



## **PRESS RELEASE**

*For Immediate Release*

### **Fraser's Hospitality Trust To Make First Acquisition- Sofitel Sydney Wentworth Hotel**

- Proposes to acquire prime Sydney hotel for A\$224 million
- Iconic 5-star hotel with 436 rooms, strategically located in the heart of Sydney's CBD
- Increases portfolio diversification and expands presence in the strong Sydney tourism market

**Singapore, 11 May 2015** – Fraser's Hospitality Asset Management Pte. Ltd. (the "REIT Manager"), as manager of Fraser's Hospitality Real Estate Investment Trust ("FH-REIT") and Fraser's Hospitality Trust Management Pte. Ltd., as trustee-manager of Fraser's Hospitality Business Trust (the "Trustee-Manager", collectively the "Managers"), are pleased to announce that FH-REIT, had through FHT Sydney Trust 3<sup>1</sup>, entered into a conditional 75-year lease agreement (the "75-year Lease Agreement") with Fraser's Sydney Wentworth Trust ("Vendor"), an indirect wholly-owned trust of Fraser's Centrepont Limited ("FCL"), to acquire a 75-year leasehold interest (the "Proposed Acquisition") in Sofitel Sydney Wentworth (the "Property" or "Hotel") for a purchase consideration of A\$224 million (the "Purchase Consideration").

The Hotel would be Fraser's Hospitality Trust ("FHT")'s first acquisition since its initial public offering on 14 July 2014 and its third hospitality asset in Sydney, Australia. The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and based on the independent valuations from Savills Valuation Pty Ltd and Jones Lang LaSalle Advisory Services Pty Ltd. The Proposed Acquisition is expected to be yield accretive to the distribution per Stapled Security of FHT and will be funded with a combination of debt and equity.

#### **Prime location in a favourable hospitality market**

Strategically located in the heart of Sydney's CBD, Sofitel Sydney Wentworth is within walking distance to the majority of Australia's premium commercial office buildings which are home to Sydney's highest profile domestic and international tenants across the finance, legal and government sectors. Major tourist attractions in Sydney including the Royal Botanic Gardens, the Sydney Opera House, Sydney Harbour Bridge, Circular Quay, Hyde Park and Pitt Street Mall are in close proximity.

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

<sup>1</sup> FH-REIT had, in connection with the listing of FHT on 14 July 2014, established FHT Australia Trust, a managed investment scheme in Australia which qualified as a managed investment trust ("MIT Australia") for the purposes of the Australian Taxation Administration Act 1953. FHT Sydney Trust 3 had been established on 8 May 2015, as a new sub-trust under MIT Australia, for the purposes of acquiring the Property.

Sydney is Australia's premier business and tourist destination. In 2014, hotels in Sydney registered a RevPAR growth of 4.2%, making it one of the strongest performing hotel markets in Australia<sup>2</sup>. Sofitel Sydney Wentworth registered occupancy levels of 87.6% and RevPAR of A\$193.7 in the year ended 31 December 2014<sup>2</sup>. The Hotel will continue to be operated by the Accor Hotel Group ("Accor") under its luxury-tier brand Sofitel. With over 20 years' experience in Australia, Accor has a strong market presence with its extensive network of some 199 properties managed from its regional head office in Sydney.

The outlook for Sydney's accommodation market remains promising with occupancy levels expected to remain robust. Growth in average daily rate is also expected to strengthen in line with the benign supply outlook and a stable demand environment. Major infrastructure projects such as the development of the A\$6 billion Barangaroo precinct and redevelopment of Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) will also have a further positive impact on the hotel market.

Ms Eu Chin Fen, Chief Executive Officer of the REIT Manager, said, "Sydney was one of the strongest performing hospitality markets in Australia in 2014 and outlook remains positive in 2015. The acquisition of Sofitel Sydney Wentworth is a rare opportunity to acquire a prime asset in a tightly held market."

