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SGX-ST Announcement

For immediate release

A hospitality stapled group 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)
and
Frasers Hospitality Business Trust
(a business trust constituted on 20 June 2014 under the laws of the Republic of Singapore)

Proposed issue of S\$100 million fixed rate subordinated perpetual securities under the S\$1 Billion Multicurrency Debt Issuance Programme of FH-REIT Treasury Pte. Ltd. and Perpetual (Asia) Limited (formerly known as "The Trust Company (Asia) Limited") (in its capacity as the trustee of Frasers Hospitality Real Estate Investment Trust) (the "Programme")

Singapore, 5 May 2016 - Frasers Hospitality Asset Management Pte. Ltd., in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**") (the "**Manager**"), wishes to announce that Perpetual (Asia) Limited (formerly known as "The Trust Company (Asia) Limited") (in its capacity as trustee of FH-REIT), as issuer (the "**Issuer**") intends to issue S\$100 million fixed rate subordinated perpetual securities pursuant to the Programme (the "**Series 001 Securities**"). DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited have been appointed as joint lead managers for the Series 001 Securities.

Unless otherwise defined herein, terms used in this announcement and which are defined in the terms and conditions of the Series 001 Securities (the "**Conditions**") shall bear the same meanings ascribed to them in the Conditions.

The principal terms of the Series 001 Securities will be as follows:

- (a) **Issue Size** : S\$100,000,000.
- (b) **Issue Price** : 100 per cent. of the principal amount of the Series 001 Securities.
- (c) **Status and Subordination** : The Series 001 Securities and the Distributions relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of FH-REIT.

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of FH-REIT, there shall be payable by the Issuer in respect of each Series 001 Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to such holder of the Series 001 Securities (the "**Series 001 Securityholder**") if, on the day prior to the commencement of the Winding-Up of FH-REIT, and thereafter, such Series 001 Securityholder were the holder of one of a class of preferred units in the capital of FH-REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the "**Notional Preferred Units**") having an equal right to return of assets in the Winding-Up of FH-REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of FH-REIT, and so rank ahead of the holders of Junior Obligations of FH-REIT, but junior to the claims of all other present and future creditors of FH-REIT (other than Parity Obligations of FH-REIT), on the assumption that the amount that such Series 001 Securityholder was entitled to receive in respect of each Notional Preferred Unit on a return of assets in such Winding-Up was an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Series 001 Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the issue date of the Series 001 Securities (the "**Issue Date**") (as the case may be) and any unpaid Optional Distributions in respect of which the Issuer has given notice to the Series 001 Securityholders in accordance with the Conditions of the Series 001 Securities.

In this announcement:

Junior Obligation means any class of equity capital in FH-REIT and any instrument or security issued, entered into or guaranteed by the Issuer on behalf of FH-REIT, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of FH-REIT;

"Parity Obligations" means any instrument or security (including without limitation any preference units in FH-REIT) issued, entered into or guaranteed by the Issuer on behalf of FH-REIT (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Notional Preferred Unit and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof; and

"Winding-Up" means the termination, winding-up, liquidation or similar proceedings in respect of FH-REIT.

(d) **Maturity Date** : The Series 001 Securities are perpetual and have no fixed final redemption date.

(e) **Distribution Rate** : The Distribution shall be at a fixed rate of 4.45 per cent. per annum (the **"Initial Distribution Rate"**), payable semi-annually in arrear, from and including the Issue Date to, but excluding 12 May 2021 (the **"First Reset Date"**);

The Distribution in respect of each Distribution Payment Date from, and including, the First Reset Date and each date falling every five years after the First Reset Date (the First Reset Date and each such date, a **"Reset Date"**), but excluding the immediate following Reset Date, shall be at a fixed rate equal to the Reset Distribution Rate.

"Reset Distribution Rate" means the prevailing five-year Singapore Dollar Swap Offer Rate with respect to the relevant Reset Date plus an initial spread of 2.45 per cent. per annum, payable semi-annually in arrear.

(f) **Redemption at the Option of the Issuer** : The Issuer may, at its option, redeem the Series 001 Securities in whole, but not in part, on 12 May 2021 (the **"First Call Date"**) or on any Distribution Payment Date thereafter at their principal amount, together with the distribution accrued from (and including) the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption.

(g) **Other Redemption** : The Series 001 Securities may also be redeemed upon the occurrence of certain other redemption events specified in the pricing supplement for the Series 001 Securities.

(h) **Distribution Discretion** : The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the Trustee, the Issuing and Paying Agent and the Series 001 Securityholders not more than 15 nor less than five business days prior to a scheduled Distribution Payment Date.

- (i) **Non-Cumulative Deferral** : Any distribution deferred pursuant to Condition 4(IV) of the Series 001 Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Series 001 Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Series 001 Securities.

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Series 001 Securities related to them on a *pro rata* basis.

- (j) **Restrictions in the case of Non-Payment** : If on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Series 001 Securities, the Issuer shall not and shall procure that none of FH-REIT's subsidiaries shall:

- (1) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of FH-REIT's Junior Obligations or (except on a *pro rata* basis) any of FH-REIT's Parity Obligations; or
- (2) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of FH-REIT's Junior Obligations or (except on a *pro rata* basis) any of the FH-REIT's Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined below) or (2) as a result of the exchange or conversion of Parity Obligations of FH-REIT for Junior Obligations of FH-REIT, unless and until (A) a redemption of all the outstanding Series 001 Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (B) the Issuer is permitted to do so by an Extraordinary Resolution of the Series 001 Securityholders.

- (k) **Redemption Price** : At par.

The Series 001 Securities are expected to be issued on 12 May 2016.

The Series 001 Securities are offered by the Issuer in Singapore pursuant to exemptions invoked under Sections 274 and/or 275 of the Securities and Futures Act (Chapter 289 of Singapore).

The net proceeds from the Series 001 Securities (after deducting issue expenses) will be used for the financing of potential acquisition and investment opportunities which FH-REIT and its subsidiaries (the "**Group**") may pursue in the future as well as working capital requirements and the general corporate purposes (including, but not limited to, asset enhancement initiatives) of the Group.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Series 001 Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Series 001 Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, FH-REIT, their respective subsidiaries, their respective associated companies (if any), their respective joint venture companies (if any), the Programme and/or the Series 001 Securities.

This announcement and the information contained herein do not constitute an offer or invitation to purchase any securities of Frasers Hospitality Trust.

Frasers Hospitality Asset Management Pte. Ltd.

(as manager of Frasers Hospitality Real Estate Investment Trust)
(Company Registration No: 201331351D)

Frasers Hospitality Trust Management Pte. Ltd.

(as trustee-manager of Frasers Hospitality Business Trust)
(Company Registration No: 201401270M)

Piya Treluangrachada
Company Secretary
5 May 2016

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DBS Bank Ltd. is the Sole Global Coordinator and Issue Manager for the initial public offer of stapled securities in Frasers Hospitality Trust (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.

Important Notice

The value of the stapled securities in Frasers Hospitality Trust ("**FHT**", and the stapled securities in FHT, 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, Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT and Frasers Hospitality Trust Management Pte.

Ltd., as trustee-manager of Frasers Hospitality Business Trust, (collectively, the "**Managers**"), the FH-REIT Trustee or any of its affiliates. An investment in the 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 Security holders may only deal in their Stapled Securities through trading on 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.