

PRESS RELEASE

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
- Following the completion of its strategic review, the FHT Managers concluded that the Scheme represents the best option for Scheme Stapled Securityholders to unlock immediate value of their investments at a premium to NAV
- The Scheme Consideration of S\$0.700 in cash per Scheme Stapled Security represents:
 - a premium of 43.8% and 16.7% over the 12-month VWAP and recent analyst consensus target price respectively; and
 - an implied P/NAV multiple of 1.07x, which exceeds (i) historical averages of FHT's trading multiples since IPO; (ii) current trading multiples of other listed Singapore hospitality trusts; and (iii) precedent S-REIT privatisations

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 13 June 2022 (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, 13 June 2022 – 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**" and together with its subsidiaries, "**FPL Group**"), 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 ("**Stapled Securities**") held by the stapled securityholders of FHT ("**Stapled Securityholders**") other than the Stapled Securities held by TCC Group Investments Limited ("**TCC**") and FPL and/or its subsidiaries (including the Offeror) ("**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**").

Since its strategic review announcement made on 8 April 2022, the directors of the FHT Managers who are considered independent for the purposes of the Scheme, being Mr Law Song Keng, Mr Chua Phuay Hee, Mr Liew Choon Wei and Dr David Wong See Hong (the "**FHT Independent Directors**"), had with the assistance of their financial adviser DBS Bank Ltd. ("**DBS**"), explored various possible strategic options to enhance and unlock value for its Stapled Securityholders and sought to deliver a proposal which could optimise value and certainty to Stapled Securityholders. The strategic options considered included the continued

pursuit of FHT's existing strategy, expansion of the existing FHT platform via acquisitions or mergers, strategic sale of all or select assets, and the sale of the FHT platform to a third-party or the sponsor, FPL.

Following the announcement on 8 April 2022, the FHT Independent Directors initiated concurrent discussions with all parties (including FPL) on the various strategic options available to FHT. During these discussions, FPL had indicated to the FHT Independent Directors that hospitality remains as one of its core businesses and that FPL was prepared to discuss a privatisation of FHT with the FHT Independent Directors.

Having considered FPL's intentions, the FHT Independent Directors commenced extensive negotiations with FPL with the view of providing Stapled Securityholders with a proposal that would optimise certainty and value. At the conclusion of the negotiation process, the FHT Independent Directors concluded that the Scheme represents the best option for Stapled Securityholders for the following reasons:

- (i) the Scheme represents a credible offer from a financial perspective;
- (ii) the Scheme offers strong deal certainty for Stapled Securityholders in terms of timing and execution; and
- (iii) the Scheme allows Stapled Securityholders to realise their investment at an attractive valuation immediately at a premium to NAV and have the option to reinvest their proceeds.

The Scheme Consideration was agreed upon following extensive negotiations between the Offeror and the FHT Managers conducted on an arm's length basis, after taking into account multiple factors, including inter alia: (i) latest available independent valuations of FHT's investment properties and property, plant and equipment (collectively, the "**FHT Properties**") which incorporate the likely trajectory of a recovery post-COVID-19 based on certain assumptions; and (ii) the pre-COVID-19 valuations of the FHT Properties adjusted for foreign exchange ("**FX**") movements.

The Scheme represents a credible option for Scheme Stapled Securityholders to realise their investments with a high degree of certainty at an attractive valuation

Under the Scheme, the Offeror proposes to acquire Stapled Securities held by Scheme Stapled Securityholders ("**Scheme Stapled Securities**") at S\$0.700 in cash per Scheme Stapled Security ("**Scheme Consideration**");

- (i) the Scheme represents a credible offer from a financial perspective:
 - a. as the Scheme Consideration will allow Stapled Securityholders to exit at an attractive P/NAV as implied by the Scheme Consideration of 1.07x which exceeds historical averages of FHT's trading multiples since FHT's initial public offering in 2014 ("**IPO**"), current trading multiples of other listed Singapore hospitality trusts and precedent S-REIT privatisations;
 - b. the Scheme Consideration represents a premia of 45.4%, 48.5%, 47.7%, and 43.8% over the volume-weighted average prices (the "**VWAP**") of S\$0.482, S\$0.471, S\$0.474 and S\$0.487 per Stapled Security respectively to the 1-month, 3-month, 6-month and 12-month period up to and including 7 April 2022,

- being the last full trading day immediately prior to the release of the strategic review announcement;
 - c. the premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods;
 - d. the Scheme Consideration provides a higher total return for Stapled Securityholders versus a similar investment in 2 out of 3 other listed hospitality trusts from 14 July 2014 (“**FHT IPO Date**”) to 8 June 2022;
 - e. the Scheme Consideration represents a premium of 16.7% to the analyst consensus target price in 2022; and
 - f. the Scheme Consideration is in-line with FHT’s pre-COVID-19 adjusted NAV per Stapled Security, after taking into consideration an uncertain post-COVID-19 recovery and looming recessionary pressures;
- (ii) the Scheme offers Stapled Securityholders strong deal certainty in terms of timing and execution; and
 - (iii) the Scheme allows Stapled Securityholders to realise their investments at an attractive valuation immediately at a premium to NAV and have the option to reinvest their proceeds.

