

**Frasers Property Hospitality Trust
Holdings Pte. Ltd.**

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200606150R)

Frasers Hospitality Trust

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.**

(Company Registration No:
201331351D)

**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.**

(Company Registration No:
201401270M)

JOINT ANNOUNCEMENT

**PROPOSED PRIVATISATION OF FRASERS HOSPITALITY TRUST
BY WAY OF A TRUST SCHEME OF ARRANGEMENT**

1. INTRODUCTION

- 1.1 **The Scheme.** The respective boards of directors of Frasers Property Hospitality Trust Holdings Pte. Ltd. (the “**Offeror**”), Frasers Hospitality Asset Management Pte. Ltd., as 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 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**”), are pleased to announce the proposed privatisation of Frasers Hospitality Trust (“**FHT**”) through the acquisition (the “**Acquisition**”) by the Offeror of all the issued stapled securities (the “**Stapled Securities**”) of FHT held by the stapled securityholders of FHT (the “**Stapled Securityholders**”) (other than the Stapled Securities held by (a) TCC Group Investments Limited (“**TCC**”) and (b) Frasers Property Limited (“**FPL**”) and/or its subsidiaries (including the Offeror) (collectively, the “**Excluded Stapled Securityholders**”) (the “**Scheme Stapled Securities**”), by way of a trust scheme of arrangement (the “**Scheme**”) in compliance with the Singapore Code on Take-overs and Mergers (the “**Code**”).
- 1.2 **Implementation Agreement.** In connection with the Acquisition and the Scheme, the Offeror, the FHT Managers and Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT) (the “**FH-REIT Trustee**”) (each a “**Party**” and collectively, the “**Parties**”) have today entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Parties will implement the Scheme.

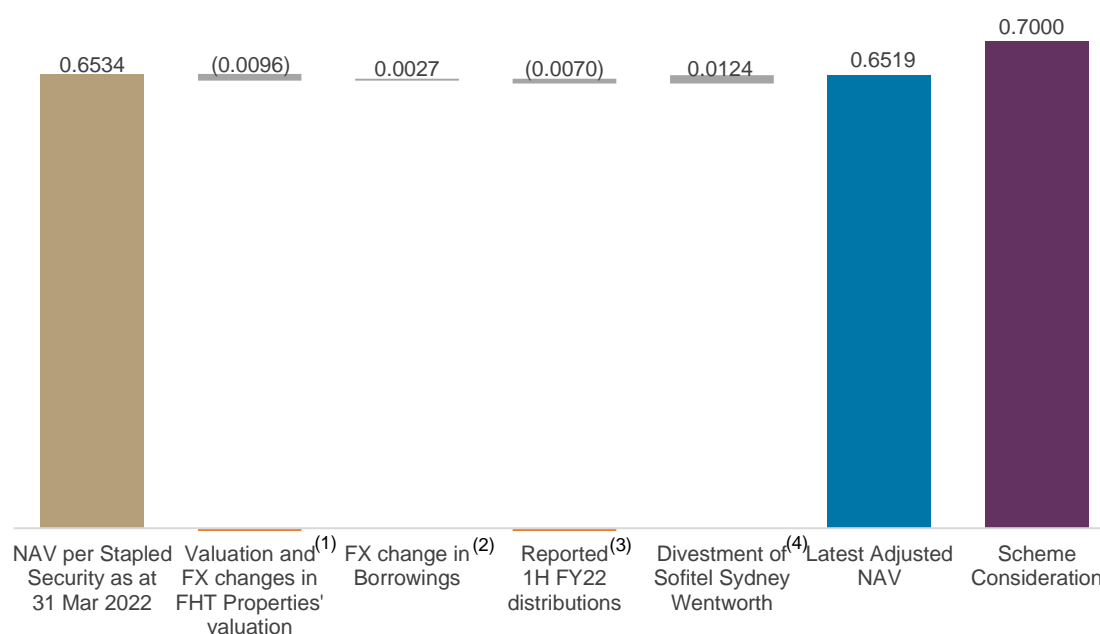
1.3 **Scheme Consideration.** Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 in cash per Scheme Stapled Security (the “**Scheme Consideration**”) to the Stapled Securityholders (other than the Excluded Stapled Securityholders) (the “**Scheme Stapled Securityholders**”) as at the Record Date (as defined in paragraph 7.1(a) below). Details of the factors on how the Scheme Consideration was agreed upon are set out in paragraph 4.2 below.

1.4 **Adjusted net asset value.** The FHT Managers have commissioned the Valuers (as defined in paragraph 13 below) to undertake an independent valuation of FHT’s investment properties and property, plant and equipment (collectively, the “**FHT Properties**”) held as at 31 May 2022¹. Although latest valuations of the FHT Properties have increased in their local operational currencies, upon conversion to Singapore dollars (“**SGD**” or “**S\$**”) based on the applicable foreign exchange (“**FX**”) rates as at 31 May 2022, the net valuation reflects a decline of S\$10.0 million.

Please refer to paragraph 13 below for more details on the valuation of the FHT Properties conducted by the Valuers.

The latest valuations have also taken into account the possible recovery of the FHT Properties from COVID-19 based on certain assumptions.

Latest Adjusted NAV per Stapled Security against the Scheme Consideration (S\$)



Notes:

For the purposes of benchmarking and valuation in this Joint Announcement, FHT’s net asset value (“**NAV**”) per Stapled Security as of 31 March 2022 of S\$0.6534 has been adjusted to the latest adjusted NAV per Stapled Security of S\$0.6519 (“**Latest Adjusted NAV**”), which is derived from:

¹ Valuation commissioned on the FHT Properties as at 31 May 2022 for internal reporting purposes.

- (1) the incremental carrying values of the FHT Properties (excluding Sofitel Sydney Wentworth (“SSW”)) held as at 31 March 2022, based on the valuation of the FHT Properties as at 31 May 2022, converted to S\$ based on the applicable FX rates as at 31 May 2022, against the carrying value of the FHT Properties (excluding SSW) held as at 31 March 2022;
- (2) the incremental value of FHT’s borrowings as at 31 March 2022, converted to S\$ based on the applicable FX rates as at 31 May 2022;
- (3) the exclusion of FHT’s reported distribution per Stapled Security (“DPS”) for the financial half year ended 31 March 2022 of 0.7039 Singapore cents, to be paid out on 29 June 2022; and
- (4) the gain from the divestment of SSW, which was completed on 29 April 2022.

2. INFORMATION ON FHT AND THE FHT MANAGERS

2.1 **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.

As at the date of this Joint Announcement (the “Joint Announcement Date”), FHT has in issue an aggregate of 1,926,073,869 Stapled Securities.

2.2 **The FH-REIT Manager.** The FH-REIT Manager was incorporated in Singapore on 20 November 2013 and currently holds a capital markets services licence for real estate investment trust management pursuant to the Securities and Futures Act 2001 of Singapore (the “SFA”). FH-REIT is managed by the FH-REIT Manager, whose main responsibility is to manage FH-REIT’s assets and liabilities for the benefit of Stapled Securityholders, through setting the strategic direction of FH-REIT and making recommendations to the FH-REIT Trustee on acquisitions, divestments and enhancement of the assets of FHT.

As at the Joint Announcement Date:

- (a) the FH-REIT Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-REIT Manager comprises the following individuals:
 - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);
 - (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
 - (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
 - (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
 - (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

2.3 **The FH-BT Trustee-Manager.** The FH-BT Trustee-Manager was incorporated in Singapore on 13 January 2014. FH-BT is managed by the FH-BT Trustee-Manager, which has the dual responsibilities of safeguarding the interests of the Stapled Securityholders and managing the business conducted by FH-BT. The FH-BT Trustee-Manager has general powers of management over the business and assets of FH-BT and its main responsibility is to manage FH-BT's assets and liabilities for the benefit of the Stapled Securityholders as a whole.

As at the Joint Announcement Date:

- (a) the FH-BT Trustee-Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-BT Trustee-Manager comprises the following individuals:
 - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);
 - (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
 - (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
 - (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
 - (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

3. INFORMATION ON THE OFFEROR

3.1 **The Offeror.** The Offeror was incorporated in Singapore on 28 April 2006 and is a wholly-owned subsidiary of FPL. As at the Joint Announcement Date, the directors of the Offeror are:

- (a) Mr Chan Boon Kiong; and
- (b) Mr Chia Khong Shoong.

As at the Joint Announcement Date, the Offeror holds 466,618,417 Stapled Securities, representing approximately 24.23% of the total number of issued Stapled Securities.

3.2 **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, FPL and its subsidiaries (the "**FPL Group**") have total assets of approximately S\$40.7 billion as at 31 March 2022. FPL'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.

As at the Joint Announcement Date, FPL holds, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 496,964,399 Stapled Securities, representing approximately 25.80% of the total number of issued Stapled Securities.

After the completion of the Scheme, FPL is expected to hold, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 1,218,763,669 Stapled Securities, representing approximately 63.28% of the total number of issued Stapled Securities.

4. NEGOTIATION PROCESS IN RELATION TO THE SCHEME

4.1 **Background to the Scheme.** The Scheme to privatise FHT arose from a strategic review to enhance and unlock value for Stapled Securityholders.

(a) **The Scheme to privatise FHT is the outcome of a robust strategic review conducted by the FHT Independent Directors**

Since FHT's 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 the Stapled Securityholders and sought to deliver a proposal which could optimise value and certainty to Stapled Securityholders.

The strategic options that were considered are as follows:

- (i) the continued pursuit of FHT's existing strategy;
- (ii) expansion of the existing FHT platform via acquisitions or mergers;
- (iii) the strategic sale of all or select assets; and
- (iv) the sale of the FHT platform to a third-party or the sponsor, FPL.

The key factors considered by the FHT Managers, together with DBS, in evaluating the viability of various strategic options and arriving at the proposed Scheme to privatise FHT include, amongst others:

- (i) the present state and possible trajectory for recovery in the hospitality industry;
- (ii) the current macroeconomic outlook;
- (iii) the current competitive positioning of FHT vis-à-vis its other listed hospitality Singapore real estate investment trust ("**REIT**", and Singapore REIT, "**S-REIT**") peers;
- (iv) its historical trading, financial and operational performance;

- (v) the presence of associated reversionary interests and master lease agreements with the FPL Group; and
 - (vi) transactional certainty and ancillary transaction costs.
- (b) **The Scheme represents a credible option for Stapled Securityholders to realise their investment with a high degree of certainty at an attractive valuation**

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.

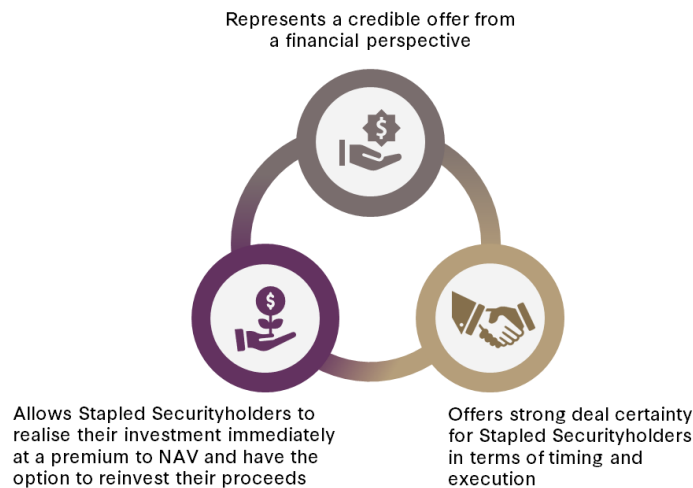
In this regard, Mr Panote Sirivadhanabhakdi, who is a director of the FHT Managers and also an Executive and Non-Independent Director and the Group Chief Executive Officer of FPL and a director of various subsidiaries of FPL, as well as a director of various entities within the TCC Group² and holds 20% of the issued share capital of TCC, recused himself from the discussions and negotiations in respect of the Scheme.

During these discussions, FPL had indicated to the FHT Independent Directors that hospitality remained 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 to 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.

