appoint a Trustee-Manager. The REIT Manager and Trustee-Manager will be fully owned subsidiaries of FCL.

3.5 Australia Properties

Upon completion of the Proposed Divestment, the leasehold interest in Fraser Suites Sydney, as well as the leasehold interest in the Australia hotel property to be owned by FH-REIT held under a managed investment scheme ("MIT"), which will establish sub-trusts to hold these properties. The MIT will be fully-owned by the Trustee on behalf of FH-REIT. The MIT will be managed by the MIT manager ("MIT Manager"), which will be a fully-owned subsidiary of FCL.

4 EVALUATION OF THE TRANSACTION

In our evaluation from a financial point of view of whether the terms of the Proposed REIT Transaction are based on normal commercial terms and are not prejudicial to the interests of FCL and its minority shareholders, we have duly considered the following key factors:

(i) The rationale for the Proposed REIT Transaction;

(ii) The valuation approaches and assumptions adopted by the Independent Valuers for the Proposed Divestment in appraising the Serviced Residences;

(iii) The current market value of the Serviced Residences in comparison to the book value of the Serviced Residences;

(iv) The price per key, price per Gross Floor Area ("GFA") and yield of each of the Serviced Residences, to the extent these items of information are publicly available, based on the Consideration in comparison to other properties held by REITs listed on the Main Board of SGX-ST that are broadly comparable to the respective Serviced Residences;

(v) The price per key, price per GFA and yield of each of the Serviced Residences, to the extent these items of information are publicly available, based on the Consideration in comparison to recent transactions of serviced residences that are broadly comparable to the respective Serviced Residences;
(vi) The Consideration for the portfolio of Serviced Residences in comparison to the book value of the portfolio of Serviced Residences and the current market value of the portfolio of Serviced Residences;

(vii) The terms of the MLAs;

(viii) The rationale and terms of the Corporate Guarantee;

(ix) The fees associated with the REIT Management Agreement;

(x) The fees associated with the Trustee-Manager Management Agreement;

(xi) The fees associated with the sub-trust manager Management Agreement;

(xii) The proforma financial impacts of the Proposed REIT Transaction; and

(xiii) The prevailing market, economic, industry, monetary and other relevant conditions, together with any information made available to us at the Latest Practicable Date.

These factors are discussed in greater detail in the ensuing paragraphs.

4.1 Rationale for the Transaction

The rationale for the Proposed REIT Transaction as set out in Section 8 of the Letter to Shareholders is reproduced in toto in the section. We recommend that the Audit Committee and Independent Directors advise Shareholders to read this section of the Letter to Shareholders carefully.

FCL believes that the Transactions will bring the following key benefits to FCL and its Shareholders:

**Proposed REIT Transaction**

a) **Unlocking value in the Serviced Residences**

The Proposed Divestment will unlock and release capital from the Serviced Residences, thereby allowing FCL to retain a significant amount of the cash proceeds to pursue growth opportunities and to fund the Company’s future business plans and requirements for growth. The proceeds will also allow the Company to reduce its borrowings and gearing. Based on the pro-forma financial effects of the Proposed REIT transaction, assuming this has taken place on 30 September 2013 and post Company’s listing, the gearing of the FCL Group is estimated to decrease from 40.0% to 33.0%.

The Company will also maintain the ability to operate the Serviced Residences via the Master Lease and Tenancy Agreements, pursuant to which the Company and/or its subsidiaries (as the Master Lessee and Tenant) will be responsible for the day-to-day management and maintenance of the Serviced Residences.

In addition, through the ownership of 100.0% of the REIT Manager and the Trustee-Manager, the Company will earn a sustainable and steady fee income stream tied to the size of FHT.

b) **Create an efficient platform for the holding of hospitality properties**
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The injection of TCC assets into FHT and the acquisition of the TCC operating companies will provide the FCL Group an integrated platform to hold hospitality assets. A larger platform will enable the FCL Group to reap more economies of scale in managing the global portfolio of hospitality assets through taking on a holistic approach in managing both hotels and serviced residences. Furthermore, the FCL Group can benefit from a higher fee income from managing a larger portfolio of assets. FHT will also complement the two existing REITs sponsored and managed by FCL, being Frasers Centrepoint Trust and Frasers Commercial Trust.

In addition, FCL believes that FHT would serve as an efficient platform for holding future hospitality properties which FCL may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the long-term capital appreciation value created in such properties. In addition, FHT, being a separate listed entity, will be able to finance itself independently and will not need to rely on FCL for its financing needs.

c) Additional fee-based income stream

The management fee, the acquisition fee, the divestment fee and the development management fee will be received by the REIT Manager, which is a wholly-owned subsidiary of FCL. This will add a valuable, fee-based funds management business to FCL’s portfolio.

d) Shareholders continue to benefit from substantial ownership of the Initial Portfolio

It is currently expected that FCL will hold approximately 22.0% of the Stapled Securities upon listing. Therefore, the establishment of FHT would allow Shareholders to continue to benefit from FCL’s ownership of the Initial Portfolio through FHT and the recurring distributable income from FCL’s unitholdings in FHT. FCL will also continue to be closely involved in FHT through its ownership of the REIT Manager and the Trustee-Manager.

Proposed Renewal of the IPT Mandate

e) Enhancement of the Group’s Ability to pursue Business Opportunities

The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The IPT Mandate is intended to facilitate transactions in the normal course of the Group’s business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

4.2 Independent Valuations of the Serviced Residences

The Proposed Divestment covers six Serviced Residences in three countries – Singapore, Australia and the United Kingdom. While FCL has commissioned the Independent Valuers for the Proposed Divestment to assess the open market values of a 75-year leasehold interest in each of
the Serviced Residences separately, the Proposed Divestment has been conceived as a sale of the entire portfolio comprising the six Serviced Residences. Hence, it is relevant to evaluate the Proposed Divestment on a portfolio basis as well as on an individual property basis. Sections 4.2 to 4.5 of the IFA Letter set out our evaluation of the Proposed Divestment on an individual property basis while Section 4.6 of the IFA Letter sets out our evaluation of the Proposed Divestment on a portfolio basis.

We set out in the table below the open market values of a 75-year leasehold interest in each of the Serviced Residences as appraised by the Independent Valuers for the Proposed Divestment as well as the Consideration for the respective Serviced Residences:

<table>
<thead>
<tr>
<th>Property</th>
<th>Valuer</th>
<th>Capitalisation Method(1) (S$ 'm)</th>
<th>Discounted Cash Flow Method(1) (S$ 'm)</th>
<th>Direct Comparison Method(2)</th>
<th>Adopted Value(3) (S$ 'm)</th>
<th>Consideration (S$ 'm)(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraser Suites Singapore</td>
<td>Knight Frank PL</td>
<td>309.8</td>
<td>296.0</td>
<td>NA</td>
<td>303.0</td>
<td>325.4</td>
</tr>
<tr>
<td>Fraser Suites Sydney</td>
<td>Knight Frank</td>
<td>NA</td>
<td>NA</td>
<td>118.4</td>
<td>118.4</td>
<td>121.0</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>Savills</td>
<td>NA</td>
<td>62.5</td>
<td>NA</td>
<td>62.5</td>
<td>66.3</td>
</tr>
<tr>
<td>Fraser Suites Queens Gate</td>
<td>Savills</td>
<td>NA</td>
<td>96.3</td>
<td>NA</td>
<td>96.3</td>
<td>97.4</td>
</tr>
<tr>
<td>Fraser Suites Glasgow</td>
<td>Savills</td>
<td>NA</td>
<td>17.5</td>
<td>NA</td>
<td>17.5</td>
<td>15.8</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>Savills</td>
<td>NA</td>
<td>22.7</td>
<td>NA</td>
<td>22.7</td>
<td>24.2</td>
</tr>
</tbody>
</table>

Source: Valuation Reports

NA: Not Applicable

Notes:
(1) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD:SGD and 0.4754 GBP:SGD as at 17 April 2014.
(2) The direct comparison method has been used to separately value the serviced apartment units, commercial units and car park spaces within Fraser Suites Sydney. The values for the serviced apartment units, commercial units and car park spaces are then summed to arrive at the market value for Fraser Suites Sydney. Kindly refer to section 4.2.1 for more information.
(3) The adopted value is the final market value of a 75-year leasehold interest in the respective properties prescribed by the Independent Valuers for the Proposed Divestment after considering the various valuation methods applied.

As illustrated above, we note the following:

(i) Other than for Fraser Suites Glasgow, the Consideration for each of the Serviced Residences is higher than the open market value of a 75-year leasehold interest in the respective Serviced Residence. The Consideration is at a premium of between 1% and 7%; and

(ii) For Fraser Suites Glasgow, the Consideration is at a 10% discount to the open market value of a 75-year leasehold interest in the property. However, we note that Fraser Suites Glasgow accounts for only 2.8% of the aggregate value of the portfolio of Serviced Residences on a 75-year leasehold basis, as appraised by the Independent Valuers for the Proposed Divestment. The Consideration for the remaining 97.2% of the portfolio is at a premium to the adopted value assigned by the Independent Valuers for the Proposed Divestment.
Based on the above, we consider the Consideration to be received by FCL for the six Serviced Residences to be reasonable and not prejudicial to the interests of FCL and its minority shareholders.

4.2.1 The Valuation Approaches and Assumptions Adopted by the Independent Valuers for the Proposed Divestment

In arriving at the open market valuations of the Serviced Residences, the Independent Valuers for the Proposed Divestment have adopted the following methods:

(i) Knight Frank PL have adopted the Capitalisation method and the DCF method;

(ii) As Fraser Suites Sydney has been granted permission for conversion to residential use, Knight Frank have calculated the overall value using a Gross Realisation (sum of the components) approach and have adopted a Direct Comparison method for each component. The components include:

(a) Apartments; Based on our discussion with Knight Frank, we note that the apartments have been valued assuming owner occupation, which reflects the apartment type and location. As owner-occupiers will be more concerned with the cost rather than the investment return, the Direct Comparison method is more appropriate compared to income approaches such as Capitalisation method and DCF method.

(b) Commercial units; and Based on our discussion with Knight Frank, we note that the commercial units have also been valued assuming vacant possession/owner occupation, due to the size and location of the units, as well as the primarily residential nature of the building. Hence, potential buyers will be more concerned with the cost rather than the investment return, rendering the Direct Comparison method more appropriate compared to income approaches such as Capitalisation method and DCF method.

(c) Car parking spaces We note that car parking spaces have been allocated based on one space per two bedroom “Dual Key” apartment and one space per commercial unit. Residual spaces have been valued using the Direct Comparison method.

(iii) Savills have adopted the DCF method as the primary approach and used the Capitalisation method and the Direct Comparison method as cross-checks to the values obtained.

These approaches adopted by the Independent Valuers for the Proposed Divestment are widely accepted methods for the purpose of valuing properties. We set out below a brief summary of the valuation approaches adopted by each of the Independent Valuers for the Proposed Divestment:
<table>
<thead>
<tr>
<th>Capitalisation Method</th>
<th>Knight Frank PL</th>
<th>Knight Frank</th>
<th>Savills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerations for income projection</td>
<td>• Revenues and operating expenses have been adjusted to reflect anticipated revenues and operating expenses respectively &lt;br&gt; • Other outgoings such as property tax, insurance and management fees have been deducted to arrive at net income</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Assumed capitalisation rate</td>
<td>• Based on analysis of yields reflected in the sales of comparable property types, and as appropriate for the type of use, leasehold period and reflective of the quality of the investment</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Other key assumptions</td>
<td>• Capital adjustment in the form of capital expenditure has been made to arrive at the value</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

NA: Not Applicable
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<table>
<thead>
<tr>
<th>DCF Method</th>
<th>Knight Frank PL</th>
<th>Knight Frank</th>
<th>Savills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue assumptions</strong>&lt;br&gt;Room revenue is driven by occupancy rate and average daily rate (ADR)&lt;br&gt;Occupancy rate is determined by industry benchmarking&lt;br&gt;ADR growth is based on inflation rate with an additional margin&lt;br&gt;Revenue from other operating departments is limited</td>
<td>NA</td>
<td>NA</td>
<td>Room revenue is driven by occupancy rate and ADR&lt;br&gt;Occupancy rate is determined by industry benchmarking&lt;br&gt;ADR growth is based on inflation rate with adjustments made according to the specific considerations of each property&lt;br&gt;Revenue from other operating departments is limited</td>
</tr>
<tr>
<td><strong>Cost assumptions</strong>&lt;br&gt;Operating cost is based on percentage of revenue&lt;br&gt;Other outgoings such as property tax, insurance and management fees have been deducted to arrive at net operating income&lt;br&gt;Capital expenditure and future building refurbishment have been provided for to arrive at the value</td>
<td>NA</td>
<td>NA</td>
<td>Operating cost is based on percentage of revenue&lt;br&gt;Other outgoings such as property tax, insurance and management fees have been deducted to arrive at net operating income&lt;br&gt;A FF&amp;E escrow has been provided for to arrive at EBITDA</td>
</tr>
<tr>
<td><strong>Assumed discount rate</strong>&lt;br&gt;The discount rate is based on current market requirements for investment return over a 10-year period from residential and hotel real estate assets&lt;br&gt;The discount rate is comparable to alternative forms of investment and delivers a premium over the prevailing 10-year government bond rate. This spread reflects the risk premium inherent in direct property investment cash flows and its illiquidity relative to other forms of investment</td>
<td>NA</td>
<td>NA</td>
<td>The discount rate is based on the discount rate observed in comparable transactions</td>
</tr>
</tbody>
</table>

NA: Not Applicable
<table>
<thead>
<tr>
<th>Direct Comparison Method</th>
<th>Knight Frank PL</th>
<th>Knight Frank</th>
<th>Savills</th>
</tr>
</thead>
</table>
| Screening criteria       | NA              | • For the serviced apartment units which had permission for conversion to residential use, pre-sale of new residential apartments and sale of existing apartments in similar central Sydney locations in the past 2 years have been considered  
  • For the commercial units and car parking spaces, transactions of comparable commercial properties within the southern portion of CBD in the past 3 years have been considered. |
| Valuation parameter(s) considered | NA  
  • Both price per unit and price per square meter have been considered for the apartments and the commercial units  
  • Price per space has been been considered for the car parking spaces |
| Adjustments              | NA              | • Adjustments have been made for each residential apartment based on apartment layouts, elevations, aspects, availability of natural light, parking, access, balconies, views and locations within the complex  
  • Adjustments have been made for the commercial units based on individual attributes and location with the larger building  
  • Adjustments have been made for the car parking spaces based on location, security and access |
| Discounts                | NA              | • Due to a lack of offerings for apartments on a 75-year leasehold basis, a 25% and 10% discount are applied to the freehold value of each residential apartment and commercial unit respectively to arrive at the 75-year leasehold value  
  • No discount has been applied to the car parking spaces as Knight Frank states that the ownership  
  |
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structure has a minimum impact on price relative to other factors

NA: Not Applicable

We have also made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective Valuation Reports. In our review, we do not find the information contained therein to be unreasonable.

4.2.2 Capitalisation Rates, Discount Rates and Terminal Yields

With the exception of Fraser Suites Singapore, the Independent Valuers for the Proposed Divestment have also provided valuation of a freehold interest in each of the Serviced Residences as of 31-Dec-2013 in the Valuation Reports. We have compared the capitalisation rates, discount rates and terminal yields used by the Independent Valuers for the Proposed Divestment with the same parameters used in the valuation of the Serviced Residences for financial reporting purpose in financial year (“FY”) 2012 and FY2011 (“FY2012 valuation” and “FY2011 valuation” respectively).

We note that there was no valuation for financial reporting purpose conducted for Fraser Suites Sydney in FY2012 and FY2011 as it was classified as property held for sale and yearly valuation was not required. Further, no valuation for financial reporting purposes was conducted for Fraser Suites Queens Gate in FY2011 as it was acquired after FY2011. We also note that FCL engaged a different set of valuers for the Serviced Residences in 2013 and FY2012 as compared to FY2011.

The capitalisation rates, discount rates and terminal yields used in the valuations of the Serviced Residences by the Independent Valuers for the Proposed Divestment as well as in the FY2012 valuation and FY2011 valuation of the respective Serviced Residences are set out in the table below:
<table>
<thead>
<tr>
<th>Property</th>
<th>2013</th>
<th>FY2012</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75-year</td>
<td>Freehold</td>
<td>Freehold</td>
</tr>
<tr>
<td></td>
<td>Leasehold</td>
<td>interest</td>
<td>interest</td>
</tr>
<tr>
<td>Fraser Suites Singapore</td>
<td>Capitalisation rate</td>
<td>4.00%</td>
<td>N/Avail</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>6.50%</td>
<td>N/Avail</td>
</tr>
<tr>
<td></td>
<td>Terminal yield</td>
<td>4.25%</td>
<td>N/Avail</td>
</tr>
<tr>
<td>Fraser Suites Sydney</td>
<td>Capitalisation rate</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Terminal yield</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>Capitalisation rate</td>
<td>7.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>9.50%</td>
<td>8.50%</td>
</tr>
<tr>
<td></td>
<td>Terminal yield</td>
<td>7.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Fraser Suites Queens Gate</td>
<td>Capitalisation rate</td>
<td>6.00%</td>
<td>5.25%</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>8.50%</td>
<td>7.75%</td>
</tr>
<tr>
<td></td>
<td>Terminal yield</td>
<td>6.00%</td>
<td>5.25%</td>
</tr>
<tr>
<td>Fraser Suites Glasgow</td>
<td>Capitalisation rate</td>
<td>9.00%</td>
<td>7.50%</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>11.50%</td>
<td>10.00%</td>
</tr>
<tr>
<td></td>
<td>Terminal yield</td>
<td>9.00%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>Capitalisation rate</td>
<td>7.50%</td>
<td>6.25%</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>10.00%</td>
<td>8.75%</td>
</tr>
<tr>
<td></td>
<td>Terminal yield</td>
<td>7.50%</td>
<td>6.25%</td>
</tr>
</tbody>
</table>

Source: Valuation Reports, FCL management

NA: Data is not applicable as the particular valuation method has not been adopted by the valuers

N/Avail: Data is not available due to aforementioned reasons

As illustrated above, we note the following:

(i) The Independent Valuers for the Proposed Divestment have used a higher capitalisation rate, discount rate and terminal yield in the valuation of a 75-year leasehold interest compared to the valuation of a freehold interest for the same property. Based on the Valuation Reports and discussions with the Independent Valuers for the Proposed Divestment, we understand that this is due to the length of the leasehold period and the lower levels of interest in leasehold properties observed in the market;

(ii) For Fraser Suites Singapore, the capitalisation rate used by Knight Frank PL in valuing a 75-year leasehold interest is similar to that used in the FY2012 valuation;
(iii) For Fraser Place Canary Wharf, the capitalisation rate, discount rate and terminal yield used by Savills in valuing a freehold interest are similar to the same parameters used in the FY2012 valuation. However, the discount rate and terminal yield used by Savills in valuing a freehold interest are different from the same parameters used in the FY2011 valuation. Based on our discussion with FCL, we understand that Savills determined the capitalisation rate, discount rate and terminal yields independently without reference to the same parameters used by the valuer in FY2011. In addition, we note that the value obtained in the FY2012 valuation (GBP 35m) is similar to that obtained in the FY2011 valuation (GBP 34m);

(iv) For Fraser Suites Queens Gate, the capitalisation rate, discount rate and terminal yield used by Savills in valuing a freehold interest are lower than the same parameters used in the FY2012 valuation;

(v) For Fraser Suites Glasgow, the capitalisation rate, discount rate and terminal yield used by Savills in valuing a freehold interest are similar to the same parameters used in the FY2012 valuation. However, the discount rate and terminal yield used by Savills in valuing a freehold interest are different from the same parameters used in the FY2011 valuation. Based on our discussion with FCL, we understand that Savills determined the capitalisation rate, discount rate and terminal yields independently without reference to the same parameters used by the valuer in FY2011. In addition, we note that the value obtained in the FY2012 valuation (GBP 9.3m) is similar to that obtained in the FY2011 valuation (GBP 9.5m); and

(vi) For Fraser Suites Edinburgh, the capitalisation rate, discount rate and terminal yield used by Savills are lower than the same parameters used in the FY2012 valuation and in the FY2011 valuation.

Based on the above, we consider the Consideration to be received by FCL to be reasonable and not prejudicial to the interests of FCL and its minority shareholders.

4.3 Comparison of Open Market Value to Historical Book Value

We have also compared the open market value of a freehold interest in each of the Serviced Residences provided by the Independent Valuers for the Proposed Divestment to the historical book value of the Serviced Residences as set out in the table below:

<table>
<thead>
<tr>
<th>Property</th>
<th>FCL Introductory Document (as of 30 Jun 2013)</th>
<th>Independent Valuers for the Proposed Divestment (as of 31 Dec 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value of freehold interest (S$ 'm)</td>
<td>Value of freehold interest (S$ 'm)</td>
</tr>
<tr>
<td>Fraser Suites Singapore</td>
<td>354.0</td>
<td>N/Avail</td>
</tr>
<tr>
<td>Fraser Suites Sydney</td>
<td>119.0(2)</td>
<td>146.5</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>69.0</td>
<td>74.7</td>
</tr>
<tr>
<td>Fraser Suites Queens Gate</td>
<td>100.0</td>
<td>111.5</td>
</tr>
<tr>
<td>Fraser Suites Glasgow</td>
<td>20.0</td>
<td>21.0</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>25.0</td>
<td>27.3</td>
</tr>
</tbody>
</table>

Source: FCL Introductory Document, Valuation Reports

N/Avail: Knight Frank PL has not provided a valuation for a freehold interest in Fraser Suites Singapore in the Valuation Report.
Note:
(1) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD:SGD and 0.4754 GBP:SGD as at 17 April 2014.
(2) As Fraser Suites Sydney is classified as property held for sale, book value reflects its historical cost and not its current market value.

As illustrated above, we note the following:

(i) The open market value of a freehold interest in each of the Serviced Residences given by the Independent Valuers for the Proposed Divestment is higher than the historical book value of the respective Serviced Residences; and

(ii) The value of a 75-leasehold interest in each of the Serviced Residences is at a 14% to 19% discount to the value of a freehold interest in the respective Serviced Residences.

Based on the above, we consider the Consideration to be received by FCL to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.4 Price per key, Price per GFA and Yield Compared to Comparable Properties

We have considered publicly available information in respect of recent valuations of serviced apartments held by REITs listed on the Main Board of SGX-ST which we consider to be broadly comparable to the Serviced Residences (“Comparable Properties”) and extracted the relevant information in order to compare price per key, price per GFA and yield observed in each of the Serviced Residences with the same parameters for the Comparable Properties.

However, we recognize that the Comparable Properties listed herewith are not exhaustive and to the best of our knowledge and belief and after discussion with the Independent Valuers for the Proposed Divestment, there are no properties which may be considered directly comparable to the Serviced Residences in terms of building size and design, building age, building location, accessibility, land title, leasehold period, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria.

For the above reasons, while the Comparable Properties when taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Divestment, care has to be taken in the selection and use of any individual data point for the same purpose.

