



Frasers Hospitality Trust

Rights Issue and Acquisition of Novotel Melbourne on Collins
(the “Transaction”)

9 September 2016

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This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

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

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- ➔ **Transaction Rationale and Benefits**
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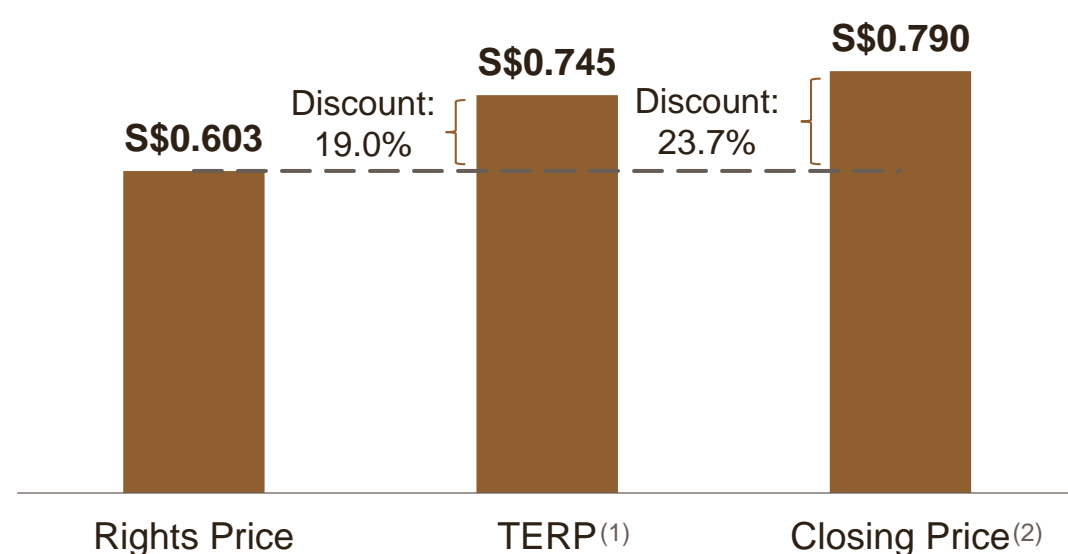
Aerial View of Melbourne CBD

Transaction Overview

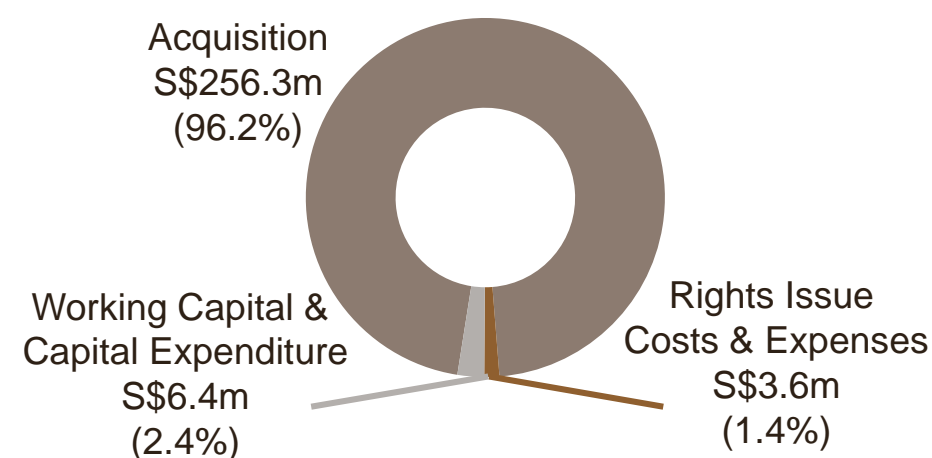
Details of the Rights Issue

- Offering of Rights Stapled Securities via a fully underwritten renounceable Rights Issue to raise gross proceeds of approximately S\$266.3 million
- Rights ratio of 32 Rights Stapled Securities for every 100 existing Stapled Securities
- Irrevocable undertakings by
 - Frasers Centrepoint Limited (“FCL”), FHT’s Sponsor, to subscribe fully for its *pro rata* Rights Entitlement, and
 - TCC Group Investments Limited (“TCC Group”), the Strategic Investor, to subscribe for up to S\$128.0 million of the Rights Issue
- Remaining rights are underwritten by DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd.

