NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA OR JAPAN

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities. This announcement is not for publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada or Japan. This announcement is not an offer of securities for sale into the United States, European Economic Area, Canada or Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities referred to herein in the United States.

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.**

USE OF PROCEEDS

Further to the announcements dated 9 September 2016 (the "**Launch Announcement**") and 20 October 2016 (the "**Completion Announcement**"), Frasers Hospitality Asset Management Pte. Ltd., as manager (the "**REIT Manager**") of Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**") , and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of Frasers Hospitality Business Trust ("**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**"), wish to announce that a further sum of approximately S$0.6 million from the remaining proceeds raised from the Rights Issue[1] has been utilised to pay for professional and other fees and expenses incurred in connection with the Property Acquisition[2] and Hotel Assets Acquisition[3].

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 Launch Announcement.

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 "**Property Acquisition**" refers to the acquisition of 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 by FH-REIT, details of which can be found in the Launch Announcement and the Completion Announcement.

3 "**Hotel Assets Acquisition**" refers to the acquisition of the hotel assets relating to the Hotel by FH-BT, details of which can be found in the Launch Announcement and the Completion Announcement.

With the use of proceeds from the Rights Issue stated above and the use of S$245.9 million of proceeds which was previously announced in the Completion Announcement, approximately S$19.8 million of the proceeds from the Rights Issue remains 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.

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

27 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.

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) and is not to be distributed or circulated outside Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of other jurisdictions. The nil-paid rights and Rights Stapled Securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities is being made in the United States.