² "TCC Group" refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.



4.2 **Factors.** 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 the following:

- (a) various pricing benchmarks used for evaluation (as set out in paragraph 5.4 below) including:
 - (i) premia over benchmark prices to precedent S-REIT privatisations;
 - (ii) average price to net asset value ("**P/NAV**") of other listed Singapore hospitality trusts;
 - (iii) analyst consensus target price in 2022; and
 - (iv) the total returns to Stapled Securityholders who invested at FHT's initial public offering ("**IPO**") and subscribed for FHT's rights issue on 9 September 2016;
- (b) latest available independent valuations of the FHT Properties (as set out in paragraph 13 below) which incorporate the likely trajectory of a recovery post-COVID-19 based on certain assumptions;
- (c) the latest available NAV adjusted for latest available independent valuations of the FHT Properties (as set out in paragraph 1.4 above) of each Stapled Security adjusted for declared distributions and the gain from the divestment of SSW;
- (d) the pre-COVID-19 valuations of the FHT Properties adjusted for FX movements (as set out in paragraph 5.4(f) below);
- (e) the latest available NAV adjusted for pre-COVID-19 valuations of the FHT Properties adjusted for FX movements (as set out in paragraph 5.4(f) below);
- (f) FHT's current positioning amongst other S-REITs (as set out in paragraph 5.3 below);

- (g) the uncertainties brought about by looming recessionary pressures stemming from inflation, increased interest rates and geopolitical instability against the potential benefits to be derived from a gradual post-COVID-19 recovery in the tourism and hospitality industries (as set out in paragraph 5.2 below); and
- (h) the amount of Permitted Distributions (as defined in paragraph 7.2) to be announced, declared, made or paid by the FHT Managers.

The FHT Independent Directors, acting in accordance with their fiduciary duties and upon extensive evaluation, are now proposing the Scheme for the consideration of the Scheme Stapled Securityholders.

5. RATIONALE FOR THE ACQUISITION AND THE SCHEME

5.1 Obstacles in growing DPS and NAV

- (a) **Since its IPO, FHT has proactively pursued organic and inorganic strategies to grow**

The FHT Managers have remained committed to the growth and optimisation of the FHT Properties to maximise value for Stapled Securityholders. Significant efforts have been made to grow, demonstrated through a series of strategic asset acquisitions and refurbishments and asset enhancement initiatives (“AEI”). Despite FHT’s pre-COVID-19 average yield since IPO of 7.2% being higher than its hospitality peers of 6.4%³, FHT successfully completed yield-accretive acquisitions since IPO totalling approximately S\$565 million.

Although FHT’s portfolio grew by 35% since IPO, more than most of its peers which grew by approximately 20% or less within the same period, this did not translate into DPS and NAV growth. This was mainly attributable to (a) muted growth within the hospitality sector in the markets FHT operates in; and (b) the strengthening of the S\$ against FHT’s operational currencies.

- (i) FHT pursued yield-accretive 3rd party acquisitions since IPO totalling approximately S\$565 million and refurbishments and AEI of approximately S\$60 million

- Acquisitions

Asset Name	Year	Purchase Price (million)	30 September 2021 Valuation (million)	Gain/(Loss) in Local Currency
Sofitel Sydney Wentworth	2015	A\$224	A\$270	20.50%
Maritim Dresden	2016	€58.4	€59.3	1.50%
Novotel Melbourne	2016	A\$237	A\$231	(2.50%)

³ Refers to average last twelve months (“LTM”) yield adjusted for rights issue for the period from 30 September 2015, being the first financial year end since FHT’s IPO, up to and including 31 December 2019, deemed as the pre-COVID-19 period. Data compiled from Bloomberg L.P.

- AEI

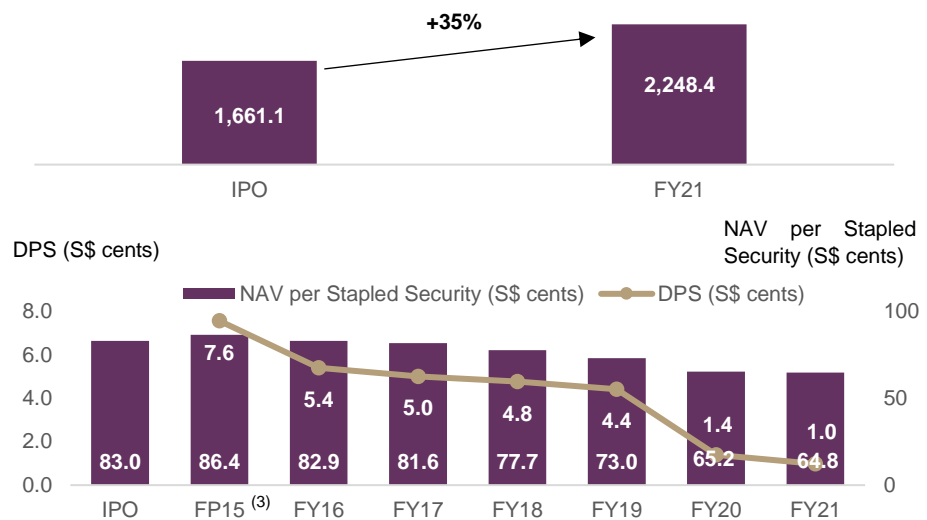
Asset Name	AEI Costs (million)
InterContinental Singapore	S\$26.0
Novotel Darling Square	S\$24.5
ibis Style London Gloucester Road	S\$3.4
Fraser Suites Sydney	S\$3.5
Sofitel Sydney Wentworth	S\$2.2
The Westin KL	S\$1.7

(ii) Despite the growth of FHT's portfolio⁽¹⁾, FHT's DPS and NAV per Stapled Security have seen a declining trend since its IPO

(S\$ m)

Total portfolio valuation (including SSW)

Most of FHT's peers grew by approximately 20% or less within the same period⁽²⁾



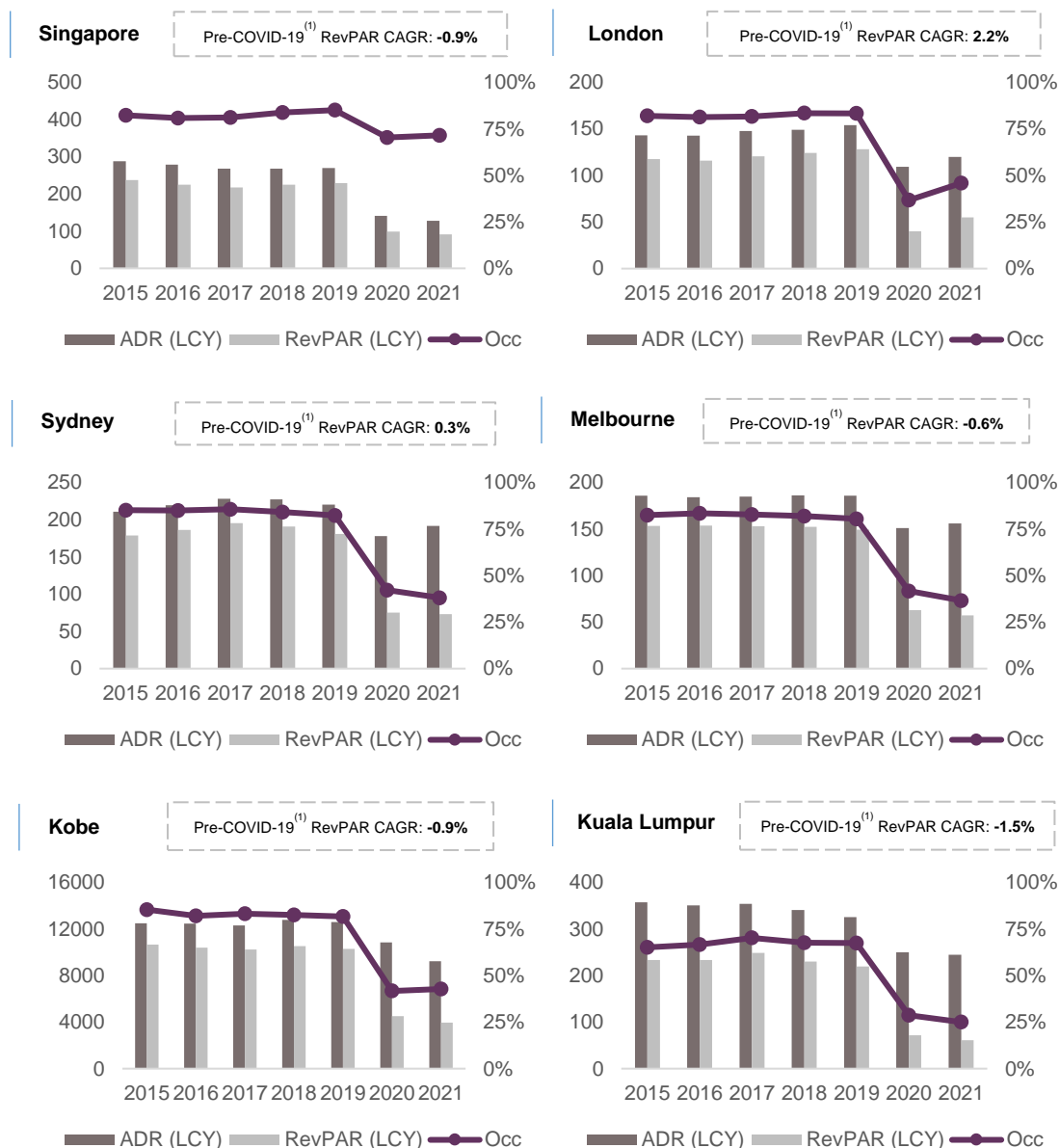
Source: FHT filings.

Notes:

- (1) Includes the sum of the FHT Properties, excluding right-of-use assets. The portfolio includes SSW, the divestment of which was completed on 29 April 2022.
- (2) Ascott Residence Trust, CDL Hospitality Trusts, and Far East Hospitality Trust's portfolios grew by 92%, 21% and 2% respectively within the period from 14 July 2014 (the "FHT IPO Date") to 30 September 2021. Ascott Residence Trust's merger with Ascendas Hospitality Trust contributed to its growth of 92%. Total portfolio includes investment properties, investment properties under development, property and equipment and excludes right-of-use assets. Data compiled from respective filings.
- (3) Refers to the period from the FHT IPO Date to 30 September 2015.

(b) **FHT's operating markets experienced muted growth**

The hospitality sector in FHT's operational markets has seen minimal growth since its IPO in 2014⁽²⁾



Source: STR.

Notes:

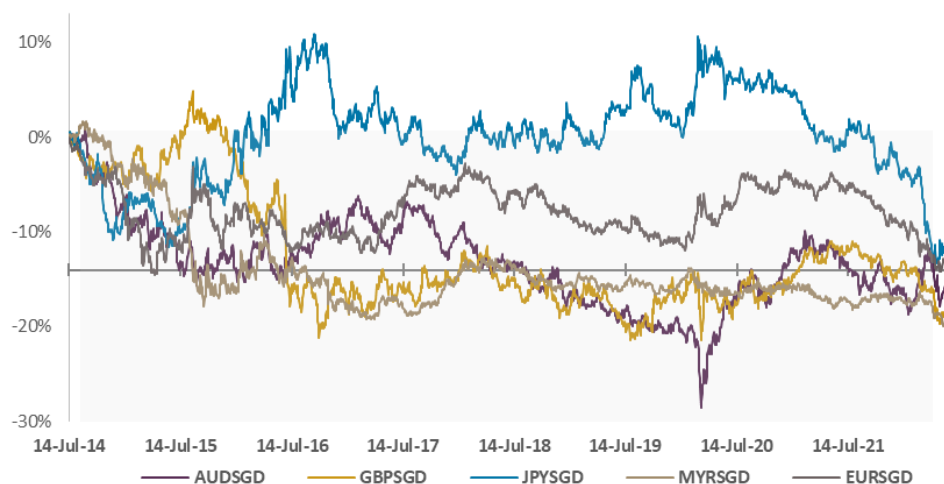
- (1) Pre-COVID-19 period refers to the period from 2015 to 2019.
- (2) "ADR" refers to average daily rate; "RevPAR" refers to revenue per available room; and "Occ" refers to occupancy rate in %.