Rights Issue Price



Use of Gross Proceeds

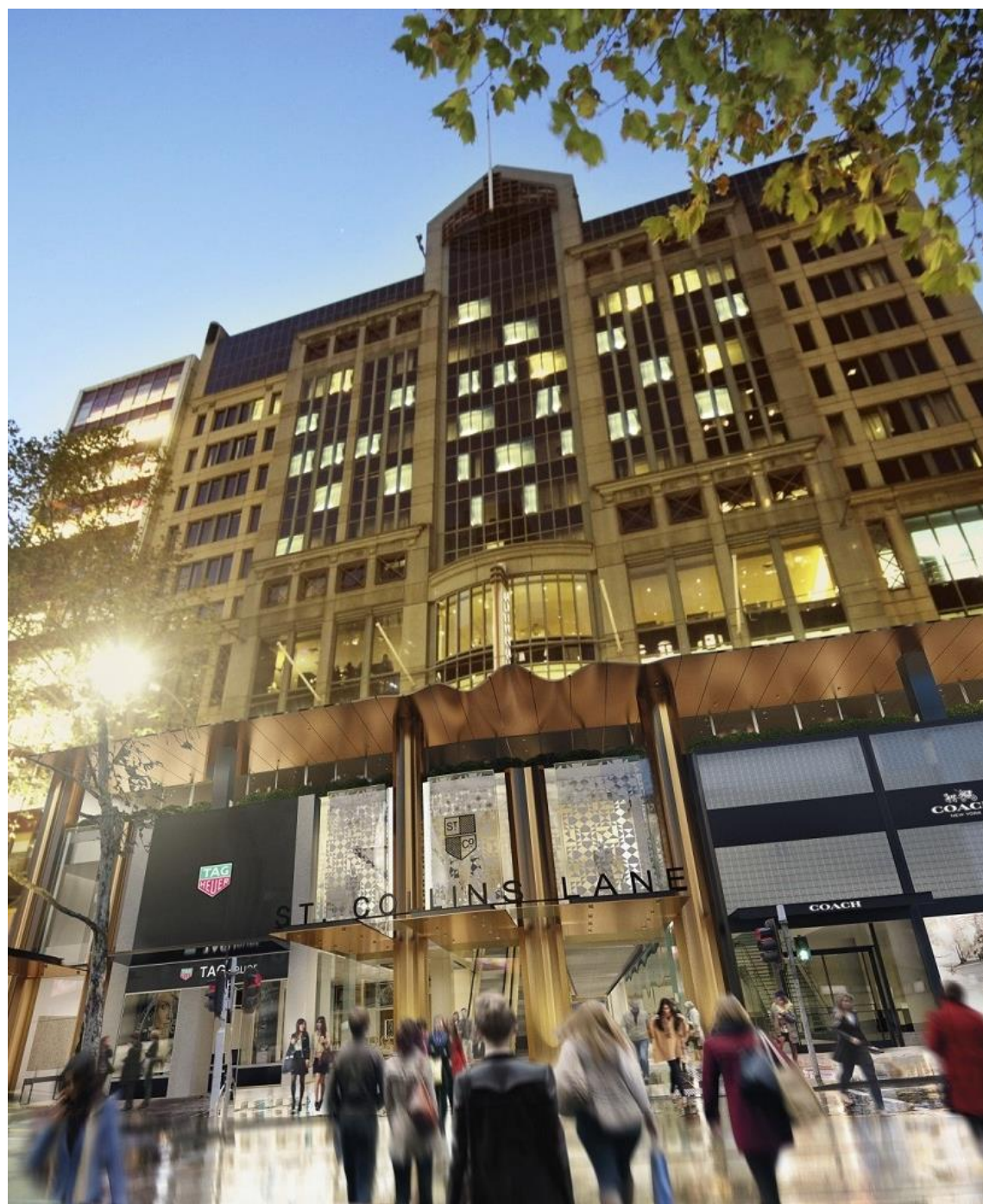


Note:

(1) TERP (Theoretical Ex-Rights Price) = [Market capitalisation of FHT based on Closing Price + Gross proceeds from the Rights Issue] / Stapled Securities outstanding after the Rights Issue

(2) Closing Price as at 9 September 2016

Acquisition of Novotel Melbourne on Collins



Location	270 and 233-239 Collins Street, Melbourne, Victoria, Australia
Tenure	Freehold
Gross Floor Area	20,860 sq m (224,535 sq ft)
Year Built	1992
Description	<ul style="list-style-type: none"> Located along the prime Collins Street, in the heart of Melbourne central business district (“CBD”) Surrounded by prime and A-grade commercial offices, and retail malls Near Federation Square, Rod Laver Arena and Melbourne Cricket Ground
Rooms and Facilities	<ul style="list-style-type: none"> 380 rooms 2 F&B outlets 9 conference/meeting rooms Gym, indoor swimming pool and spa Separately located 72 carpark lots on 233-239 Collins Street
Brand and Operator	<ul style="list-style-type: none"> Upscale AccorHotels Group
Independent Valuation	A\$239.0 million ⁽¹⁾
Purchase Consideration	A\$237.0 million ⁽²⁾
Method of Financing	Fully funded by net proceeds from the Rights Issue

