

**PROPOSED PRIVATISATION OF FRASERS HOSPITALITY TRUST TO  
UNLOCK VALUE FOR ITS STAPLED SECURITYHOLDERS**

- Proposed privatisation by a wholly-owned subsidiary of FPL, to be implemented by way of a trust scheme of arrangement
- The Scheme is the outcome of a strategic review conducted by the FHT Directors
- After evaluating various strategic options, the FHT Independent Directors view the privatisation as a viable option for Stapled Securityholders to immediately realise their investment at a premium to NAV and offers strong deal certainty in terms of timing and execution
- The Scheme Consideration of S\$0.710 in cash per Scheme Stapled Security represents a 36.3% premium to FHT's VWAP for the 12-month period up to and including the Last Undisturbed Trading Date
- It also implies a P/NAV multiple of 1.11x which:
  - represents a premium of 56.8%, 45.4%, and 47.2% to the historical 1-year, 3-year, and 5-year average P/NAV multiples of FHT;
  - represents a premium of 28.6% over the average P/NAV multiple of FHT since IPO; and
  - exceeds the implied average P/NAV of precedent S-REIT privatisations since 2020 of 1.04x and the current trading implied average P/NAV of hospitality REIT/BT peers of 0.62x.

*All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the joint announcement dated 14 May 2025 (the "**Joint Announcement**"). This press release should be read in conjunction with the Joint Announcement, copies of which are available on the SGXNET and FHT's corporate website.*

**Singapore, 14 May 2025** – Frasers Hospitality Asset Management Pte. Ltd., as the manager of Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**", and the manager of FH-REIT, the "**FH-REIT Manager**"), and Frasers Hospitality Trust Management Pte. Ltd., as the trustee-manager of Frasers Hospitality Business Trust ("**FH-BT**", and the trustee-manager of FH-BT, the "**FH-BT Trustee-Manager**", and together with the FH-REIT Manager, the "**FHT Managers**"), and Frasers Property Hospitality Trust Holdings Pte. Ltd. (the "**Offeror**"), a wholly owned subsidiary of Frasers Property Limited ("**FPL**", or "**Sponsor**", and together with its subsidiaries, "**Frasers Property**"), have today jointly announced the proposed privatisation of Frasers Hospitality Trust ("**FHT**") through the acquisition (the "**Acquisition**") by the Offeror of all of the issued stapled securities of FHT (the "**Stapled Securities**") held by the stapled securityholders of FHT (the "**Stapled Securityholders**") (other than the Stapled Securities held by (a) TCC Group Investments Limited and (b) Frasers Property (including the Offeror) (collectively, the "**Scheme Stapled Securityholders**") by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").

## Background of the Strategic Review

Since FHT's listing in 2014, the macroeconomic environment has evolved over the years e.g. weaker foreign exchange rate against the Singapore dollar, higher interest rate environment, global cost inflation and unforeseen events such as Brexit and the COVID-19 pandemic. After the lapse of the previous scheme of arrangement in respect of FHT in 2022 (the "**2022 Scheme**"), the macroeconomic environment has undergone further adverse changes, which has made it more difficult for the FHT Managers to meaningfully grow FHT's DPS and NAV.

To explore potential options to unlock value for Stapled Securityholders, the directors of the FHT Managers, namely Mr. Ho Hon Cheong, Mr. Chang Tou Chen, Mr. Quah Ban Huat, Mr. Nagaraj Sivaram, Mr. Panote Sirivadhanabhakdi and Dr. David Wong See Hong (the "**FHT Directors**"), with the assistance of their financial advisors DBS Bank Ltd. and United Overseas Bank Limited, carried out a strategic review of FHT. The strategic review evaluated various options based on the criteria of (i) how well each option addresses the key factors that affect trading performance and valuation; (ii) the potential value unlocked, benchmarked against net asset value ("**NAV**") and distribution per Stapled Security ("**DPS**") accretion to Stapled Securityholders; and (iii) timing and degree of certainty for Stapled Securityholders to unlock value. These options included, *inter alia*, increasing the yield or valuation of existing assets through asset enhancement initiatives or redevelopment; scaling up via acquisition / merger with another REIT; and a privatisation of FHT by the Sponsor via a scheme of arrangement.

After evaluating these options, the FHT Directors concluded that privatisation by the Sponsor was the preferred option to unlock value – subject to the Sponsor's intentions regarding FHT and pricing. After this conclusion was reached, Mr. Panote Sirivadhanabhakdi and Mr. David Wong recused themselves from further discussions and/or negotiations relating to a privatisation of FHT.

Thereafter, the FHT Independent Directors initiated discussions with FPL to understand FPL's long-term strategic intention with FHT and to consider a privatisation of FHT by FPL. During these discussions, FPL indicated to the FHT Independent Directors that hospitality remained one of its core businesses, and that FPL was prepared to explore a privatisation of FHT.