Accordingly, it should be noted that any comparison made with respect to the Comparable Properties may serve as an illustrative guide only.
### Appendix C

**Letter from the Independent Financial Adviser**

#### 4.4.1 Comparable Properties in Singapore

We set out in the table below the relevant information for the properties considered comparable to Fraser Suites Singapore:

<table>
<thead>
<tr>
<th>Property</th>
<th>Location</th>
<th>Lease Term (years)</th>
<th>Latest Val. Date</th>
<th>Value (S$'m)</th>
<th>No. of Keys</th>
<th>GFA (sqm)</th>
<th>GFA / Key (sqm)</th>
<th>Price / Key (S$'000)</th>
<th>Price / GFA (S$'000 / sqm)</th>
<th>Rental Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARKROYAL Serviced Suites</td>
<td>Beach Road</td>
<td>54</td>
<td>Dec-12</td>
<td>79.3</td>
<td>90</td>
<td>N/Avail</td>
<td>N/Avail</td>
<td>881</td>
<td>N/Avail</td>
<td>N/Avail</td>
</tr>
<tr>
<td>Citadines Mount Sophia</td>
<td>Little India</td>
<td>92</td>
<td>Dec-13</td>
<td>134.0</td>
<td>154</td>
<td>9,370</td>
<td>61</td>
<td>870</td>
<td>14.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Somerset Liang Court</td>
<td>Clarke Quay</td>
<td>64</td>
<td>Dec-13</td>
<td>209.5</td>
<td>197</td>
<td>27,155</td>
<td>138</td>
<td>1,063</td>
<td>7.7</td>
<td>8.9</td>
</tr>
<tr>
<td>Central Square Village Residence*</td>
<td>Clarke Quay</td>
<td>80</td>
<td>Dec-12</td>
<td>186.8</td>
<td>128</td>
<td>17,858</td>
<td>140</td>
<td>1,459</td>
<td>10.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Riverside Village Residences</td>
<td>Robertson Quay</td>
<td>78</td>
<td>Dec-12</td>
<td>113.8</td>
<td>72</td>
<td>10,570</td>
<td>147</td>
<td>1,581</td>
<td>10.8</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,171</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,581</strong></td>
<td><strong>10.8</strong></td>
<td><strong>6.8</strong></td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,063</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,459</strong></td>
<td><strong>10.5</strong></td>
<td><strong>5.0</strong></td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,581</td>
<td></td>
<td></td>
<td></td>
<td>1,581</td>
<td>10.8</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td></td>
<td></td>
<td>870</td>
<td></td>
<td></td>
<td></td>
<td>7.7</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>Fraser Suites Singapore</td>
<td>River Valley Road</td>
<td>75</td>
<td>Dec-13</td>
<td>325.4</td>
<td>255</td>
<td>25,897</td>
<td>102</td>
<td>1,276</td>
<td>12.6</td>
<td>8.3*</td>
</tr>
</tbody>
</table>

Source: Prospectuses, annual reports, company websites, FCL management, Valuation Reports

N/Avail: Not Available

Notes:
1. Remaining lease term as of valuation date
2. For Fraser Suites Singapore, we show the Consideration which FCL will receive
3. Calculated based on FY2012 full year gross rental income / value as of 31-Dec-12 for the Comparable Properties
4. Calculated based on FY2013 gross rental income / value as of 31-Dec-13 for Fraser Suites Singapore

As illustrated above, we note the following:

(i) The leasehold interest in the Comparable Properties in Singapore held by the respective REITs is for a different leasehold period than the 75-year leasehold interest in Fraser Suites Singapore to be sold to FH-REIT. The Independent Valuers for the Proposed Divestment have confirmed that properties with longer leasehold period would usually have higher valuations;

(ii) The price per key of S$1,276,000 based on the Consideration to be received is within the range of the price per key of the Comparable Properties and higher than the average and median price per key of the Comparable Properties;

(iii) The price per GFA of S$12,600 based on the Consideration to be received is within the range of the price per GFA of the Comparable Properties and higher than the average and median price per GFA of the Comparable Properties; and
(iv) The rental yield of 8.3% is within the range of the rental yield of the Comparable Properties and higher than the average and median rental yield of the Comparable Properties.

Based on the above, we consider the Consideration to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.4.2 Comparable Properties in Australia

To the best of our knowledge and belief and after discussion with Knight Frank, there are no comparable serviced apartments held by REITs listed on the Main Board of SGX-ST for Fraser Suites Sydney.

4.4.3 Comparable Properties in the United Kingdom

We set out in the tables below the relevant information for the properties considered comparable to Fraser Place Canary Wharf and Fraser Suites Queens Gate:

<table>
<thead>
<tr>
<th>Property</th>
<th>Location</th>
<th>Lease term (years)</th>
<th>Latest Val. Date</th>
<th>Value (S$m)</th>
<th>No. of Keys</th>
<th>GFA (sqm)</th>
<th>GFA / Key (sqm)</th>
<th>Price / Key (S$'000)</th>
<th>Price / GFA (S$'000 / sqm)</th>
<th>Rental Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citadines Barbican London</td>
<td>Goswell Road, London</td>
<td>Freehold</td>
<td>Dec-13</td>
<td>73.0</td>
<td>129</td>
<td>7,263</td>
<td>56</td>
<td>566</td>
<td>10.1</td>
<td>10.7</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>Canary Wharf, London</td>
<td>75</td>
<td>Dec-13</td>
<td>66.3(3)</td>
<td>96</td>
<td>5,659</td>
<td>59</td>
<td>690</td>
<td>11.7</td>
<td>14.1(4)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property</th>
<th>Location</th>
<th>Lease term (years)</th>
<th>Latest Val. Date</th>
<th>Value (S$m)</th>
<th>No. of Keys</th>
<th>GFA (sqm)</th>
<th>GFA / Key (sqm)</th>
<th>Price / Key (S$'000)</th>
<th>Price / GFA (S$'000 / sqm)</th>
<th>Rental Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citadines Prestige South Kensington</td>
<td>Kensignton, London</td>
<td>Freehold</td>
<td>Dec-13</td>
<td>79.0</td>
<td>92</td>
<td>6,657</td>
<td>72</td>
<td>859</td>
<td>11.9</td>
<td>10.3</td>
</tr>
<tr>
<td>Citadines Prestige Trafalgar Square</td>
<td>Trafalgar Square, London</td>
<td>Freehold</td>
<td>Dec-13</td>
<td>187.2</td>
<td>187</td>
<td>10,903</td>
<td>58</td>
<td>1,001</td>
<td>17.2</td>
<td>11.4</td>
</tr>
<tr>
<td>Citadines Prestige Holborn - Convent Garden</td>
<td>Holborn Station, London</td>
<td>Freehold</td>
<td>Dec-13</td>
<td>165.2</td>
<td>192</td>
<td>10,576</td>
<td>55</td>
<td>860</td>
<td>15.6</td>
<td>12.0</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>907</td>
<td>14.9</td>
</tr>
<tr>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>860</td>
<td>15.6</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,001</td>
<td>17.2</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>859</td>
<td>11.9</td>
</tr>
<tr>
<td>Fraser Suites Queens Gate</td>
<td>Queen's Gate Gardens, London</td>
<td>75</td>
<td>Dec-13</td>
<td>97.4(3)</td>
<td>105</td>
<td>6,416</td>
<td>61</td>
<td>928</td>
<td>15.2</td>
<td>N/Aval</td>
</tr>
</tbody>
</table>

Source: Ascott Residence Trust prospectus, annual report, and website, FCL management, Valuation Reports

N/Aval: Not Available as Fraser Suites Queens Gate was closed for renovation for 11 months in FY2013.
APPENDIX C
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:
(1) Remaining lease term as of valuation date
(2) For Fraser Suites Singapore, we show the Consideration which FCL will receive
(3) Calculated based on FY2012 full year gross rental income / value as of 31-Dec-12 for the Comparable Properties
(4) The $S equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.4754 GBP:$SGD as at 17 April 2014
(5) Calculated based on FY2013 gross rental income / value as of 31-Dec-13 for Fraser Suites Canary Wharf

To the best of our knowledge and belief and after discussion with Savills, there are no comparable serviced apartments held by REITs listed on the Main Board of SGX-ST for Fraser Suites Glasgow and Fraser Suites Edinburgh.

As illustrated above, we note the following:

(i) Ascott Residence Trust holds a freehold interest in the Comparable Properties in the United Kingdom whereas FH-REIT will only be acquiring a 75-year leasehold interest in the Serviced Residences. The Independent Valuers for the Proposed Divestment have confirmed that properties with freehold interest would usually have higher valuations;

(ii) For Fraser Place Canary Wharf, the price per key of $690,000 based on the Consideration to be received is higher than the price per key of the Comparable Property;

(iii) For Fraser Place Canary Wharf, the price per GFA of $11,700 based on the Consideration to be received is higher than the price per GFA of the Comparable Property;

(iv) For Fraser Place Canary Wharf, the rental yield of 14.1% is higher than the rental yield of the Comparable Property;

(v) For Fraser Suites Queens Gate, the price per key of $928,000 based on the Consideration to be received is within the range of the price per key of the Comparable Properties and higher than the average and median price per key of the Comparable Properties; and

(vi) For Fraser Suites Queens Gate, the price per GFA of $15,200 based on the Consideration to be received is within the range of the price per GFA of the Comparable Properties and similar to the average price per key of the Comparable Properties.

Based on the above, we consider the Consideration to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.5 Price per key, Price per GFA and Yield Compared to Comparable Transactions

We have also considered recent serviced apartment transactions which have involved serviced apartments in the relevant geographies for the period of 1 January 2012 to the Latest Practicable Date (“Comparable Transactions”) and extracted the relevant information from similar transactions in order to compare the price per key, price per GFA and yield of each of the Serviced Residences with the same parameters of the properties in Comparable Transactions.

We do, however, recognize that the Comparable Transactions listed herewith are not exhaustive and to the best of our knowledge and belief and after discussion with the Independent Valuers for the Proposed Divestment, there are no properties which may be considered directly comparable to the Serviced Residences in terms of building size and design, building age, building location, accessibility, land title, leasehold period, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria.
For the above reasons, while the Comparable Transactions when taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Divestment, care has to be taken in the selection and use of any individual data point for the same purpose.

Accordingly, it should be noted that any comparison made with respect to the Comparable Transactions may serve as an illustrative guide only.

4.5.1 Comparable Transactions in Singapore

We set out in the table below the relevant information for the transactions considered comparable to Fraser Suites Singapore:

<table>
<thead>
<tr>
<th>Property</th>
<th>Location</th>
<th>Lease term (years)</th>
<th>Date</th>
<th>Price (S$m)</th>
<th>No. of Keys</th>
<th>GFA (sqm)</th>
<th>GFA / Key (sqm)</th>
<th>Price / Key (S$’000)</th>
<th>Price / GFA (S$’000 / sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Square Village Residences</td>
<td>Clarke Quay</td>
<td>80</td>
<td>27-Aug-12</td>
<td>183.3</td>
<td>128</td>
<td>17,858</td>
<td>140</td>
<td>1,432</td>
<td>0.102</td>
</tr>
<tr>
<td>Riverside Village Residences</td>
<td>Robertson Quay</td>
<td>78</td>
<td>27-Aug-12</td>
<td>113.2</td>
<td>72</td>
<td>10,570</td>
<td>147</td>
<td>1,572</td>
<td>0.107</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>1,502</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td></td>
<td>1,502</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.105</td>
</tr>
<tr>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td>1,572</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.107</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td>1,432</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.102</td>
</tr>
<tr>
<td>Fraser Suites Singapore</td>
<td>River Valley Road</td>
<td>75</td>
<td>31-Dec-13</td>
<td>325.4</td>
<td>255</td>
<td>25,897</td>
<td>102</td>
<td>1,276</td>
<td>0.126</td>
</tr>
</tbody>
</table>

Source: Prospectuses, circulars, company websites, FCL management, Valuation Reports

Note:
(1) Remaining lease term as of date of transaction

As illustrated above, we note the following:

(i) The leasehold interest in the properties that were sold in Singapore had a leasehold period longer than the 75-year leasehold interest in Fraser Suites Singapore to be sold to FH-REIT. The Independent Valuers for the Proposed Divestment have confirmed that properties with longer leasehold period would usually have higher valuations;

(ii) The price per key of S$1,276,000 based on the Consideration to be received is lower than the range of the price per key of the Comparable Transactions. However, we note that Fraser Suites Singapore has smaller GFA/room than the properties in the Comparable Transactions; and

(iii) The price per GFA of S$12,600 based on the Consideration to be received is higher than the range of the price per GFA of the Comparable Transactions.

Based on the above, we consider the Consideration to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.
4.5.2 Comparable Transactions in Australia

To the best of our knowledge and belief and after discussion with Knight Frank, there are no comparable serviced apartment transactions for Fraser Suites Sydney.

4.5.3 Comparable Transactions in the United Kingdom

We set out in the table below the relevant information of the transactions considered comparable to Fraser Suites Edinburgh:

<table>
<thead>
<tr>
<th>Property</th>
<th>Location</th>
<th>Lease term (years)</th>
<th>Date</th>
<th>Price (S$m)</th>
<th>No. of Keys</th>
<th>GFA / Key (sqm)</th>
<th>Price / Key (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stay City Apartments (2)</td>
<td>Brandfield Street, Edinburgh</td>
<td>N/Avail</td>
<td>Jun-12</td>
<td>15.8(3)</td>
<td>60</td>
<td>N/Avail</td>
<td>263</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>St Giles’ Street, Edinburgh</td>
<td>75</td>
<td>Dec-13</td>
<td>24.2(3)</td>
<td>75</td>
<td>53</td>
<td>323(3)</td>
</tr>
</tbody>
</table>

Source: Valuation Report, FCL management

NA: Not Available

Notes:
(1) Remaining lease term as of date of transaction
(2) Located within 2 minutes walking time to Fraser Suites Edinburgh
(3) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.4754 GBP:SGD as at 25 March 2014.

To the best of our knowledge and belief and after discussion with Savills, there are no comparable serviced apartment transactions in the United Kingdom for Fraser Place Canary Wharf, Fraser Suites Queens Gate and Fraser Suites Glasgow.

As illustrated above, we note the following:

(i) The price per key of S$323,000 based on the Consideration to be received is higher than the price per key of the Comparable Transaction.

Based on the above, we consider the Consideration to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.6 Portfolio Valuation

Although the Serviced Residences have been evaluated on an individual basis, the Proposed Divestment was not conceived as a series of individual transactions but as a divestment of a portfolio on a global basis. It is therefore relevant to evaluate the Proposed Divestment on a portfolio basis in addition to evaluating the independent valuations of the Serviced Residences on an individual basis.

Having considered the valuation of the Serviced Residences on an individual basis in sections 4.2 to 4.5 of this letter, in this section we compare the aggregate open market valuation of the Serviced Residences with the aggregate book value of the freehold interest in the Serviced Residences and the aggregate Minimum Consideration received by FCL as a result of the Proposed Divestment.
Since Knight Frank PL has not provided the value of a freehold interest in Fraser Suites Singapore in the Valuation Report for this Serviced Residence, we have set out separately the aggregate values of the five Serviced Residences excluding Fraser Suites Singapore (Fraser Suites Sydney, Fraser Place Canary Wharf, Fraser Suites Queens Gate, Fraser Suites Edinburgh and Fraser Suites Glasgow) and the value of Fraser Suites Singapore in the table below:

<table>
<thead>
<tr>
<th>Properties</th>
<th>FCL</th>
<th>Independent Valuers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aggregate book value of freehold interests (S$ 'm)</td>
<td>Aggregate Value of freehold interests (S$ 'm)</td>
</tr>
<tr>
<td>5 Serviced Residences excluding Fraser Suites Singapore (1)</td>
<td>344.0</td>
<td>381.0</td>
</tr>
<tr>
<td>Fraser Suites Singapore</td>
<td>357.0</td>
<td>N/Aval</td>
</tr>
<tr>
<td><strong>Total</strong> (1)</td>
<td><strong>701.0</strong></td>
<td><strong>N/Aval</strong></td>
</tr>
</tbody>
</table>

N/Aval: Not Available

Notes:
(1) The S$ equivalent of the appraised values has been arrived at based on an assumed exchange rate of 0.8554 AUD:SGD and 0.4754 GBP:SGD as at 17 April 2014.
(2) The aggregate book value of the freehold interests in the Serviced Residences is the sum of the book values of the Serviced Residences in FCL’s accounts as at 31-Dec-2013. As Fraser Suites Sydney is held for sale, its book value, whilst part of the aggregate, reflects its historical cost and not its current market value.
(3) The aggregate values are the sum of the market values of a freehold interest and a 75-year leasehold interest respectively in the respective properties prescribed by the Independent Valuers for the Proposed Divestment after considering the various valuation methods applied.
(4) The aggregate consideration is the sum of the consideration received for each Serviced Residence by FCL, after setting aside the escrow amount for Fraser Suites Singapore.

As illustrated above, we note the following:

(i) For the five Serviced Residences excluding Fraser Suites Singapore, the aggregate value of the freehold interests in the Serviced Residences given by the Independent Valuers for the Proposed Divestment is higher than the aggregate book value of the five Serviced Residences;

(ii) For the five Serviced Residences excluding Fraser Suites Singapore, the aggregate value of the 75-year leasehold interests in the five Serviced Residences is at a 17% discount to the aggregate value of the freehold interests in the respective Serviced Residences, in line with the discounts suggested by the Independent Valuers for the Proposed Divestment for 75-year leasehold interests as compared to freehold interests; and

(iii) For the portfolio of six Serviced Residences which is the subject of the Proposed Divestment, the aggregate Consideration is higher than the aggregate value of the 75-year leasehold interests in the six Serviced Residences given by the Independent Valuers for the Proposed Divestment.

Based on the above, we consider the Consideration to be received by FCL to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.
4.7 Terms of the MLAs

As set out in section 4 of the Letter to Shareholders, immediately following the Proposed Divestment, FH-REIT, as the Master Lessor, will enter into MLAs with respect to each Serviced Residences, and additionally with six hotel properties which will be injected into FH-REIT (collectively, the “Hotel Properties”). The Master Lessee for each of these Serviced Residences and Hotel Properties will be an operating company ultimately owned by FCL.

We note that the proposed MLAs are on different basis for each class of property (hotels and serviced apartments) and take into account geographical differences in property markets.

With this in mind, we have compared the proposed MLAs for the Serviced Residences to the MLAs in place for serviced apartments held by REITs listed on the Main Board of SGX-ST (“Comparable Serviced Apartment MLAs”), and compared the proposed MLAs for the Hotel Properties to the MLAs in place for hotels held by REITs listed on the Main Board of SGX-ST (“Comparable Hotel MLAs”).

4.7.1 MLAs for Serviced Residences

Details of the MLAs for the Serviced Residences are set out in Appendix E of the Circular, which Shareholders are advised to refer to. We set out in the tables below the relevant information regarding the MLAs for the Serviced Residences and the Comparable Serviced Apartment MLAs:

<table>
<thead>
<tr>
<th>Serviced apartments held by FH-REIT</th>
<th>Country</th>
<th>Initial term + option</th>
<th>Renewal Option</th>
<th>Fixed Rent</th>
<th>Variable Rent(1) % Rev</th>
<th>% GOP</th>
<th>Variable to Total Rent(2)</th>
<th>FF&amp;E Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraser Suites Singapore (3)</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 7.7m</td>
<td>20%</td>
<td>59%</td>
<td>44%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Fraser Suites Sydney</td>
<td>Australia</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>AUD 4.2m</td>
<td>20%</td>
<td>55%</td>
<td>49%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Fraser Place Canary Wharf</td>
<td>United Kingdom</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>GBP 1.4m</td>
<td>20%</td>
<td>65%</td>
<td>38%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Fraser Suites Queen Gate</td>
<td>United Kingdom</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>GBP 1.8m</td>
<td>20%</td>
<td>67%</td>
<td>48%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Fraser Suites Glasgow</td>
<td>United Kingdom</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>GBP 0.4m</td>
<td>20%</td>
<td>50%</td>
<td>58%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Fraser Suites Edinburgh</td>
<td>United Kingdom</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>GBP 0.5m</td>
<td>20%</td>
<td>45%</td>
<td>50%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
<td>57%</td>
<td>48%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
<td>57%</td>
<td>49%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
<td>67%</td>
<td>58%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
<td>45%</td>
<td>38%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
APPENDIX C
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

<table>
<thead>
<tr>
<th>Serviced apartments held by comparable REITs</th>
<th>Country</th>
<th>Initial term + option</th>
<th>Renewal Option</th>
<th>Fixed Rent</th>
<th>Variable Rent(1)</th>
<th>% Variable to Total Rent(2)</th>
<th>FF&amp;E Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Square Village Residences</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 3.5m</td>
<td>33%</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>Hougang Village Residences</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 1.5m</td>
<td>33%</td>
<td>38%</td>
<td>52%</td>
</tr>
<tr>
<td>Regency House</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 2.5m</td>
<td>33%</td>
<td>40%</td>
<td>45%</td>
</tr>
<tr>
<td>Riverside Village Residences</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 2.5m</td>
<td>33%</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
<td>40%</td>
<td>45%</td>
</tr>
<tr>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
<td>41%</td>
<td>52%</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
<td>38%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Prospectuses, circulars, Valuation Reports, FCL Management

Notes:
1. Total variable rent is computed as: % Rev + % GOP – Fixed rent + FF&E reserve not utilized and not carried forward to the following year, if any.
2. % Variable to Total Rent for MLAs in relation to Serviced Residences is provided by FCL management.
3. The variable rent for Fraser Suites Singapore shall be as set out in the table above or such lower portion as may be agreed between the parties to the Master Lease Agreements.
4. % Variable to Total Rent for Comparable Serviced Residences MLA is as reflected in the prospectuses and circulars.

As illustrated above, we note the following:

(i) The range of % variable to total rent for the MLAs in relation to the Serviced Residences is higher than the range of % variable to total rent observed in the Comparable Serviced Apartment MLAs; and

(ii) The range of FF&E reserve for the MLAs in relation to the Serviced Residences is similar to the range of FF&E reserve observed in the Comparable Serviced Apartment MLAs.

Based on the above fees structure, we consider the proposed MLAs to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.7.2 MLAs for Hotel Properties

We have also compared the proposed MLAs for the Hotel Properties to the Comparable Hotel MLAs. As the Hotel Properties are not currently owned by FCL, our only consideration with regards to the Hotel Properties is with regard to the proposed MLAs which will be entered into by subsidiaries of FCL as Master Lessees with FH-REIT as Master Lessor, to operate the aforementioned Hotel Properties following the completion of the Offering by FHT. For the avoidance of doubt, we will only comment on whether the proposed MLAs are reasonable and not prejudicial to the interests of FCL or its minority shareholders.

