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#### Comprising

##### FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 12 June 2014 under the laws of the Republic of Singapore)

managed by **Fraser's Hospitality Asset Management Pte. Ltd.**

##### FRASERS HOSPITALITY BUSINESS TRUST

(a business trust constituted on 20 June 2014 under the laws of the Republic of Singapore)

managed by **Fraser's Hospitality Trust Management Pte. Ltd.**

#### ANNOUNCEMENT

##### **CLOSE OF PRIVATE PLACEMENT OF 150,000,000 NEW STAPLED SECURITIES IN FRASERS HOSPITALITY TRUST (“FHT”) AT AN ISSUE PRICE OF S\$0.820 PER STAPLED SECURITY**

Further to the announcement dated 25 June 2015 (the “**Announcement**”) in relation to the placement of 150,000,000 new stapled securities in FHT (“**New Stapled Securities**”) at an issue price of between S\$0.810 and S\$0.820 per New Stapled Security (the “**Private Placement**”), Fraser's Hospitality Asset Management Pte. Ltd., as manager of Fraser's Hospitality Real Estate Investment Trust (“**FH-REIT**”, and the manager of FH-REIT, the “**REIT Manager**”), and Fraser's Hospitality Trust Management Pte. Ltd., as trustee-manager of Fraser's Hospitality Business Trust (“**FH-BT**”, and the trustee-manager of FH-BT, the “**Trustee-Manager**”, and together with the REIT Manager, the “**Managers**”), are pleased to announce that the Private Placement has been over-subscribed and that DBS Bank Ltd., as the lead manager and underwriter in relation to the Private Placement (the “**Lead Manager and Underwriter**”), in consultation with the Managers, has closed the book of orders in respect of the Underwritten New Stapled Securities (as defined below) on 25 June 2015.

A total of 150,000,000 New Stapled Securities (comprising the Underwritten New Stapled Securities and TCC New Stapled Securities (as defined below)) will be issued at an issue price of

DBS Bank Ltd. is the Sole Global Coordinator and Issue Manager of the initial public offer of the Stapled Securities (the “**Offering**”). DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., Standard Chartered Securities (Singapore) Pte. Limited, and United Overseas Bank Limited are the joint bookrunners and underwriters for the Offering.

S\$0.820 per New Stapled Security ("**Issue Price**") pursuant to the Private Placement. The Issue Price has been fixed at the top end of the issue price range of between S\$0.810 and S\$0.820 per New Stapled Security, as agreed between the Managers and the Lead Manager and Underwriter, following an accelerated book-building process.

The Issue Price represents a discount of:

- (i) 4.2% to the volume weighted average price ("**VWAP**") of S\$0.8558 per stapled security in FHT ("**Stapled Security**"), of trades in the Stapled Securities done on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the preceding Market Day<sup>1</sup> on 24 June 2015 up to the time the placement agreement entered into between the Managers and Lead Manager and Underwriter (the "**Placement Agreement**") was signed on 25 June 2015; and
- (ii) (for illustrative purposes only) 1.8% to the adjusted VWAP<sup>2</sup> ("**Adjusted VWAP**") of S\$0.8348 per Stapled Security.

As stated in the Announcement, TCC Hospitality Limited ("**TCC**") will subscribe for 59,340,000 New Stapled Securities under the Private Placement (the "**TCC New Stapled Securities**") at the Issue Price.

The 90,660,000 New Stapled Securities (being the New Stapled Securities less the TCC Stapled Securities) (the "**Underwritten New Stapled Securities**") to be issued under the Private Placement was 2 times subscribed and saw strong participation from new and existing institutional investors.

The gross proceeds from the Private Placement amount to approximately S\$123.0 million. The net proceeds from the Private Placement amount to approximately S\$120.0 million, after deducting (i) the financial advisory fee payable to DBS Bank Ltd. as the financial adviser in relation to the Private Placement, (ii) the placement commission and related fees and expenses payable to the Lead Manager and Underwriter and (iii) professional and other fees and expenses to be incurred by FHT in connection with the Private Placement.

As stated in the Announcement, the entire gross proceeds from the Private Placement will be allocated fully to partially fund the estimated total cost of the acquisition of a 75-year leasehold interest in Sofitel Sydney Wentworth<sup>3</sup> by FH-REIT, which for the avoidance of doubt, includes the fees and expenses incurred or to be incurred by FH-REIT in connection with the Private Placement.

The Managers will be making a formal application to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of, dealing in, and quotation for, the New Stapled Securities on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the receipt of the approval in-principle of the SGX-ST for the listing of, dealing in, and quotation for, the New Stapled Securities on the Main Board of the SGX-ST.

The trading of the New Stapled Securities on the SGX-ST is currently expected to commence at 9.00 a.m. on 6 July 2015.

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1 "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

2 The Adjusted VWAP is computed based on the VWAP of trades in the Stapled Securities done on the SGX-ST for the preceding Market Day on 24 June 2015 up to the time the Placement Agreement was signed on 25 June 2015 and subtracting the Advanced Distribution (as defined in the Announcement).

3 "**Sofitel Sydney Wentworth**" refers to the property located at 61-101 Phillip Street, Sydney, NSW 2000, Australia. The land on which Sofitel Sydney Wentworth is situated is sub-divided into two stratum lots and this includes a basement carpark and a retail arcade over two levels under a separate stratum lot held by a third party which will not be acquired by FH-REIT.

