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

**COMPLETION OF ACQUISITION OF NOVOTEL ON COLLINS AND ACTIVATION OF
FRASERS HOSPITALITY BUSINESS TRUST**

1. COMPLETION OF THE ACQUISITIONS

1.1 Completion of the Property Acquisition and Hotel Assets Acquisition

Further to the announcement dated 9 September 2016 (the “**Announcement**”) in relation to, among others, the acquisition of:

- (i) the land and the buildings known as “Novotel Melbourne on Collins” which is located at 270 Collins Street, Melbourne, Victoria, Australia (the “**Hotel**”) and the associated car park located at 233-239 Collins Street, Melbourne, Victoria, Australia (collectively, the “**Property**”) by Frasers Hospitality Real Estate Investment Trust (“**FH-REIT**”) (the “**Property Acquisition**”); and
- (ii) the hotel assets, including the goodwill of the hotel business which is conducted from the Hotel (the “**Hotel Business**”), liquor licence, business licences, business intellectual property, occupancy documents and the furniture, furnishings and equipment relating to the Hotel (collectively, the “**Hotel Assets**”) by Frasers Hospitality Business Trust (“**FH-BT**”) (the “**Hotel Assets Acquisition**”),

from a third party vendor, 260 Collins Pty Ltd (the “**Vendor**”), Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT (the “**REIT Manager**”), and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of FH-BT (together with FH-REIT, the stapled group, Frasers Hospitality Trust or “**FHT**”, and the trustee-manager of FH-BT, the “**Trustee-Manager**”, and together with the REIT Manager, the “**Managers**”), are pleased to announce that:

- (a) FH-BT (through FH-BT NMCS Operations Pty Ltd (the “**FH-BT Lessee**”), being an indirect wholly-owned subsidiary of FH-BT), has completed the Hotel Assets Acquisition on 19 October 2016; and
- (b) FH-REIT (through The Trust Company (PTAL) Limited, as trustee for FHT Melbourne Trust 1 (the “**Melbourne Sub-Trustee**”), being an indirect wholly-owned sub-trust of FH-REIT) has completed the Property Acquisition today.

1.2 Activation of FH-BT

As stated in the Announcement, on completion of the Hotel Assets Acquisition, FH-BT (which was previously dormant) was activated to be the master lessee of the Hotel (through the FH-BT Lessee).

Accordingly, the FH-BT Lessee, as master lessee, has entered into a master lease agreement with the Vendor (the “**Melbourne Master Lease Agreement**”) and upon completion of the Property Acquisition today, the Melbourne Sub-Trustee has become the lessor under the Melbourne Master Lease Agreement. The Melbourne Master Lease Agreement is an internal arrangement within the FHT stapled group.

As part of the Hotel Assets Acquisition, the FH-BT Lessee has taken on the employment and operating contracts in connection with the running of the Hotel Business located at the Hotel, including the hotel management agreement with, among others, the hotel operator AAPC Properties Pty Limited (ACN 065 560 885), an entity which is part of the AccorHotels Group, and ancillary agreements.

1.3 Deed of Variation

In connection with and for the purposes of facilitating the completion of the Property Acquisition, the Melbourne Sub-Trustee and the Vendor have entered into a deed of variation to vary certain terms of the contract for the sale of land entered into on 9 September 2016 for the Property Acquisition (the “**Deed of Variation**”) which are in respect of the obligations of the Vendor to register the plan of sub-division (the “**Boundary Reconfiguration Plan**”) for the purposes of accommodating changes to the boundaries of the land on which the Hotel is situated (the “**Hotel Land**”), adjoining retail property (the “**Retail Land**”) and common property.

Pursuant to the Deed of Variation, the Vendor, among others, has undertaken to do everything reasonably necessary (including comply with any requisitions) to:

- (i) register the Boundary Reconfiguration Plan at the land titles office as soon as reasonably practicable after completion of the Property Acquisition; and
- (ii) enable, on or as soon as possible after the Boundary Reconfiguration Plan is registered, the: (a) Hotel Land (taking into account the boundary changes to the Hotel Land arising from the Boundary Reconfiguration Plan) to be wholly-owned by the Melbourne Sub-Trustee; (b) Retail Land (taking into account the boundary changes to the Retail Land arising from the Boundary Reconfiguration Plan) to be wholly-owned by the current owner of the Retail Land (or any purchaser from the current owner); and (c) the common property (taking into account the boundary changes to the common property arising from the Boundary Reconfiguration Plan)

to be wholly owned by the Owners Corporation 1 Plan No. PS308561S (the “**Sole Owner Requirement**”).

The Melbourne Sub-Trustee will provide all reasonable assistance to the Vendor to enable the Vendor to satisfy the Sole Owner Requirement and subject to the terms of the Deed of Variation, the Vendor agrees to pay all costs, fees and taxes in connection with the satisfaction of the Sole Owner Requirement, including fees payable to the land titles office for the registration of the Boundary Reconfiguration Plan, (if necessary) the costs of any valuation and any stamp duty payable in connection with any transfer of land necessary to satisfy the Sole Owner Requirement.

FH-REIT (through the Melbourne Sub-Trustee) will have to bear the costs of all legal and other consultants it incurs in connection with the satisfaction of the Sole Owner Requirement and any stamp duty payable on the contract for the sale of land entered into on 9 September 2016 and any resulting transfers of land to the Melbourne Sub-Trustee (other than any stamp duty payable solely in connection with satisfying the Sole Owner Requirement).

2. **USE OF PROCEEDS**

Further to the Announcement, the Managers wish to announce that approximately S\$245.9 million of the proceeds raised from the Rights Issue¹ (equivalent to approximately 92.4% of the gross proceeds of approximately S\$266.3 million) have been utilised in the following manner:

- (a) approximately S\$244.2 million² of the proceeds have been utilised to finance the aggregate net purchase consideration³ payable by FHT to the Vendor for the Property Acquisition and Hotel Assets Acquisition (not including stamp duty payable); and
- (b) approximately S\$1.7 million of the proceeds have been utilised to pay for certain of the professional fees incurred in connection with the Rights Issue.

Such use is in accordance with the intended use and is materially in accordance with the allocated percentage of the proceeds of the Rights Issue as stated in the Announcement.

With the above use of proceeds, approximately S\$20.4 million of the proceeds from the Rights Issue remain unutilised.

The Managers will make periodic announcements on the utilisation of the remaining proceeds from the Rights Issue as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual reports of FHT.

1 “**Rights Issue**” refers to the underwritten and renounceable rights issue of 441,549,281 new stapled securities in FHT which was launched on 9 September 2016.

2 It was originally stated in the Announcement that the Net Purchase Consideration was A\$234.0 million (approximately S\$242.3 million), based on an assumed exchange rate of A\$1.00 = S\$1.0356. Due to market exchange rate movements, the Singapore dollar conversion for the net purchase consideration paid by FHT is now higher.

3 The purchase consideration is net of the estimated net liabilities to be assumed by the FH-BT Lessee under the Hotel Assets SPA which will be borne by the Vendor. The term “**Hotel Assets SPA**” refers to the contract entered into by the FH-BT Lessee with the Vendor in connection with the Hotel Assets Acquisition.

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)

Catherine Yeo

Company Secretary

20 October 2016

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 Stapled Securities and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, the Perpetual (Asia) Limited, in its capacity as trustee of FH-REIT or any of its/their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

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 publication 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.

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