

FHT to Divest Sofitel Sydney Wentworth for A\$315.0 million

- Sale price translates to 34.3% premium over the total combined purchase price of FHT's existing leasehold interest in Sofitel Sydney Wentworth and the purchase price of the freehold reversionary interest from an indirect wholly-owned subsidiary of Frasers Property
- In line with active portfolio management strategy to enhance value for Staped Securityholders
- Opportunity to optimise FHT's capital structure and increase financial flexibility

SINGAPORE, 29 OCTOBER 2021

Frasers Hospitality Trust ("FHT"), a stapled group comprising Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and Frasers Hospitality Business Trust ("FH-BT"), announced that a wholly-owned sub-trust of FH-REIT has, on 28 October 2021, entered into (i) a put and call option agreement with an indirect wholly-owned subsidiary of Frasers Property Limited ("**Frasers Property**"), the sponsor of FHT, to acquire the freehold reversionary interest (the "**Reversionary Interest Acquisition**") of Sofitel Sydney Wentworth (the "**Property**") for A\$10.55 million (approximately S\$10.4 million)¹ (the "**Acquisition Purchase Price**"); and (ii) a sale and purchase agreement to divest the amalgamated freehold interest² in the Property (the "**Divestment**") to an unrelated third-party acquirer (the "**Acquirer**") for A\$315.0 million (approximately S\$309.1 million) ("**Sale Price**").

The Sale Price translates to attractive net property income ("**NPI**") yields of 4.1% for FY2019 and 3.3% for FY2021³, representing a 34.3% premium over FHT's total combined purchase price of A\$234.55 million (approximately S\$230.2 million), comprising the purchase consideration of A\$224.0 million for the acquisition of the 75-year leasehold interest in the Property ("**Existing Leasehold Interest**")⁴ and the Acquisition Purchase Price. The Sale Price is also 12.1% above the independent valuation of A\$281.0 million⁵ (approximately S\$275.8 million) as at 30 September 2021 on a freehold basis.

The Property is an iconic 5-star heritage-listed hotel located in the heart of the central business district of Sydney, Australia. The hotel sits on freehold land and comprises 436 guest rooms and suites with a gross floor area of 33,589 square metres spread over 17 levels. It is within walking distance of major tourist attractions and is located only approximately 200 metres away from Martin Place train station. The Property is currently trading under the Sofitel brand as part of the Accor Group under a hotel management agreement which expires in 2026 and the master lease for the Property will expire in 2035.

Ms Eu Chin Fen, Chief Executive Officer of the Managers⁶ of FH-REIT and FH-BT, said, "The divestment is in line with our active portfolio management strategy to periodically evaluate divestment opportunities to recycle capital for better returns.

Despite the ongoing COVID-19 pandemic, we have achieved an attractive sale price for the asset. Our title re-structuring has enabled the unlocking of a value greater than if Sofitel Sydney Wentworth had

¹ All currency conversions in this press release are based on an assumed exchange rate of S\$1.00 = A\$1.0190 as at 30 September 2021

² Upon the completion of the Reversionary Interest Acquisition, the freehold reversionary interest will be amalgamated with the Existing Leasehold Interest for the purpose of the sale of the amalgamated freehold interest of the Property to the Acquirer.

³ NPI yields of 4.1% and 3.3%, based on the Property's historical net property income for financial year ended 30 September 2019 ("**FY2019**") and financial year ended 30 September 2021 ("**FY2021**") respectively; the NPI figure for financial year ended 30 September 2020 ("**FY2020**") was not used as it is not representative, given the effects of the COVID-19 pandemic.

⁴ FHT had acquired a 75-year leasehold interest in the Property from Frasers Property for a purchase consideration of A\$224.0 million on 11 May 2015.

⁵ Includes Savill's valuation of the freehold reversionary interest of A\$11.0 million as at 30 September 2021

⁶ Frasers Hospitality Asset Management Pte. Ltd. (the manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd. (the trustee-manager of FH-BT) are collectively known as the "**Managers**".

been sold as a leasehold property. By doing so, we are unlocking the underlying value of Sofitel Sydney Wentworth at an optimal stage of the Property's life cycle and enhancing returns for our Stapled Securityholders. In this regard, Sydney is expected to be facing a significant increase in room supply, particularly in the upper upscale and luxury segments which will be direct competition for the Property just as the market is gradually recovering from the COVID-19 pandemic.