The weak operating environment, which contributed to the decline in FHT's DPS and NAV since its IPO, may potentially persist through the post-recovery phase of the COVID-19 pandemic.

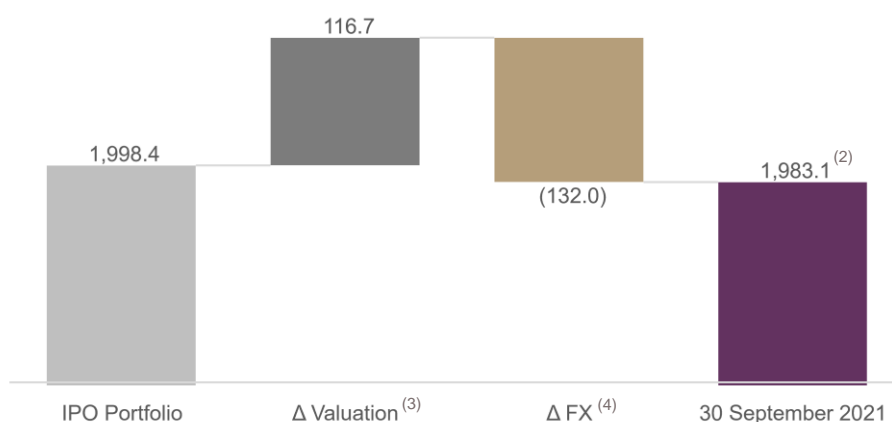
(c) **A strengthening S\$ has offset local currency revaluation gains**

FHT made concerted efforts to grow since its IPO but faced significant headwinds due to adverse FX trends against its operational currencies. Cumulatively, FHT's operational currencies have weakened against the S\$ by over 10% since its IPO. These foreign currency movements have negatively impacted FHT's DPS and NAV growth since IPO and have offset valuation gains made over the years by FHT's portfolio in local currency terms.

(i) Operational currencies have weakened against the S\$ by over 10% since FHT's IPO⁽¹⁾



(ii) Currency weakness against S\$ resulted in valuation gains being offset by FX losses
(S\$ million)



Notes:

(1) Data compiled from Bloomberg L.P. for the period from the FHT IPO Date up to and including 8 June 2022.

(2) The portfolio valuation (i) does not include SSW, the divestment of which was completed on 29 April 2022, and (ii) has been converted into S\$ based on the applicable FX rates as at 30 September 2021.

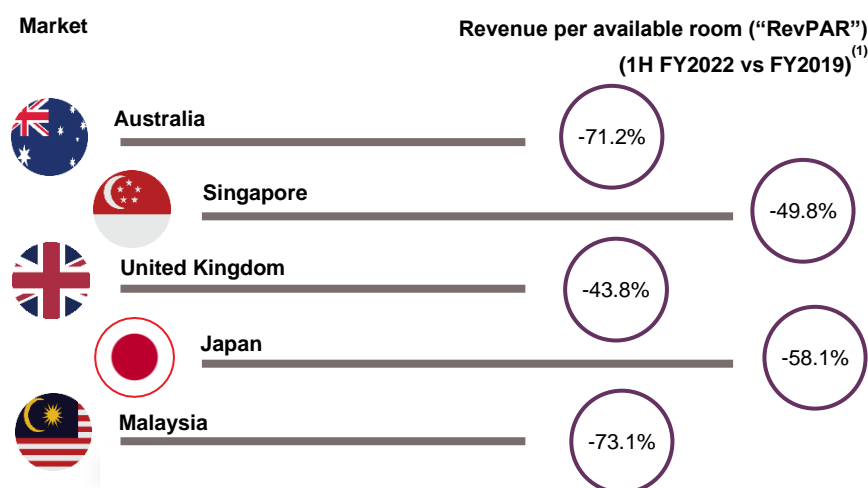
- (3) Δ Valuation is calculated based on (i) the current valuation of FHT's portfolio and FHT's acquisitions since IPO ("**Post-IPO Acquisitions**"), converted into S\$ based on the applicable FX rates as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be), less (ii) the historical valuation of FHT's portfolio as at IPO ("**IPO Portfolio**") and Post-IPO Acquisitions as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be), converted into S\$ based on the applicable FX rates as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be).
- (4) Δ FX is calculated based on (i) the historical valuation of the IPO Portfolio and Post-IPO Acquisitions as at 30 September 2021, converted into S\$ based on the applicable FX rates as at 30 September 2021, less (ii) the historical valuation of the IPO Portfolio and Post-IPO Acquisitions as at 30 September 2021, converted into S\$ based on the applicable FX rates as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be).

5.2 Uncertainty in recovery and outlook, amidst a gradual move towards an endemic phase, with looming recessionary pressures

(a) Timing and speed of a full recovery from the impact of COVID-19 remain uncertain

While there is a gradual move towards an endemic phase of the COVID-19 pandemic and many countries globally have reopened borders, it remains uncertain whether the operating and financial performance of FHT's properties would recover to pre-COVID-19 levels or how long that may take as FHT's revenue per available room ("**RevPAR**") is currently significantly below its pre-COVID-19 levels.

(i) FHT's current RevPAR is significantly below its pre-COVID-19 levels



Source: FHT presentation and filings.

Note:

- (1) 1H FY2022 refers to the period from 1 October 2021 to 31 March 2022.

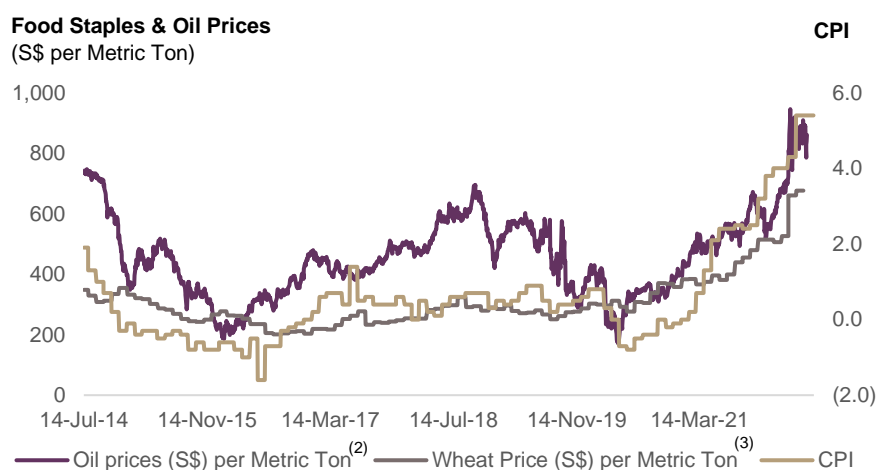
(b) **Geopolitical tensions and looming recessionary pressures add further uncertainty to the recovery outlook**

Since the start of 2021, inflationary concerns have been rising globally, further exacerbated by the ongoing Russia-Ukraine conflict which has directly resulted in a rise in the prices of oil and food staples, such as wheat. Inflationary pressures on key consumer goods could potentially lead to a decrease in consumer spending on discretionary goods and services.

A rising interest rate environment is likely to also pose greater challenges for FHT as it could lead to higher costs of capital. This rising trend in interest rates is expected to persist as the Federal Open Market Committee (“**FOMC**”) has guided towards further rate hikes as a means to tackle inflation⁴.

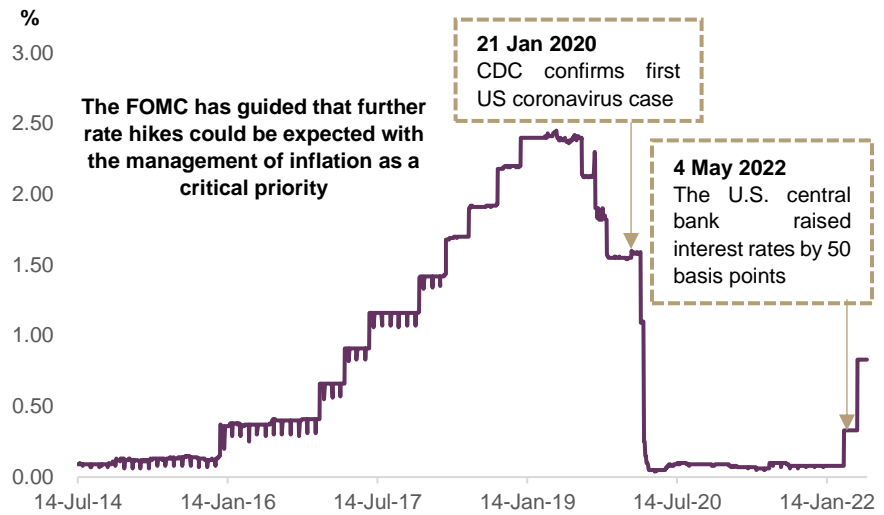
The factors mentioned above are likely to hamper FHT’s recovery to pre-COVID-19 levels.

(i) *Inflationary pressures have driven up Singapore’s Consumer Price Index (“CPI”) ⁽¹⁾ along with geopolitical uncertainties that have seen the prices of oil and food staples rise*



⁴ Source: Retrieved from CNBC, “Fed minutes point to more rate hikes that go further than the market anticipates”.

(ii) Recent rise in interest rates is expected to lead to higher costs of capital ⁽⁴⁾



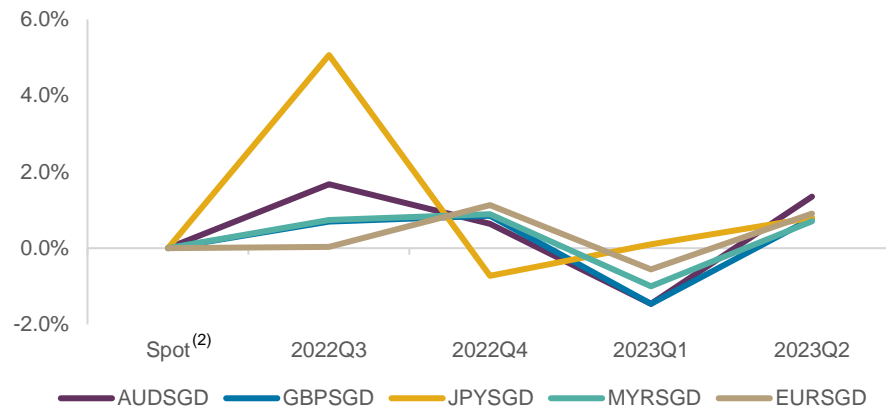
Notes:

- (1) Data was compiled from Bloomberg L.P. and Singapore Department of Statistics for the period from the FHT IPO Date up to and including 8 June 2022.
- (2) Data was compiled from Bloomberg L.P. and translated at respective US\$:S\$ spot rates for the period from the FHT IPO Date up to and including 8 June 2022.
- (3) Monthly prices were compiled from World Bank and US Department of Agriculture for the period from July 2014 up to and including April 2022.
- (4) The U.S. Federal Funds effective interest rate data was compiled from Bloomberg L.P. for the period from the FHT IPO Date up to and including 8 June 2022.

(c) **Further strengthening of S\$ could potentially limit any potential revaluation gains and DPS growth from a COVID-19 recovery**

Market forecasts indicate that the S\$ will likely maintain its strength against FHT's operational currencies in the next 12 months. This could potentially limit FHT's recovery even if the operational and financial performance and valuations of the FHT Properties improve in local currency terms.

(i) S\$ likely to remain strong vs. FHT's operational currencies⁽¹⁾



Notes:

(1) Data was compiled from Bloomberg Composite as of 9 June 2022 and implied from FX forecast prices against US\$.

(2) Spot refers to respective FX spot rates as of 8 June 2022.