Subsequently, the FHT Independent Directors commenced negotiations with FPL on a possible privatisation of FHT, concluding in this Joint Announcement by the Offeror and the FHT Managers. The FHT Independent Directors are of the view that the Scheme is a viable option to unlock value for Stapled Securityholders for the following reasons:

- (i) the Scheme allows Stapled Securityholders to immediately realise their investment at a premium to NAV and provides Stapled Securityholders with the option to reinvest their proceeds; and
- (ii) the Scheme offers strong deal certainty for Stapled Securityholders in terms of timing and execution.

## Scheme Consideration

The Scheme Consideration was agreed upon following negotiations between the Offeror and the FHT Independent Directors conducted on an arm's length basis, after taking into account multiple factors, *inter alia*: (i) historical price to NAV ("**P/NAV**") of FHT over various time periods since its IPO; (ii) average P/NAV of other listed Singapore hospitality trusts; (iii) P/NAV implied by precedent privatisations involving Singapore REITs ("**S-REITs**") since 2020; (iv) an internal assessment of value-enhancement options for FHT; (v) the Latest Adjusted NAV; and (vi) the amount of Permitted Distributions to be announced, declared, made or paid by the FHT Managers.

Under the Scheme, the Offeror proposes to acquire Stapled Securities held by Scheme Stapled Securityholders ("**Scheme Stapled Securities**") at S\$0.710 in cash per Scheme Stapled Security ("**Scheme Consideration**"):

- (i) **the Scheme Consideration will allow Stapled Securityholders to exit at a premium to historical FHT P/NAV multiples:** The implied P/NAV of 1.11x represents a premium of 56.8%, 45.4%, 47.2% and 28.6% over the historical one (1)-year, three (3)-year and five (5)-year average P/NAV multiples of the Stapled Securities, and the average P/NAV multiple of the Stapled Securities since the IPO of FHT, respectively;
- (ii) **the P/NAV of 1.11x as implied by the Scheme Consideration exceeds the average implied P/NAV of precedent S-REIT privatisations since 2020 of 1.04x and the current trading average implied P/NAV of hospitality REIT/BT peers of 0.62x;**
- (iii) **the Scheme Consideration represents a premium in excess of 20% to FHT's historical VWAP over various time periods:** It implies a 23.4%, 25.4%, 29.7%, and 36.3% premium over the 1-month, 3-month, 6-month and 12-month VWAPs of S\$0.575, S\$0.566, S\$0.547 and S\$0.521 respectively for the period up to and including the Last Undisturbed Trading Date; and
- (iv) **the Scheme Consideration implies a higher total return than that of FHT's peers:** It implies a total return of 27.8% for those who had invested since IPO (14 July 2014 to the Last Undisturbed Trading Date).

## Transaction Rationale

FHT is expected to continue to face both macroeconomic headwinds and structural limitations which may limit its ability to grow DPS and NAV. In addition, it also faces various structural factors that have significantly impacted FHT's trading performance and valuation adversely.

- (i) *Inflationary cost pressures and other macroeconomic challenges have constrained meaningful DPS growth:* FHT's RevPAR has exceeded pre-COVID-19 pandemic levels. However, FHT's DPS has not recovered to pre-COVID-19 pandemic levels (on a same-store basis, excluding the divestment of Sofitel Sydney Wentworth in FY2022) due to

factors such as inflationary cost pressures pushing up operating expenses, the depreciation of currencies in FHT's foreign markets against the Singapore dollar between 1HFY2019 and 1HFY2025, and higher interest rates in 1HFY2025 versus 1HFY2019;

- (ii) *COVID-19 has had a significant and lasting impact on valuation multiples and trading prices of hospitality trusts:* The average trailing P/NAV of hospitality trusts during the post-COVID-19 pandemic period is below the average of the pre-COVID-19 pandemic and COVID-19 pandemic levels;
- (iii) *FHT is expected to continue to face macroeconomic headwinds:* The United States Federal Reserve had announced a series of interest rate hikes beginning on 17 March 2022. Higher interest rates lead to increased interest expense and lower property valuations which reduce distributable income for Stapled Securityholders and impact NAV respectively. Geopolitical tensions have heightened the risk of a recession and increased economic uncertainty, which could lead to a reduction in discretionary consumer spending including tourism related travel and investment, which would negatively impact the hospitality sector; and
- (iv) *Key structural factors that have significantly impacted FHT's trading performance and valuation adversely:*
  - a. **Asset Class.** Investors prefer asset classes offering defensive income streams and longer weighted-average lease expiry. By contrast, hospitality trusts are inherently exposed to more business volatility due to shorter stays and periodic capital expenditure for AEIs, which is typically accompanied by negative impact to DPS due to loss of income from business disruptions during AEIs;
  - b. **Scale.** FHT's smaller size relative to its peers has contributed to a higher cost of equity and lower debt headroom which limits its ability to scale up. Due to its small free float market capitalisation relative to its peers, FHT is unable to achieve index inclusion and significant institutional investor participation. FHT's debt headroom is the lowest amongst its peers which limits its ability to grow by debt-funded yield-accretive acquisitions relative to its peers; and
  - c. **Geography and FX.** FHT's properties are located in geographies where the currencies have depreciated significantly (by approximately 20% to 30%) against the Singapore dollar since its IPO. FHT's exposure to different geographical markets also exposes it to global events such as Brexit, the ongoing US-China trade war and changes in global tax landscape.