Note:

(1) Valued as at 26 July 2016 by CBRE Valuations Pty Limited (“CBRE”)

(2) An amount of A\$3.0 million is to be borne by the Vendor as FH-BT Lessee is assuming certain net liabilities under the Hotel Assets SPA



Deluxe King Room

Transaction Rationale and Benefits

Rationale and Key Benefits

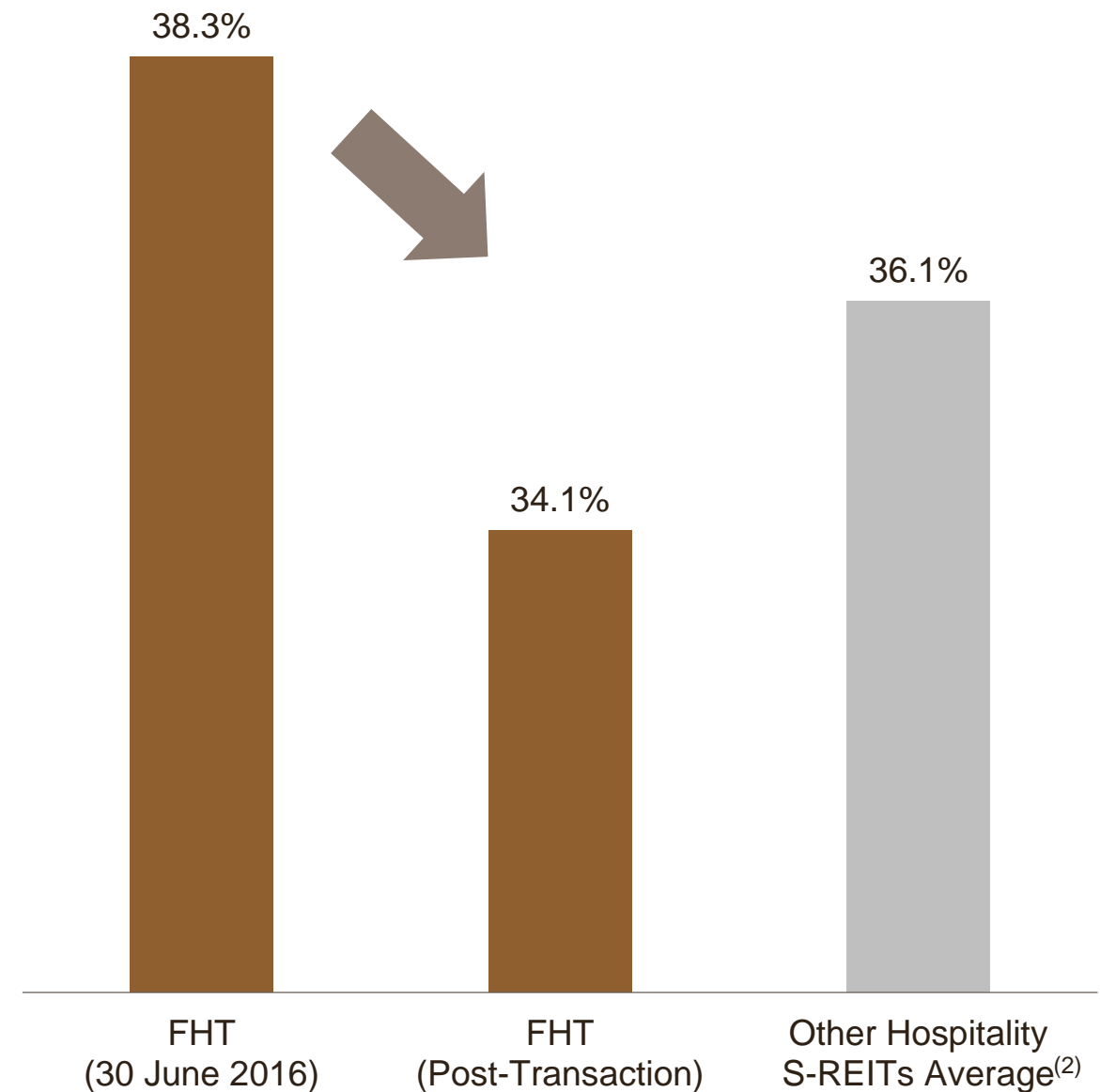
- 1 Strengthen balance sheet to increase financial flexibility**
- 2 Seize unique opportunity to acquire a prime hotel with a reputable operator**
- 3 Ride on Melbourne's growing hospitality market**
- 4 Enhance portfolio resilience through diversification**
- 5 Provide opportunity for existing Stapled Securityholders to participate in equity fund raising**
- 6 Increase FHT's free float**
- 7 Strong support from FCL and TCC Group**