Details of the MLAs for the Hotel Properties are set out in Appendix E of the Circular, which Shareholders are advised to refer to. We set out in the tables below the relevant information regarding the MLAs for the Hotel Properties and the Comparable Hotel MLAs:
### APPENDIX C
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

<table>
<thead>
<tr>
<th>Hotels held by FH-REIT</th>
<th>Country</th>
<th>Initial term + option</th>
<th>Renewal Option</th>
<th>Fixed Rent</th>
<th>Variable Rent(1) % Rev</th>
<th>% GOP</th>
<th>Variable to Total Rent(2)</th>
<th>FF&amp;E Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>InterContinental</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 8.0m</td>
<td>0%</td>
<td>76%</td>
<td>60%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Rockford Sydney</td>
<td>Australia</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>AUD 2.5m</td>
<td>0%</td>
<td>84%</td>
<td>70%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Park International</td>
<td>United Kingdom</td>
<td>10 + 10 + 10 + 10 + 10</td>
<td>Lessee</td>
<td>GBP 1.3m</td>
<td>0%</td>
<td>92%</td>
<td>46%</td>
<td>3.0%</td>
</tr>
<tr>
<td>London</td>
<td></td>
<td></td>
<td></td>
<td>GBP 0.6m</td>
<td>0%</td>
<td>92%</td>
<td>42%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Best Western Cromwell</td>
<td>United Kingdom</td>
<td>10 + 10 + 10 + 10 + 10</td>
<td>Lessee</td>
<td>GBP 0.6m</td>
<td>0%</td>
<td>92%</td>
<td>42%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Crowne Plaza ANA Kobe</td>
<td>Japan</td>
<td>10</td>
<td>NA</td>
<td>JPY 600m</td>
<td>0%</td>
<td>78%</td>
<td>49%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Westin Kuala Lumpur</td>
<td>Malaysia</td>
<td>3 + 3 + 3 + 3 + 3 + 3</td>
<td>Lessee</td>
<td>MYR 14.8m</td>
<td>0%</td>
<td>79%</td>
<td>38%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0%</strong></td>
<td><strong>83%</strong></td>
<td><strong>51%</strong></td>
<td><strong>3.3%</strong></td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0%</strong></td>
<td><strong>81%</strong></td>
<td><strong>47%</strong></td>
<td><strong>3.0%</strong></td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0%</strong></td>
<td><strong>92%</strong></td>
<td><strong>70%</strong></td>
<td><strong>4.0%</strong></td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0%</strong></td>
<td><strong>76%</strong></td>
<td><strong>38%</strong></td>
<td><strong>3.0%</strong></td>
</tr>
<tr>
<td>Hotels held by comparable REITs</td>
<td>Country</td>
<td>Initial term + option</td>
<td>Renewal Option</td>
<td>Fixed Rent</td>
<td>Variable Rent(1)</td>
<td>% Variable to Total Rent(5)</td>
<td>FF&amp;E Reserve</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------</td>
<td>-----------------------</td>
<td>----------------</td>
<td>------------</td>
<td>-----------------</td>
<td>------------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Studio M Hotel</td>
<td>Singapore</td>
<td>20 + 20 + 20 + 10</td>
<td>Lessee</td>
<td>SGD 5.0m</td>
<td>30%</td>
<td>20%</td>
<td>N/Aval</td>
<td></td>
</tr>
<tr>
<td>Orchard Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 10.3m</td>
<td>20%</td>
<td>20%</td>
<td>36%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Grand Copthorne Waterfront Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 7.2m</td>
<td>20%</td>
<td>20%</td>
<td>39%</td>
<td>2.5%</td>
</tr>
<tr>
<td>M Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 6.1m</td>
<td>20%</td>
<td>20%</td>
<td>32%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Copthorne King's Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 2.8m</td>
<td>20%</td>
<td>20%</td>
<td>47%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Rendezvous Grand Hotel and Gallery</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 6.5m</td>
<td>33%</td>
<td>20%</td>
<td>39%</td>
<td>N/Aval</td>
</tr>
<tr>
<td>Albert Court Village Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 3.5m</td>
<td>33%</td>
<td>25%</td>
<td>40%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Changi Village Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 7.5m</td>
<td>33%</td>
<td>24%</td>
<td>42%</td>
<td>2.5%</td>
</tr>
<tr>
<td>The Elizabeth Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 5.5m</td>
<td>33%</td>
<td>34%</td>
<td>43%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Landmark Village Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 7.0m</td>
<td>33%</td>
<td>29%</td>
<td>43%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Oasis Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 8.0m</td>
<td>33%</td>
<td>28%</td>
<td>36%</td>
<td>2.5%(6)</td>
</tr>
<tr>
<td>Orchard Parade Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 10.0m</td>
<td>33%</td>
<td>37%</td>
<td>50%</td>
<td>2.5%</td>
</tr>
<tr>
<td>The Quincy Hotel</td>
<td>Singapore</td>
<td>20 + 20</td>
<td>Lessee</td>
<td>SGD 2.5m</td>
<td>33%</td>
<td>23%</td>
<td>45%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Mandarin Orchard</td>
<td>Singapore</td>
<td>15 + 15</td>
<td>Lessee</td>
<td>SGD 45.0m</td>
<td>33%</td>
<td>28%</td>
<td>41%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>29%</strong></td>
<td><strong>25%</strong></td>
<td><strong>41%</strong></td>
<td><strong>2.5%</strong></td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>33%</strong></td>
<td><strong>24%</strong></td>
<td><strong>41%</strong></td>
<td><strong>2.5%</strong></td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>33%</strong></td>
<td><strong>37%</strong></td>
<td><strong>50%</strong></td>
<td><strong>3.0%</strong></td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>20%</strong></td>
<td><strong>20%</strong></td>
<td><strong>32%</strong></td>
<td><strong>2.5%</strong></td>
</tr>
</tbody>
</table>

Source: Prospectuses, circulars, FCL management

NA: Not Applicable
N/Aval: Not available

Notes:
(1) Total variable rent is computed as: % Rev + % GOP – Fixed rent + FF&E reserve not utilized and not carried forward to the following year, if any
(2) % Variable to Total Rent for MLAs in relation to Serviced Residences is provided by FCL management
(3) The variable rent for InterContinental Singapore shall be as set out in the table above or such lower portion as may be agreed between the parties to the Master Lease Agreements.
(4) Under the National Land Code ("NLC") a tenancy is three years and below, while a lease can be for a term exceeding 3 years. A grant of lease to a foreign company (as defined under the NLC) requires State Authority consent but FH-REIT has proceeded on the basis of a tenancy as there are no issues with a tenancy under the ABS structure. However, we understand that in the interests of the holders of the Stapled Securities, FH-REIT will seek to convert the tenancy into a lease for 20 years with an option for the Tenant to renew the lease for a further 20 years on the same terms and conditions of the Tenancy Agreement. Please refer to Appendix E of the Circular for more information.
(5) % Variable to Total Rent for Comparable Serviced Residences MLA is as reflected in the prospectuses and circulars
(6) As Oasis is a new property, FF&E reserve will amount to 1.0% for the first 3 years and 2.5% thereafter.

As illustrated above, we note the following:
(i) The variable rent for the MLAs in relation to the Hotel Properties is calculated based on GOP only while the variable rent for the Comparable Hotel MLAs is calculated based on both revenue and GOP;

(ii) The range of % variable to total rent for the MLAs in relation to the Hotel Properties is higher than the range of % variable to total rent observed in the Comparable Hotel MLAs; and

(iii) The FF&E reserve of the MLAs in relation to the Hotel Properties is higher than the FF&E reserve observed in the Comparable Hotel MLAs. However, we note that all of the hotels which are the subjects of the Comparable Hotel MLAs are situated in Singapore while the Hotel Properties are situated in Singapore, Malaysia, Japan, Australia and United Kingdom.

The Independent Valuers for the Proposed Divestment have confirmed that the typical FF&E reserve for hotels in Australia and the United Kingdom respectively is 3.0%. FCL has also provided evidence that FCL typically requires a FF&E reserve of 3.0% in hotel management agreements with third party for its Japan property and confirmed that the 4.0% FF&E reserve for Intercontinental Singapore and Westin Kuala Lumpur are required by third party operators (Intercontinental and Westin respectively).

Based on the above fee structure, we consider the proposed MLAs to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.8 The terms of the Corporate Guarantee

FCL intends, as ultimate owner of the Master Lessees, to provide a Corporate Guarantee to FH-REIT with regards to the liabilities of the Master Lessees under the MLAs.

Under the Corporate Guarantee, FCL unconditionally and irrevocably guarantees, as a continuing guarantee, to FH-REIT that the Master Lessees shall punctually pay the rent and all other sums reserved by the MLAs and observe and perform the covenants, terms and conditions of the MLAs. In the event of default by the Master Lessees, FCL will pay the rent and other sums payable under the MLAs and upon the Master Lessor's demand unconditionally perform any covenant, term or condition of the MLAs which the Master Lessees have defaulted in observing or performing. The obligations of FCL as Guarantor will cease six months after the Master Lessee yields up vacant possession of the property in accordance with the terms of the MLA on the expiry or termination of the term under the MLA.

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

In addition, we also note that except for River Valley Apartments Pte Ltd, the Master Lessees for the Serviced Residences are thinly capitalised with share capital of less than S$3,000.

As the Corporate Guarantee is on normal commercial terms and is in line with those observed in similar situations, we consider the Corporate Guarantee to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.9 REIT Management Fees

The REIT Manager, which is a fully-owned subsidiary of FCL, will receive an annual fee for managing FH-REIT following the completion of the Proposed REIT Transaction. Details of the REIT management agreement are set out in Appendix E of the Circular, which Shareholders are advised to refer to.
The REIT management fee is comprised of the following:

(i) A base fee of 0.3% per annum of the value of gross assets of FH-REIT;

(ii) A variable fee of 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year;

(iii) An acquisition fee of 0.5% of acquisition price or underlying value of any investment or real estate purchased by FH-REIT from related parties and 1.0% of acquisition price or underlying value of any investment or real estate purchased by the REIT for all other cases;

(iv) A divestment fee of 0.5% of the sale price or underlying value of any real estate sold or divested by FH-REIT; and

(v) A development management fee of 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

To evaluate this fee, we have compared it to the fee levels set by other hospitality REITs listed on the Main Board of SGX-ST, as set out below.

<table>
<thead>
<tr>
<th>Hospitality REIT</th>
<th>Year Listed</th>
<th>Base (1)</th>
<th>Performance (2)</th>
<th>Acquisition (3)</th>
<th>Divestment (3)</th>
<th>Development (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascendas Hospitality Trust</td>
<td>2012</td>
<td>0.30%</td>
<td>5.6%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Ascott Residence Trust</td>
<td>2006</td>
<td>0.30%</td>
<td>6.4% (3)</td>
<td>1.0%</td>
<td>0.5%</td>
<td>NA</td>
</tr>
<tr>
<td>CDL Hospitality Trust</td>
<td>2006</td>
<td>0.25%</td>
<td>5.7%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>NA</td>
</tr>
<tr>
<td>Far East Hospitality Trust</td>
<td>2012</td>
<td>0.30%</td>
<td>4.6%</td>
<td>1.0% (6)</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>OUE Hospitality Trust</td>
<td>2013</td>
<td>0.30%</td>
<td>4.6%</td>
<td>1.0% (6)</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td>0.29%</td>
<td>5.4%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td>0.30%</td>
<td>5.6%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td>0.30%</td>
<td>6.4%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td>0.25%</td>
<td>4.6%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>FHT</strong></td>
<td>2014</td>
<td>0.30%</td>
<td>5.5%</td>
<td>1.0% (6)</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: Prospectuses, annual reports

NA: Not Applicable

Notes:

(1) Based on the value of the deposited properties of the respective REITs
(2) The performance fee of the comparable REITs is based on net property income. As FCL is receiving a performance fee based on distributable income, for the purpose of comparison, we have computed and presented the performance fees of the comparable REITs as a percentage of distributable income. We have relied on the FY2012 net property income and distributable income of the respective REITs for the calculation.
(3) Based on acquisition price, sale price, enterprise value or underlying value of the asset or investment acquired or divested as the case may be
(4) Based on total project costs incurred in a development project undertaken by the manager on behalf of the respective REITs
(5) In the event Ascott Residence Trust’s share of the gross profit increases by more than 6.0% annually, its manager will be entitled to an additional outperformance fee of 1.0% of the difference between Ascott Residence Trust’s share of that financial year’s gross profit and 106.0% of Ascott Residence Trust’s share of the preceding year’s gross profit.

(6) The acquisition fees in the case of acquisitions from related parties for FHT and the comparable REITS is 0.50% and 0.75% respectively.

As illustrated above, we note the following:

(i) The base fee for FH-REIT is within the range of base fee observed in the comparable hospitality REITs and similar to the average and median base fee observed in the comparable hospitality REITs;

(ii) The performance fee for FH-REIT is calculated based on distributable income while the performance fee for the comparable hospitality REITs is calculated based on net property income;

(iii) The performance fee for FH-REIT is within the range of performance fee observed in the comparable hospitality REITs and similar to the average and median performance fee observed in the comparable hospitality REITs;

(iv) The acquisition fee for unrelated parties for FH-REIT is similar to the acquisition fee for unrelated parties observed for comparable hospitality REITs. However, the acquisition fee for related parties is lower than the acquisition fee for related parties observed in the comparable hospitality REITs;

(v) The divestment fee for FH-REIT is similar to the divestment fee observed in the comparable hospitality REITs; and

(vi) The development fee for FH-REIT is similar to the development fee observed in the comparable hospitality REITs.

As the REIT management fees are broadly comparable to the fees set by similar REITs, we consider the management fee to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.10 Trustee-Manager Fees

The Trustee-Manager, which is a fully-owned subsidiary of FCL, will receive an annual fee for managing FH-BT following the completion of the Proposed REIT Transaction. Details of the Trustee-Manager agreement are set out in Appendix E of the Circular, which Shareholders are advised to refer to.

The Trustee-Manager fee is comprised of the following:

(i) A management base fee of 0.3% per annum of the value of the Trust Property of FH-BT and a management performance fee of 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year;

(ii) A trustee fee of 0.1% of the value of the Trust Property of FH-BT, subject to a minimum of S$10,000 per month, provided that the value of the FH-BT Trust Property is at least S$50.0 million;

(iii) An acquisition fee of 0.5% of acquisition price or underlying value of any investment or real estate purchased by FH-BT from related parties and 1.0% of acquisition price or underlying value of any investment or real estate purchased by FH-BT for all other cases;
(iv) A divestment fee of 0.5% of the sale price or underlying value of any real estate sold or divested by FH-BT; and

(v) A development management fee of 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT.

To evaluate this fee, we have compared it to the fee levels set by other hospitality business trusts listed on the Main Board of SGX-ST, as set out below.

<table>
<thead>
<tr>
<th>Hospitality REIT</th>
<th>Year listed</th>
<th>Management fee</th>
<th>Trustee Fee (1)</th>
<th>Minimum Trustee Fee (SS, per month)</th>
<th>Acquisition (4)</th>
<th>Divestment (4)</th>
<th>Development (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascendas Hospitality Trust</td>
<td>2012</td>
<td>0.3%</td>
<td>5.6% (1)</td>
<td>0.015%</td>
<td>13,500</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>CDL Hospitality Trust</td>
<td>2006</td>
<td>10.0% (2)</td>
<td>NA</td>
<td>0.10%</td>
<td>10,000</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Far East Hospitality Trust</td>
<td>2012</td>
<td>10.0% (2)</td>
<td>NA</td>
<td>0.10%</td>
<td>10,000</td>
<td>1.0% (6)</td>
<td>0.5%</td>
</tr>
<tr>
<td>OUE Hospitality Trust</td>
<td>2013</td>
<td>10.0% (2)</td>
<td>NA</td>
<td>0.10%</td>
<td>0</td>
<td>1.0% (6)</td>
<td>0.5%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>8.3%</td>
<td>5.6%</td>
<td>0.08%</td>
<td>8,375</td>
<td>0.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td>10.0%</td>
<td>5.6%</td>
<td>0.10%</td>
<td>10,000</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>High</td>
<td></td>
<td>10.0%</td>
<td>5.6%</td>
<td>0.10%</td>
<td>13,500</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td>0.3%</td>
<td>5.6%</td>
<td>0.02%</td>
<td>0</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>FHT</td>
<td>2014</td>
<td>0.3%</td>
<td>5.5%</td>
<td>0.10%</td>
<td>10,000</td>
<td>1.0% (6)</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: Prospectuses

NA: Not Applicable

Notes:
(1) The performance fee for Ascendas Hospitality Trust is based on 4.0% of net property income. As FCL is receiving a performance fee based on aggregate distributable income, for the purpose of comparison, we have computed and presented the performance fees of Ascendas Hospitality as a percentage of distributable income. We have relied on the FY2012 net property income and distributable income for the calculation.
(2) The management fees for CDL Hospitality Trust, Far East Hospitality Trust and OUE Hospitality Trust are based on profit before interest and tax of the respective business trusts.
(3) Based on the value of the trust properties of the respective business trusts. Except for the Ascendas Hospitality Trust, trustee fees are subject to the condition that the value of the deposited properties is at least S$50m.
(4) Based on acquisition price, sale price, enterprise value or underlying value of the asset or investment acquired or divested as the case may be.
(5) Based on total project costs incurred in a development project undertaken by the manager on behalf of the respective business trusts.
(6) The acquisition fees in the case of acquisitions from related parties for FHT and the comparable REITS is 0.50% and 0.75% respectively.

As illustrated above, we note the following:

(i) Among the hospitality trusts, Ascendas Hospitality Trust has a Trustee-Manager management fee structure that is most comparable to FH-BT’s Trustee-Manager management fee structure;

(ii) The management base fee for FH-BT is similar to the management fee observed in Ascendas Hospitality Trust;
(iii) The management performance fee for FH-BT is based on aggregate distributable income while the management performance fee for Ascendas Hospitality Trust is based on net property income;

(iv) The management performance fee for FH-BT similar to the management performance fee observed in Ascendas Hospitality Trust;

(v) The trustee fee for FH-BT is similar to the trustee fee observed in the comparable hospitality business trusts excluding Ascendas Hospitality Trust;

(vi) The minimum trustee fee for FH-BT is within the range of and similar to the median of that observed in the comparable hospitality business trusts;

(vii) CDL Hospitality Trust has a different structure for acquisition fee, divestment fee and development fees as compared to the other comparable hospitality trusts. However, we noted that CDL Hospitality Trust was listed much earlier than the other comparable hospitality trusts;

(viii) The acquisition fee for unrelated parties for FH-BT is similar to the acquisition fee for unrelated parties observed in the comparable hospitality business trusts excluding CDL Hospitality Trust. However, the acquisition fee for related parties is lower than the acquisition fee for related parties observed for comparable hospitality business trusts;

(ix) The divestment fee for FH-BT is similar to the divestment fee observed in the comparable hospitality business trusts excluding CDL Hospitality Trust; and

(x) The development fee for FH-BT is similar to the development fee observed in the comparable hospitality business trusts excluding CDL Hospitality Trust.

As the Trustee-Manager fees are broadly comparable to the fees set by similar hospitality business trusts, we consider the management fee to be reasonable and not prejudicial to the interests of FCL or its minority shareholders.

4.11 MIT Manager Fees

The Australia properties to be owned by FH-REIT will be held under a managed investment scheme (“MIT”), which will establish sub-trusts to hold these properties. The MIT Manager will be a fully-owned subsidiary of FCL and will receive a management fee comprising the following:

(i) A base fee of 0.3% per annum of the value of the gross assets of the MIT;

(ii) A performance fee of 5.5% per annum of the MIT’s earnings before interest, taxes, depreciation and amortisation;

(iii) An acquisition fee of 0.5% of acquisition price or underlying value of any investment or real estate purchased by the MIT from related parties and 1.0% of acquisition price or underlying value of any investment or real estate purchased by the REIT for all other cases;

(iv) A divestment fee of 0.5% of the sale price or underlying value of any real estate sold or divested by the MIT; and

(v) A development management fee of 3.0% of the Total Project Costs incurred in a Development Project.
The management fee will be offset against the fee received by the REIT Manager, such that there will be no change to the overall fees to be received by FCL for managing FHT. Hence, we consider the Australia sub-trust arrangement to be reasonable and not prejudicial to FCL or its minority shareholders.

4.12 Proforma Financial Impacts

As set out in section 6 of the Letter to Shareholders, the Proposed REIT Transaction will have the financial impacts as set out below:\(^{(1)}\):

<table>
<thead>
<tr>
<th>Post-listing of FCL</th>
<th>Before Proposed REIT Transaction</th>
<th>After Proposed REIT Transaction</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (S$)</td>
<td>0.250</td>
<td>0.256</td>
<td>2.4%</td>
</tr>
<tr>
<td>NAV per share (S$)</td>
<td>2.12</td>
<td>2.12</td>
<td>-</td>
</tr>
<tr>
<td>Net gearing (%)</td>
<td>40%</td>
<td>33%</td>
<td>-17.5%</td>
</tr>
</tbody>
</table>

As illustrated above, we note the following:

(i) The earnings per share for Shareholders increased 2.8% from 0.250 before the Proposed REIT Transaction to 0.257 after the Proposed REIT Transaction;

(ii) The NAV per share for Shareholders remains at 2.12 after the Proposed REIT Transaction; and

(iii) The net gearing for FCL reduced 17.5% from 40% before the Proposed REIT Transaction to 33% after the Proposed REIT Transaction.

\(^{(1)}\) Based on the audited consolidated financial statements of the FCL Group for FY2013, and assumes that (i) the NAV of the FCL Group was adjusted for the capitalisation events as disclosed in the Introductory Document and in the announcement released by FCL on 8 January 2014, and (ii) the number of Shares in issues were increased to 2,889,812,572 Shares.
5  OPINION

Having regard to our terms of reference, in arriving at our opinion, we have considered various factors deemed pertinent and to have significant bearing on our assessment of the Proposed REIT Transaction. We have carefully considered the factors deemed as essential, and balanced them before reaching our opinion. Accordingly, it is important that this Letter, in particular the considerations and information we have taken into account, be read in its entirety.

Our opinion is based solely on information made available to us at the date of this Letter. The principal considerations that we have taken into account when forming our preliminary opinion are summarised as below:

(i) The rationale for the Proposed REIT Transaction;
(ii) The valuation approaches and assumptions adopted by the Independent Valuers for the Proposed Divestment is reasonable;
(iii) The capitalisation rate, discount rate and terminal used by the Independent Valuers for the Proposed Divestment are broadly comparable to the same parameters used in the FY2012 valuation and the FY2011 valuation;
(iv) The open market value of a freehold interest in each of the five Serviced Residences is higher than the book value of the respective Serviced Residences;
(v) The price per key, price per GFA and yield of the Serviced Residences based on the Consideration when compared to the same parameters of comparable serviced residences held by REITs listed on the Main Board of SGX-ST is reasonable and not prejudicial to the interests of FCL and its minority shareholders;
(vi) The price per key, price per GFA and yield of the Serviced Residences based on the Consideration when compared to the same parameters of properties in recent comparable serviced apartment transactions is reasonable and not prejudicial to the interests of FCL and its minority shareholders;
(vii) The Consideration for the portfolio of Serviced Residences is higher than the market value of the 75-year leasehold interests of the portfolio of Serviced Residences as appraised by the Independent Valuers for the Proposed Divestment;
(viii) The terms of the MLAs are broadly comparable with existing similar arrangements entered into by REITs listed on the Main Board of SGX-ST;
(ix) The terms and rationale of the Corporate Guarantee are in line with existing similar arrangements entered into by REITs listed on the Main Board of SGX-ST;
(x) The fees associated with the REIT Management Agreement are broadly comparable with existing similar arrangements entered into by REITs listed on the Main Board of SGX-ST;
(xi) The fees associated with the Trustee-Manager Management Agreement are broadly comparable with existing similar arrangements entered into by REITs listed on the Main Board of SGX-ST;
(xii) The fees associated with the Australia sub-trust arrangement is reasonable and not prejudicial to the interests of FCL and its minority shareholders; and
(xiii) The Proposed FCL Transactions will increase earnings per share from 0.250 to 0.256 and reduce the net gearing from 40% to 34%.