Transaction Rationale

The FHT Managers have remained committed to the growth and optimisation of the FHT Properties to maximise value for Stapled Securityholders since IPO.

Despite these efforts, FHT continues to face long-term challenges. They include:

- (i) *Obstacles in growing distribution per stapled security (“DPS”) and NAV:* Significant efforts have been made by the FHT Managers to grow and optimise its portfolio through strategic acquisitions and refurbishments and asset enhancement initiatives. Whilst FHT’s portfolio valuation grew by 35% since IPO, it has not managed to translate such growth into DPS and NAV growth due to the muted growth within the hospitality sector in the markets FHT operates in and strengthening of the S\$ against FHT’s operational currencies;
- (ii) *Uncertainty in recovery, gradual move to endemic phase and looming recessionary pressures:* The endemic nature of COVID-19 presents significant risks to the hospitality sector while it recovers gradually. Geopolitical tensions and looming recessionary pressures add further uncertainty to the recovery outlook. The further strengthening of the S\$ could potentially limit any revaluation gains and DPS growth amidst the recovery; and
- (iii) *FHT’s small size has limited its ability to reap the benefits of a continued listing:* FHT is small in scale as compared to its S-REIT peers in a market where scale and size are essential to liquidity and growth. Without sufficient scale, FHT has not been included in major stock market indices and has been limited in its flexibility in undertaking asset acquisitions for growth.

Eu Chin Fen, Chief Executive Officer of the FHT Managers said: “The FHT Board and Managers have remained committed in delivering sustainable, long-term value to the Stapled Securityholders. Following our proactive strategic review to unlock value for our Stapled Securityholders and having considered the long-term challenges facing FHT, we believe that the proposed Trust Scheme is the best option and represents a credible opportunity for our Stapled Securityholders to realise their investments at an attractive valuation.”

Trust Scheme is in line with FPL’s long-term strategy

Loo Choo Leong, Group Chief Financial Officer, FPL commented: “We concur with FHT Managers’ board decision, following their strategic review, that their privatisation by FPL Group will provide the best course of action to optimise value for Stapled Securityholders. FPL Group’s long-term strategy is centred on leveraging our synergistic multi-asset class capabilities to create value. Hospitality remains one of our core businesses. This transaction will allow FPL Group to increase its investment in hospitality assets at locations that we are already familiar with. As with all assets in our investment portfolio, FPL Group will leverage our deep understanding of FHT’s assets and adopt a rigorous and disciplined approach to drive performance.”

“We have put forward an offer for FHT which also 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 FPL Group, 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 be subject to the Scheme Amendments Resolution being approved by Stapled Securityholders, whereby approval of Stapled Securityholders holding in aggregate of 75.0% or more of the total number of votes cast for and against the resolution is required.

Further, the outcome of the Scheme Meeting will be decided solely by Scheme Stapled Securityholders (independent Stapled Securityholders), whereby approval by a majority in number representing at least 75.0% in value of the total number of Scheme Stapled Securities held by Scheme Stapled Securityholders present and voting either in person or by proxy is required.

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 SGX-ST Listing Manual.

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 Scheme and will be despatched or made available to Stapled Securityholders in due course.

DBS is the financial adviser to the FHT Managers in respect of the Acquisition and the Scheme.

Merrill Lynch (Singapore) Pte. Ltd. (“**BofA Securities**”) is the lead financial adviser and Oversea-Chinese Banking Corporation Limited (“**OCBC**”) is the financial adviser 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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), and is a stapled group comprising FH-REIT and FH-BT. FHT invests globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT’s portfolio includes 15 properties as at 30 September 2021, and post completion of the divestment of SSW on 29 April 2022, 14 quality assets in prime locations in nine (9) key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$2.0 billion.

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 developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the FPL Group has total assets of approximately S\$40.7 billion as at 31 March 2022. FPL Group’s multinational businesses operate across five (5) asset classes, namely, residential, retail, commercial & business parks, industrial & logistics and hospitality. The FPL 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. FPL is also the sponsor of FHT.

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Responsibility Statements

Offeror. The directors of the Offeror (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 directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information in this press release has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including FHT and/or the FHT Managers), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by FHT and/or the FHT Managers.

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operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Offeror's 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.