By Order of the Board

**Frasers Hospitality Asset Management Pte. Ltd.**

**(Company Registration No. 201331351D)**

**(as manager of Frasers Hospitality Real Estate Investment Trust)**

**Frasers Hospitality Trust Management Pte. Ltd.**

**(Company Registration No. 201401270M)**

**(as trustee-manager of Frasers Hospitality Business Trust)**

Piya Treruangrachada

Company Secretary

26 June 2015

## IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view on future events.

The value of the Stapled Securities and the income derived from them, if any, may fall or rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, the REIT Trustee or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities in the United States. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Stapled Securities referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Stapled Securities may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of FHT and the Managers is not necessarily indicative of the future performance of FHT and the Managers.

## Foreign Investment Regime of Australia

Australia's foreign investment regime is set out in the Australian Foreign Acquisitions and Takeovers Act 1975 (the "**FATA**") and the Australian Government's Foreign Investment Policy (the "**Policy**").

Investors in Stapled Securities who are 'foreign persons' for the purposes of Australia's foreign investment regime are required under the FATA or the Policy to notify and receive a prior statement of no objection ("**FIRB Clearance**") to their investment in FHT from the Australian Treasurer, through the Foreign Investment Review Board ("**FIRB**") if any of the circumstances set out below apply at the time Stapled Securities are acquired.

- (i) if either FH-REIT or FH-BT is considered to be an AULTE at the time of acquisition, all foreign persons acquiring Stapled Securities (including existing holders of Stapled Securities acquiring additional Stapled Securities) will require FIRB Clearance;

- (ii) if FHT has gross Australian assets in excess of a specified threshold prescribed under FATA (as at the date of this announcement, the threshold prescribed under FATA is A\$252.0 million) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a Substantial Interest in FHT or have a Substantial Interest and increase their holding, will require FIRB Clearance; or
- (iii) any investor that is a Foreign Government Investor making a 'direct investment' in FHT will require FIRB Clearance at the time of acquisition, regardless of whether FH-REIT or FH-BT is considered to be an AULTE or whether FHT has gross Australian assets in excess of A\$252.0 million.

An explanation of key terms under Australia's foreign investment regime is set out below.

### **Australian Urban Land Trust Estate**

An "AULTE" is an "Australian urban land trust estate" under the FATA. A trust estate is an AULTE under the FATA if the value of its interests in Australian urban land (being any land in Australia that is not used for a primary production business) exceeds 50% of the total value of its assets.

### **Foreign Government Investor**

A Foreign Government Investor is:

- (i) a foreign government, their agency or related entity (for example, state-owned enterprises and sovereign wealth funds) ("**Foreign Government**");
- (ii) a corporation in which a Foreign Government has an interest (direct or indirect) of 15% or more;
- (iii) a corporation in which two or more Foreign Governments have an aggregate interest (direct or indirect) of 40% or more; or
- (iv) an entity that is otherwise controlled by a Foreign Government.

### **Direct Investment**

A "Direct Investment" is an investment by a Foreign Government Investor that provides an element of influence or control over the target, including all investments of 10% or more.

### **Substantial Interest**

The acquisition of a "Substantial Interest" is an acquisition of:

- (i) control of 15% or more of the actual or potential voting power or issued shares in a target by a single foreign person (together with associates); or
- (ii) control of 40% or more of the actual or potential voting power or issued shares in a target by more than one foreign person (together with associates).

### **AULTE Status**

Based on the FH-REIT Unaudited Financial Statements, as at 31 March 2015, the value of the Australian assets comprised in FH-REIT's portfolio is approximately 10.7% of the total asset value of FH-REIT. Following the Acquisition, based on the FH-REIT Unaudited Financial Statements and the purchase consideration of A\$224.0 million for the Acquisition (assuming an exchange rate of A\$1:S\$1.0303), the value of the Australian assets comprised in FH-REIT's portfolio is expected to increase to approximately 21.0% of the total asset value of FH-REIT. FH-BT is dormant as at the date of this announcement. Accordingly, FHT is not expected to be considered an AULTE post-Acquisition.

In August 2013, an administrative exemption for certain 'passive investments' by foreign persons (other than Foreign Government Investors) in an AULTE was announced under the previous Australian Government. Relevantly, the exemption was to apply to acquisitions of interests of less than 10% in a listed trust that was an AULTE with predominantly non-residential properties.

FHT understands that the administrative exemption remains operative as at the date of this announcement on the basis that the administrative exemption remains published on FIRB's website and no announcement has been made that it has been revoked. However, there is no definitive clarity at this point as to the continued availability or terms of any such exemption in the future.

### **Australian Asset Value**

Based on the FH-REIT Unaudited Financial Statements, as at 31 March 2015, FHT has gross Australian assets of approximately A\$176.8 million. Following the Acquisition, based on the FH-REIT Unaudited Financial Statements and the purchase consideration of A\$224.0 million for the Acquisition, the value of the gross Australian assets comprised in FH-REIT's portfolio is expected to increase to approximately A\$400.8 million, which is in excess of A\$252.0 million.

Any investor acquiring Stapled Securities on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.