Having given due consideration to the rationale for the Proposed REIT Transaction and taking into account our evaluation of the Proposed REIT Transaction and subject to the qualifications set out in this Letter, we are of the opinion as of the date of this Letter that the Proposed REIT Transaction is based on normal commercial terms and is not prejudicial to the interests of FCL and its minority shareholders.

We advise the Audit Committee and Independent Directors to recommend that the Shareholders vote in favour of the Proposed REIT Transaction to be proposed at the EGM, the notice of which is set out in the Circular. In addition, each Shareholder may have different investment objectives and considerations and hence should seek their own professional advice.

The foregoing recommendation is addressed to the Audit Committee and Independent Directors for the purpose of their consideration of the Proposed REIT Transaction. The recommendation made by the Audit Committee and Independent Directors to Shareholders shall remain the responsibility of the Audit Committee and Independent Directors. This Letter may only be reproduced, disseminated or quoted in the form and context in which it appears in the Circular to Shareholders or with the prior written consent of PwCCF. This Letter and its entire content 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. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not apply.

Yours truly
For and on behalf of
PricewaterhouseCoopers Corporate Finance Pte Ltd

Kan Yut Keong
Managing Director
APPENDIX D
SUMMARY VALUATION CERTIFICATES

VALUATION CERTIFICATE

Property
451A River Valley Road
Fraser Suites
Singapore 248372

Client
Frasers Centrepoint Limited

Purpose
We have been instructed to undertake a valuation of the property for the purposes of inclusion in an extraordinary general meeting ("EGM") circular to the shareholders of Frasers Centrepoint Limited.

Legal Description
Part of Lot Nos. 1801W and 1802V
Town Subdivision 24

Interest Valued
Leasehold 75 years with effect from 31 December 2013

The reversionary leasehold 999 years interest with effect from 21 June 1877 of Lot Nos. 1801W and 1802V Town Subdivision 24 is held by River Valley Apartments Pte Ltd, River Valley Shopping Centre Pte Ltd and River Valley Tower Pte Ltd.

Basis Of Valuation
Market Value subject to existing tenancies and occupational arrangements

Registered Owners
River Valley Apartments Pte Ltd (4,641/10,000 shares), River Valley Shopping Centre Pte Ltd (962/10,000 shares) and River Valley Tower Pte Ltd (4,397/10,000 shares) as tenants in common in unequal shares

Land Area
13,439.4 sm

(Lots 1801W and 1802V Town Subdivision 24)

Master Plan 2008
"Commercial & Residential"

Brief Description
Fraser Suites is a 20-storey block accommodating a total of 255 serviced residence units located within a commercial-cum-serviced residence development comprising a 5-storey podium block with a basement linking two 20-storey tower blocks known as "Valley Point". The development accommodates retail units on the 1st and 2nd storeys (Valley Point Shopping Centre), a 20-storey serviced residence block (Fraser Suites) and another 20-storey office block (Valley Point Office). A total of 475 car park lots are provided at the basement and 2nd to 5th storeys. The Temporary Occupation Permit was obtained on 19 January 1998. Refurbishment works for the Property were completed in 2012.

Gross Floor Area
27,008.1 sm

Lettable Floor Area
22,214.0 sm

Valuation Approaches
Capitalisation Approach and Discounted Cash Flow Analysis

Date Of Valuation
31 December 2013

Market Value
S$303,000,000.00
(Singapore Dollars Three Hundred And Three Million Only)

Assumptions, Disclaimers, Limitations & Qualifications
This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Knight Frank Pte Ltd shall not be liable for any loss arising from unauthorized use or reliance of this document (except for use or reliance in connection with the purpose stated above). The document should not be reproduced without our written authority except for the purpose stated above and save for the display of the whole report for inspection for a period of 3 months from the date of issue of the EGM circular at the registered office of Frasers Centrepoint Limited. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By
Knight Frank Pte Ltd

Low Kin Hon
B.Sc. (Estate Management) Hons., FSI SV
Managing Director, Valuation
Appraiser's Licence No. AD 041-20037521

Knight Frank Pte Ltd, 16 Raffles Quay #30-01, Hong Leong Building Singapore 048581
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Knight Frank Shopping Centre Management Pte Ltd 36 Raffles Quay #30-01 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd 4918 River Valley Road #07-02 Valley Point Singapore 248373

D-1
Executive Summary

<table>
<thead>
<tr>
<th>FRASERS SUITES - 488 KENT STREET</th>
<th>SYDNEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructing Party</td>
<td>Frasers Centrepoint Limited.</td>
</tr>
<tr>
<td>Registered Proprietor</td>
<td>Frasers Town Hall Residences Pty Limited.</td>
</tr>
<tr>
<td>Relying Parties and Purpose of Valuation</td>
<td>Inclusion into the Extraordinary General Meeting (EGM) circular for the shareholders of Frasers Centrepoint Limited to consider the disposal of the properties on a leasehold basis to a proposed Hospitality Real Estate Investment Trust. (REIT). This report is NOT suitable for, nor has it been provided for mortgage security purposes.</td>
</tr>
<tr>
<td>Interest Valued</td>
<td>Gross Realisation of the proposed Strata Units on: 100% freehold interest. 75 year leasehold interest.</td>
</tr>
<tr>
<td>Basis of Valuation</td>
<td>Total Gross Realisation on a Market Value basis of the proposed Strata Units on an unencumbered Freehold and 75 year Leasehold basis, subject to the Development Approval (DA), the Draft Strata Plan and vacant possession.</td>
</tr>
<tr>
<td>Land Area</td>
<td>The subdivided parent allotment (Lots 1, 2, 3, 4 and 5 DP1102451) comprises some 3,967 square metres. The site footprint attributable to the subject Lot 2 (Frasers Suites) is estimated to be approximately 1,025 square metres.</td>
</tr>
<tr>
<td>Zoning</td>
<td>B8 Metropolitan Centre under the Sydney Local Environmental Plan (SLEP) 2012 as administered by City of Sydney.</td>
</tr>
<tr>
<td>Site Description</td>
<td>The subject property is situated in the ‘midtown precinct’ and located towards the southern portion of the core of the Sydney CBD. Further the property is positioned on the eastern side of Kent Street and is located approximately 50 metres south of the intersection with Bathurst Street.</td>
</tr>
<tr>
<td>Existing Improvements</td>
<td>The existing Fraser Suites complex comprises a purpose built 33-storey serviced apartment tower that was completed in late 2006. The property currently provides 145 serviced apartments, with the draft strata plan identifying eight commercial suites and a single retail strata suite on the lower levels; a two-storey reception area, existing gymnasium and swimming pool facilities and an advised 106 car parks provided within basement Levels 6 and 7. The property presents well with an attractive modern standard of accommodation that would readily convert into individual apartments. The complex has direct frontage to Kent Street with a secondary entrance via the adjoining Lumiere Residences ground floor arcade.</td>
</tr>
<tr>
<td>Approvals</td>
<td>The basis of our valuation is the Development Approval (DA) No D/2009/1412 issued by the City of Sydney and dated 25 June 2010 which allows the change of use of Tower B (Frasers Suites) from serviced apartments to individual residential apartments.</td>
</tr>
<tr>
<td>Significant Site Issues</td>
<td>The property was constructed out of new building materials in 2006 and as such should not be subject to any asbestos or site contamination issues.</td>
</tr>
<tr>
<td>GST Status</td>
<td>Our valuation is subject to normal application of GST on the residential and commercial</td>
</tr>
</tbody>
</table>
APPENDIX D
SUMMARY VALUATION CERTIFICATES

Executive Summary (Cont'd)

FRASERS SUITES - 488 KENT STREET
SYDNEY

<table>
<thead>
<tr>
<th>strata Units.</th>
</tr>
</thead>
</table>

Valuation Methodologies
Total Gross Realisation "As Is" – Direct Comparison Approach.

Date of Inspection
20 February 2014

Valuation Date
31 December 2013

Adopted Values

<table>
<thead>
<tr>
<th>Total Gross Realisation – &quot;As Is&quot;</th>
<th>$125,277,500 (Excl. GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Realisation – &quot;As If 75 Year Leasehold&quot;</td>
<td>$101,290,000 (Excl. GST)</td>
</tr>
</tbody>
</table>

Valuer’s Details
CHRISTOPHER SUTTON AAPI
Registered Valuer No. VAL6437
Divisional Director

DAVID M CASTLES
National Director
(Counter-signatory only)

Key Points

- This report is NOT suitable for, nor has it been provided for mortgage security purposes.

- For the purposes of this valuation, we have been asked to assess the Gross Realisations for Fraser Suites Sydney, on both a freehold and 75 year leasehold basis, inclusive of the nine commercial tenancies located over Levels 9, 10, 11 & 12 and our assessed residual 42 car spaces.

- The Fraser Suites complex comprises an existing purpose built 33-storey tower comprising 145 serviced apartments, nine commercial /retail suites and secure basement parking for 106 cars.

- Located in the midtown precinct of the central Sydney within close proximity to Town Hall station, the George Street Cinemas, Chinatown, World Square Shopping Centre and Darling Harbour.

- Generally, this property is well located and should continue to appeal to owner-occupiers and investors alike, if offered for sale, due to the price point, location and quality of fixtures and fittings and amenities on offer.

- The property benefits from views towards Darling Harbour and beyond to the western elevations with views over the Sydney CBD, parts of Sydney Harbour and Sydney Heads achieved to the north and north-eastern elevations of the upper levels.

- Good standard of accommodation that is commensurate with similar recently constructed apartment complexes in this portion of the Sydney CBD.

- The developer "Frasers" is a well-known and respected International developer who has been and is currently active in the Sydney market and has a good track record and strong profile in the local residential marketplace which is seen as desirable as a marketing platform for the sale of these potential units.
Executive Summary (Cont’d)

Critical Conditions

This valuation is subject to a Statement of Critical Assumptions/Conditions:

1. Verifiable

   (i) We have not sighted a copy of the Certificate of Classification for the subject. Accordingly, our valuation is conditional that the property complies with all LEP/DCP requirements of the local Council and any other relevant planning authority, and that there are no outstanding issues or requisitions.

   (ii) This valuation is conditional upon the registration of the Draft Strata Plan provided and the Strata Units being issued with clear and unencumbered individual title in the numbers advised with car spaces as allocated within this report.

   (iii) Our valuation is on the basis that the existing units have been constructed in a tradesman like manner using new, quality materials and having regard to modern building techniques and that upon completion a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure.

   (iv) That the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations, and will be built in accordance with the provisions of the Building Code of Australia.

   (v) That the commercial and retail strata units are offered for sales as a “cold shell” without the provision of grease traps or external exhaust.

   (vi) That the existing recreational facilities and basement car parking areas (and the advised 106 parks) are retained for sale with the subject property.

2. Requiring further Consultancy

   (i) As the property is currently an operational Serviced Apartment complex we have only inspected a sample of the apartments so this report is condition upon verification of quality the apartments inspected being consistent across all units.

   (ii) Our Valuation is conditional upon confirmation and verification of the advised car parking numbers and their relative allocation to the components of the property.

   (iii) Our valuation is conditional upon the retention of the existing recreational facilities and basement car parking areas are retained for sale with the subject property.

   (iv) In assessing the market values for the residential components of the subject property we have relied upon the building areas as provided and consistent with the Draft Strata Plan (Version 11). We have been informed by Frasers Centrepoint Limited that the Draft Strata Plan is approved to be registered. This report is conditional upon eventual formal registration of this Draft Strata Plan and we reserve the right to amend our valuation should any material changes.

   (v) The reliant party should be aware that this project has not yet achieved any sales (particularly of leasehold units) so Knight Frank Valuations cannot confirm market acceptance. Historically there have been very few offerings of new or near new apartment complexes introduced into the Sydney market on the basis of a 75 year leasehold tenure. It is difficult to quantify the market response to a product of this nature and we recommend that any future sales programme needs regular marketing updates and if it becomes obvious that our adopted sales projections are unlikely to be met they should refer back to the Valuer for comment and review.

   (vi) The site coverage attributable to Lot 2 (Frasers Suites) is estimated to be approximately 1,025 square metres however this valuation is conditional upon verification of this area by a suitably qualified registered surveyor.

This Executive Summary forms a part of and should be read in conjunction with the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.
EXECUTIVE SUMMARY
Fraser Place Canary Wharf, 80 Boardwalk Place, London E14 5SF

Background and Proposal
We have been instructed to undertake a valuation of the property for the purposes of inclusion into the extraordinary general meeting (EGM) circular for FCL shareholders.

Location and Situation
The subject property is situated on the western side of Boardwalk Place and eastern side of Trafalgar Way, with the more prominent Aspen Way (A1261) to the north of the site and Marsh Wall to the south of the site. The property is located within the Canary Wharf District of London.

Description
The Property comprises a purpose built four-star standard apart-hotel. The property is undergoing a renovation to provide additional apartments through sub-division of larger units. At the date of inspection 73 apartments were operational, with a total of 108 to be operational by May 2014.

Tenure
Long Leasehold. 987 years remaining.

Trading Summary

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009/10</th>
<th>Actual 2010/11</th>
<th>Actual 2011/12*</th>
<th>Actual 2012/13**</th>
<th>Forecast 2013/14***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occ %</td>
<td>90.3%</td>
<td>87.1%</td>
<td>80.4%</td>
<td>80.3%</td>
<td>83.2%</td>
</tr>
<tr>
<td>ARR (£)</td>
<td>£139</td>
<td>£151</td>
<td>£156</td>
<td>£147</td>
<td>£137</td>
</tr>
<tr>
<td>RevPAR (£)</td>
<td>£126</td>
<td>£132</td>
<td>£125</td>
<td>£118</td>
<td>£114</td>
</tr>
<tr>
<td>Total Revenue (£)</td>
<td>£2,956</td>
<td>£3,072</td>
<td>£3,229</td>
<td>£4,188</td>
<td>£3,853</td>
</tr>
<tr>
<td>NOP</td>
<td>£1,797</td>
<td>£1,485</td>
<td>£1,550</td>
<td>£1,987</td>
<td>£1,742</td>
</tr>
<tr>
<td>NOP (% of Revenue)</td>
<td>60.8%</td>
<td>48.3%</td>
<td>48.0%</td>
<td>47.4%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

* Based on 63 apartments  
** Based on 96 apartments  
*** Based on a year end total of 106 apartments

Source: Management Accounts

Principal Valuation Considerations
The property is situated close to demand drivers. A redevelopment program is underway to provide an upgraded uniform product. Trading history shows strong occupancy and profit conversion.

Approach to Valuation
In order to arrive at our opinion of value of the hotel we have undertaken the profits method of valuation adopting a discounted valuation approach (DCF). We have applied a capitalisation rate to the income stream, taking into account the robustness of the trade projections and condition of the property. We have also considered recent comparable transactions and market sentiment.

We have valued the property in line with your proposals to refurbish the apart-hotel, increasing the number of apartments to 108. From our valuation we have deducted the cost to undertake these works.

Valuation

Market Value (MV)
£35,500,000 (THIRTY FIVE MILLION FIVE HUNDRED THOUSAND POUNDS)
This valuation reflects a yield of 6%, a discount yield of 8.5%, net of purchaser’s costs of 1.5%. In addition it reflects £369,791 per apartment overall based on the current 96 apartments.

Market Value (MV) of the Property – special assumptions of a 75 year lease
£29,700,000 (TWENTY NINE MILLION SEVEN HUNDRED THOUSAND POUNDS)
You have asked us to provide a valuation on the basis of a hypothetical long leasehold interest subject to a peppercorn rent. We reiterate that we have not been provided with any further information on this structure and this is subject to the assumptions at section 18.1. This is a hypothetical scenario and therefore the valuation is indicative only.

Frasers Hospitality
Fraser Place Canary Wharf, 80 Boardwalk Place, London, E14 5SF
December 2013
APPENDIX D
SUMMARY VALUATION CERTIFICATES

EXECUTIVE SUMMARY

Fraser Suites Queens Gate, 39B Queens Gate Gardens, London SW7 5RR

Background and Proposal
We have been instructed to undertake a valuation of the property for the purposes of inclusion into the extraordinary general meeting (EGM) circular for FCL shareholders.

Location and Situation
The subject property is situated on the north side of Cromwell Road at the junction of Queens Gate Gardens where the main entrance is located. The property is located in the Kensington district of west central London.

Description, Accommodation and Condition
The property comprises a series of former residential buildings which have been converted into an apart-hotel with 105 serviced apartments and associated ancillary facilities. The property underwent a comprehensive refurbishment in 2013.

Tenure
Freehold

Trading Summary

<table>
<thead>
<tr>
<th>QG</th>
<th>Actual 2009/10</th>
<th>Actual 2010/11</th>
<th>Actual 2011/12</th>
<th>Actual 2012/13</th>
<th>Forecast 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occ %</td>
<td>87%</td>
<td>87%</td>
<td>81%</td>
<td>83%</td>
<td>85%</td>
</tr>
<tr>
<td>ARR (£)</td>
<td>£114</td>
<td>£119</td>
<td>£133</td>
<td>£150</td>
<td>£157</td>
</tr>
<tr>
<td>RevPAR (£)</td>
<td>£99.04</td>
<td>£104.03</td>
<td>£107.98</td>
<td>£123.60</td>
<td>£133.03</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>£3,862,553</td>
<td>£4,065,811</td>
<td>£4,211,178</td>
<td>£639,126</td>
<td>£5,252,036</td>
</tr>
<tr>
<td>NOP</td>
<td>£2,302,230</td>
<td>£1,457,261</td>
<td>£2,167,553</td>
<td>£-38,504</td>
<td>£2,887,081</td>
</tr>
<tr>
<td>NOP (% of Revenue)</td>
<td>59.6%</td>
<td>35.8%</td>
<td>51.5%</td>
<td>-6.0%</td>
<td>55.0%</td>
</tr>
</tbody>
</table>

Source: Management Accounts

Note: * Hotel closed 15 October 2012 to 2 August 2013

Principal Valuation Considerations
- Freehold tenure
- Attractive Grade II-Listed buildings
- Good tourist location & transport links
- Comprehensive, high standard refurbishment completed
- Good sized apartments.
- Highly competitive local accommodation market
- Trading of re-positioned apart-hotel to be established.
- Strong London economy
- Strong purchaser demand for central London hotels

Approach to Valuation
In order to arrive at our opinion of value of the hotel we have undertaken the profits method of valuation adopting a discounted valuation approach (DCF). We have applied a capitalisation rate to the income stream, taking into account the robustness of the trade projections and condition of the property. We have also considered recent comparable transactions and market sentiment.

Valuation

Market Value (MV)
£53,000,000 (FIFTY THREE MILLION POUNDS)
Our valuation reflects a yield of 5.25%, a discount yield of 7.75%, net of purchaser’s costs of 1.5%. In addition it reflects £504,762 per apartment overall.

Market Value (MV) of the Property – special assumptions of a 75 year lease
£45,800,000 (FOURTY FIVE MILLION EIGHT HUNDRED THOUSAND POUNDS)
You have asked us to provide a valuation on the basis of a hypothetical long leasehold interest subject to a peppercorn rent. We reiterate that we have not been provided with any further information on this structure and this is subject to the assumptions at section 18.1. This is a hypothetical scenario and therefore the valuation is indicative only.
APPENDIX D
SUMMARY VALUATION CERTIFICATES

EXECUTIVE SUMMARY

Fraser Suites Glasgow, 1-19 Albion Street, Glasgow, G1 1LH

Background
We have been instructed to undertake a valuation of the property for the purposes of inclusion into the extraordinary general meeting (EGM) circular for FCL shareholders.

Location and Situation
The property is located on the corner of Albion Street and Trongate in the east end of Glasgow city centre.

Description, Accommodation and Condition
The Property comprises an apart-hotel with 98 units and associated ancillary facilities.

The property comprises a Grade B Listed building arranged over basement, part ground and three upper floors. The building was acquired in 2003 and recently fully refurbished to a high standard completing in March 2013.

Tenure
Feuhold

Trading Summary

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009/10</th>
<th>Actual 2010/11</th>
<th>Actual 2011/12</th>
<th>Actual 2012/13</th>
<th>Forecast 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy %</td>
<td>72.3%</td>
<td>71.2%</td>
<td>73.8%</td>
<td>77.4%</td>
<td>75.9%</td>
</tr>
<tr>
<td>ARR (£)</td>
<td>£72</td>
<td>£68</td>
<td>£62</td>
<td>£68</td>
<td>£68</td>
</tr>
<tr>
<td>RevPAR (£)</td>
<td>£52</td>
<td>£48</td>
<td>£46</td>
<td>£53</td>
<td>£63</td>
</tr>
<tr>
<td>Total Revenue (£)</td>
<td>£1,899,139</td>
<td>£1,767,155</td>
<td>£1,679,125</td>
<td>£1,759,666</td>
<td>£2,312,093</td>
</tr>
<tr>
<td>NOP (£)</td>
<td>£712,971</td>
<td>£526,915</td>
<td>£433,459</td>
<td>£430,376</td>
<td>£856,369</td>
</tr>
<tr>
<td>NOP (% of Revenue)</td>
<td>37.5%</td>
<td>29.8%</td>
<td>25.8%</td>
<td>24.5%</td>
<td>37.0%</td>
</tr>
</tbody>
</table>

Source: Management Accounts

Principal Valuation Considerations

- Feuhold Tenure;
- Good city centre location with convenient access to transport links;
- Newly refurbished to a high standard;
- Large apartment sizes;
- Ongoing regeneration in the East End of Glasgow;
- Key upcoming events such as the Commonwealth Games;
- High level of hotel competition, with further pipeline supply expected.

Approach to Valuation

In order to arrive at our opinion of value of the apart-hotel we have undertaken the profits method of valuation adopting a discounted cashflow valuation approach (DCF). We have applied a capitalisation rate to the income stream, taking into account the robustness of the trade projections and condition of the property. We have also considered recent comparable transactions and market sentiment.

Valuation

Market Value (MV)

£10,000,000 (TEN MILLION POUNDS)

Our valuation reflects a yield of 7.5%, a discount yield of 10%, net of purchaser’s costs of 1.5%. In addition it reflects £102,041 per apartment overall.

Market Value (MV) of the Property – special assumptions of a 75 year lease

£8,300,000 (EIGHT MILLION THREE HUNDRED THOUSAND POUNDS)

You have asked us to provide a valuation on the basis of a hypothetical long leasehold interest subject to a peppercorn rent. We reiterate that we have not been provided with any further information on this structure and this is subject to the assumptions at section 18.1. This is a hypothetical scenario and therefore the valuation is indicative only.

Frasers Hospitality
Fraser Suites Glasgow, 1-19 Albion Street, Glasgow, G1 1LH
December 2013

D-7
APPENDIX D
SUMMARY VALUATION CERTIFICATES

EXECUTIVE SUMMARY
Fraser Suites Edinburgh, 12-26 St. Giles’ Street, Edinburgh EH1 1PT

Background
We have been instructed to undertake a valuation of the property for the purposes of inclusion into the extraordinary general meeting (EGM) circular for FCL shareholders.

Location and Situation
The property is located on St. Giles’ Street within Edinburgh city centre, in close proximity to a number of tourist demand generators and Edinburgh Waverly Station.

Description
The Property comprises a boutique style apart-hotel with 75 bedrooms and associated ancillary facilities. The building is a Grade B Listed former local authority office building arranged over eight floors; three of which are beneath ground floor street level. The building was fully converted in May 2009 and offers a high standard of accommodation.