5.3 FHT's small size has limited its ability to reap the benefits of a continued listing

(a) Size matters and is essential in enabling liquidity and growth

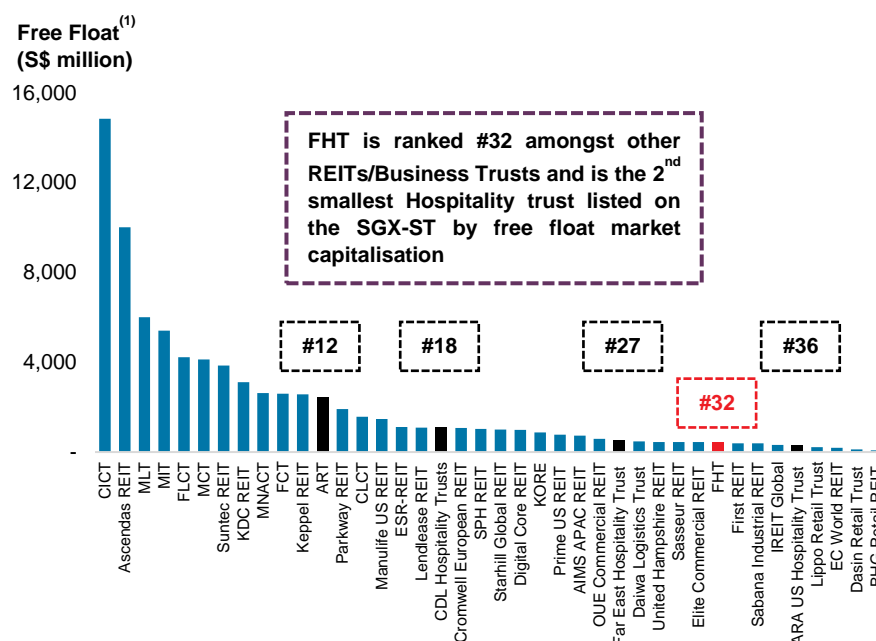
FHT is smaller in scale as compared to its peers. It is the second smallest hospitality stapled trust listed on the SGX-ST in terms of asset size and market capitalisation, with some of its other listed peers⁵ being approximately 1.5 to 3.5 times larger.

Scale is an important enabler for growth of a REIT or business trust ("**BT**") as scale would confer certain benefits such as:

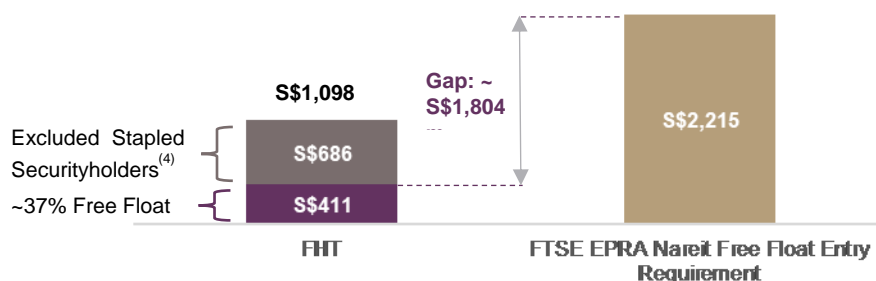
- **Index Inclusion.** A key criterion for inclusion into major stock market indices is free float market capitalisation, a proxy for scale and liquidity. Unlike most of the large capitalisation REITs or BTs, FHT is currently not part of any major stock market indices (such as the FTSE EPRA Nareit Index) and has to grow its free float by another approximately 4.4 times i.e. S\$1.8 billion, to be considered for inclusion. Inclusion in major stock market indices contributes towards: (i) better trading liquidity; (ii) stronger institutional following and analyst coverage; and (iii) potentially improved valuations leading to a lower cost of capital; and
- **Flexibility to undertake asset acquisitions for growth.** A lack of scale has, in part, made it difficult for FHT to make yield-accretive acquisitions as compared to its larger peers because: (i) it has contributed to FHT's higher trading yields (due in part to it being ineligible for major stock index inclusions); and (ii) it translates to having less debt headroom to fund acquisitions.

⁵ This refers to Ascott Residence Trust, CDL Hospitality Trusts and Far East Hospitality Trust.

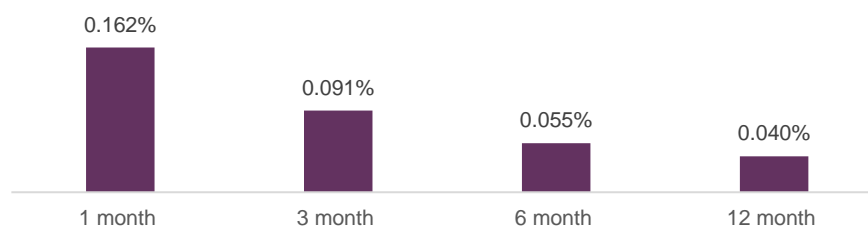
(i) FHT is currently ranked 32nd among other REITs/BTs by free float market capitalisation



(ii) FHT Free Float⁽²⁾ vs FTSE EPRA Nareit Free Float Entry Requirement⁽³⁾ (\$ million)



(iii) FHT's average daily trading volume ("ADTV")⁽⁵⁾ has been low historically



Notes:

- (1) Free float and data were compiled from Capital IQ as of 7 April 2022.
- (2) Data was compiled from Bloomberg L.P. as of 7 April 2022.
- (3) The FTSE EPRA Nareit Developed Asia Free Float Fast Entry Requirement as of April 2022 requires the free float market capitalisation of the REIT/BT to be at least 0.4% of the market capitalisation of the index. The conversion rate assumed was US\$:S\$ exchange rate of 1.00 : 1.3958.
- (4) This includes the direct and deemed interest held by Excluded Stapled Securityholders.

- (5) This refers to average daily trading volumes as a percentage of total Stapled Securities outstanding up to and including 7 April 2022.

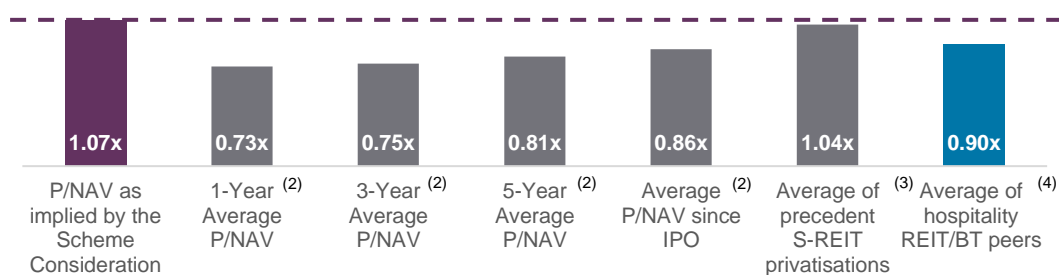
5.4 Financial evaluation of the Scheme

(a) The Scheme Consideration will allow Stapled Securityholders to exit at an attractive P/NAV multiple as compared to various benchmarks

The P/NAV as implied by the Scheme Consideration of 1.07x⁶ represents a premium of 46.4%, 42.3%, 33.2% and 25.0% to the historical 1-year, 3-year, 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. Further, the P/NAV as implied by the Scheme Consideration exceeds the P/NAV implied by the average of precedent S-REIT privatisations of 1.04x and the average of hospitality REIT/BT peers of 0.90x.

The Scheme Consideration therefore provides an opportunity for Stapled Securityholders to exit at a valuation that compares favourably against benchmarks mentioned above.

P/NAV as implied by the Scheme Consideration⁽¹⁾ against benchmarks



Source: Bloomberg L.P. and FHT filings

Notes:

- (1) This is derived from: (i) the incremental carrying values of the FHT Properties (excluding SSW) and held as at 31 March 2022, based on the valuation of the FHT Properties as at 31 May 2022, converted to S\$ based on the applicable FX rates as at 31 May 2022, against the carrying values of the FHT Properties (excluding SSW) held as at 31 March 2022; (ii) the incremental value of FHT's borrowings as at 31 March 2022, converted to S\$ based on the applicable FX rates as at 31 May 2022; (iii) the exclusion of FHT's reported DPS for the financial half year ended 31 March 2022 of 0.7039 Singapore cents to be paid out on 29 June 2022; and (iv) the gain from the divestment of SSW, which was completed on 29 April 2022.
- (2) The historical average P/NAV is computed daily up to and including 7 April 2022 and reflects the market capitalisation at the end of each trading day divided by NAV for last reported financial quarter or period, as compiled from Bloomberg L.P. and FHT filings.
- (3) Selected S-REIT privatisations take into account the privatisations of: (i) Soilbuild Business Space REIT announced on 14 December 2020; (ii) Accordia Golf Trust announced on 29 June 2020; (iii) RHT Health Trust announced on 15 November 2017; (iv) Croesus Retail Trust announced on 28

⁶ Derived from the Latest Adjusted NAV of S\$0.6519 per Stapled Security. Please refer to paragraph 1.4 above for further details on FHT's Latest Adjusted NAV.

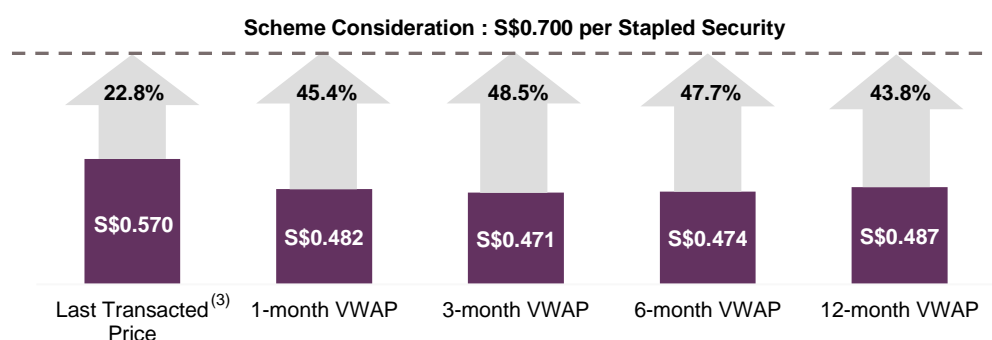
June 2017; (v) Saizen Trust announced on 22 October 2015; and (vi) Perennial CRT announced on 14 March 2014.

- (4) P/NAV is computed as the closing price as at 7 April 2022, divided by the reported NAV per security as of the last reported financial quarter or period, as compiled from Bloomberg L.P. and respective filings; Selected hospitality REIT/BT peers include Ascott Residence Trust, CDL Hospitality Trusts, and Far East Hospitality Trust.

(b) **Scheme Consideration implies premia in excess of 40% against FHT’s historical volume weighted average price (“VWAP”)**

The Scheme Consideration represents a premium of 45.4%, 48.5%, 47.7% and 43.8% to the one-month, three-month, six-month and twelve-month VWAP respectively.

Scheme Consideration 1-month, 3-month, 6-month and 12-month premium over historical VWAPs⁽¹⁾⁽²⁾

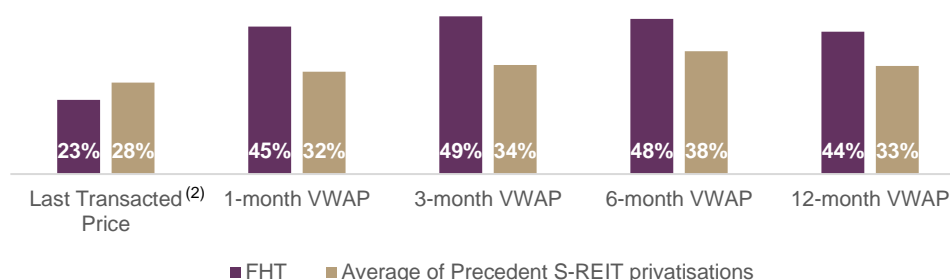


Notes:

- (1) The VWAPs of Stapled Securities are rounded to the nearest three (3) decimal places and computed on data compiled from Bloomberg L.P. up to and including 7 April 2022. The respective premia are rounded to the nearest one (1) decimal place and subject to rounding differences.
- (2) Referenced against the last undisturbed trading date of 7 April 2022.
- (3) Refers to the closing price of FHT as of 7 April 2022 of S\$0.570.