1

Strengthen Balance Sheet to Increase Financial Flexibility

- FHT is taking a pre-emptive step to strengthen its balance sheet to increase financial flexibility for future growth
- Proceeds will be used primarily to fund the acquisition of Novotel Melbourne on Collins, mitigating the impact of DPS dilution from the Rights Issue
- Post-Transaction, FHT's gearing will reduce from 38.3%⁽¹⁾ to 34.1%, taking into account the acquisition of Novotel Melbourne on Collins which will be funded by proceeds from the Rights Issue

Gearing Levels of Hospitality S-REITs



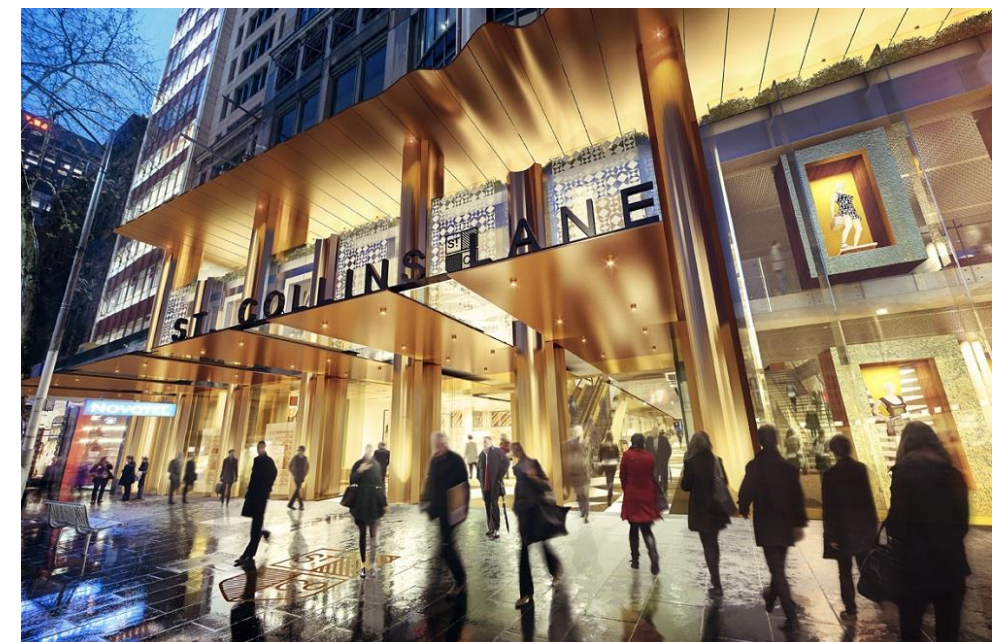
Note:

(1) As at 30 June 2016

(2) Source: Latest available financial results announcement of respective S-REITs as at 9 September 2016, namely Ascendas Hospitality Trust, Ascott Residence Trust, CDL Hospitality Trusts, Far East Hospitality Trust and OUE Hospitality Trust (including the acquisition of Crowne Plaza Changi Airport extension)

Seize Unique Opportunity to Acquire a Prime Hotel ...

- One of the few hotels strategically located within Melbourne's core CBD area along Collins Street
- Close proximity to prime office and retail precincts and tourist attractions
- Renovation of rooms and conference/meeting rooms completed in prior years. Hotel has potential to capture higher yielding business with no major capex foreseeable in the near term
- Also expected to benefit from the recent completion of asset enhancement and repositioning of the adjoining St. Collins Lane into one of Melbourne's premium retail offerings
- Other hotels in the vicinity are rated 5-star, presenting future potential for the Hotel to be re-positioned at a higher tier
- Majority of new hotel supply is in Docklands and South Bank area, or at the city fringe



2 ... with a Reputable Operator

- The Property will continue to be operated by AccorHotels Group under the “Novotel” brand
- AccorHotels has one of the largest hotel networks with more than 4,000 properties across 95 countries
 - Portfolio of 20 internationally renowned brands include Fairmont, Sofitel, Pullman, Swissôtel, Novotel, Mercure and ibis
 - Largest hotel operator in Australia with over 25 years’ experience
 - Regional Head Office in Sydney with a portfolio of 208 properties in Australia
 - Loyalty program of over 28 million members worldwide, and over 1.9 million in Australia