Tenure
Feuhold

Trading Summary

<table>
<thead>
<tr>
<th>Edinburgh</th>
<th>Actual 2009/10*</th>
<th>Actual 2010/11</th>
<th>Actual 2011/12</th>
<th>Forecast** 2012/13</th>
<th>Forecast 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occ %</td>
<td>67.7%</td>
<td>72.6%</td>
<td>80.8%</td>
<td>84.0%</td>
<td>84.2%</td>
</tr>
<tr>
<td>ARR (£)</td>
<td>£91</td>
<td>£101</td>
<td>£95</td>
<td>£104</td>
<td>£109</td>
</tr>
<tr>
<td>RevPAR (£)</td>
<td>£62</td>
<td>£73</td>
<td>£77</td>
<td>£87</td>
<td>£92</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>£1,821,582</td>
<td>£2,272,426</td>
<td>£2,357,341</td>
<td>£2,547,234</td>
<td>£2,683,458</td>
</tr>
<tr>
<td>NOP</td>
<td>£581,685</td>
<td>£639,911</td>
<td>£457,095</td>
<td>£780,246</td>
<td>£867,696</td>
</tr>
<tr>
<td>NOP (% of Revenue)</td>
<td>31.9%</td>
<td>28.2%</td>
<td>19.4%</td>
<td>30.6%</td>
<td>32.3%</td>
</tr>
</tbody>
</table>

Source: Management Accounts
Note: * Before Corporate Fees
Note: ** Assuming intra-company rent added back to NOP

Principal Valuation Considerations
- Feuhold Tenure;
- Edinburgh has a strong economic profile and is a major tourist and financial services centre;
- Strong city centre location particularly for leisure demand drivers;
- Good transport links which will be further improved by completion of the tram system in 2014;
- Edinburgh is one of the strongest performing hotel sectors in the UK;
- High standard of accommodation and views of the city;
- Substantial level of competition, with further pipeline supply expected;
- Previous managerial issues affecting trading performance;

Approach to Valuation
In order to arrive at our opinion of value of the hotel we have undertaken the profits method of valuation adopting a discounted capitalisation approach (DCF). We have applied a capitalisation rate to the income stream, taking into account the robustness of the trade projections and condition of the property. We have considered comparable transactions and market sentiment.

Valuation
Market Value (MV) of the Property
£13,000,000 (THIRTEEN MILLION POUNDS)
This valuation reflects a yield of 6.25%, a discount yield of 8.75%, net of purchaser’s costs of 1.5%. In addition it reflects £173,333 per bedroom overall.

Market Value (MV) of the Property – special assumptions of a 75 year lease
£10,800,000 (TEN MILLION EIGHT HUNDRED THOUSAND POUNDS)
You have asked us to provide a valuation on the basis of a hypothetical long leasehold interest subject to a peppercorn rent. We reiterate that we have not been provided with any further information on this structure and this is subject to the assumptions at section 16.1. This is a hypothetical scenario and therefore the valuation is indicative only.

Frasers Hospitality
Fraser Suites Edinburgh, 12-26 St Giles’ Street, Edinburgh, EH1 1PT, Scotland
December 2013
AGREEMENTS IN CONNECTION WITH AND PURSUANT TO THE REIT TRANSACTION

In connection with and as part of the REIT Transaction, members of the FCL Group will enter into certain agreements to give effect to the REIT Transaction. These agreements which will be entered into in connection with the REIT Transaction include the following:

1. REIT SPA and Lease Agreements
   1.1. Fraser Suites Singapore
      1.1.1. On completion, RVAPL, RVSCPL and RVTPL will issue to FH-REIT a 75-year lease of FS Singapore, commencing from the Listing Date.
      1.1.2. Part of the purchase price will be satisfied by issue of consideration units, with the remaining portion of the purchase price to be paid in cash by way of cashier’s order or bank draft.
      1.1.3. On completion, FS Singapore will be leased by FH-REIT to RVAPL (as Master Lessee).
      1.1.4. In the event that there is material damage to the property prior to completion, FH-REIT may elect to terminate the agreement. In the event there is damage to the property which does not amount to material damage, RVAPL, RVSCPL and RVTPL would be obliged to rectify the damage at its own cost and expense prior to completion or, if this is not possible, as soon as practicable after completion. The threshold for material damage is 20.0% of the total reinstatement cost of the property (as estimated by a quantity surveyor) at or around the time of the occurrence of the damage, as determined by a loss adjuster appointed by RVAPL, RVSCPL and RVTPL.
      1.1.5. The completion of the sale and purchase is subject to and conditional upon the approval of the sale by the shareholders of each of RVAPL, RVSCPL and RVTPL being obtained by, and the listing of and commencement of trading of the Stapled Securities on the SGX-ST on, the Listing Date.
      1.1.6. If, at any time prior to completion, the Singapore government acquires or gives notice of the compulsory acquisition or intended compulsory acquisition affecting the building in which FS Singapore is comprised, FH-REIT shall be entitled to rescind the sale and purchase.
      1.1.7. Certain limited representations and warranties are made by RVAPL relating to the property. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 15 months after the completion of the sale and purchase (the “Claims Notice Period”). The maximum aggregate liability of RVAPL in respect of the claims shall not exceed the purchase price and no liability shall arise in respect of any claim unless the amount of the claim (solely or when aggregated with any other or previous claim or claims) shall exceed a total sum of S$100,000.00 (the “De Minimis Threshold”). For part of the Claims Notice Period falling on or before 12 months after completion of the sale and purchase (the “Initial Period”), notice given to RVAPL of any claim or claims (solely or when aggregated with any other claim or claims) shall be subject to a further threshold, in that such claim (solely or when aggregated with any other claim or claims) shall be subject to a further threshold, in that such claim (solely or when aggregated with any other claim or claims) shall exceed a total sum of S$500,000.00 (the “Further Threshold”). After this Initial Period, FH-REIT’s right to claim for any breach of warranty against RVAPL for the remaining 3 months shall not be subject to the Further Threshold, so long as the De Minimis Threshold is met.
      1.1.8. If, prior to completion, it is found that there is a material breach of warranty by RVAPL, FH-REIT shall be entitled to rescind the sale and purchase, without prejudice to its other rights including the right to claim damages.
1.2. Fraser Suites Sydney

1.2.1. On the Listing Date, Frasers Town Hall Residences Pty Ltd will grant a 75-year leasehold interest in FS Sydney to FHT Sydney Trust 1.

1.2.2. Certain limited representations and warranties are made by Frasers Town Hall Residences Pty Ltd relating to the property. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 15 months after the date of the applicable lease. The maximum aggregate liability of the lessor in respect of the claims shall not exceed the initial rental for the property. If, prior to the commencing date of the lease, it is found that there is a material breach of warranty by the lessor, the lessee shall be entitled to rescind the lease, without prejudice to its other rights including the right to claim damages.

1.2.3. The lease is conditional on approval from the Australian Foreign Investment Review Board.

1.2.4. The lease is conditional on approval from any third party which has a contractual right to approve the entering into the lease.

1.2.5. Under the FF&E agreement to be entered into between Frasers Town Hall Residences Pty Ltd and The Trust Company (PTAL) Limited (as trustee for FHT Sydney Trust 1), Frasers Town Hall Residences Pty Ltd will sell the FF&E in relation to FS Sydney to FHT Sydney Trust 1. Under the FF&E agreement, certain limited representations and warranties are made by Frasers Town Hall Residences Pty Ltd relating to the FF&E. Claims for breach of warranties are subject to an aggregate maximum limit and the maximum aggregate liability of Frasers Town Hall Residences Pty Ltd shall not exceed the purchase price.

1.3. Fraser Place Canary Wharf

1.3.1. On the Listing Date, Fairdace Limited shall grant the 75-year lease of the property to FHT London 1 Limited, and FHT London 1 Limited shall, on the same day, grant the Master Lease of the property to Fairdace Limited.

1.3.2. The sale consideration shall be paid in cash.

1.3.3. In the event that prior to the grant of the 75-year lease of the property to FHT London 1 Limited there is material damage to the property, FHT London 1 Limited may elect to terminate the sale and purchase agreement. In the event there is damage to the property which is not material damage, Fairdace Limited would be obliged to rectify the damage at its own cost and expense prior to legal completion or, if this is not possible, as soon as practicable after legal completion. The threshold for material damage is 20.0% of the total reinstatement cost of the property at or around the time of the occurrence of the damage, as determined by a loss adjuster appointed by Fairdace Limited.

1.3.4. The grant of the 75-year lease of the property to FHT London 1 Limited is subject to and conditional upon the listing of the Stapled Securities and commencement of trading of such Stapled Securities on SGX-ST on the Listing Date.

1.3.5. In addition, under the sale and purchase agreement, certain limited representations and warranties are made by Fairdace Limited relating to the property. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 15 months after the legal completion of the sale and purchase. The maximum aggregate liability of Fairdace Limited in respect of the claims shall not exceed the purchase price. If, prior to legal completion, it is found that there is a material breach of warranty by Fairdace Limited, FHT London 1 Limited shall be entitled to rescind the sale and purchase agreement, without prejudice to its other rights including the right to claim damages.
APPENDIX E
AGREEMENTS IN CONNECTION WITH AND PURSUANT TO THE REIT TRANSACTION

1.4. Fraser Suites Queens Gate

1.4.1. On the Listing Date, Queensgate Garden (C.I.) Limited shall grant the 75-year lease of the property to FHT London 2 Limited.

1.4.2. The sale consideration shall be paid in cash.

1.4.3. In the event that prior to the grant of the 75-year lease of the property to FHT London 2 Limited there is material damage to the property, FHT London 2 Limited may elect to terminate the sale and purchase agreement. In the event there is damage to the property which is not material damage, Queensgate Garden (C.I.) Limited would be obliged to rectify the damage at its own cost and expense prior to legal completion or, if this is not possible, as soon as practicable after legal completion. The threshold for material damage is 20.0% of the total reinstatement cost of the property at or around the time of the occurrence of the damage, as determined by a loss adjuster appointed by Queensgate Garden (C.I.) Limited.

1.4.4. The grant of the 75-year lease of the property to FHT London 2 is subject to and conditional upon the listing of the Stapled Securities and commencement of trading of such Stapled Securities on SGX-ST on the Listing Date.

1.4.5. In addition, under the sale and purchase agreement, certain limited representations and warranties are made by Queensgate Garden (C.I.) Limited relating to the property. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 15 months after the legal completion of the sale and purchase. The maximum aggregate liability of the Vendor in respect of the claims shall not exceed the purchase price. If, prior to legal completion, it is found that there is a material breach of warranty by Queensgate Garden (C.I.) Limited, FHT London 2 Limited shall be entitled to rescind the sale and purchase agreement, without prejudice to its other rights including the right to claim damages.

1.5. Fraser Suites Glasgow

1.5.1. On the Listing Date, Fairdace Limited shall grant the 75 year lease of the property to FHT Scotland 2 Limited, and FHT Scotland 2 Limited shall, on the same day, grant the Master Lease of the property to Fairdace Limited.

1.5.2. The sale consideration shall be paid in cash.

1.5.3. In the event that prior to the grant of the 75-year lease of the property to FHT Scotland 2 Limited there is material damage to the property, FHT Scotland 2 Limited may elect to terminate the sale and purchase agreement. In the event there is damage to the property which is not material damage, Fairdace Limited would be obliged to rectify the damage at its own cost and expense prior to legal completion or, if this is not possible, as soon as practicable after legal completion. The threshold for material damage is 20.0% of the total reinstatement cost of the property at or around the time of the occurrence of the damage, as determined by a loss adjuster appointed by Fairdace Limited.

1.5.4. The grant of the 75-year lease of the property to FHT Scotland 2 Limited is subject to and conditional upon the listing of the Stapled Securities and commencement of trading of such Stapled Securities on SGX-ST on the Listing Date.

1.5.5. In addition, under the sale and purchase agreement, certain limited representations and warranties are made by Fairdace Limited relating to the property. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 15 months after the legal completion of the sale and purchase. The maximum aggregate liability of Fairdace Limited in respect of the claims shall not exceed the purchase price. If, prior to legal completion, it is found that there is a material breach of warranty by Fairdace Limited, FHT Scotland 2 Limited shall be entitled to rescind the sale and purchase agreement, without prejudice to its other rights including the right to claim damages.
1.6. **Fraser Suites Edinburgh**

1.6.1. On the Listing Date, Frasers (St Giles Street, Edinburgh) Limited shall grant the 75-year lease of the property to FHT Scotland 1 Limited.

1.6.2. The sale consideration shall be paid in cash.

1.6.3. In the event that prior to the grant of the 75-year lease of the property to FHT Scotland 1 Limited there is material damage to the property, FHT Scotland 1 Limited may elect to terminate the sale and purchase agreement. In the event there is damage to the property which is not material damage, Frasers (St Giles Street, Edinburgh) Limited would be obliged to rectify the damage at its own cost and expense prior to legal completion or, if this is not possible, as soon as practicable after legal completion. The threshold for material damage is 20.0% of the total reinstatement cost of the property at or around the time of the occurrence of the damage, as determined by a loss adjuster appointed by Frasers (St Giles Street, Edinburgh) Limited.

1.6.4. The grant of the 75-year lease of the property to FHT Scotland 1 Limited is subject to and conditional upon the listing of the Stapled Securities and commencement of trading of such Stapled Securities on SGX-ST on the Listing Date.

1.6.5. In addition, under the sale and purchase agreement, certain limited representations and warranties are made by Frasers (St Giles Street, Edinburgh) Limited relating to the property. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 15 months after the legal completion of the sale and purchase. The maximum aggregate liability of Frasers (St Giles Street, Edinburgh) Limited in respect of the claims shall not exceed the purchase price. If, prior to legal completion, it is found that there is a material breach of warranty by Frasers (St Giles Street, Edinburgh) Limited, FHT Scotland 1 Limited shall be entitled to rescind the sale and purchase agreement, without prejudice to its other rights including the right to claim damages.

2. **Master Lease and Tenancy Agreements**

2.1. **InterContinental Singapore and FS Singapore**

2.1.1. Under the Master Lease Agreements in relation to FS Singapore and InterContinental Singapore, FH-REIT leases FS Singapore and InterContinental Singapore (referred to in this section collectively as the “Properties”, and each a “Property”, and the “Fraser Suites Property” and “InterContinental Property” respectively where each Property is to be referred to specifically) to the respective Master Lessees, together with the plant and equipment therein.

2.1.2. The term of each Master Lease Agreement is for 20 years with an option for the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and exclusion of any further option to renew.

2.1.3. The Master Lessee is required to pay rent on a monthly basis, which rent shall comprise:

   (a) a Fixed Rent of:

      (i) S$7,700,000.00 per annum in respect of FS Singapore; and

      (ii) S$8,000,000.00 per annum in respect of InterContinental Singapore,

      monthly payment of which is payable in advance on the first day of each month; and

   (b) a Variable Rent which is payable in arrears on the 21st day of each month.
APPENDIX E
AGREEMENTS IN CONNECTION WITH AND PURSUANT TO THE REIT TRANSACTION

2.1.4. The Variable Rent for the InterContinental Property in respect of a fiscal year is computed based on the sum of (i) a fixed portion of the InterContinental Property's gross operating profit for that fiscal year, and (ii) any unutilised balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the InterContinental Property, less the Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

2.1.5. The Variable Rent for the Fraser Suites Property in respect of a fiscal year is computed based on the sum of (i) a fixed portion of the Fraser Suites Property's gross operating revenue for that fiscal year; (ii) a fixed portion of the Fraser Suites Property's gross operating profit for that fiscal year; and (iii) any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the Fraser Suites Property, less the Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

2.1.6. The fixed portions of the Fraser Suites Property's gross operating revenue and each Property's gross operating profit in a fiscal year, for the purpose of computing the Variable Rent for the Properties, are as set out in the table below or shall be such lower portion as may be agreed between the parties to the Master Lease Agreements in relation to the Fraser Suites Property and/or, as the case may be, the InterContinental Property:

<table>
<thead>
<tr>
<th>Property</th>
<th>Percentage of Property's Gross Operating Revenue (%)</th>
<th>Percentage of Property's Gross Operating Profit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>InterContinental Singapore</td>
<td>NIL</td>
<td>76</td>
</tr>
<tr>
<td>FS Singapore</td>
<td>20</td>
<td>59</td>
</tr>
</tbody>
</table>

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

2.1.8. If any of the Properties is damaged or destroyed, the Master Lessee is not liable to pay rent for the period that the affected Property cannot be used, and if part of the affected Property is still useable, the Master Lessee's liability to pay rent is adjusted such that:-

(a) for the InterContinental Property, if the total reinstatement costs exceed 25.0% of the total reinstatement cost of the Property at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced rent equivalent to the sum of (i) the fixed portion of the InterContinental Property's gross operating profit applicable to the computation of the Variable Rent for such period, and, where applicable, any unutilised balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the InterContinental Property, less an amount equivalent to half the Fixed Rent for such period and (ii) an amount equivalent to half the Fixed Rent for such period;

(b) for the Fraser Suites Property, if the total reinstatement costs exceed 25.0% of the total reinstatement cost of the Property at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced...
rent equivalent to the sum of (i) the fixed portions of the Fraser Suites Property’s gross operating revenue and the Fraser Suites Property’s gross operating profit applicable to the computation of the Variable Rent for such period and, where applicable, any unutilised balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the Fraser Suites Property, less an amount equivalent to half the Fixed Rent for such period and (ii) an amount equivalent to half the Fixed Rent for such period; or

(c) if the total reinstatement costs do not exceed 25.0% of the total reinstatement cost of the Property at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will continue to pay the rent for such period for the affected Property, without any abatement of the Fixed Rent amount.

2.1.9. In the event the Properties (or any of them) is/are damaged or destroyed, and the damage or destruction of the affected Property or part(s) thereof results in at least 50.0% of (i) (in the case of the InterContinental Property) the total number of hotel rooms, and (ii) (in the case of the Fraser Suites Property) the total number of serviced residence units, being rendered unusable by the Master Lessee for purposes of the hotel business or serviced residence business, as the case may be, or where total costs for the reinstatement of which exceed 50.0% of the total reinstatement cost of the Property at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, the Master Lessor may give the Master Lessee notice that the Master Lessor considers it impracticable or undesirable to repair the damage or rebuild the affected Property following which either the Master Lessor or the Master Lessee may terminate the Master Lease Agreement by written notice to the other party, and no compensation is payable in respect of that termination. If the damage or destruction does not satisfy the above threshold, the Master Lessor must use the insurance proceeds which it receives to restore or reinstate (i) the Property to the condition of the Property existing immediately prior to the occurrence of the damage or destruction as far as practicable; and (ii) the FF&E, operating asset and inventories, to the extent possible with the available insurance proceeds actually received by the Master Lessor.

2.1.10. Each Master Lessee will provide a security deposit, by way of cash or bank guarantee, of an amount equivalent to eight months of the monthly Fixed Rent. In addition to such security deposit, the Master Lessee shall provide a corporate guarantee for, amongst other things, the payment of rent.

2.1.11. The FF&E in each Property at the commencement date of the Master Lease Agreement will be the property of the Master Lessor and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessee, subject to the condition that the title to the FF&E items which are owned by the Master Lessee and still in use shall, at the option of the Master Lessor, be transferred to the Master Lessor at the end of the Master Lease Agreement for S$1.00. For each fiscal year, the Master Lessee is required to set aside in the FF&E reserve an amount equivalent to a specified percentage of the Property's gross operating revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the REIT Manager.

2.1.12. Any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year, provided that if the unutilised balance in the FF&E Reserve is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for each Property, the unutilised balance shall be deemed to form part of the Variable Rent.
2.1.13. The total expenditure by the Master Lessee in any fiscal year shall not exceed the unutilised balance in the FF&E reserve. Any unutilised amounts standing to the credit of the FF&E reserve at the end of the Master Lease Agreement shall be paid in cash by the Master Lessee to the Master Lessor.

2.1.14. All items of operating assets which are acquired or replaced by the Master Lessee during the term of the Master Lease Agreement, will be the property of the Master Lessee subject to the condition that the title to the operating assets which are owned by the Master Lessee and still in use shall be transferred to the Master Lessor at the end of the Master Lease Agreement at the net book value or S$1.00, whichever is the higher.

2.1.15. Save and except for the first fiscal year in respect of which the annual budget has been approved prior to commencement of the term of the Master Lease Agreement, for each fiscal year comprised in the term, the Master Lessee must submit to the REIT Manager for review and approval by no later than 60 days prior to the commencement of the following fiscal year, an annual budget for that fiscal year which includes, inter alia, a proposed capital budget for capital improvements. In respect of such proposed capital budget, the Master Lessee is not obliged to undertake any expenditure for capital improvements unless (i) it is approved in writing by the REIT Manager, or (ii) such capital improvements are (a) required to comply with any directive, order or requirement of any relevant government authorities or (b) required to meet safety or health requirements relating to the Property, or (iii) in certain emergency cases.

2.1.16. The Master Lessee for the InterContinental Property is required to enter into a hospitality management agreement with InterContinental Hotels Group (Asia Pacific) Pte Ltd (or such related company of InterContinental Hotels Group (Asia Pacific) Pte Ltd, as may be appointed by the Master Lessee) and is not permitted to terminate or assign the hospitality management agreement (save for an assignment to a related company of InterContinental Hotels Group (Asia Pacific) Pte Ltd for which the Master Lessor's consent is not required) or waive any of its rights under the hospitality management agreement without the consent of the Master Lessor. In respect of any hospitality management agreement entered into after the date of the relevant Master Lease Agreement, the Master Lessee must use reasonable endeavours to procure inclusion in such hospitality management agreement of, inter alia, a provision that the hospitality management agreement may be terminated by the Master Lessor without liability on the part of the Master Lessor for any payment due or to become due under the hospitality management agreement.

2.1.17. The Master Lessee of the Fraser Suites Property is required to enter into a hospitality management agreement with Frasers Hospitality Pte Ltd (or such related company of Frasers Hospitality Pte Ltd, as may be appointed by the Master Lessee) and is not permitted to terminate or assign the hospitality management agreement (save for an assignment to a related company of Frasers Hospitality Pte Ltd for which the Master Lessor's consent is not required) or waive any of its rights under the hospitality management agreement without the consent of the Master Lessor. In respect of any hospitality management agreement entered into after the date of the Master Lease Agreement, the Master Lessee must use reasonable endeavours to procure inclusion in such hospitality management agreement of, inter alia, a provision that the hospitality management agreement may be terminated by the Master Lessor without liability on the part of the Master Lessor for any payment due or to become due under the hospitality management agreement.

2.1.18. The Master Lessee must, at its cost, repair and maintain the Property, its infrastructure, plant and equipment in good and substantial condition and repair and in working order required for the operation of the Property but the Master Lessee is not responsible for works which are in the nature of capital improvements. The Master Lessee must, at its cost, repair and replace all FF&E and operating asset required for the operations of the Property. The Master Lessor may in its absolute discretion fund any expenditure by the Master Lessee for the repair and replacement of the FF&E, but this shall not reduce the amount that the Master Lessee has to set aside in the FF&E reserve for the relevant fiscal year or any subsequent fiscal year(s).
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2.1.19. All necessary licences and permits must be obtained and maintained by the Master Lessee at its cost. Where any licence or permit must, under law, be obtained by the Master Lessor instead, the Master Lessee must co-operate with and render all necessary assistance to the Master Lessor to facilitate the application for the relevant licence or permit by the Master Lessor. Such assistance includes but is not limited to, *inter alia*, the payment of all fees and charges in respect of such application.