Eric Gan, Chief Executive Officer of the FHT Managers said: “The decision to propose this Scheme was not taken lightly. It reflects our commitment to act in the interests of our Stapled Securityholders amid structural challenges and an increasingly complex global environment. While our portfolio has demonstrated resilience, sustained growth has been hampered by persistent FX headwinds, inflationary cost pressures, and broader geopolitical developments – from Brexit to escalating trade tensions and the evolving global tax regime. After an evaluation of available options, the proposed Scheme emerged as a viable and timely solution to unlock value with strong deal certainty for Stapled Securityholders to vote in favour of and realise their investments at a premium to NAV.”

### **The Scheme is in line with Frasers Property’s long-term strategy**

Loo Choo Leong, Group Chief Financial Officer, Frasers Property commented: “Frasers Property’s strategy is focused on delivering sustainable and targeted long-term returns across cycles. Hospitality is a core business for Frasers Property, and while we remain mindful of near-term challenges facing the hospitality sector, we maintain a long-term investment perspective. Leveraging our synergistic multi asset class capabilities to create value, we will continue to apply our understanding of FHT’s assets to drive performance via active asset and portfolio management.”

“We have put forward an offer for FHT which safeguards the interests of FPL’s shareholders. The arm’s length offer was arrived at after taking into consideration the financial and business effects of the privatisation to Frasers Property, both over the short and long term, in addition to a number of FHT financial reference points,” Mr Loo added.

### **Next steps**

The Scheme will require the necessary regulatory and court approvals. The Scheme will also be subject to the approval of a majority in number of the Scheme Stapled Securityholders representing at least 75% in value of the Stapled Securities held by the Scheme Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting.

The Offeror and its concert parties, as well as persons who are both (i) substantial shareholders of the Offeror and its concert parties, and (ii) substantial Stapled Securityholders of FHT (i.e. those holding 5% or more interests in both the Offeror and its concert parties and FHT), will abstain from voting on the Scheme. In addition, the FHT Managers will abstain from voting on the Scheme pursuant to Rule 748(5) of the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

A copy of the notice of the Scheme Meeting to approve the Scheme will be included in the Scheme Document containing full details of the Acquisition and the Scheme and will be despatched or made available to Stapled Securityholders in due course.

DBS Bank Ltd. and United Overseas Bank Limited are the financial advisers to the FHT Managers in respect of the Acquisition and the Scheme.

Merrill Lynch (Singapore) Pte. Ltd. is the lead financial adviser and Maybank Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited are the financial advisers to the Offeror in respect of the Acquisition and the Scheme.

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### **About FHT**

FHT is a global hotel and serviced residence trust that is listed on the SGX-ST, and is a stapled group comprising FH-REIT and FH-BT. FHT was established with the principal strategy of investing globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT's portfolio comprises 14 quality assets in prime locations across 9 key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$2.0 billion as at 30 September 2024.

### **About the Offeror and FPL**

The Offeror was incorporated in Singapore on 28 April 2006 and is a wholly-owned subsidiary of FPL.

FPL is a multinational investor-developer-manager of real estate products and services. Listed on the Main Board of the Singapore Exchange Securities Trading Limited and headquartered in Singapore, Frasers Property has total assets of approximately S\$38.9 billion as at 31 March 2025. Frasers Property's multinational businesses operate across five asset classes, namely, commercial & business parks, hospitality, industrial & logistics, residential and retail. Frasers Property has businesses in Southeast Asia, Australia, the EU, the UK and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in 20 countries across Asia, Australia, Europe, the Middle East and Africa. FPL is the sponsor of FHT.

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## **Responsibility Statements**

**Offeror.** The Offeror Directors (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (other than those relating to FHT and/or the FHT Managers or any opinion expressed by FHT and/or the FHT Managers) are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release misleading. The Offeror Directors jointly and severally accept responsibility accordingly.

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You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Offeror and the FHT Managers' current view of future events, and neither the Offeror nor the FHT Managers undertakes any obligation to update publicly or revise any forward-looking statements, or financial information contained in this press release to reflect any change in the Offeror's or the FHT Managers' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

The value of the 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 FHT Managers 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 FHT Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities 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 press release 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 FHT Managers is not necessarily indicative of the future performance of FHT and the FHT Managers.

This press release includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Offeror and the FHT Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the



Offeror and the FHT Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

This press release has not been reviewed by the Monetary Authority of Singapore.

This press release is qualified in its entirety by, and should be read in conjunction with, the full text of the Joint Announcement. In the event of any inconsistency or conflict between the Joint Announcement and the information contained in this press release, the Joint Announcement shall prevail.