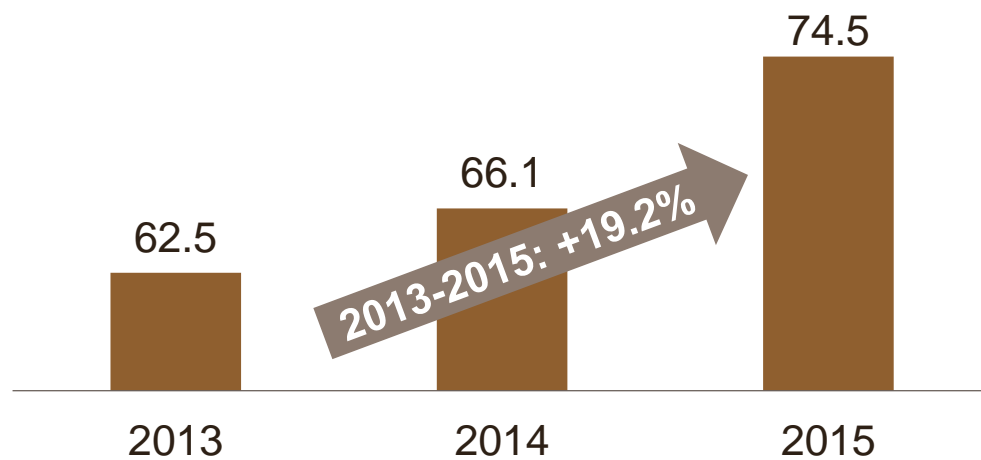


Ride on Melbourne's Growing Hospitality Market

- Australia's finance, sports, arts and cultural hub with strong visitorship
- Fast growing hospitality market with 19.2% increase in visitor nights from 2013 to 2015, in line with growth in both domestic and international visitors⁽¹⁾
- Rising occupancy and RevPAR since 2010. ADR is projected to increase 3.0% annually for 2016 and 2017⁽¹⁾
- Voted as the world's most liveable city for the 6th year by the Economist Intelligence Unit⁽²⁾

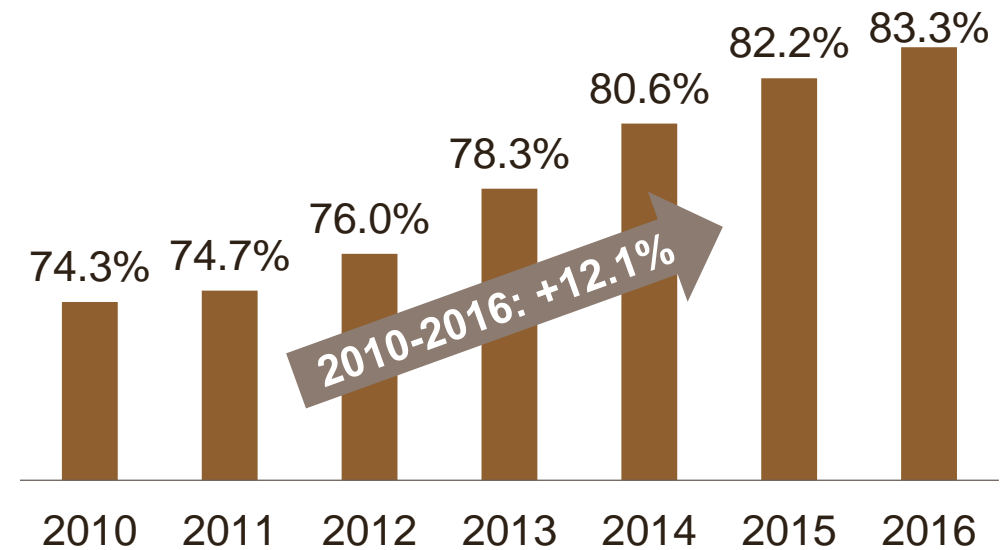
Melbourne Visitation

(millions of visitor nights)