2.1.20. The Master Lessee must, at its cost, take out and maintain public liability insurance policy, insurance relating to workers’ compensation and contract works insurance in respect of any works (save for capital improvements which the Master Lessor may elect to carry out on its own behalf) undertaken or carried out by the Master Lessee. The Master Lessor will take out and maintain, at its cost, a property insurance insuring the Property, the infrastructure, plant and equipment and the contents of the Property, and business interruption policy for the respective rights and interests of the Master Lessor (as lessor), and the Master Lessee (as lessee). In relation to capital improvements which the Master Lessor may elect to carry out, the Master Lessor must take out and maintain contract works and contract works liability insurance in respect of such capital improvements. The Master Lessee is required to pay the insurance premium in respect of the business interruption policy attributable to the insurance coverage for the Master Lessee’s interests.

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

2.2. Fraser Suites Sydney, Novotel Rockford Darling Harbour

2.2.1. Under the Master Lease Agreements, FHT leases FS Sydney and Novotel Rockford Darling Harbour (referred to in this section collectively as the “Properties”, and each a “Property” and FS Sydney is referred to as the “Fraser Suites Property”) to the respective Master Lessees (each, a “Master Lessee”), together with the plant and equipment therein.

2.2.2. The term of each Master Lease Agreement is for 20 years with an option for the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FHT may require due to change in law and exclusion of any further option to renew.

2.2.3. The Master Lessee is required to pay rent on a monthly basis, which rent shall comprise:

(a) a Fixed Rent per annum for each Property as set out in the table below:

<table>
<thead>
<tr>
<th>Property</th>
<th>Fixed Rent per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS Sydney</td>
<td>A$4,200,000.00</td>
</tr>
<tr>
<td>Novotel Rockford Darling Harbour</td>
<td>A$2,500,000.00</td>
</tr>
</tbody>
</table>

and monthly payment of which is payable in advance on the 1st day of each month.

(b) a Variable Rent which is payable in arrears on the 21st day of each month.
2.2.4. The Variable Rent for Novotel Rockford Darling Harbour in respect of a fiscal year is computed based on a fixed portion of Novotel Rockford Darling Harbour’s gross operating profit for that fiscal year, less the Fixed Rent for the relevant fiscal year, plus any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for Novotel Rockford Darling Harbour and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

2.2.5. The Variable Rent for the Fraser Suites Property in respect of a fiscal year is computed based on the sum of (i) a fixed portion of the Fraser Suites Property’s gross operating revenue for that fiscal year; and (ii) a fixed portion of the Fraser Suites Property’s gross operating profit for that fiscal year, and (iii) any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the Fraser Suites Property, less the Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

2.2.6. The fixed portions of each Property's gross operating revenue and each Property's gross operating profit in a fiscal year, for the purpose of computing the Variable Rent for the Properties, are as follows:

<table>
<thead>
<tr>
<th>Property</th>
<th>Percentage of Property’s Gross Operating Revenue (%)</th>
<th>Percentage of Property’s Gross Operating Profit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS Sydney</td>
<td>20</td>
<td>54.5</td>
</tr>
<tr>
<td>Novotel Rockford Darling Harbour</td>
<td>Not applicable</td>
<td>84</td>
</tr>
</tbody>
</table>

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

2.2.7. If any of the Properties is damaged or destroyed, the Master Lessee is not liable to pay rent for the period that the affected Property cannot be used, and if part of the affected Property is still useable, the Master Lessee’s liability to pay rent is adjusted such that:

(a) for Novotel Rockford Darling Harbour, if the total reinstatement costs exceed 25.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced rent equivalent to the sum of (i) half of the Fixed Rent for such period; and (ii) \( X \% \) of the Gross Operating Revenue + \( Y \% \) of Gross Operating Profit + any unutilized balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the Parties, less an amount equivalent to half the Fixed Rent for such period, where \( X \% \) and \( Y \% \) shall refer to the fixed percentages set out in the table in paragraph 2.2.6 above;

(b) for the Fraser Suites Property, if the total reinstatement costs exceed 25.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced rent equivalent to the sum of (a) half of the Fixed Rent for such period; and (b) \( X \% \) of the Gross Operating Revenue + \( Y \% \) of Gross Operating Profit + any unutilized
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balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the Parties, less an amount equivalent to half the Fixed Rent for such period, where X% and Y% shall refer to the fixed percentages set out in the table in paragraph 2.2.6 above; or

(c) if the total reinstatement costs do not exceed 25.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will continue to pay the rent for such period for the affected Property, without any abatement of the Fixed Rent amount.

2.2.8. In the event the Properties (or any of them) is/are damaged or destroyed, and the damage or destruction of the affected Property or part(s) thereof results in at least 50.0% of (i) (in the case of the Novotel Rockford Darling Harbour Property) the total number of hotel rooms, and (ii) (in the case of the Fraser Suites Properties) the total number of serviced residence units, being rendered unusable by the Master Lessee for purposes of the hotel business or serviced residence business, as the case may be, or where total costs for the reinstatement of which exceed 50.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, the Master Lessor may give the Master Lessee notice that the Master Lessor considers it impracticable or undesirable to repair the damage or rebuild the affected Property following which either the Master Lessor or the Master Lessee may terminate the Master Lease Agreement by written notice to the other party, and no compensation is payable in respect of that termination. If the damage or destruction does not satisfy the above threshold, the Master Lessor must use the insurance proceeds which it receives to restore or reinstate (i) the Property to the condition of the Property existing immediately prior to the occurrence of the damage or destruction as far as practicable; and (ii) the FF&E, operating asset and inventories, to the extent possible with the available insurance proceeds actually received by the Master Lessor.

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

2.2.10. The FF&E in each Property at the commencement date of the Master Lease Agreement will be the property of the Master Lessor and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessee, subject to the condition that the title to the FF&E items which are owned by the Master Lessee and still in use shall, at the option of the Master Lessor, be transferred to the Master Lessor at the end of the Master Lease Agreement for A$1.00. For each fiscal year, the Master Lessee is required to set aside in the FF&E reserve an amount equivalent to a specified percentage of the Property’s gross operating revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the Master Lessor.
2.2.11. For the Novotel Rockford Darling Harbour Property, any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year, provided that if the unutilised balance in the FF&E Reserve is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement, the unutilised balance shall be deemed to form part of the Variable Rent.

2.2.12. For the Fraser Suites Property, any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year, provided that if the unutilised balance in the FF&E Reserve is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement, the unutilised balance shall be deemed to form part of the Variable Rent.

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

2.2.14. All items of operating assets which are acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessee subject to the condition that the title to the operating assets which are owned by the Master Lessee and still in use shall be transferred to the Master Lessor at the end of the Master Lease Agreement at the net book value or A$1.00, whichever is the higher.

2.2.15. Save and except for the first fiscal year in respect of which the annual budget has been approved prior to commencement of the term of the Master Lease Agreement, for each fiscal year comprised in the term, the Master Lessee must submit to the Master Lessor for review and approval by no later than 60 days prior to the commencement of the following fiscal year, an annual budget for that fiscal year which includes, inter alia, a proposed capital budget for capital improvements. In respect of such proposed capital budget, the Master Lessor is not obliged to undertake any expenditure for capital improvements unless (i) it is approved in writing by the Master Lessor, or (ii) such capital improvements are (a) required to comply with any directive, order or requirement of any relevant government authorities or (b) required to meet safety or health requirements relating to the Property, or (iii) in certain emergency cases.

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1 Under the Master Lease Agreement, FHT will receive rental payments consisting of the following:
   a) Fixed Rent; and
   b) Variable Rent, calculated as follows:
      - X% of Gross Operating Revenue;
      - Y% of Gross Operating Profit; and
      - Any unutilized balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the Parties)

Less the Fixed Rent for the fiscal year, and if calculation of Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

As such, the unutilized FF&E Reserve may form part of the Variable Rent, subject to mutual agreement by Parties. If Parties agree that the FF&E Reserve provision is in excess of what is required to maintain the property and need not be carried forward, the excess amount will be included in the Variable Rent, to be paid to FHT by the Master Lessee. The purpose of the FF&E Reserve is for funding of repair and replacement of furniture, fixtures, furnishings and equipment for use or required in connection with the hotel operations.

The FF&E Reserve amount varies from 2.5% to 4.0% of Gross Operating Revenue, depending on property. For Novotel Rockford Darling Harbour, the FF&E Reserve amount is 3.0% of Gross Operating Revenue.
2.2.16. Each Master Lessee is required to provide the Master Lessor with an executed copy of the relevant hospitality management agreement. If supplemental documentation is entered into with respect to the hospitality management agreement or any renewal, or any new hospitality management agreement is entered into, the Master Lessee shall provide a copy to the Master Lessor. The Master Lessee is not permitted to terminate or assign the hospitality management agreement (save for an assignment to a related company of the Master Lessee for which the Master Lessor's consent is not required) or waive any of its rights under the hospitality management agreement without the consent of the Master Lessor. Upon termination of the Master Lease Agreement, the hospitality management agreement may be terminated by the Master Lessor without liability on the part of the Master Lessor for any payment due or to become due under the hospitality management agreement.

2.2.17. The Master Lessee must, at its cost, repair and maintain the Property, its infrastructure, plant and equipment in good and substantial condition and repair and in working order required for the operation of the Property but the Master Lessee is not responsible for works which are in the nature of capital improvements. The Master Lessee must, at its cost, repair and replace all FF&E and operating asset required for the operations of the Property.

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

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

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

2.2.21. The Master Lease Agreements are conditional on approval from the Australian Foreign Investment Review Board.

2.2.22. The Master Lease Agreements are conditional on approval from any third party which has a contractual right to approve the entering into the leases.
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2.3. Fraser Place Canary Wharf, Fraser Suites Glasgow, Fraser Suites Queens Gate, Fraser Suites Edinburgh, Park International London and Best Western Cromwell London

2.3.1. Under the Master Lease Agreements, FHT London 1 Limited and FHT London 2 Limited and FHT London 3 Limited and FHT London 4 Limited and FHT Scotland 1 Limited and FHT Scotland 2 Limited (each respectively the Lessor) leases the Properties to the Master Lessees, together with the fixtures, plant and equipment.

2.3.2. The term of the Master Lease Agreements (save for Park International London and Best Western Cromwell London) is for 20 years with an option (personal to the original tenant) for the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew. The Master Lease Agreements in respect of each of Park International London and Best Western Cromwell London will be for an initial term of 10 years with an option (personal to the original tenant) exercisable by the Master Lessee to obtain an additional lease for a further 10-year term on the same terms and conditions as the initial term and including an option to renew for two further successive 10-year terms.

2.3.3. The English Master Lease Agreements are contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954 under which the lessee might otherwise have a statutory right to renew on termination or expiry of the lease.

2.3.4. The Lessor has a right to dispose of the Premises free of the Master Lease Agreement on not less than 6 months prior written notice. No compensation is payable to the Master Lessee.

2.3.5. The Master Lessee is required to pay rent on a monthly basis which rent shall comprise:

(a) a Fixed Rent per annum for each Property as set out in the table below:

<table>
<thead>
<tr>
<th>Property</th>
<th>Fixed Rent per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park International Hotel London</td>
<td>£1,300,000</td>
</tr>
<tr>
<td>Best Western Cromwell Road London</td>
<td>£600,000</td>
</tr>
<tr>
<td>FP Canary Wharf</td>
<td>£1,400,000</td>
</tr>
<tr>
<td>FS Queens Gate</td>
<td>£1,800,000</td>
</tr>
<tr>
<td>FS Glasgow</td>
<td>£400,000</td>
</tr>
<tr>
<td>FS Edinburgh</td>
<td>£500,000</td>
</tr>
</tbody>
</table>

and monthly payment of which is payable in advance on the 1st day of each month.

(b) a Variable Rent which is payable in arrears on the 21st day of each month.

2.3.6. Variable Rent is computed based on (i) the sum of a fixed portion of the Property's gross operating revenue in respect of a fiscal year, (ii) a fixed portion of the Property's gross operating profit for that fiscal year, and (iii) any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year, less the Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.
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2.3.7. The fixed portions of the Property's Gross Operating Revenue and the Property's Gross Operating Profit in a fiscal year, for the purpose of computing the Variable Rent for the Properties, are as follows:

<table>
<thead>
<tr>
<th>Property</th>
<th>Percentage of Property's Gross Operating Revenue (%)</th>
<th>Percentage of Property's Gross Operating Profit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park International Hotel</td>
<td>0.0</td>
<td>91.5</td>
</tr>
<tr>
<td>London</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Western Cromwell Road</td>
<td>0.0</td>
<td>91.5</td>
</tr>
<tr>
<td>London</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serviced Residences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FP Canary Wharf</td>
<td>20.0</td>
<td>65.0</td>
</tr>
<tr>
<td>FS Queens Gate</td>
<td>20.0</td>
<td>67.0</td>
</tr>
<tr>
<td>FS Glasgow</td>
<td>20.0</td>
<td>50.0</td>
</tr>
<tr>
<td>FS Edinburgh</td>
<td>20.0</td>
<td>45.0</td>
</tr>
</tbody>
</table>

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

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

(a) if the total reinstatement costs exceed 25.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced rent equivalent to the sum of (a) the fixed portions of the Property's Gross Operating Revenue and the Property's Gross Operating Profit applicable to the computation of the Variable Rent for such period, and, where applicable, any unutilised balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the Property, less an amount equivalent to half the Fixed Rent for such period and (b) an amount equivalent to half the Fixed Rent for such period; and

(b) if the total reinstatement costs do not exceed less than 25.0% of the purchase price of the Property, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will continue to pay the rent for such period, without any abatement of the Fixed Rent amount.

2.3.9. Each Master Lessee will provide a security deposit, by way of cash or bank guarantee, of an amount equivalent to eight months of the monthly Fixed Rent. The Master Lessee may provide a corporate guarantee for the payment of rent.
2.3.10. The FF&E in each Property at the commencement date of the Master Lease Agreement and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will (save to the extent comprising a fixture incorporated in the Premises in which event it will be owned by the Lessor and let with the Premises) be the property of the Master Lessee, subject to the condition that the title to the FF&E items which are owned by the Master Lessee and still in use shall, at the option of the Master Lessor, be transferred to the Master Lessor at the end of the Master Lease Agreement for £1.00.

2.3.11. For each fiscal year, the Master Lessee is required to set aside in the FF&E reserve an amount equivalent to a specified percentage of the Property's revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the Master Lessor.

2.3.12. Any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year, provided that if the unutilised balance in the FF&E Reserve is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement, the unutilised balance shall be deemed to form part of the Variable Rent.

2.3.13. Where the total expenditure by the Master Lessee in any fiscal year is in excess of the unutilised balance in the FF&E reserve, the excess shall be carried forward and debited against the contribution to the FF&E reserve in the next fiscal year. Any unutilised amounts standing to the credit of the FF&E reserve at the end of the Master Lease Agreement shall be paid in cash by the Master Lessee to the Master Lessor.

2.3.14. All items of operating equipment which are acquired or replaced by the Master Lessee during the term of the Master Lease Agreement, will be the property of the Master Lessee (save as stated where they are incorporated into the Premises) subject to the condition that the title to the operating equipment items which are owned by the Master Lessee and still in use shall be transferred to the Master Lessor at the end of the Master Lease Agreement at the net book value or £1.00, whichever is the higher.

2.3.15. The Master Lessee must submit to the Master Lessor for review and approval by no later than 45 days prior to the start of each fiscal year, an annual budget for that fiscal year which includes, inter alia, a proposed capital budget for capital improvements. In respect of such proposed capital budget, the Master Lessor is not obliged to undertake any expenditure for capital improvements unless (i) it is approved in writing by the Master Lessor, or (ii) such capital improvements are (a) required to comply with any directive, order or requirement of any relevant government authorities or (b) required to meet safety or health requirements relating to the Property, or (iii) in certain emergency cases.

2.3.16. The Master Lessee of each of Park International Hotel London and Best Western Cromwell Road London is required to enter into a hospitality management agreement with TCC Hotels Group Co., Ltd. (or such related company as may be appointed by the Master Lessee) and is not permitted to terminate, amend, modify or assign the hospitality management agreement or waive any right, breach or default under the hospitality management agreement without the consent of the Master Lessor. Upon termination of the Master Lease Agreement, the hospitality management agreement may be terminated by the Master Lessor without liability for any payment.

2.3.17. The Master Lessee of each of FP Canary Wharf, FS Queens Gate, FS Glasgow and FS Edinburgh is required to enter into a hospitality management agreement with Frasers Hospitality Pte Ltd (or such related company as may be appointed by the Master Lessee) and is not permitted to terminate, amend, modify or assign the hospitality management agreement or waive any right, breach or default under the hospitality management agreement without the consent of the Master Lessor. Upon termination of the Master Lease Agreement, the hospitality management agreement may be terminated by the Master Lessor without liability for any payment.
2.3.18. The Master Lessee must, at its cost, take out and maintain insurance in respect to:

(a) workers’ compensation;

(b) contract works insurance in respect of any works undertaken or carried out by the Master Lessee; and

(c) public liability insurance.

2.3.19. The Master Lessor is to take out and maintain, at its cost:

(a) property insurance to cover the Property, the infrastructure, plant and equipment and the contents of the Property; and

(b) business interruption policy against defined insured risks (so long as cover is available) to cover the respective rights and interests of the Master Lessor as lessor, and the Master Lessee as lessee. The Master Lessee is required to pay the insurance premium in respect of the business interruption policy attributable to the insurance coverage for the Master Lessee’s interests.

2.3.20. In the event a Property is damaged or destroyed such that at least 50.0% of the hotel rooms or, as the case may be, serviced residence units cannot be used or the total reinstatement costs exceed 50.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Master Lessor and if the Master Lessor considers it impracticable or undesirable to repair or rebuild, either party may terminate the Master Lease Agreement. If the damage or destruction does not satisfy the above threshold, the Master Lessor must use the insurance proceeds which it receives to reinstate the Property to the condition prior to the damage as far as practicable and to the extent possible with the available insurance proceeds. Where the Lessor is obliged to reinstate but fails to do so the Lessee may reinstate.

2.3.21. The Master Lessee must, at its cost, repair and maintain the Property, its infrastructure, plant and equipment in good and substantial condition and repair and in working order but the Master Lessee is not responsible for works which are in the nature of capital improvements nor wear and tear. The repair obligation excludes latent or patent defects. Damage by way of insured risks are excepted. The Master Lessee must, at its cost, repair and replace all FF&E and Operating equipment required for the operations of the Property.

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

2.3.23. The Master Lessee may not dispose of its interest in the Master Lease Agreement save with the consent of the Lessor other than to a member of the same group. There is a change of control provision and such a change will be a breach of the Master Lease unless the Lessee remains within the same group.

2.3.24. Alterations require the approval of the Lessor, such approval not to be unreasonably withheld or delayed.

2.3.25. The Lessee is to be liable so far as permitted for any redundancy or other claims on termination or transfer.

2.3.26. The Lessor is entitled to terminate on non-payment of rent or other material breach or repudiation by the Lessee or on insolvency of the Lessee.
2.4. **ANA Crown Plaza Kobe**

Under the Master Lease Agreement in respect of the hotel component of ANA Crowne Plaza Kobe (the “Hotel Master Lease Agreement”), the ANA Crowne Plaza Kobe Trustee (which holds the ownership title to ANA Crowne Plaza Kobe, and acting as trustee for the benefit of Kobe Excellence TMK) (the “Hotel Master Lessor”) and K.K. Shinkobe Holding (the “Hotel Master Lessee”) enters into an agreement pursuant to which the hotel component of ANA Crowne Plaza Kobe (the “Hotel Component”) is leased to the Hotel Master Lessee in accordance with the terms and conditions of the Hotel Master Lease Agreement.

### 2.4.1. Purpose

The Hotel Master Lessee is required to use the Hotel Component for the purpose of conducting the hotel business, and may sublease the Hotel Component in whole or in part for the purpose of conducting the hotel business.

The Hotel Master Lessee may, on its own responsibility, allow any sub-lessee of the Hotel Component to further sub-lease the Hotel Component.

### 2.4.2. Lease term and renewal of lease term

The term of the Hotel Master Lease Agreement is 10 years commencing from the Listing Date. The term of the Hotel Master Lease Agreement is fixed and non-renewable. However, the Hotel Master Lessor and Hotel Master Lessee may enter into a new lease agreement immediately following the expiration of the Hotel Master Lease Agreement.

### 2.4.3. Lease rental

Annual rent for the Hotel Component for each fiscal year is the aggregate of (i) the fixed rent amount of JPY600 million (the “Hotel Component Fixed Rent”) and (ii) the aggregate of (a) NIL per cent of the Hotel Component's gross operating revenue for that fiscal year (b) 78.0% of gross operating profit for the Hotel Component for that fiscal year and (c) any unutilised FF&E Reserve for the Hotel Component for that fiscal year not carried forward to the following fiscal year by mutual agreement of the Hotel Master Lessee and the Hotel Master Lessor, less the Hotel Component Fixed Rent amount (the “Hotel Component Variable Rent”), provided that where the calculation of the Hotel Component Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Hotel Master Lessee is required to pay rent on a monthly basis.

### 2.4.4. Security deposit

The Hotel Master Lessee is required to pay security deposits or provide guarantee bonds for an amount equivalent to eight months’ Hotel Component Fixed Rent to the Hotel Master Lessor under Hotel Master Lease Agreement.

### 2.4.5. Liabilities of Hotel Master Lessor

The Hotel Master Lessor will not assume liability to the Hotel Master Lessee for any deficiency in the quality of the Hotel Component, any malfunction in the facilities in the Hotel Component and movables incidental thereto and other defects in the Hotel Component and the facilities and movables incidental thereto, except for deficiencies, failures and defects resulting from the willful misconduct or gross negligence of the Hotel Master Lessor.
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2.4.6. Liabilities of Hotel Master Lessee

All costs and expenses of maintaining, conducting and supervising the operation of the Hotel Component are payable by the Hotel Master Lessee.

Repairs and improvements on the Hotel Component requiring expenditures of not less than three-million (3,000,000) yen are subject to the prior consent of the Hotel Master Lessor.

The Hotel Master Lessee will be responsible for the management and maintenance of the Property, displaying the due care of a good manager, and will not commit any act that is likely to interfere with the maintenance, management, preservation or operation of, or otherwise commit any act that is likely to impair the value of, the Hotel Component and the facilities and movables incidental thereto.

2.4.7. Construction and other works relating to the Hotel Component’s furniture, fixtures and facilities

FF&E located in the Hotel Component at the Listing Date will be the property of the Hotel Master Lessor and (ii) FF&E which are brought onto the Hotel Component by the Hotel Master Lessee, and lessees below the level of the Hotel Master Lessee during the term of the Hotel Master Lease Agreement or which are replaced by the Lessee, and lessees below the level of the Hotel Master Lessee during the term of the Hotel Master Lease Agreement, will be the property of the Hotel Master Lessee provided that the title to such FF&E shall, at the option of the Hotel Master Lessor, be transferred to the Hotel Master Lessor on the date of termination or expiry of the Hotel Master Lease Agreement for JPY 100. For each fiscal year, the Hotel Master Lessee is required to set aside in the FF&E reserve an amount equivalent to a specified percentage of the Property's revenue for such fiscal year to be utilised for, among others, installations, additions, and alterations to the Hotel Component. Any unutilised amounts standing to the credit of the FF&E reserve at the end of the Hotel Master Lease Agreement shall be paid in cash by the Hotel Master Lessee to the Hotel Master Lessor.