Following the Proposed Acquisition, Australian assets will comprise 22.4% by valuation of FHT's property portfolio<sup>3</sup>, thereby reducing the reliance of its income stream on any single asset within its existing portfolio and also allowing for a more balanced enlarged portfolio that is better spread across the regions. FHT's existing portfolio of approximately S\$1.66 billion<sup>3</sup> will be enlarged to approximately S\$1.90 billion after the Proposed Acquisition<sup>4</sup>.

Ms Eu commented, "The addition of Sofitel Sydney Wentworth complements our existing Fraser Suites Sydney and the Novotel Rockford Darling Harbour. All three properties are located in strategic catchment areas in Sydney and enable us to benefit from the strong hospitality market in Sydney going forward."

#### **Stapled Securityholders' Approval**

The Proposed Acquisition of Sofitel Sydney Wentworth is subject to the approval of the stapled securityholders of FHT at an extraordinary general meeting. Please refer to the SGX announcement dated 11 May 2015 for further details. More details on the Proposed Acquisition will be set out in a Circular to be issued to stapled securityholders in due course, together with a notice of extraordinary general meeting of stapled securityholders, for the purpose of seeking stapled securityholders' approval in relation to the Proposed Acquisition.

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<sup>2</sup> Savills Valuation Report-Sofitel Sydney Wentworth, 11 May 2015

<sup>3</sup> Based on the valuation of the existing portfolio as of 31 March 2015 reflected in the FH-REIT Unaudited Financial Statements and the Purchase Consideration of Sofitel Sydney Wentworth

<sup>4</sup> The valuation of Sofitel Sydney Wentworth was based on an assumed exchange rate of A\$1: S\$1.0522

### **About Frasers Hospitality Trust**

Frasers Hospitality Trust ("FHT") is the first global hotel and serviced residence trust listed in Singapore on 14 July 2014, comprising Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and Frasers Hospitality Business Trust ("FH-BT").

FHT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing.

The Initial Portfolio is valued at approximately S\$1,660.7 million as at 31 March 2015, with 12 quality properties strategically located across seven key gateway cities in Asia, Australia and the United Kingdom. These six hotels and six serviced residences are: InterContinental Singapore, Fraser Suites Singapore, The Westin Kuala Lumpur, ANA Crowne Plaza Kobe, Novotel Rockford Darling Harbour, Fraser Suites Sydney, Park International London, Best Western Cromwell London, Fraser Suites Queens Gate, Fraser Place Canary Wharf, Fraser Suites Glasgow and Fraser Suites Edinburgh. Collectively, the Initial Portfolio has a total of 1,928 hotel rooms and 842 serviced residence units, for a total of 2,770 rooms.

For more information on FHT, please visit [www.frasershospitalitytrust.com](http://www.frasershospitalitytrust.com)

### **About the Sponsor: Frasers Centrepoint Limited**

Frasers Centrepoint Limited ("FCL") is a full-fledged international real estate company and one of Singapore's top property companies with total assets of approximately S\$21 billion as at 31 December 2014. FCL has four core businesses focused on residential, commercial, hospitality and industrial properties spanning 50 cities across Asia, Australasia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is also the sponsor of three real estate investment trusts listed on the Main Board of the SGX-ST. They are Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Hospitality Trust, which are focused on retail properties, office and business space properties, and hospitality properties, respectively.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com)

### **About the Strategic Partner: The TCC Group**

The TCC Group is among the largest businesses in Southeast Asia and is engaged in a variety of businesses including real estate. The TCC Group invests in and develops a wide range of real estate projects globally, including hotels, office towers, retail centres, residences, serviced apartments, convention centres, golf courses and resorts. As at 31 December 2013, it owns, among others, 17 retail shopping centres with approximately 500,000 sq m of retail space, seven commercial offices with approximately 810,000 sq m of office space, 40 hotels with over 10,000 keys/rooms in Thailand and 10 countries worldwide and over 48,000 acres of land bank for development.

**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 REIT Trustee or any of its 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.

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