(c) **Premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods**

Premia over Benchmark Prices (%)⁽¹⁾⁽³⁾



Source: SGX-ST announcements

Notes:

- (1) Selected precedent S-REIT privatisations take into account the privatisations of: (i) Soilbuild Business Space REIT announced on 14 December 2020; (ii) Accordia Golf Trust announced on 29 June 2020; (iii) RHT Health Trust announced on 15 November 2017; (iv) Croesus Retail Trust announced on 28 June 2017; (v) Saizen Trust announced on 22 October 2015; and (vi) Perennial CRT announced on 14 March 2014.
- (2) This refers to the closing price of FHT as of 7 April 2022 of S\$0.570.
- (3) Referenced against the last undisturbed trading date of 7 April 2022.

(d) **Total returns analysis for Stapled Securityholders that invested since IPO**

The Scheme Consideration implies a total return of 22.7% for a Stapled Securityholder who had invested in the Stapled Securities at FHT's IPO and subscribed for FHT's rights issue. This is a higher return than two out of three of FHT's peers⁽⁴⁾ over the same period

Total returns analysis for Stapled Securityholders				
Average entry cost of a Stapled Securityholder who invested at FHT's IPO and subscribed for the rights issue on 9 September 2016 ⁽²⁾	Scheme Consideration	Distributions since the FHT IPO Date up to 8 June 2022	Sum of Scheme Consideration and total distributions up to 8 June 2022	Total returns since IPO
S\$0.813	S\$0.700	S\$0.297 ⁽³⁾	S\$0.997	22.7% ⁽⁵⁾

Notes:

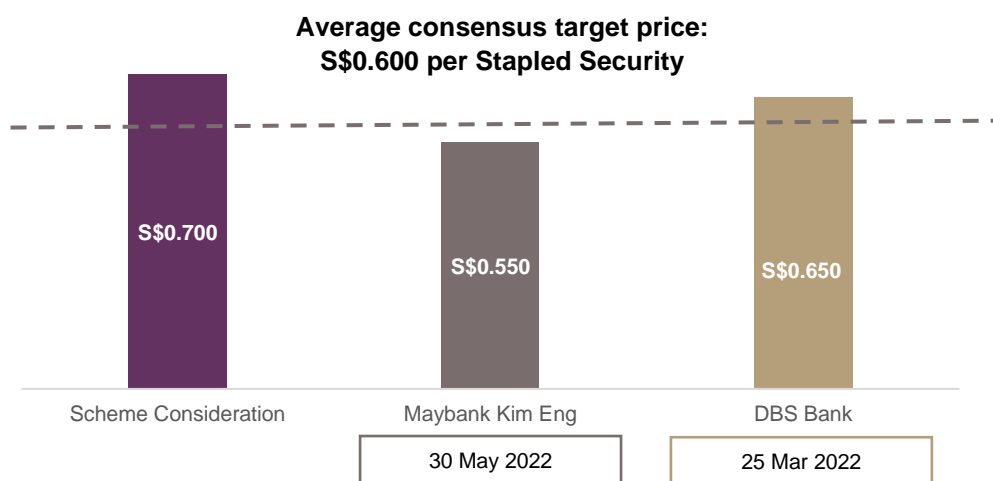
- (1) As implied by the Scheme Consideration.
- (2) The security price as at the FHT IPO Date is computed as the IPO price of S\$0.880 per Stapled Security for FHT (adjusted for rights issues undertaken since IPO to 8 June 2022) and closing price of the relevant hospitality REIT/BT peers sourced from Bloomberg L.P., and adjusted for any rights issue undertaken since the FHT IPO Date to 8 June 2022.

- (3) This refers to the total dividends distributed per stapled security since IPO and adjusted for rights issue compiled from Bloomberg L.P.
- (4) FHT's peers include Ascott Residence Trust, CDL Hospitality Trusts, and Far East Hospitality Trust which provided returns of 48.9%, 20.7%, and 7.9% respectively within the period from the FHT IPO Date to 8 June 2022.
- (5) Total return is rounded to one (1) decimal place and subject to rounding differences.

(e) **The Scheme Consideration exceeds analyst consensus target prices**

The Scheme Consideration exceeds all analyst consensus target prices for FHT and represents a premium of 16.7% to the latest analyst consensus target price noting that, in arriving at the target prices, the respective analyst reports took into account the recovery prospects of FHT.

Scheme Consideration represents a premium of 16.7% to analyst consensus target price⁽¹⁾ in 2022



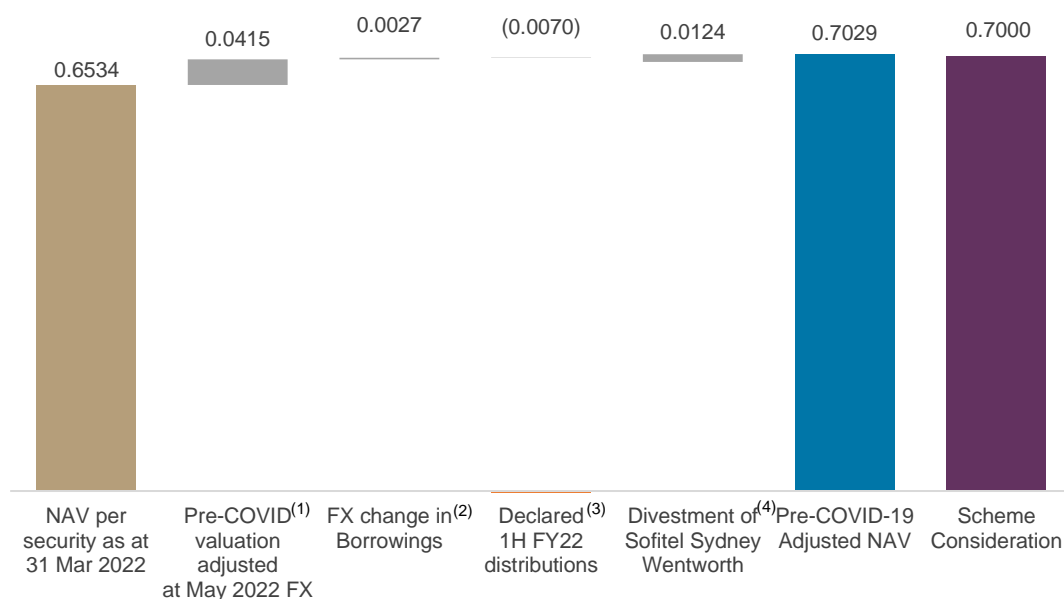
Note:

- (1) The average analyst consensus target prices were compiled from Bloomberg L.P. as of 8 June 2022.

(f) **Scheme Consideration takes into account pre-COVID-19 portfolio valuations**

The Scheme Consideration is in line with FHT's pre-COVID-19 adjusted NAV per Stapled Security and demonstrates that recovery prospects have been taken into account in arriving at the Scheme Consideration.

In line with adjusted NAV per Stapled Security assuming Pre-COVID-19 portfolio valuations (S\$)



Notes: Figures presented above may not add up to S\$0.7029 due to rounding differences.

- (1) This is derived from the incremental carrying values of the FHT Properties (excluding SSW) held as at 30 September 2019, converted to S\$ based on the applicable FX rates as at 31 May 2022, against the carrying value of the FHT Properties held as at 31 March 2022 (excluding SSW).
- (2) This is derived from the incremental value of FHT's borrowings as at 31 March 2022, converted to S\$ based on the applicable FX rates as at 31 May 2022.
- (3) This refers to the exclusion of FHT's reported DPS for the financial half year ended 31 March 2022 of 0.7039 Singapore cents to be paid out on 29 June 2022.
- (4) This refers to the gain from divestment of SSW, which was completed on 29 April 2022.

6. OFFEROR'S RATIONALE FOR THE ACQUISITION

6.1 The FPL Group's long-term strategy is centred on leveraging its synergistic multi-asset class capabilities to create value. Hospitality remains one of the FPL Group's core businesses. The FPL Group takes a long-term view of the returns from its investments. While the FPL Group is cognisant of the prevailing factors which may negatively impact the recovery trajectory of the hospitality sector, the FPL Group remains cautiously optimistic about the long-term growth potential of the hospitality sector.

6.2 The Acquisition, which is initiated and led by FHT following the decisions of the boards of the FHT Managers that FHT's privatisation by the FPL Group will be the best course of action to optimise value for Stapled Securityholders, will allow the FPL Group to increase its investment in hospitality assets at locations that the FPL Group is already familiar with. As with all assets in the FPL Group's investment portfolio, the FPL Group will leverage its deep understanding of FHT's assets and adopt a rigorous and disciplined approach to drive performance.

- 6.3 The arm's length Scheme Consideration was arrived at after taking into consideration the financial and business effects of the Acquisition on the FPL Group, both over the short and long term, in addition to a number of FHT financial reference points. The Scheme Consideration:
- (a) represents a 7.1% premium to FHT's NAV per Stapled Security;
 - (b) represents an implied P/NAV of 1.07x which exceeds the average of precedent S-REIT privatisations of 1.04x;
 - (c) represents a 22.8%, 48.5% and 43.8% premium to the last-transacted, three (3)-month and 12-month VWAP prior to 7 April 2022 as compared to precedent S-REIT privatisations' average premia to 12-month VWAP of 33.3%;
 - (d) represents implied total returns of 22.7% since the IPO of FHT after adjusting for FHT's rights issue on 9 September 2016 (implying a greater total return for Stapled Securityholders than two (2) out of three (3) of FHT's peers over the same period);
 - (e) represents a 16.7% premium to the latest analyst consensus target price of S\$0.60; and
 - (f) is in line with the pre-COVID-19 NAV per Stapled Security after adjusting for changes in balance sheet and foreign exchange movements.

7. THE SCHEME

7.1 **The Scheme.** The Scheme is proposed to be effected in accordance with the Code and the terms of the FHT Trust Deeds (as defined in paragraph 7.5 below, and to be amended and supplemented as described in paragraph 7.5 below), subject to the terms and conditions of the Implementation Agreement. Under the Scheme:

- (a) following the Scheme becoming effective and binding in accordance with its terms, all of the Scheme Stapled Securities, as at a record date to be announced before the Effective Date (as defined in paragraph 7.3 below) by the FHT Managers on which the transfer books and the Register of Stapled Securityholders of FHT will be closed in order to determine the entitlements of the Scheme Stapled Securityholders in respect of the Scheme (the "**Record Date**"), will be transferred to the Offeror:
 - (i) fully paid;
 - (ii) free from any liens, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other third party rights and security interests or an agreement, arrangement or obligation to create any of the foregoing; and
 - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain

all rights and distributions (if any) declared by the FHT Managers on or after the Joint Announcement Date, except for the Permitted Distributions (as defined in paragraph 7.2 below); and

- (b) in consideration for such transfer of the Scheme Stapled Securities as referred to in paragraph 7.1(a), the Offeror agrees to pay or procure the payment of the Scheme Consideration to each Scheme Stapled Securityholder as at the Record Date, in accordance with the terms and conditions of the Implementation Agreement.

7.2 Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement, the FHT Managers may declare, pay or make distributions in cash to the Stapled Securityholders in the ordinary course of business, in respect of the period from 1 October 2021 up to the day immediately before the Effective Date, including any capital distribution or clean-up distribution to the Stapled Securityholders in respect of the period from the day following the latest completed financial period of FHT and its subsidiaries (the “**FHT Group**”) preceding the Effective Date up to the day immediately before the Effective Date (the “**Permitted Distributions**”).

For the avoidance of doubt, the Permitted Distributions shall not include distributions declared, paid or made by the FHT Managers to the Stapled Securityholders in respect of proceeds received in connection with the sale of any of the properties held by the FHT Group (including, without limitation, the divestment of SSW which was completed on 29 April 2022).