Costs of (including taxes and other charges to be imposed in relation to) installations or additions, removals, alterations, changes in the supply capacity of, or replacements of furniture, fixtures and/or facilities or any other changes made to the current condition of the Hotel Component shall be borne out of the FF&E reserve.

2.4.8. Damage to Hotel Component

The cost of repairs and/or reconstructions for damage (other than substantial damage) to the Hotel Component due to an act of God or any other cause not attributable either to the Hotel Master Lessor or the Hotel Master Lessee, where insurance for such damage is maintained by the Hotel Master Lessor and/or Kobe Excellence TMK for the Hotel Component, shall be wholly borne by the Hotel Master Lessor.

Where the Hotel Component has been destroyed or considerably damaged or becomes unusable in whole or in substantial part due to an act of God or any other cause not attributable either to the Hotel Master Lessor or the Hotel Master Lessee, the Hotel Master Lease Agreement shall automatically terminate in the part relating to the relevant Hotel Component and neither the Hotel Master Lessor nor the Hotel Master Lessee shall be held liable for the damage suffered by either party as a result of the said termination. The Hotel Master Lessor has the right, pursuant to such termination, to retain any compensation under any insurance that the Hotel Master Lessor and/or Kobe Excellence TMK has maintained in respect of substantial damage to the Hotel Component (the “Hotel
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Insurance Compensation Amount") in the trust collection and management account opened by the ANA Crowne Plaza Kobe Trustee pursuant to the trust agreement between Kobe Excellence TMK and the ANA Crowne Plaza Kobe Trustee (the “Trust Account”) without applying the Hotel Insurance Compensation Amount to the reconstruction or repair of the Hotel Component. Notwithstanding this, the Hotel Master Lessor shall, where substantial damage of the Hotel Component is covered by insurance maintained by the Hotel Master Lessor and/or Kobe Excellence TMK, have the option, in consultation with the Lessee, to apply the Hotel Insurance Compensation Amount to the reconstruction or repair of the Hotel Component so as to enable a lease agreement based on the lease period under the Hotel Master Lease Agreement to be entered into in respect of the replacement of the part of the Hotel Component that has suffered substantial damage.

2.4.9. Termination

Any of the Hotel Master Lessor and Hotel Master Lessee may terminate the Hotel Master Lease Agreement in certain events including if (i) the other party is under the suspension of payment (i.e. the other party declares that it is generally and continuously unable to pay its debts as they fall due because of its lack of ability to pay such debts) or a petition is filed against such party for commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, special liquidation or any analogous legal proceeding and (ii) the other party has breached any obligation it owes under the Hotel Master Lease Agreement, and such breaching party does not cure the breach within thirty (30) days after receiving notice thereof from the other party.

The Hotel Master Lessee may also terminate the Hotel Master Lease Agreement if the Hotel Master Lessor has sold any part of the Hotel Component (excluding movables).

2.4.10. Obligation to restore the Hotel Component to its original condition

The Hotel Master Lessee is obliged to restore the Hotel Component to its original condition when it vacates them unless otherwise agreed by the Hotel Master Lessor.

2.5. Westin Kuala Lumpur

2.5.1. Under the Tenancy Agreement, the Malaysian SPV lets the freehold land held under Lot 1368 Seksyen 67 in Mukim Kuala Lumpur, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, together with Westin Kuala Lumpur, the hotel, the plant, the services infrastructure and FF&E therein (the “Property”) to JBB Hotels Sdn Bhd (the “Tenant”).

2.5.2. The term of the Tenancy Agreement is for three years with two options for the Tenant to renew the tenancy for a further three years each on the same terms and conditions, save for amendments which are required by or are consistent with the law and exclusion of any further option to renew after the second option to renew has been exercised.

2.5.3. Within 14 business days from the commencement date of the Tenancy Agreement, the Tenant is obliged to apply for approval of the relevant state authority on the conversion of the tenancy into a lease. Upon receipt of such approval, the Tenant shall forthwith notify the Malaysian SPV, and the Malaysian SPV or the servicer acting on behalf of the Malaysian SPV (the “Servicer”) shall convert the tenancy into a lease for 20 years with an option for the lessee to renew the lease for a further 20 years on the same terms and conditions as the Tenancy Agreement, save for amendments which are required by or which are consistent with the law and exclusion of any further option to renew.
2.5.4. The Tenant is required to pay rent on a monthly basis, which rent shall comprise:

(a) a Fixed Rent of MYR14,800,000.00 per annum, monthly payment of which is payable in advance on the 1st day of each month; and

(b) a Variable Rent which is payable in arrears on 21st day of each month.

The Variable Rent for the Property in respect of a fiscal year is computed based on the sum of (i) 78.5% of the Property’s gross operating profit for that fiscal year and (ii) any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Tenancy Agreement, less Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

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

2.5.5. If the Property is damaged or destroyed, the Tenant is not liable to pay rent for the period that the Property cannot be used, and if part of the Property is still usable, the Tenant's liability to pay rent is adjusted such that:

(a) if the total reinstatement costs exceed 25.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Malaysian SPV, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Tenant will pay a reduced rent equivalent to the sum of (a) 78.5% of the Property's gross operating profit applicable to the computation of the Variable Rent for such period, and, where applicable, any unutilised balance in the FF&E Reserve which is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement for the Property less an amount equivalent to half the Fixed Rent for such period and (b) an amount equivalent to half the Fixed Rent for such period; or

(b) if the total reinstatement costs do not exceed 25.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Malaysian SPV, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Tenant will continue to pay the rent for such period for the Property, without any abatement of the Fixed Rent amount.

2.5.6. In the event the Property is damaged or destroyed, and the damage or destruction of the Property or part(s) thereof results in at least 50.0% of the total number of hotel rooms, being rendered unusable by the Tenant for purposes of the hotel business, or where total costs for the reinstatement of which exceed 50.0% of the total reinstatement cost of the Premises at or around the time of occurrence of the damage, as determined by a loss adjuster appointed by the Malaysian SPV, the Malaysian SPV or the Servicer may give the Tenant notice that the Malaysian SPV considers it impracticable or undesirable to repair the damage or rebuild the Property following which either the Malaysian SPV or the Tenant may terminate the Tenancy Agreement by written notice to the other party, and no compensation is payable in respect of that termination. If the damage or destruction does not satisfy the above threshold, the Malaysian SPV must use the insurance proceeds which it receives to restore or reinstate (i) the Property to the condition of the Property existing immediately prior to the occurrence of the damage or destruction as far as practicable; and (ii) the FF&E, operating asset and inventories, to the extent possible with the available insurance proceeds actually received by the Malaysian SPV.
2.5.7. The Tenant will provide a security deposit, by way of bank guarantee, of an amount equivalent to eight months of the monthly Fixed Rent. The Malaysian SPV shall procure such bank guarantee to be assigned to the trustee of the holders of the asset-backed medium term notes issued by the Malaysian SPV pursuant to the asset-backed securitisation transaction (the “ABS Trustee”). In addition to such security deposit, the Tenant shall procure the provision of a corporate guarantee, for, amongst other things, the payment of rent, and such corporate guarantee shall be assigned by the Malaysian SPV to the ABS Trustee.

2.5.8. The FF&E in the Property at the commencement date of the Tenancy Agreement will be the property of the Malaysian SPV and the FF&E acquired or replaced by the Tenant during the term of the Tenancy Agreement will be the property of the Tenant, subject to the condition that the title to the FF&E items which are owned by the Malaysian SPV and still in use shall, be transferred to the Malaysian SPV at the end of the Tenancy Agreement for RM1.00. For each fiscal year, the Tenant is required to set aside in the FF&E reserve an amount equivalent to 4.0% of the Property's gross operating revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the Malaysian SPV or the Servicer.

2.5.9. Any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year provided that if the unutilised balance in the FF&E Reserve is not carried forward to the following fiscal year by mutual agreement of the parties to the Master Lease Agreement, the unutilised balance shall be deemed to form part of the Variable Rent.

2.5.10. The total expenditure by the Tenant in any fiscal year shall not exceed the unutilised balance in the FF&E reserve. Any unutilised amounts standing to the credit of the FF&E reserve at the end of the Tenancy Agreement shall be paid in cash by the Tenant to the Malaysian SPV.

2.5.11. All inventories situated on the Property shall be offered to sell to or otherwise transferred to the Malaysian SPV at the end of the Tenancy Agreement at the net book value or RM1.00, whichever is the higher.

2.5.12. Save and except for the first fiscal year in respect of which the annual budget has been approved prior to commencement of the term of the Tenancy Agreement, for each fiscal year comprised in the term, the Tenant must submit to the Malaysian SPV or the Servicer for review and approval by no later than 60 days prior to the commencement of the following fiscal year, an annual budget for that fiscal year which includes, inter alia, a proposed capital budget for capital improvements. In respect of such proposed capital budget, the Malaysian SPV is not obliged to undertake any expenditure for capital improvements unless (i) such capital improvements are (a) required to comply with any directive, order or requirement of any relevant government authorities or (b) required to meet safety or health requirements relating to the Property, or (ii) in certain emergency cases.

2.5.13. The Tenant is required, at all times during the term of the Tenancy Agreement, to cause the Property and the business to be operated and managed by a hotel manager under the terms of a hotel management agreement. The Tenant is not permitted to terminate or assign the hotel management agreement (save for an assignment to the ABS Trustee or a related company) or waive any of its rights under the hotel management agreement without the consent of the Malaysian SPV or the Servicer. Upon termination of the Tenancy Agreement, the hotel management agreement may be terminated by the Malaysian SPV without liability on the part of the Malaysian SPV for any payment due or to become due under the hotel management agreement.
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2.5.14. The Tenant must, at its cost, repair and maintain the Property, the hotel, its services, services infrastructure and plant in good and substantial condition and repair and in working order required for the operation of the Property but the Tenant is not responsible for works which are in the nature of capital improvements. The Tenant must, at its cost, repair and replace all FF&E and operating asset required for the operations of the Property.

2.5.15. All necessary licences and permits must be obtained and maintained by the Tenant at its cost.

2.5.16. The Tenant must, at its cost, take out and maintain public liability insurance policy, insurance relating to workers’ compensation and contract works insurance in respect of any works (save for capital improvements which the Malaysian SPV may elect to carry out on its own behalf) undertaken or carried out by the Tenant. The Malaysian SPV will take out and maintain, at its cost, a property insurance insuring the Property, the hotel, the services infrastructure, the plant and the contents of the Property, and business interruption policy for the respective rights and interests of the Malaysian SPV (as landlord), and the Tenant (as tenant). In relation to capital improvements which the Malaysian SPV may elect to carry out, the Malaysian SPV must take out and maintain contract works and contract works liability insurance in respect of such capital improvements. The Tenant is required to pay the insurance premium in respect of the business interruption policy attributable to the insurance coverage for the Tenant’s interests.

2.5.17. The Malaysian SPV may sell or assign its interest in the Property subject to the terms of the Tenancy Agreement. The Malaysian SPV may also sell or assign its interest in the Property at any time free and clear of the Tenancy Agreement and without the Malaysian SPV being liable for any claims, damages, compensations, costs and expenses for such termination provided (i) the Malaysian SPV gives six months’ written notice to the Tenant and (ii) in any sale or assignment of the Malaysian SPV's interest in the Property free and clear of the Tenancy Agreement, the Malaysian SPV shall use reasonable endeavours to procure the purchaser’s or assignee’s agreement to have the sale or assignment subject to (a) the terms of the Tenancy Agreement and/or (b) the hotel manager's agreement to continue with the hotel management agreement.

3. Corporate Guarantees

3.1.1. The Corporate Guarantor will unconditionally and irrevocably guarantee to FH-REIT (or the relevant FH-REIT entity, as the case may be) that the Master Lessee or Tenant will punctually pay the rent and all other sums payable under the Master Lease and Tenancy Agreements and observe and perform the covenants, terms and conditions of the Master Lease and Tenancy Agreements.

3.1.2. Upon the default of the Master Lessee or Tenant, the Corporate Guarantor will pay the rent and other sums payable under the Master Lease and Tenancy Agreements and/or as the case may be, perform any of the covenants, terms or conditions of the Master Lease and Tenancy Agreements. The obligations of the Corporate Guarantor will cease six months after the Master Lessee or Tenant yields up vacant possession of the Property in accordance with the terms of the relevant Master Lease and Tenancy Agreement, on the expiry or termination of the term.

4. Top-Up Deed

4.1.1. The Property Sale and Purchase Agreement relating to Fraser Suites Singapore contains a condition that on completion of the sale and purchase of the 75-year leasehold interest in FS Singapore, RVAPL and the Purchaser will enter into a Top-Up Deed. Under the Top-Up Deed, an amount of S$1,650,000.00 will be paid by RVAPL to the escrow agent to be dealt with in accordance with the provisions of the Top-Up Deed.
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4.1.2. In the event the gross operating profit of FS Singapore:

(i) in respect of the first payment period from the listing date up to the earlier of (a) 30 September 2014 and (b) the sale completion date in the event FH-REIT sells its interests in the Property and the sale completion date falls within the first payment period:

aa) (where there is no sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the first payment period) falls below the sum of S$6,000,000.00, RVAPL shall pay to FH-REIT a top-up sum of such amount as determined by FH-REIT not exceeding S$500,000.00; or

bb) (where there is a sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the first payment period) falls below the first payment period apportioned threshold sum, RVAPL shall pay to FH-REIT a top-up sum of such amount as determined by FH-REIT not exceeding the first payment period apportioned cap amount;

(ii) in respect of the second payment period commencing on 1 October 2014 up to the earlier of (a) 31 March 2015 and (b) the sale completion date in the event FH-REIT sells its interests in the Property and the sale completion date falls within the second payment period:

aa) (where there is no sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the second payment period) falls below the sum of S$9,000,000.00, RVAPL shall pay to FH-REIT a top-up sum of such amount as determined by FH-REIT not exceeding a limit which is the aggregate of (i)(aa) the first payment period undrawn balance, if any, and (ii) (aa) S$500,000.00; or

bb) (where there is a sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the second payment period) falls below the second payment period apportioned threshold sum, RVAPL shall pay to FH-REIT a top-up sum of such amount as determined by FH-REIT not exceeding the second payment period apportioned cap amount;

(iii) in respect of the third payment period commencing on 1 April 2015 up to the earlier of (a) 30 September 2015 and (b) the sale completion date of the Property in the event FH-REIT sells its interests in the Property and the sale completion date falls within the third payment period:

aa) (where there is no sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the third payment period) falls below the sum of S$9,000,000.00, RVAPL shall pay to FH-REIT a top-up sum of such amount as determined by FH-REIT not exceeding a limit which is the aggregate of (i)(aa) the first payment period undrawn balance, if any, (ii)(aa) the second payment period undrawn balance, if any, and (iii)(aa) S$500,000.00; or

bb) (where there is a sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the third payment period) falls below the third payment period apportioned threshold sum, RVAPL shall pay to FH-REIT a top-up sum of such amount as determined by FH-REIT not exceeding the third payment period apportioned cap amount;
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(iv) in respect of the fourth payment period commencing on 1 October 2015 up to the earlier of (a) 30 November 2015 and (b) the sale completion date in the event FH-REIT sells its interests in the Property and the sale completion date falls within the fourth payment period:

aa) (where there is no sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the fourth payment period) (i)(aa) falls below the sum of $3,000,000.00, or (ii)(aa) the aggregate of the gross operating profit of the Property for the first payment period and the fourth payment period falls below the total sum of $9,000,000.00, RVAPL shall pay to FH-REIT a top-up sum which is the remaining balance of the sum paid to the escrow agent that is undrawn; or

bb) (where there is a sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the fourth payment period) (i) (bb) falls below the fourth payment period apportioned threshold sum, or (ii) (bb) the aggregate of the gross operating profit of the Property for the first payment period and the fourth payment period shall fall below the combined apportioned threshold sum, RVAPL shall pay to FH-REIT a top-up sum which is the remaining balance apportioned amount.

4.1.3. The computation of the first payment period undrawn balance and second payment period undrawn balance referred to in paragraphs (ii)(aa) and (iii)(aa) is derived respectively by deducting the actual amount drawn by FH-REIT in the first payment period from the amount of $500,000.00, and by deducting the actual amount drawn by FH-REIT in the second payment period from the amount of $500,000.00.

4.1.4. The computation of the apportioned threshold sums referred to in paragraphs (i)(bb), (ii)(bb), (iii)(bb) and (iv)(bb) and the apportioned cap amounts for each applicable payment period referred to in paragraphs (i)(bb), (ii)(bb) and (iii)(bb) is based on the total number of days within the applicable payment period falling prior to the sale completion date expressed as a fraction of the total number of days comprised in the applicable payment period, multiplied by the respective threshold sums for each applicable payment period where there is no sale of FH-REIT’s interests in the Property.

4.1.5. The computation of the combined apportioned threshold sum referred to in paragraph (iv)(bb) is derived by aggregating (I) an amount based on the total number of days within the fourth payment period falling prior to the sale completion date expressed as a fraction of the total number of days comprised in the fourth payment period, multiplied by the balance of the threshold sum for the fourth payment period, and (II) the threshold sum applicable to the first payment period.

4.1.6. The computation of the remaining balance apportioned amount referred to in paragraph (iv)(bb) is based on the total number of days within the fourth payment period falling prior to the sale completion date expressed as a fraction of the total number of days comprised in the fourth payment period, multiplied by the balance of the sum paid to the escrow agent that is undrawn.

4.1.7. Payment of the top-up sums shall be:

(i) based on the management reports delivered by RVAPL to the Purchaser after the end of each of the payment periods which shall include, amongst other things, a computation of the gross operating profit for the relevant applicable period, and

(ii) reconciled (where necessary) based on audited annual statements delivered to the Purchaser within 60 days after the end of the first payment period, third payment period and fourth payment period, and in the case of the second payment period, only where there is a sale of its interests in the Property by FH-REIT in respect of which the sale completion date falls within the second payment period.
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4.1.8. After settlement of any payment owing to the Purchaser or refund by the Purchaser of any excess payment made to it, as the case may be, the balance of the sum paid to the escrow agent (if any) shall be released to RVAPL.

4.1.9. In the event of any sale of its interests in the Property by FH-REIT to a third party, RVAPL's liability for any top-up sums attributable to the period falling after the sale completion date shall cease with effect from the sale completion date, but without prejudice to RVAPL's liability to pay, and other terms, conditions and obligations relating to, the top-up sum(s) attributable to the period up to the sale completion date.

5. The FH-REIT Trust Deed

5.1.1. REIT Management Fees payable to the REIT Manager

It is expected that the REIT Manager will be entitled to the following fees in connection with the management of the operations of FHT:

Management Fees:

(a) a base fee of 0.3% per annum of the value of gross assets of FH-REIT, for the time being held or deemed to be held by FH-REIT under the FH-REIT Trust Deed; and

(b) a performance fee 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the FH-REIT performance fee and the FH-BT performance fee but after accounting for the FH-REIT base fee and the FH-BT base fee). There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the performance fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the Performance Fee1. For the avoidance of doubt, the maximum performance fee payable to both the REIT Manager and the Trustee-Manager collectively is 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the performance fees but after accounting for the base fees).

The management fees are payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units (as the REIT Manager may elect, and in such proportion as may be determined by the REIT Manager).

Acquisition Fee and Divestment Fee:

(c) an acquisition fee2 of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

(i) the acquisition price of any real estate purchased by FH-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more special purpose vehicles ("SPVs"), plus any other payments3 in addition to the acquisition price made by FH-REIT or its SPV to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-REIT’s interest);

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1 In the event that one of FH-REIT and FH-BT generates negative distributable income in the relevant financial year while the other stapling entity generates positive distributable income, such other stapling entity shall be entitled to the whole amount of the Performance Fee.

2 No acquisition fee is payable for the transfer of assets from FH-BT.

3 “other payments” refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.
(ii) the underlying value\(^1\) of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-REIT whether directly or indirectly through a holding of shares, units or any other interests in one or more SPVs (plus any other payments made by FH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests or, as the case may be, contractual interest) (pro-rated, if applicable to the proportion of FH-REIT’s interest); or

(iii) the acquisition price of any investment purchased by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units (as the REIT Manager may elect, and in such proportion as may be determined by the REIT Manager).

(d) a divestment fee\(^2\) of 0.5% of each of the following as is applicable (subject to there being no double-counting):

(i) the sale price of any real estate sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments\(^3\) in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-REIT’s interest);

(ii) the underlying value\(^4\) of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments received by the FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-REIT’s interest); or

(iii) the sale price of the investment sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The divestment fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units (as the REIT Manager may elect, and in such proportion as may be determined by the REIT Manager).

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1 For example, if FH-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by FH-REIT as purchase price and any debt of the special purpose company.

2 No divestment fee is payable for the transfer of assets to FH-BT.

3 “other payments” refer to additional payments to FH-REIT or its SPVs for the sale of the real estate, for example, where FH-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.

4 For example, if FH-REIT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by FH-REIT as sale price and any debt of the special purpose company.
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Development Management Fees:

(e) development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project (as defined herein) undertaken by the REIT Manager on behalf of FH-REIT. FH-REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments).

"Development Project", in relation to FH-REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FH-REIT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works, provided always that the Property Funds Appendix shall be complied with for the purposes of such development.

When the estimated Total Project Costs are greater than S$200.0 million¹, the REIT Trustee and the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager’s view, materially lower than the development management fee, the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project.

5.1.2. The REIT Manager may be removed by notice given in writing by the REIT Trustee if:

(i) the REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the REIT Manager;

(ii) the REIT Manager ceases to carry on business;

(iii) the REIT Manager fails or neglects after reasonable notice from the REIT Trustee to carry out or satisfy any material obligation imposed on the REIT Manager by the FH-REIT Trust Deed;

(iv) the holders of FH-REIT Units, by a resolution duly passed by a majority greater than 50.0% of the total number of votes cast for and against such resolution with no participants being disenfranchised at a meeting of holders of FH-REIT Units duly convened and held in accordance with the provisions of the FH-REIT Trust Deed, shall so decide;

¹ The threshold of S$200.0 million is derived by the REIT Manager and Trustee-Manager based on industry estimates that the development costs of hospitality real estate assets are generally greater than development costs compared to other types of real estate asset class.
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(v) for good and sufficient reason, the REIT Trustee is of the opinion, and so states in writing, that a change of the REIT Manager is desirable in the interests of the holders of FH-REIT Units provided that where the REIT Manager is removed on the basis that a change of the REIT Manager is desirable in the interests of the holders of FH-REIT Units, the REIT Manager has a right under the FH-REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the REIT Manager, the REIT Trustee and all the holders of FH-REIT Units; or

(vi) the MAS directs the REIT Trustee to remove the REIT Manager.