The transaction will also enhance FHT's financial flexibility if the net proceeds from the divestment were used to repay outstanding loans. The enhanced debt headroom post-divestment could help fund future acquisitions when the opportunity arises."

The net proceeds from the Divestment are estimated at A\$282.5 million (approximately S\$277.2 million), after taking into account the estimated total acquisition cost of the Reversionary Interest Acquisition and estimated total cost of the Divestment. The estimated net gain would be A\$24.1 million (approximately S\$23.7 million). The Managers may use the net proceeds to repay debt, for distribution to Stapled Securityholders and/or to finance general corporate and working capital requirements.

Upon completion of the Divestment, FHT's S\$1.98 billion portfolio⁷ will remain geographically diversified, comprising 14 hospitality properties across Singapore (40%), Australia (23%), UK (16%), Japan (10%), Malaysia (6%) and Germany (5%).

Property details

Address/Location	61-101 Phillip Street, Sydney, NSW 2000, Australia
Gross floor area	33,589 square metres as at 30 September 2021
Land tenure	(i) 75-year leasehold interest held by The Trust Company (PTAL) Limited, acting as trustee of FHT Sydney Trust 3, a wholly-owned sub-trust of Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT) (ii) Freehold reversionary interest held by Frasers Sydney Wentworth Pty Ltd, an indirect wholly-owned subsidiary of Frasers Property ⁸
Latest valuation (75-year leasehold interest)	A\$270.0 million (approximately S\$265.0 million) as at 30 September 2021
Latest valuation (freehold title)	A\$281.0 million ⁵ (approximately S\$275.8 million) as at 30 September 2021
Number of rooms	436
Facilities	11 versatile function rooms, a pillarless Grand Ballroom, an executive lounge, two food & beverage outlets, business centre and library
Master Lessee	Ananke Holdings Pty Ltd, an indirect wholly-owned subsidiary of Frasers Property
Fixed rent component under master lease structure	A\$6.0 million (approximately S\$5.9 million) per annum

END

⁷ FHT's portfolio valuation, assuming that the sale was completed on 30 September 2021

⁸ Upon the completion of the Reversionary Interest Acquisition, the freehold reversionary interest will be amalgamated with the Existing Leasehold Interest for the purpose of the sale of the amalgamated freehold interest of the Property to the Acquirer.

About Frasers Hospitality Trust

FHT is the first global hotel and serviced residence trust listed in Singapore on 14 July 2014, comprising FH-REIT and FH-BT. It is established with the principal strategy of investing globally, on a long-term basis, in income-producing real estate assets used primarily for hospitality purposes.

FHT provides investors exposure to one of the largest international hospitality portfolios by number of keys. Its geographically diversified portfolio of 15 quality assets are in prime locations across 9 key cities in Asia, Australia and Europe. With a combined appraised value of S\$2.25 billion (as at 30 September 2021), these 9 hotels and 6 serviced residences are: Novotel Melbourne on Collins, Novotel Sydney Darling Square, Sofitel Sydney Wentworth, Fraser Suites Sydney, InterContinental Singapore, Fraser Suites Singapore, ibis Styles London Gloucester Road, Park International London, Fraser Suites Edinburgh, Fraser Suites Glasgow, Fraser Suites Queens Gate, Fraser Place Canary Wharf, ANA Crowne Plaza Kobe, The Westin Kuala Lumpur and Maritim Hotel Dresden. Collectively, they have a total of 3,913 rooms comprising 3,071 hotel rooms and 842 serviced residence units.

FHT is managed by Frasers Hospitality Asset Management Pte. Ltd., the manager of FH-REIT, and Frasers Hospitality Trust Management Pte. Ltd., the trustee-manager of FH-BT (collectively known as the **"Managers"**). The Managers are wholly-owned subsidiaries of Frasers Property Limited which is the sponsor of FHT.

For more information on FHT, please visit www.frasershospitalitytrust.com

About Frasers Property Limited

Frasers Property Limited (**"Frasers Property"** and together with its subsidiaries, the **"Frasers Property Group"** or the **"Group"**), is a multi-national developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) and headquartered in Singapore, the Group has total assets of approximately S\$39.2 billion as at 31 March 2021.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts (**"REITs"**) and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It has committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [Linkedln](https://www.linkedin.com/company/frasers-property).

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This publication 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. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this release. Neither the Managers nor any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this publication or its contents or otherwise arising in connection with this publication.

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, Perpetual (Asia) Limited (the Trustee of FH-REIT) or any of 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 or purchase 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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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

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