The FHT Managers shall be entitled to announce, declare, make or pay the Permitted Distributions without any adjustment to the Scheme Consideration, and the Scheme Stapled Securityholders shall have the right to receive and retain the Permitted Distributions in addition to the Scheme Consideration.

The Offeror reserves the right to adjust the Scheme Consideration by reducing the Scheme Consideration, if and to the extent any distribution in excess of the Permitted Distributions is announced, declared, made or paid by the FHT Managers on or after the date of the Implementation Agreement.

- 7.3 **Effective Date.** The Scheme will become effective upon the written notification to the Monetary Authority of Singapore of the grant of the order of the Court⁷ (the “**Effective Date**”) sanctioning the Scheme under Order 32 of the Rules of Court 2021 of Singapore (which is derived from, or deals with the same subject matter as, Order 80 of the revoked Rules of Court 2014 of Singapore) (the “**Scheme Court Order**”), which shall be effected by or on behalf of the Offeror on a date to be mutually agreed in writing between the Offeror and the FHT Managers, being a date within 25 Business Days⁸ from the date on which the last of the Scheme Conditions (as defined in paragraph 8.1 below) set out in paragraphs (a), (b), (c), (d), (e) and (g) of **Schedule 1** to this Joint Announcement is satisfied or waived in accordance with the terms of the Implementation Agreement, provided that the rest of the Scheme Conditions are satisfied or waived on the date falling on the Business Day immediately preceding the Effective Date (the “**Relevant Date**”), as the case may be, in accordance with the terms of the Implementation Agreement.
- 7.4 **Delisting.** Following the completion of the Scheme, the Scheme Stapled Securities will be owned by the Offeror and FHT will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.
- 7.5 **Amendment of the FHT Trust Deeds.** The Scheme will require, *inter alia*, the approval of the Stapled Securityholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at a meeting of the Stapled Securityholders or (as the case may be) depositors named in the depository register as at 48 hours before the time of such meeting as certified by the depository to the FHT Managers to amend:
- (a) the trust deed dated 12 June 2014 constituting FH-REIT entered into between the FH-REIT Manager and the FH-REIT Trustee (as amended, restated and/or supplemented from time to time);
 - (b) the trust deed dated 20 June 2014 constituting FH-BT executed by the FH-BT Trustee-Manager (as amended, restated and/or supplemented from time to time); and
 - (c) the stapling deed dated 20 June 2014 stapling the FH-REIT units and the FH-BT units together to form the Stapled Securities entered into between the FH-REIT Manager, the FH-REIT Trustee and the FH-BT Trustee-Manager (as amended, restated and/or supplemented from time to time),
- (collectively, the “**FHT Trust Deeds**”), to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties (the “**FHT Scheme Amendments**”), at the extraordinary general meeting of the Stapled Securityholders to be convened immediately prior to the Scheme Meeting (as defined in paragraph 7.6 below) (the “**FHT EGM**”).

⁷ “**Court**” means the General Division of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court of the Republic of Singapore and/or the Court of Appeal of the Republic of Singapore.

⁸ “**Business Day**” means a day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore.

7.6 **Approval of the Scheme Stapled Securityholders.** The Scheme will require, *inter alia*, the approval of a majority in number of the Scheme Stapled Securityholders representing at least 75.0% in value of the Stapled Securities held by the Scheme Stapled Securityholders present and voting either in person or by proxy at the meeting of the Scheme Stapled Securityholders to be convened pursuant to the order of the Court to approve the Scheme and any adjournment thereof (the “**Scheme Meeting**”).

Further details in respect of the approvals required in connection with the Scheme are set out in paragraph 11 of this Joint Announcement.

7.7 **Scheme Document.** Detailed information on the Acquisition, the Scheme and the terms and conditions upon which the Scheme will be implemented by the Offeror and the FHT Managers will be set out in the document to be issued by the FHT Managers on behalf of FHT to the Stapled Securityholders (the “**Scheme Document**”).

7.8 **Switch Option.** Pursuant to the terms of the Implementation Agreement, the Offeror has the right at its discretion to elect at any time, and subject to prior consultation with the Securities Industry Council of Singapore (the “**SIC**”):

- (a) in the event of a Competing Proposal⁹ or in the event that an intention to make a Competing Proposal is announced (whether or not such Competing Proposal is pre-conditional), the Offeror has the right at its discretion to elect to proceed by way of a voluntary offer for the Scheme Stapled Securities (the “**Offer**”) (in lieu of proceeding with the Acquisition by way of the Scheme) (the “**Switch Option**”), provided that the Offeror shall not be entitled to exercise the Switch Option in the event that its prior written consent was obtained in respect of such Competing Proposal;
- (b) in the event the Offeror elects to proceed by way of an Offer, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme or the Competing Proposal (whichever is the higher), including the same or a higher consideration than the Scheme Consideration, and conditional upon a level of acceptances set at only more than 50% of the Stapled Securities to which the Offer relates and not conditional on a higher level of acceptances; and
- (c) if the Switch Option is exercised, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others under the Implementation Agreement.

⁹ “**Competing Proposal**” means any offer by any person other than the Offeror involving (a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the FHT Group; (b) a general offer for the Stapled Securities; (c) a scheme of arrangement involving any of the entities in the FHT Group or the merger of any entities in the FHT Group with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); (d) any other arrangement having an effect similar to any of (a) to (c); or (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Acquisition and/or the Scheme. For the purpose of this definition, a Competing Proposal will be deemed to be for all or substantially all of the assets, business and/or undertakings of the FHT Group if the relevant assets, business and/or undertakings in question constitute a “**material amount**” as defined in Note 2 on Rule 5 of the Code.

The Offeror reserves the right to exercise the Switch Option in the event of a Competing Proposal or an intention to make a Competing Proposal is announced (whether or not such Competing Proposal is pre-conditional).

8. SCHEME CONDITIONS

8.1 **Scheme Conditions.** The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the “**Scheme Conditions**”) set out in the Implementation Agreement and reproduced in **Schedule 1** to this Joint Announcement.

8.2 Benefit of Scheme Conditions

- (a) **Offeror's Benefit.** The Offeror may waive the Scheme Conditions in paragraph (g), paragraph (h) (in relation to any Prescribed Occurrences set out in **Schedule 2** to this Joint Announcement relating to the FHT Group), paragraph (i) and paragraph (k) of **Schedule 1** to this Joint Announcement.
- (b) **FHT's Benefit.** The FHT Managers and the FH-REIT Trustee may alone waive the Scheme Conditions in paragraph (h) (in relation to any Prescribed Occurrences set out in **Schedule 2** to this Joint Announcement relating to the Offeror) and paragraph (j) of **Schedule 1** to this Joint Announcement.
- (c) **Mutual Benefit and No Waiver.** The Parties may jointly waive the Scheme Conditions in paragraph (e) and paragraph (f) of **Schedule 1** to this Joint Announcement, to the extent legally permissible. The Scheme Conditions set out in paragraphs (a), (b), (c), and (d) of **Schedule 1** to this Joint Announcement are not capable of being waived by any or all of the Parties.

9. TERMINATION

9.1 **Right to Terminate.** The Implementation Agreement may be terminated with immediate effect at any time on or prior to the Relevant Date (provided that the Party seeking termination does so only after it has had prior consultation with the SIC, and the SIC has given its approval for, or stated that it has no objection to, such termination):

- (a) **Regulatory Action.** By any Party, if any court of competent jurisdiction or governmental authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof (including for the avoidance of doubt if the Scheme Court Order is not granted), and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (b) **Stapled Securityholders' Approval.** By any Party, if the resolutions in respect of the FHT Scheme Amendments and/or the Scheme are not approved (without amendment) by the requisite majorities of the Stapled Securityholders at the FHT EGM or the Scheme Meeting (as the case may be);

- (c) **Breach of Prescribed Occurrence.** By either:
- (i) the Offeror, if (A) any of the FH-REIT Trustee or the FHT Managers is in breach of a warranty of the FH-REIT Trustee or the FHT Managers set out in the Implementation Agreement which is material in the context of the Scheme; or (B) a Prescribed Occurrence set out in **Schedule 2** to this Joint Announcement relating to the FHT Group has occurred which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 21 days (or such other period as the Parties may mutually agree in writing) after being given notice by the Offeror to do so; or
 - (ii) the FH-REIT Trustee and the FHT Managers, if (A) the Offeror is in breach of a warranty of the Offeror set out in the Implementation Agreement which is material in the context of the Scheme; or (B) a Prescribed Occurrence set out in **Schedule 2** relating to the Offeror has occurred which is material in the context of the Scheme, and the Offeror fails to remedy such breach (if capable of remedy) within 21 days (or such other period as the Parties may mutually agree in writing) after being given notice by the FH-REIT Trustee or the FHT Managers to do so;
- (d) **Material Adverse Effect.** By the Offeror, if there has been an occurrence of a Material Adverse Effect (as defined in **Schedule 1** to this Joint Announcement);
- (e) **Entry into Agreement in respect of Competing Proposal.** By the Offeror, if the FHT Managers or the FH-REIT Trustee enters into any agreement for the implementation of a Competing Proposal; and
- (f) **Completion of Competing Proposal.** If a Competing Proposal becomes or is declared unconditional in all respects (or its equivalent) or is completed or becomes effective (or the equivalent in respect of any of the foregoing), by the Offeror or the FH-REIT Trustee and the FHT Managers by notice in writing to the FH-REIT Trustee and the FHT Managers or to the Offeror, as the case may be (save in respect of any Competing Proposal effected with the Offeror's prior written consent).

9.2 **Non-fulfilment of Conditions Precedent.** Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Scheme Conditions set out in **Schedule 1** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) by 31 December 2022 or such other date as the Parties may agree in writing (the "**Long-Stop Date**"), except that:

- (a) in the event of any non-fulfilment of the Scheme Conditions in paragraphs (a), (b), (c), (d), (e) and/or (f) of **Schedule 1**, any Party may rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement;
- (b) in the event of any non-fulfilment of the Scheme Conditions in paragraphs (g), (h) (in relation to the Prescribed Occurrences set out in **Schedule 2** relating to the FHT Group), (i) and/or (k) of **Schedule 1**, only the Offeror may rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement; and

- (c) in the event of any non-fulfilment of the Scheme Conditions in paragraphs (h) (in relation to Prescribed Occurrences set out in **Schedule 2** relating to the Offeror) and/or (j) of **Schedule 1**, only the FHT Managers and the FH-REIT Trustee may rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement,

in each case, provided that prior consultation with the SIC has been undertaken and the SIC has granted its approval for, or stated that it has no objection to, such termination.

- 9.3 **Consultation with Other Parties.** In the event any Party intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.

- 9.4 **Effect of Termination.** In the event of termination of the Implementation Agreement by any Party pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other liability on any Party. Each of the FH-REIT Trustee and/or the FHT Managers on the one hand, or the Offeror on the other, agrees that the only remedy it has under the Implementation Agreement for any breach or non-compliance by the FH-REIT Trustee and/or the FHT Managers or the Offeror (as the case may be) shall be the right to terminate the Implementation Agreement in the manner prescribed in the Implementation Agreement and there shall be no other liability on any Party.

10. IRREVOCABLE UNDERTAKING

- 10.1 **Deed of Undertaking.** TCC, which is the legal and beneficial owner of 707,310,200 Stapled Securities (representing approximately 36.72% of the total number of issued Stapled Securities) (the "**Relevant TCC Stapled Securities**") as at the Joint Announcement Date, has given an irrevocable undertaking (the "**Deed of Undertaking**") to the Offeror, pursuant to which TCC has undertaken and/or agreed, *inter alia*:

- (a) that the Scheme will be in respect of the Scheme Stapled Securities only, and that the Relevant TCC Stapled Securities will not be acquired by the Offeror pursuant to the Scheme;
- (b) to vote, or procure the voting of, all of the Relevant TCC Stapled Securities in favour of the Scheme Amendments Resolution (as defined in paragraph 11.1(a) below) at any meeting of the Stapled Securityholders to be convened to approve the Scheme Amendments Resolution and at any adjournment thereof; and
- (c) not to, *inter alia*, sell, transfer, give or otherwise dispose of all or any of the Relevant TCC Stapled Securities or any interest therein.