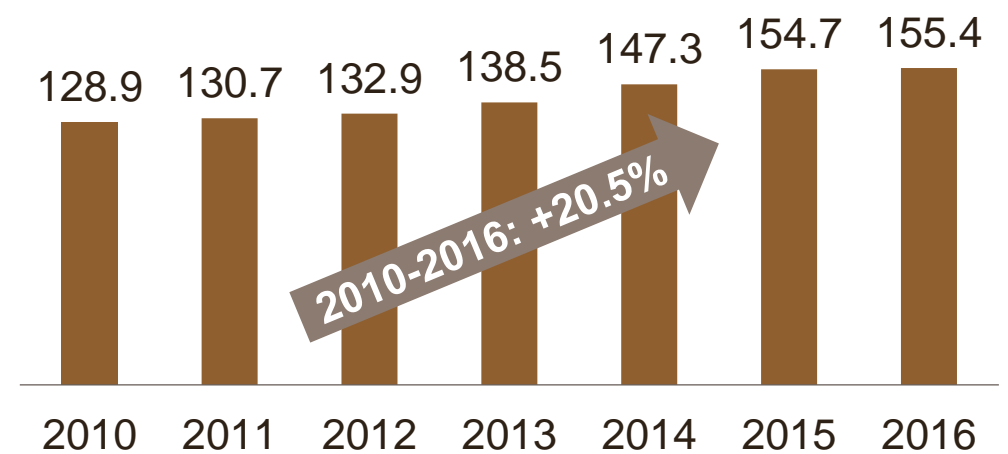
Melbourne Occupancy

Rolling 12 month for year ended April



Melbourne RevPAR

A\$; Rolling 12 month for year ended April



Note:

(1) Source: CBRE

(2) Source: <http://www.abc.net.au/news/2016-08-18/melbourne-ranked-worlds-most-liveable-city-for-sixth-year/7761642>, 18 August 2016
(Last accessed 9 September 2016)

Ride on Melbourne's Growing Hospitality Market (Cont'd)

- **Improvements in infrastructure:**
 - **Melbourne Airport T4 (open since 2H2015)**
 - **Expansion of Melbourne Convention and Exhibition Centre**
 - **Expansion of Melbourne Park sporting and entertainment precinct**
 - **Development of Federation Square East to revitalise the north bank of Yarra River**
 - **Development of E-Gate, a mixed use inner city precinct on the edge of Melbourne's CBD**
- **Hosting of major international sporting, cultural and entertainment events such as the Australian Tennis Open and Formula 1 Australian Grand Prix which is contracted to be held in Melbourne until 2023**



Federation Square⁽¹⁾



Melbourne Airport Terminal 4⁽²⁾

Source: CBRE

Note:

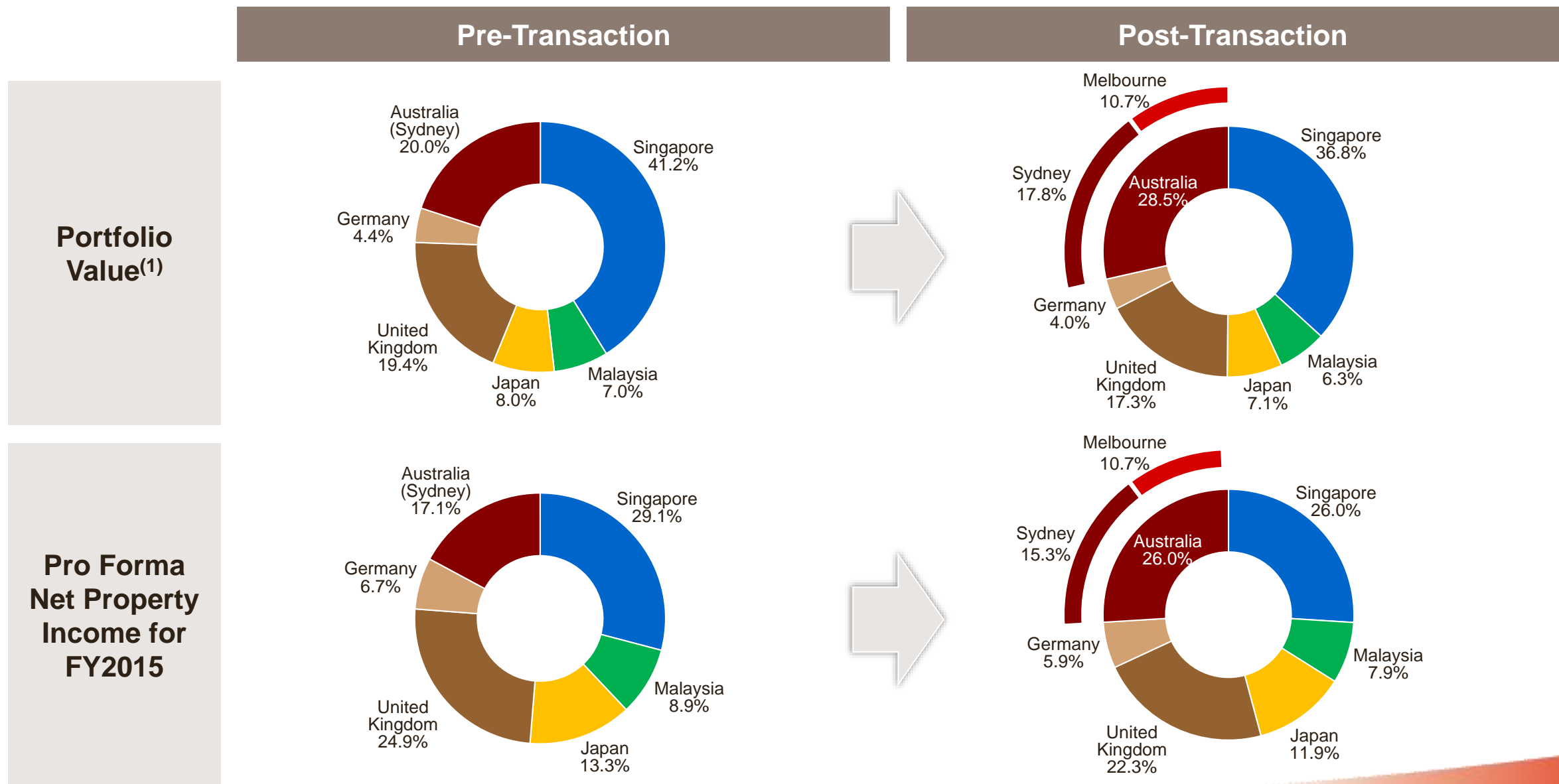
(1) Source: www.fedsquare.com

(2) Source: www.t4you.com.au

4

Enhance Portfolio Resilience through Diversification

- Increase in portfolio size from S\$2.1b to S\$2.3b⁽¹⁾
- Diversify earnings base with the addition of Melbourne, which has a strong hospitality market



Note:

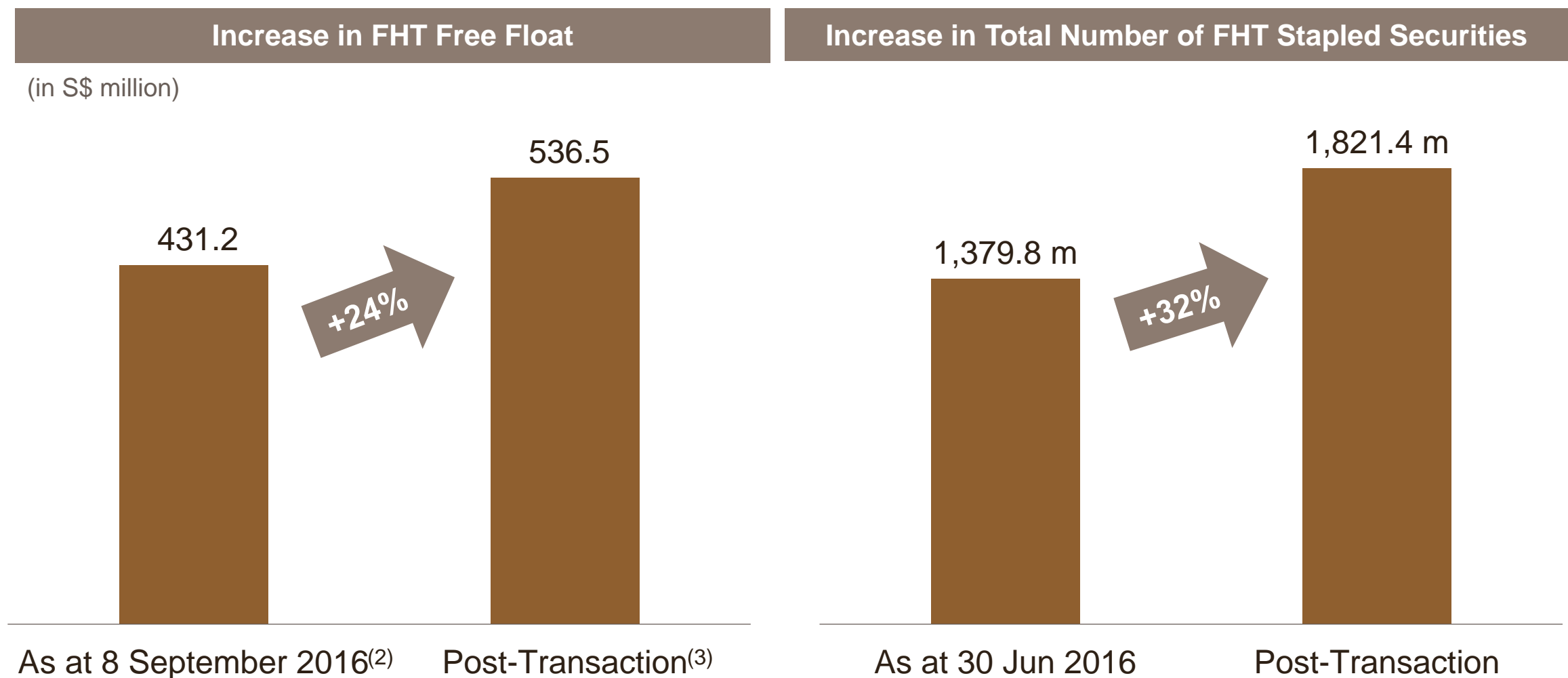
(1) Based on the appraised value of FHT's properties as at 30 September 2015, save for the Maritim Hotel Dresden and Novotel Melbourne on Collins (if applicable) which are as at 31 March 2016 and 26 July 2016 respectively