6. The FH-BT Trust Deed

6.1.1. Fees payable to the Trustee-Manager

It is expected that the Trustee-Manager will be entitled to the following fees in connection with the management of the operations of FHT:

Management Fees:

(a) a base fee of 0.3% per annum of the FH-BT Trust Property;

(b) a performance fee of 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the FH-REIT performance fee and the FH-BT performance fee but after accounting for the FH-REIT base fee and the FH-BT base fee). There should be no double-counting of fees. In the event that both the Trustee-Manager and the REIT Manager are entitled to the performance fee, such fees payable to both the Trustee-Manager and the REIT Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the performance fee. For the avoidance of doubt, the maximum performance fee payable to both the Trustee-Manager and the REIT Manager collectively is 5.5% per annum of the aggregate distributable income of FHT in the relevant financial year (calculated before accounting for the performance fees but after accounting for the base fees); and

(c) a trustee fee of a maximum of 0.1% per annum of the FH-BT Trust Property, subject to a minimum fee of S$10,000 per month, provided that the value of the FH-BT Trust Property is at least S$50.0 million. The fees above are payable in the event that FH-BT becomes active.

The management fees are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units (as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager).

Acquisition Fee and Divestment Fee:

(d) an acquisition fee\(^1\) of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):

(i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments\(^2\) in addition to the acquisition price made by FH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-BT’s interest);

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\(^1\) No acquisition fee is payable for the transfer of assets from FH-REIT.

\(^2\) “other payments” refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.
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(ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value\(^1\) of such real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments\(^1\) made by FH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of FH-BT’s interest); or

(iii) the acquisition price of any investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

(e) a divestment fee\(^2\) of 0.5% of each of the following as is applicable (subject to there being no double-counting):

(i) the sale price of any real estate sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments\(^3\) in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-BT’s interest);

(ii) the underlying value\(^4\) of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments received by the FH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-BT’s interest); or

(iii) the sale price of the investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The divestment fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

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1 For example, if FH-BT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by FH-BT as purchase price and any debt of the special purpose company.

2 No divestment fee is payable for the transfer of assets to FH-REIT.

3 “other payments” refer to additional payments to FH-BT or its SPVs for the sale of the real estate, for example, where FH-BT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.

4 For example, if FH-BT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by FH-BT as sale price and any debt of the special purpose company.
Development Management Fees:

(f) development management fees equivalent to 3.0% of the Total Project Costs\(^1\) incurred in a Development Project (as defined herein) undertaken by the Trustee-Manager on behalf of FH-BT.

“Development Project”, in relation to FH-BT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FH-BT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works.

When the estimated Total Project Costs are greater than S$200.0 million\(^2\), the Trustee-Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager’s view, materially lower than the development management fee, the Trustee-Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT.

For the avoidance of doubt, no acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project.

6.1.2. Removal of the Trustee-Manager

Under the BTA, the Trustee-Manager may only be removed, as trustee-manager of FH-BT, if a resolution to remove the Trustee-Manager is approved by holders of FH-BT Units holding in the aggregate not less than three-fourths of the voting rights of all the holders of the FH-BT Units who, being entitled to do so, vote in person or where proxies are allowed, by proxy present at a meeting of the holders of FH-BT Units or the Trustee-Manager may resign as trustee-manager. Any removal or resignation of the Trustee-Manager must be made in accordance with such procedures as the MAS may prescribe. Any purported change of the trustee-manager of a registered business trust is ineffective unless it is made in accordance with the BTA.

The Trustee-Manager will remain the trustee-manager of FH-BT until another person is appointed by:

(i) the holders of FH-BT Units to be the trustee-manager of FH-BT; or

(ii) the court under Section 21(1) of the BTA to be the temporary trustee-manager of FH-BT,

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1 “Total Project Costs” means the sum of the following (where applicable):
   (i) construction cost based on the project final account prepared by the project quantity surveyor;
   (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;
   (iii) the cost of obtaining all approvals for the project;
   (iv) site staff costs;
   (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and
   (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with generally accepted accounting practices in Singapore.

For the avoidance of doubt, land costs will not be included in the computation of Total Project Costs.

2 The threshold of S$200.0 million is derived by the REIT Manager and Trustee-Manager based on industry estimates that the development costs of hospitality real estate assets are generally greater than development costs compared to other types of real estate asset class.
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and such appointment shall be effective from the date stated in the resolution of the holders of FH-BT Units or court order as the effective date of the appointment of the trustee-manager or temporary trustee-manager, as the case may be.

7. The Investment Management Agreements

FHT Australia Management Pty Ltd, which shall be a wholly-owned subsidiary of the REIT Manager incorporated in Australia (the "MIT Manager"), the REIT Manager and the Trustee-Manager shall enter into an investment management agreement with each of the following:

(a) The Trust Company (Australia) Limited ("MIT Trustee") (in its capacity as the trustee of MIT Australia);

(b) The Trust Company (PTAL) Limited ("MIT Sub-trustee") (in its capacity as the trustee of FHT Sydney Trust 1); and

(c) MIT Sub-trustee (in its capacity as the trustee of FHT Sydney Trust 2).

(each an "Investment Management Agreement"). Each Investment Management Agreement shall contain substantively similar terms and conditions.

7.1.1. Services provided by the MIT Manager

The MIT Manager shall provide certain services to the trustees of MIT Australia and each underlying sub-trust under each trust's Investment Management Agreement respectively, and including (but not limited to):

(a) management of the trust for and on behalf of the trustee, keeping the trust property under periodic review and conferring with the trustee at agreed intervals regarding the management of the trust;

(b) deliberating and making decisions on specified approval matters being matters within the scope of its role, and giving specific directions to the trustees on those matters as it considers to be in the interest of the unit holders of the trust;

(c) identifying, assessing and evaluating investments which may represent potential objects of investments for the relevant trust, in conjunction with legal and other advisers, and directing the trustee to give effect to the investments;

(d) assisting with the preparation of all legal and other documents required to complete any such investments;

(e) negotiating the pricing and structure of any such investments; and

(f) completing any due diligence enquiries in connection with any such investments.

Where provision of a service to the trustee under the Investment Management Agreement would require the MIT Manager to hold an Australian financial services licence (AFSL), the trustee will perform the service and be required to hold the AFSL as the MIT Manager will not do so. To the extent that the MIT Manager may give its consent to the matter without having to hold an AFSL, the trustee shall obtain the MIT Manager's consent before exercising its powers authorities and discretions in relation to the relevant matter. Such a relevant matter will be taken not to be a specified approval matter as per sub-paragraph (b) above.

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1 For Australian law purposes, it is a requirement that a person carrying on a "financial services business" must be licensed or exempted.
7.1.2. Powers of the MIT Manager

Subject to the constitution of the MIT Manager and the terms of the Investment Management Agreement, the MIT Manager will have all the powers of a natural person and a body corporate to *inter alia* deal with the investments of each trust and do all things and execute all documents necessary for the purpose of managing the investments.

7.1.3. Fees Payable to the MIT Manager

The fees payable to FHT Australia Management Pty Ltd (the “MIT Manager”) under the investment management agreements comprise the following:

(i) a base fee of 0.3% per annum of the total value of the MIT’s trust property;

(ii) a performance fee of 5.5% per annum of MIT Australia’s earnings before interest, taxes, depreciation and amortisation;

(iii) an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases of:

(a) the acquisition price of any real estate purchased by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the acquisition price made by MIT Australia or a special purpose vehicle to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of MIT Australia’s interest);

(b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments made by MIT Australia or a special purpose vehicle to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of MIT Australia’s interest); or

(c) the acquisition price of any investment purchased by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

(iv) a divestment fee of 0.5% of:

(a) the sale price of any real estate sold or divested by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the sale price received by MIT Australia or a special purpose vehicle from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of MIT Australia’s interest);

(b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, plus any other payments received by MIT Australia or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the MIT Australia’s interest); or
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(c) the sale price of any investment sold or divested by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and

(v) a development management fee of 3.0% of the Total Project Costs incurred in a Development Project. Where the estimated Total Project Costs is greater than S$200.0 million, the MIT Trustee and the REIT Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the development management fee may be directed to be reduced.

Except for the development management fee which may only be paid in cash, the fees are payable to the MIT Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-REIT Units.

7.1.4. Retirement of the MIT Manager

The MIT Manager may resign from its appointment as the investment manager for each of MIT Australia and two underlying MIT Sub-trusts upon giving 7 days' notice to the trustee if either the trustee of the trust or its unit holders is/are:

(a) in material breach of an obligation under the MIT Trust Deed or the relevant Investment Management Agreement; and

(b) such breach is not remedied within 30 days after receiving written notice from the MIT Manager requesting that they do so.

7.1.5. Termination of the Investment Management Agreement

Each of the Investment Management Agreements for MIT Australia and the two underlying sub-trusts may be terminated as follows:

(a) by the trustee of the trust on not less than 90 days' written notice for no cause where:

(i) the unit holders of the trust pass a special resolution to approve the MIT Manager's removal; or

(ii) the trustee receives written notice from the REIT Manager certifying that the MIT Manager has ceased to be a wholly-owned subsidiary of the REIT Manager and requesting the trustee to terminate the agreement;

(b) by the trustee of the trust at any time where:

(i) the MIT Manager breaches any material provision of the agreement and where such breach is capable of remedy, fails to remedy the breach within two months after receiving written notice from the Trustee requiring it to do so; or

(ii) certain specified event(s) happening to the MIT Manager, such as insolvency and cessation of business;

(c) by the MIT Manager at any time, by giving the trustee three months' written notice or such shorter notice as agreed by the trustee.
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8. MIT Trust Deeds

8.1.1. Each of MIT Australia and the two underlying MIT Sub-trusts shall be constituted pursuant to a trust deed executed by MIT Trustee (in its capacity as the trustee of MIT Australia) or, as the case may be, MIT Sub-trustee (in its respective capacities as the trustee of the two underlying MIT Sub-trusts) (collectively, the “MIT Trust Deeds”, and each an “MIT Trust Deed”). Each of the Trust Deeds shall contain similar terms and conditions.

8.1.2. Services provided by the Trustee

The trustee is appointed to act as trustee, including to operate and manage the trust and its trust property and trust liabilities while any remain. Notwithstanding anything else in a MIT Trust Deed, the trustee must appoint the MIT Manager as investment manager, and may not (without the prior consent of the trust's unit holders or where the only unit holders are FH-REIT and entities wholly-owned by FH-REIT, the REIT Manager, as the case may be) appoint a person other than the MIT Manager as the investment manager.

8.1.3. Powers of the Trustee

Subject to the MIT Trust Deed, the trustee has within and outside Australia, all the powers in relation to the trust, the trust property and trust liabilities, that it is legally possible for a natural person, corporation or trustee to have. Under each MIT Trust Deed, the trustee may not, without the prior consent of the MIT Manager (which must not be unreasonably withheld) or the unit holders of the trust (or where the only unit holders are FH-REIT and entities wholly-owned by FH-REIT, the REIT Manager, as the case may be) unless otherwise provided in the MIT Trust Deed, borrow or refinance an amount or otherwise incur any borrowings, where the liability to repay that loan or borrowing would rank in priority above any existing unit holder's loan (if any). The trustee of the trust may, with the approval of the MIT Manager unless otherwise provided by the MIT Trust Deed, engage in connection with the performance of its duties investment managers, property managers, valuers, administrators, custodians and any advisers, agents, brokers, contractors, underwriters or other persons.

8.1.4. Fees Payable to the Trustee

The MIT Trustee is entitled to a management fee of AUD55,000 plus GST per annum with respect to MIT Australia and the MIT Sub-trustee is entitled to management fees of AUD15,000 plus GST per annum for each MIT Sub-trust), calculated and payable in arrears on the last business day of each calendar quarter or at other times as agreed with the MIT Manager.

Additional fees (of $350 per hour for internal legal costs and $250 per hour for the relevant trustee's own executive time) may be charged for any activities of the MIT Trustee or the MIT Sub-trustee outside the normal day-to-day scope of activities in acting as trustee (including but not limited to equity raising, mergers, acquisitions, divestments and debt refinancing).

The MIT Trustee and the MIT Sub-trustee are also entitled to recover from the relevant trust all reasonable out-of-pocket expenses in administering MIT Australia and the MIT Sub-trusts, as the case requires, including but not limited to legal and audit expenses, regulatory fees, printing costs and travel and accommodation expenses incurred in the establishment and operation of MIT Australia and the MIT Sub-trusts.
8.1.5. Retirement or Removal of the Trustee

The trustee may retire as trustee of the relevant trust, in circumstances which include:

(a) by giving not less than one month’s prior notice to the MIT Manager and the unitholder, to be effective only on the appointment of a replacement trustee nominated by the trustee itself with the approval of the MIT Manager;

(b) when required by law; or

(c) when directed to retire by a special resolution passed by the unitholder, provided that the trustee must not retire until a new trustee is appointed.

8.1.6. Termination of the MIT Trust Deed

The MIT Trust Deed for MIT Australia and the trust deed for each of the two underlying MIT Sub-trusts may be terminated as follows:

(a) by the trustee with the prior consent of the unit holders of the trust (or where the only unit holders are FH-REIT and entities wholly-owned by FH-REIT, the REIT Manager, as the case may be) at any time by written notice to the unit holders with effect from the termination date specified in the notice; or

(b) by a resolution of the unit holders of the trust in accordance with the relevant provisions of the Corporations Act (taking those provisions to be applicable to the trust as if the trust was a registered scheme for the purposes of the Corporations Act).
SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Introduction

Frasers Centrepoint Limited anticipates that the Group (as defined herein) would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Listing Manual), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for the Company to obtain a Shareholders’ general mandate (an “IPT Mandate”) to enable companies in the Group to enter into certain interested person transactions in the normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the day-to-day operations.

The IPT Mandate will take effect from the passing of the Ordinary Resolution relating thereto, and will continue in force until the conclusion of the next AGM of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions.

2. Rationale for and Benefits of the IPT Mandate

The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The IPT Mandate is intended to facilitate transactions in the normal course of the Group’s business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

3. The Group

For the purposes of the IPT Mandate, an “Entity At Risk” means:

(a) the Company;

(b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or

(c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Company and its interested person(s), have control over the associated company,

(collectively, the “Group”).
4. Classes of Mandated Interested Persons

The IPT Mandate will apply to the transactions that are carried out with Thai Beverage Public Company Limited, TCC Assets Limited, F&N, the directors of the Company and their respective associates (the “Mandated Interested Persons”).

5. Categories of Mandated Transactions

The types of transactions to which the IPT Mandate will apply (the “Mandated Transactions”), and the benefits to be derived therefrom, are set out below.

This category relates to general transactions (“General Transactions”) in connection with the provision to, or the obtaining from, Mandated Interested Persons of products and services in the normal course of business of the Group or which are necessary for the day-to-day operations of the Group comprising the following:

(a) the provision or obtaining of leases or subleases of office space, warehouses, passenger cars and land;
(b) the obtaining of insurance and insurance-related services;
(c) purchases of beer, spirits, water, soda and other products;
(d) the provision or obtaining of office and storage supplies;
(e) the provision or obtaining of property-linked services (such as property marketing, property and rental valuation services, building maintenance services and security services);
(f) the provision of property development and project management services;
(g) the provision of asset management strategies, such as advising on repositioning, asset enhancement or leasing matters;
(h) the provision of operation, maintenance, management and marketing services for properties;
(i) the provision or obtaining of information technology, legal, compliance and trade mark management, corporate secretarial, human resource, tax, treasury and internal audit services; and
(j) the provision or obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (a) to (i) above.

The Group will benefit from having access to competitive quotes from the Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons.

Vacaron Company Sdn. Bhd. (“Vacaron”) is a joint venture between FCL Centrepoint Pte. Ltd. (“FCL Centrepoint”) and Fraser & Neave Holdings Bhd (“F&NHB”) each holding 50% of the issued share capital in Vacaron. Transactions undertaken pursuant to this joint venture (the “Vacaron Joint Venture Transactions”) comprise the following transactions for the provision of financial resources by the Group to Vacaron:

(i) the capitalisation of loans extended to Vacaron;
(ii) the extension of loans to Vacaron;
(iii) the subscription of securities in Vacaron; and

(iv) the provision of guarantees or letters of comfort to entities including banks and financial institutions that provide loans to Vacaron.

The value of financial resources provided to Vacaron by FCL Centrepoint and F&NHB pursuant to the transactions described in sub-paragraphs (i) to (iv) above shall be in such amounts as are in proportion to FCL Centrepoint and F&NHB’s respective equity interest in Vacaron and will be made on identical terms and conditions (including terms relating to repayments and set-offs).

Financial resources provided to, or obtained by, Vacaron from FCL Centrepoint and F&NHB may be used for various purposes, including, for working capital, for investment in marketing and promotion, for investment in equipment and for financing its acquisition activities. Due to the potentially time-sensitive nature of these activities, it is often critical that Vacaron obtain funds in the shortest possible time.

6. Review procedures for Mandated Interested Person Transactions with Mandated Interested Persons

The Company will have an internal control system in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on normal commercial terms, supported by independent valuation where appropriate, and consistent with the Group’s usual policies and practices.

(a) In general, there are procedures established by the Group to ensure that General Transactions with Mandated Interested Persons are undertaken on an arm’s length basis and on normal commercial terms consistent with the Group’s usual business practices and policies, which are generally no more favourable to the Mandated Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(i) Provision of Services or Sale of Products to Mandated Interested Persons

The review procedures are:

a) all contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

b) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the Group’s pricing for such services to be provided or products to be sold to Mandated Interested Persons is determined in accordance with the Group’s usual business practices and pricing policies, consistent with the usual margin to be obtained by the Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by the Mandated Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account; and
(ii) Obtaining of Services or Purchasing of Products to Mandated Interested Persons

The review procedures are:

a) all contracts entered into or transactions with Mandated Interested Persons are to be carried out by obtaining quotations at the prevailing market rates or prices of the service or product providers, on terms which are no less favourable than those extended by the Mandated Interested Person to third parties. Further, quotations shall be obtained (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

b) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant entity in the Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable, having regard to the costs and benefits of entering into the transactions.

As part of the review procedure established by the Group in respect of the Vacaron Joint Venture Transactions, all Vacaron Joint Venture Transactions shall be conditional upon FCL Centrepoint providing financial resources to Vacaron in an amount which is proportionate to its equity interest in Vacaron and will be made on identical terms and conditions (including terms to repayments and set-offs) to those entered into by the Group.

(b) In addition to the above review procedures, the following review and approval procedures will apply to the Mandated Transactions:

(i) Transactions equal to or exceeding S$100,000 but below the Financial Limit (as defined below) each in value, will be reviewed and approved by the Chief Executive Officer (the “CEO”) for the time being of the Company or such other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose, and tabled for review by the Audit Committee on a quarterly basis.

(ii) Transactions equal to or exceeding the Financial Limit each in value will be reviewed and approved by the Audit Committee.

(iii) Where the value of a transaction, when aggregated with previous transactions of the same kind in any particular financial year, is equals to or exceeds the Financial Limit, such transaction, and all future transactions of the same kind in that particular financial year will be reviewed and approved by the Audit Committee.

(iv) The CEO or other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose, and the Audit Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers.
APPENDIX F
SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

For the purposes of sub-paragraphs (i), (ii) and (iii) above, the Financial Limit shall be the amount equivalent to 5.0% of the Company’s audited consolidated net tangible assets for the time being, as determined by reference to the Company's latest announced audited consolidated financial statements.

(c) The following will apply to the review and approval process for all categories of Mandated Transactions:

(i) If the CEO has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by such other senior executive of the Company designated by the Audit Committee from time to time for such purpose.

(ii) If the CEO and such other senior executive have an interest in the transaction or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) designated by the Chairman of the Audit Committee from time to time for such purpose.

(iii) If a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

(iv) If a member of the Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit Committee in relation to a transaction with that Mandated Interested Person, he will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such transaction.

(d) The Company will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company’s annual internal audit plan will incorporate a review of all Mandated Transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Audit Committee will review the internal audit reports on Mandated Transactions to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, the Company will revert to Shareholders for a fresh general mandate based on new guidelines and review procedures so that Mandated Transactions will be carried out at arm’s length, on commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
7. Disclosures

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will (a) disclose in the Company’s annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.
1. Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.

2. General Requirements

Except for any transaction which is below S$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the latest audited NTA), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5.0% of the listed company’s latest audited NTA; or

(b) 5.0% of the listed company’s latest audited NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

3. Mandate from Shareholders

Chapter 9 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company’s interested persons. A general mandate is subject to annual renewal.

4. Terminology

For the purposes of Chapter 9 of the Listing Manual:

- an “entity at risk” means:
  - (i) the listed company;
  - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
  - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “listed group”), or the listed group and its interested person(s), has control over the associated company;

- an “interested person” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
• an “associate” in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

• an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;

• an “interested person transaction” means a transaction between an entity at risk and an interested person;

• a “transaction” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and

• in interpreting the term “same interested person” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Listing Manual, the following applies:

  (i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

  (ii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.
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 28 May 2014 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE PROPOSED REIT TRANSACTION
   That approval be and is hereby given for:
   (a) the proposed REIT Transaction (as described in the circular to shareholders of FCL dated 12 May 2014 (the “Shareholders’ Circular”) as an Interested Person Transaction (as defined in the Shareholders’ Circular), which involves:
      (i) the grant of a 75-year leasehold interest in each of six serviced residences held by FCL (whether directly or indirectly through its subsidiaries) to Frasers Hospitality Real Estate Investment Trust (“FH-REIT”), a proposed real estate investment trust which will form part of Frasers Hospitality Trust (“FHT”), a proposed hospitality stapled group to be sponsored by FCL, on the terms and conditions set out in the REIT SPA and Lease Agreements (as defined in the Shareholders’ Circular); and
      (ii) the entry into all transactions by FCL (whether directly or indirectly through its subsidiaries) and payment of all fees and expenses contemplated by the REIT SPA and Lease Agreements or are necessary to give effect to the REIT Transaction, including transactions which amount to interested person transactions for the purposes of the Listing Manual (as defined in the Shareholders’ Circular) as set out in Appendix E to the Shareholders’ Circular; and

   the Company and any director of the Company be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Company or, as the case may be, such director of the Company may consider expedient or necessary or in the interests of the Company to give effect to the REIT Transaction.

ORDINARY RESOLUTION

2. THE PROPOSED RENEWAL OF A SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS
   That:
   (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“Chapter 9”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Mandated Transactions (as described in Appendix F of the Shareholders’ Circular), with any party who is of the class of Mandated Interested Persons described in Appendix F to the Shareholders’ Circular, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures for Mandated Transactions (the “IPT Mandate”);
(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Company and any director of the Company be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Company or, as the case may be, such director of the Company may consider expedient or necessary or in the interests of the Company to give effect to this Resolution.

By Order of the Board

Anthony Cheong Fook Seng / Piya Treruangrachada
Company Secretaries

Singapore
12 May 2014
FRASERS CENTREPOINT LIMITED
Company Registration No. 196300440G
(Incorporated in the Republic of Singapore)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

I/We ____________________________________________ (Name)
of ______________________________________________ (Address)
being a member/members of Frasers Centrepoint Limited (the “Company”), hereby appoint:

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<th>Proportion of Shareholdings</th>
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and/or (delete as appropriate)

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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, 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 28 May 2014 at 2.30 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.

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

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<td>To approve the proposed REIT Transaction as an Interested Person Transaction</td>
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<td>2.</td>
<td>To approve the proposed renewal of the Shareholders’ Mandate for Interested Person Transactions</td>
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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.

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 Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

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 Meeting, 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 Meeting as certified by The Central Depository (Pte) Limited to the Company.