- 10.2 **Termination.** The Deed of Undertaking will terminate on the earliest of any of the following dates:

- (a) in the event the Implementation Agreement lapses or is terminated for any reason (other than a breach by TCC of its obligations set forth in the Deed of Undertaking) without the Scheme becoming effective, the date the Implementation Agreement lapses or is terminated;
- (b) if the Scheme does not become effective by the Long-Stop Date, the Long-Stop Date; and
- (c) the date the Scheme becomes effective in accordance with its terms.

11. APPROVALS REQUIRED

11.1 **Scheme.** The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Stapled Securityholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the FHT EGM for the FHT Scheme Amendments (the “**Scheme Amendments Resolution**”);
- (b) the approval of a majority in number of the Stapled Securityholders representing at least 75.0% in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme (the “**Scheme Resolution**”); and
- (c) the Scheme Court Order being obtained.

The Scheme Resolution is contingent upon the approval of the Scheme Amendments Resolution at the FHT EGM. In the event that the Scheme Amendments Resolution is not approved, the FHT Managers will not proceed with the Scheme Meeting. This means that the Scheme cannot be implemented by the FHT Managers and the Offeror unless both the Scheme Amendments Resolution and the Scheme Resolution are approved at the FHT EGM and the Scheme Meeting respectively.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

11.2 **SIC Confirmations.** Pursuant to the application made by the Offeror to the SIC to seek SIC’s rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
 - (i) the Offeror and its concert parties, as well as persons who are both (A) substantial shareholders of the Offeror and its concert parties, and (B) substantial Stapled Securityholders of FHT (i.e. those holding 5% or more interests in both the Offeror and its concert parties, and FHT), abstain from voting on the Scheme;

- (ii) the Scheme Document contains advice to the effect that by voting for the Scheme, the Stapled Securityholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of FHT without having to make a general offer for FHT;
 - (iii) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in FHT as of the latest practicable date, and their voting rights in the Offeror and FHT after the Scheme;
 - (iv) FHT appoints an independent financial adviser to advise the Stapled Securityholders on the Scheme;
 - (v) the Scheme is approved by a majority in number representing three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting;
 - (vi) the FHT Managers obtain the Scheme Court Order; and
 - (vii) the Scheme is completed within 6 months (unless extended with the SIC's consent) from the Joint Announcement Date;
- (b) it has no objections to the Scheme Conditions;
- (c) with respect to the Switch Option:
- (i) the Offeror may exercise the Switch Option, subject to:
 - (A) the Offer being on the same or better terms as those which apply to the Scheme, including without limitation, the same or a higher consideration than the Scheme Consideration;
 - (B) the acceptance condition to the Offer being set at only more than 50% of the maximum potential number of issued Stapled Securities (and not conditional upon a higher level of acceptances);
 - (C) consultation with the SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option; and
 - (D) disclosure in this Joint Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option in the event a Competing Proposal;
 - (ii) the Scheme Conditions, to the extent applicable in the event of an Offer, may similarly be imposed as conditions precedent to the Offer becoming unconditional in all respects, subject to the Offeror consulting with the SIC and

seeking the SIC's approval prior to invoking any such conditions precedent so as to cause the Offer to lapse; and

- (d) Mr Panote Sirivadhanabhakdi is exempted from making and assuming responsibility for any recommendations on the Scheme to the Stapled Securityholders. However, Mr Panote Sirivadhanabhakdi must still assume responsibility for the accuracy of facts stated or opinions expressed in documents issued by, or on behalf of, FHT to the Stapled Securityholders in connection with the Scheme.

11.3 **Other Regulatory Approvals.** The Scheme will also require other regulatory approvals, as described in **Schedule 1** to this Joint Announcement.

12. ABSTENTION FROM VOTING

In accordance with the SIC's rulings as set out in paragraph 11.2 above, the Offeror and its concert parties (including TCC) as well as the persons who are both (a) substantial shareholders of the Offeror and its concert parties, and (b) 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 SGX-ST.

Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Scheme Meeting.

13. VALUATION OF THE FHT PROPERTIES

The FHT Managers have commissioned Savills Valuation and Professional Services (S) Pte Ltd, Savills (Malaysia) Sdn Bhd, Savills Japan Co., Ltd., Savills Valuations Pty Ltd and Savills (UK) Limited (collectively, the "**Valuers**") to conduct independent updated property valuations of the FHT Properties as at 31 May 2022 for internal reporting purposes and not specifically for the purposes of the Scheme.

Based on the valuation by the Valuers of the FHT Properties:

FHT Property	Valuer	Valuation as at 31 May 2022		Valuation Methodologies
		Local currency (million)	(S\$ million) ⁽¹⁾⁽²⁾	
InterContinental Singapore	Savills Valuation and Professional Services (S) Pte Ltd	S\$509.0	509.0	Discounted cash flow ("DCF") analysis, direct comparison method and income capitalisation method.

Fraser Suites Singapore	Savills Valuation and Professional Services (S) Pte Ltd	S\$294.0	294.0	DCF analysis, direct comparison method and income capitalisation method.
The Westin Kuala Lumpur	Savills (Malaysia) Sdn Bhd	MYR376.0	117.7	DCF analysis and direct comparison method.
ANA Crowne Plaza Kobe	Savills Japan Co., Ltd.	JPY16,200.0	175.0	DCF analysis and direct comparison method.
Novotel Sydney Darling Square	Savills Valuations Pty Ltd	AUD109.0	107.2	DCF analysis, direct comparison method and income capitalisation method.
Fraser Suites Sydney	Savills Valuations Pty Ltd	AUD133.0	130.8	DCF analysis, direct comparison method and income capitalisation method.
Novotel Melbourne on Collins	Savills Valuations Pty Ltd	AUD235.0	231.1	DCF analysis, direct comparison method and income capitalisation method.
Park International London	Savills (UK) Limited	GBP39.8	68.7	DCF analysis and direct comparison method.
ibis Styles London Gloucester Road, London	Savills (UK) Limited	GBP19.4	33.5	DCF analysis and direct comparison method.
Fraser Place Canary Wharf, London	Savills (UK) Limited	GBP37.8	65.3	DCF analysis and direct comparison method.
Fraser Suites Queens Gate, London	Savills (UK) Limited	GBP56.1	96.9	DCF analysis and direct comparison method.
Fraser Suites Glasgow	Savills (UK) Limited	GBP9.5	16.4	DCF analysis and direct comparison method.
Fraser Suites Edinburgh	Savills (UK) Limited	GBP15.7	27.1	DCF analysis and direct comparison method.
Maritim Dresden Hotel	Savills (UK) Limited	EUR59.0	86.8	Investment method of valuation and direct comparison method.

Notes:

- (1) Translated at exchange rates as at 31 May 2022; MYR1.00 = S\$0.3130; JPY1.00 = S\$0.01080; AUD1.00 = S\$0.9834; GBP1.00 = S\$1.7265; EUR1.00 = S\$1.4705.
- (2) Rounding differences noted.

14. FINANCIAL ADVISERS

- 14.1 **Financial Adviser to the FHT Managers.** DBS is the financial adviser to the FHT Managers in respect of the Acquisition and the Scheme.
- 14.2 **Lead Financial Adviser to the Offeror.** Merrill Lynch (Singapore) Pte. Ltd. ("**BofA Securities**") is the lead financial adviser to the Offeror in respect of the Acquisition and the Scheme (the "**Offeror Lead Financial Adviser**").
- 14.3 **Financial Adviser to the Offeror.** Oversea-Chinese Banking Corporation Limited is the financial adviser to the Offeror in respect of the Acquisition and the Scheme (the "**Offeror Financial Adviser**").
- 14.4 **Independent Financial Adviser to the FHT Independent Directors.** Deloitte & Touche Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser (the "**FHT IFA**") to advise the FHT Independent Directors.

Full details of the Acquisition and the Scheme, including the recommendation of the FHT Independent Directors along with the advice of the FHT IFA (the "**FHT IFA Letter**"), will be included in the Scheme Document.

15. CONFIRMATION OF FINANCIAL RESOURCES

BofA Securities, the Offeror Lead Financial Adviser, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Scheme Stapled Securities to be acquired by the Offeror pursuant to the Scheme.

16. SCHEME DOCUMENT AND INDICATIVE TIMELINE

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 (including the recommendation of the FHT Independent Directors along with the FHT IFA Letter) to be despatched or made available to Stapled Securityholders in due course.

Stapled Securityholders are advised to refrain from taking any action in relation to their Stapled Securities which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the FHT Independent Directors on the Scheme as well as the advice of the FHT IFA set out in the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The indicative timeline for the Acquisition and the Scheme is set out in **Schedule 3** to this Joint Announcement.

17. DISCLOSURE OF INTERESTS

17.1 **The FHT Managers.** As at the Joint Announcement Date, based on the latest information available to the FHT Managers, the interests in Stapled Securities held by the directors of the FHT Managers are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
Law Song Keng	549,900	0.03	-	-
Panote Sirivadhanabhakdi ⁽²⁾	-	-	707,310,200	36.72

Notes:

- (1) All references to percentage securityholding of the issued Stapled Securities in this paragraph 17.1 of this Joint Announcement are based on the total issued Stapled Securities as at the Joint Announcement Date, being 1,926,073,869 Stapled Securities in issue. Percentages are rounded to the nearest two (2) decimal places.
- (2) Panote Sirivadhanabhakdi holds 20% of the issued share capital of TCC. TCC holds Stapled Securities in FHT. Panote Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.

Save as disclosed in this Joint Announcement, no director of the FHT Managers or controlling Stapled Securityholder has any interest in the Scheme (other than by reason only of being a director of the FHT Managers or a Stapled Securityholder).

17.2 Offeror

- (a) **Holdings.** Save as disclosed in paragraph 17.2(b) below, as at the Joint Announcement Date, based on the latest information available to the Offeror, none of (i) the Offeror and its directors; (ii) FPL and its directors; (iii) TCC and its directors; (iv) the Offeror Lead Financial Adviser; and (v) the Offeror Financial Adviser (each, a “**Relevant Person**” and collectively, the “**Relevant Persons**”) owns, controls or has agreed to acquire any (A) Stapled Securities; (B) securities which carry voting rights in FHT; and (C) convertible securities, warrants, options or derivatives in respect of such Stapled Securities and/or securities which carry voting rights in FHT (collectively, the “**FHT Securities**”)
- (b) **Holdings of Stapled Securities.** As at the Joint Announcement Date, based on the latest information available to the Offeror, the interests in the Stapled Securities held by the Relevant Persons are set out below:

Relevant Persons	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
Offeror	466,618,417	24.23	-	-
FPL ⁽²⁾	-	-	496,964,399	25.80
Charoen Sirivadhanabhakdi ⁽³⁾	-	-	496,964,399	25.80

Relevant Persons	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
Khunying Wanna Sirivadhanabhakdi ⁽⁴⁾	-	-	496,964,399	25.80
TCC Group Investments Limited	707,310,200	36.72	-	-
Chan Heng Wing	31,000	n.m. ⁽⁵⁾	-	-
Philip Eng Heng Nee	396,000	0.02	-	-
Wee Joo Yeow	528,000	0.03	-	-
Panote Sirivadhanabhakdi ⁽⁶⁾	-	-	707,310,200	36.72
Atinant Bijananda ⁽⁶⁾	-	-	707,310,200	36.72
Thapana Sirivadhanabhakdi ⁽⁶⁾	-	-	707,310,200	36.72
Wallapa Traisorat ⁽⁶⁾	-	-	707,310,200	36.72
Thapanee Techajareonvikul ⁽⁶⁾	-	-	707,310,200	36.72
Chotiphat Bijananda ⁽⁷⁾	-	-	707,310,200	36.72
Chia Khong Shoong ⁽⁸⁾	-	-	264,000	0.01

Notes:

- (1) All references to percentage securityholding of the issued Stapled Securities in this paragraph 17.2(b) of this Joint Announcement are based on the total issued Stapled Securities as at the Joint Announcement Date, being 1,926,073,869 Stapled Securities. Percentages are rounded to the nearest two (2) decimal places.
- (2) FPL holds a 100% direct interest in each of the FH-REIT Manager, Frasers Hospitality Pte. Ltd. (“**FHPL**”) and the Offeror; and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. FPL therefore has a deemed interest in the Stapled Securities in FHT in which each of the FH-REIT Manager, FHPL and the Offeror has an interest, by virtue of Section 4 of the SFA.
- (3) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued and paid-up share capital of TCC Assets Limited (“**TCCA**”). TCCA holds a majority interest in FPL. FPL holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror. Each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. Charoen Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (4) Each of Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, owns 50% of the issued and paid-up share capital of TCCA. TCCA holds a majority interest in FPL. FPL holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror. Each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (5) “n.m.” means not meaningful.
- (6) Each of Panote Sirivadhanabhakdi, Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat and Thapanee Techajareonvikul holds 20% of the issued share capital of TCC. TCC holds Stapled Securities in FHT. Each of Panote Sirivadhanabhakdi, Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat and Thapanee Techajareonvikul therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.
- (7) Chotiphat Bijananda is the spouse of Atinant Bijananda, who holds 20% of the issued share capital of TCC. Chotiphat Bijananda therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.
- (8) Chia Khong Shoong holds 264,000 Stapled Securities through a nominee account and therefore has a deemed interest in such Stapled Securities by virtue of Section 4 of the SFA.