Provide Opportunity for Existing Stapled Securityholders to Participate in Equity Fund Raising

- Eligible Stapled Securityholders may subscribe for their *pro rata* entitlements to the Rights Stapled Securities at S\$0.603 each which represents an attractive discount of 19.0% to TERP
- Rights entitlements are renounceable. Eligible Stapled Securityholders who do not wish to subscribe for their entitlements may sell their “nil-paid” rights and crystallise the value of the rights discount

6 Increase FHT's Free Float⁽¹⁾

- The Rights Issue will increase FHT's free float by up to S\$105.3m from S\$431.2m to S\$536.5m



Note:

(1) The term "free float" in the context of this presentation, refers to Stapled Securities held by persons who are not either of FCL, TCCG or their associates (as defined in the Listing Manual)

(2) Bloomberg data, based on Closing Price as at 9 September 2016

(3) Based on TERP and assuming no Excess Rights Stapled Securities has been allocated to the Sponsor or the Strategic Investor

Strong Support from FCL and TCC Group



- **FHT's Sponsor, FCL, has voluntarily and irrevocably undertaken to subscribe for its *pro rata* entitlement in the Rights Issue**
 - This amounts to approximately S\$57.5m, or 21.6% of the gross proceeds
- **In addition, the Strategic Investor, TCC Group, has voluntarily and irrevocably undertaken to subscribe for up to S\$128.0m (up to 48.1% of the gross proceeds) of the Rights Issue**
 - This comprises S\$103.4m of *pro rata* entitlement and up to approximately S\$24.6m of excess application
 - TCC Group will rank last in priority for the rounding of odd lots and allotment of Excess Rights Stapled Securities



Lane Restaurant

Financial Effects

Financial Effects of the Transaction

	FY2015	Pro Forma FY2015	
		After Maritim Acquisition Only	After Maritim Acquisition and the Transaction
Amount available for distribution (S\$m)	93.7	94.8	107.1
DPS yield (%)	7.9% ⁽¹⁾	7.9% ⁽¹⁾	7.0% ⁽²⁾
NAV (S\$m)	1,172.3	1,164.6	1,413.9
NAV per Stapled Security (S\$ cents)	86.36	85.72	78.40

- As asset enhancement initiatives (“AEI”) were recently undertaken and completed for Novotel Melbourne on Collins and the adjoining St. Collins Lane, any potential upside from the AEI would not be captured in the pro forma financial effects. A profit forecast will be included in the Offer Information Statement to be lodged with the MAS

Note:

(1) Based on Closing Price of S\$0.790 as at 9 September 2016

(2) Based on TERP

Refer to the announcement dated 9 September 2016 for details of the pro forma financial effects of the Transaction



Conference/Meeting Room

Indicative Timetable

Indicative Timetable

Key Events	Dates and Time
Last day of “cum-rights” trading	15 September 2016
First day of “ex-rights” trading	16 September 2016
Rights Issue books closure date	20 September 2016
Commencement of the Rights Issue	23 September 2016
Commencement of trading of Rights Entitlements	9.00 a.m. on 23 September 2016
Close of trading of Rights Entitlements	5.00 p.m. on 3 October 2016
Close of the Rights Issue	7 October 2016
Listing and commencement of trading of Rights Stapled Securities on SGX-ST	9.00 a.m. on 17 October 2016



Room Service

Conclusion

Conclusion

1

Strengthen balance sheet to increase financial flexibility

2

Seize unique opportunity to acquire a prime hotel with a reputable operator

3

Ride on Melbourne's growing hospitality market

4

Enhance portfolio resilience through diversification

5

Provide opportunity for existing Stapled Securityholders to participate in equity fund raising

6

Increase FHT's free float

7

Strong support from FCL and TCC Group

Right time for FHT to strengthen balance sheet while mitigating DPS yield dilution with acquisition of Novotel Melbourne on Collins