- (d) **Other Arrangements.** As at the Joint Announcement Date, based on the latest information available to the Offeror and save as disclosed in this Joint Announcement, none of the Relevant Persons has:
- (i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the FHT Securities which might be material to the Acquisition and/or the Scheme;
 - (ii) granted a security interest over any FHT Securities to another person, whether through a charge, pledge or otherwise;
 - (iii) borrowed from another person any FHT Securities (excluding borrowed securities which have been on-lent or on-sold); or
 - (iv) lent to another person any FHT Securities.
- (e) **Irrevocable Undertaking.** As at the Joint Announcement Date, other than the Deed of Undertaking, none of the Relevant Persons has received any irrevocable commitment or undertaking from any party to vote and/or procure the voting of all of the Stapled Securities to approve the Scheme and any other matter necessary or proposed to implement the Scheme.
- (f) **Confidentiality.** In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made any enquiries in respect of certain other parties who are or who may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, the Offeror Lead Financial Adviser and the Offeror Financial Adviser have not made any enquiries in respect of the other members of their respective groups. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

18. OVERSEAS STAPLED SECURITYHOLDERS

The applicability of the Scheme to Scheme Stapled Securityholders whose addresses are outside Singapore, as shown on the Register of Stapled Securityholders of FHT, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an “**Overseas Stapled Securityholder**”), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Stapled Securityholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror and the FHT Managers reserve the right not to send such document to the Stapled Securityholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all the Scheme Stapled Securityholders (including any Overseas Stapled Securityholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme

is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Overseas Stapled Securityholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to the Overseas Stapled Securityholders will be contained in the Scheme Document.

19. DOCUMENTS FOR INSPECTION

Copies of the Implementation Agreement, the Deed of Undertaking and the valuation reports in respect of the FHT Properties will be made available for inspection¹⁰ by Stapled Securityholders during normal business hours at the office of the FHT Managers in Singapore at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, from the Joint Announcement Date up until the Effective Date.

20. RESPONSIBILITY STATEMENTS

- 20.1 **Offeror.** The directors of the Offeror (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (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 Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. The directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information in this Joint Announcement 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 Joint Announcement. 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.

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

Where any information in this Joint Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Offeror), the sole responsibility of the directors of the FHT Managers has been to ensure,

¹⁰ Prior appointment will be appreciated.

through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the FHT Managers do not accept any responsibility for any information relating to or any opinion expressed by the Offeror.

13 June 2022

BY ORDER OF THE BOARD

Frasers Property Hospitality Trust Holdings Pte. Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200606150R)

BY ORDER OF THE BOARD

Frasers Hospitality Asset Management Pte. Ltd.
(as manager of FH-REIT)
(Company Registration No: 201331351D)

and

Frasers Hospitality Trust Management Pte. Ltd.
(as trustee-manager of FH-BT)
(Company Registration No: 201401270M)

Any queries relating to this Joint Announcement, the Acquisition or the Scheme should be directed to one of the following:

Frasers Property Hospitality Trust Holdings Pte. Ltd. Frasers Hospitality Asset Management Pte. Ltd.
Frasers Hospitality Trust Management Pte. Ltd.

BofA Securities
Tel: +65 6678 0002

DBS Bank Ltd.
Tel: +65 6878 3913

Oversea-Chinese Banking Corporation
Limited
Tel: +65 6530 1275

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. 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 occupancy or property rental income, changes in 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 Joint Announcement 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 Joint Announcement 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 Joint Announcement 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 Joint Announcement has not been reviewed by the Monetary Authority of Singapore.

SCHEDULE 1

SCHEME CONDITIONS

All capitalised terms used and not defined in this **Schedule 1** shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the FHT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

The Acquisition is conditional upon the following:

- (a) Amendment of FHT Trust Deeds: the approval of Stapled Securityholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the FHT EGM for the amendment of the FHT Trust Deeds to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties (the “**FHT Scheme Amendments**”);
- (b) Stapled Securityholders' Approval for the Scheme: the approval of a majority in number of the Stapled Securityholders representing at least 75.0% in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme;
- (c) Court Approval for the Scheme: the Scheme Court Order being obtained;
- (d) Regulatory Approvals: the following Regulatory Approvals having been obtained or granted and remaining in full force and effect as at the Relevant Date:
 - (i) confirmation from the SIC that:
 - (A) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, subject to any conditions the SIC may deem fit to impose;
 - (B) it has no objections to the Scheme Conditions; and
 - (C) it has no objections to the Switch Option;
 - (ii) approval-in-principle from the SGX-ST for the Scheme, the Scheme Document and for the proposed delisting of FHT from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms;
 - (iii) there being no objections from the MAS:
 - (A) to the withdrawal of the authorisation of FH-REIT as an authorised collective investment scheme in the event the Acquisition and the Scheme are implemented and FHT is delisted from the Main Board of the SGX-ST; and

- (B) to grant an exemption to FH-REIT from the requirements set out in Section 295(2) of the SFA in the event the authorisation of FH-REIT as an authorised collective investment scheme is withdrawn; and
- (iv) in relation to Australian foreign investment approval, either:
 - (A) receipt by the Offeror of a written notice under the Australian Foreign Acquisitions and Takeovers Act 1975 from the Treasurer of the Commonwealth of Australia (or his or her delegate) stating that, or to the effect that, the Australian Commonwealth Government does not object to the Acquisition, either without conditions or otherwise on terms acceptable to the Offeror, acting reasonably; or
 - (B) following the Offeror giving notice of the Acquisition to the Treasurer of the Commonwealth of Australia under the Australian Foreign Acquisitions and Takeovers Act 1975, the Treasurer of the Commonwealth of Australia ceases to be empowered to make any order under Division 2 of Part 3 of the Australian Foreign Acquisitions and Takeovers Act 1975;
- (e) Authorisations: in addition to the approvals set out in paragraph (d) above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any or all Parties under any and all applicable laws, from all Governmental Authorities, for or in respect of the Acquisition or the implementation of the Scheme, and such authorisations, consents, clearances, permissions and approvals not having been revoked or withdrawn as at the Relevant Date;
- (f) No Legal or Regulatory Restraint: between the date of the Implementation Agreement and up to the Relevant Date, no issuance of any order, injunction, judgment, decree or ruling issued by any Governmental Authority or by any court of competent jurisdiction preventing the Acquisition or the implementation of the Scheme, being in effect as at the Relevant Date;
- (g) Third Parties: the receipt of all authorisations, consents, clearances, permissions approvals and waivers as are necessary or required by the FHT Group from all Third Parties under the contracts entered into by the FHT Group, for or in respect of the implementation of the Scheme, and such authorisations, consents, clearances, permissions approvals and/or waivers not having been revoked or withdrawn as at the Relevant Date. “**Third Parties**” means certain counterparties to agreements entered into by members of the FHT Group as may be agreed in writing between the FHT Managers and the Offeror;
- (h) No Prescribed Occurrence: between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence in relation to the FHT Group and/or the Offeror (as the case may be) occurs other than as required or contemplated by the Implementation Agreement, the Acquisition and/or the Scheme;
- (i) FHT's Warranties: there being no breach of the Warranties of the FHT Managers and the FH-REIT Trustee set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as

though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date));

- (j) Offeror's Warranties: there being no breach of the Warranties of the Offeror set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)); and
- (k) Material Adverse Effect: there being no event or events, whether individually or in aggregate, occurring between the date of the Implementation Agreement and up to the Relevant Date (both dates inclusive) which has or have the effect of causing a diminution in the consolidated net tangible assets of the FHT Group by more than S\$125.9 million, being 10% of the consolidated net tangible assets of the FHT Group of S\$1,258.6 million for the six (6) months ended 31 March 2022, as stated in the FHT Unaudited Financial Statements announced on 29 April 2022, as determined by reference to the later of (i) the latest publicly released unaudited consolidated financial statements of the FHT Group prior to the Relevant Date; and (ii) the unaudited consolidated management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the FHT Unaudited Financial Statements) as at the calendar month-end falling at least 15 calendar days prior to the Relevant Date (a "**Material Adverse Effect**").

For the avoidance of doubt, none of the distributions which have been paid to the Stapled Securityholders prior to the date of the Implementation Agreement or the Permitted Distributions shall be taken into account in determining if there has been a Material Adverse Effect.

SCHEDULE 2

PRESCRIBED OCCURRENCES

For the purpose of the Implementation Agreement, “**Prescribed Occurrence**”, means, in relation to the FHT Group, the occurrences set out in paragraphs (a) to (r) of this Schedule 2 and in relation to the Offeror, the occurrences set out in paragraphs (h) to (r) of this Schedule 2:

- (a) Securities Buy-back: FHT (or any entity within the FHT Group) entering into a Stapled Securities or securities buy-back agreement or resolving to approve the terms of a Stapled Securities or securities buy-back agreement under the FHT Trust Deeds and/or the relevant securities legislation;
- (b) Allotment of Securities: FHT (or any entity within the FHT Group) making an allotment of, or granting an option to subscribe for, any Stapled Securities, shares or units of any entity within the FHT Group, securities convertible into Stapled Securities or shares or units of any entity within the FHT Group, or agreeing to make such an allotment or to grant such an option or convertible security, or doing any of the foregoing with respect to the securities of FHT or shares or units of any entity within the FHT Group;
- (c) Conversion of Securities: FHT converting, sub-dividing or consolidating all or any of its Stapled Securities into a larger or smaller number of stapled securities;
- (d) Amendment of Trust Deeds: the FHT Managers making any amendment to the FHT Trust Deeds, other than the FHT Scheme Amendments;
- (e) Issuance of Debt Securities: the FHT Group issuing, or agreeing to issue, convertible notes or other debt securities;
- (f) Distributions: the FHT Managers declaring, making or paying any distributions to the Stapled Securityholders, except for any distribution which has been declared or which FHT is under a contractual obligation to pay but has not been paid prior to the date of the Implementation Agreement and the Permitted Distributions;
- (g) Suspension or delisting from the SGX-ST: FHT being suspended by the SGX-ST or removed from the Main Board of the SGX-ST, other than as a result of the Acquisition and/or the Scheme;
- (h) Injunctions: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by any member of the FHT Group, the FHT Managers, the FH-REIT Trustee and/or the Offeror;
- (i) Cessation of Business: FHT (or any member of the FHT Group) or the Offeror ceases or threatens to cease for any reason to carry on business in the usual ordinary course;
- (j) Investigations and Proceedings: if any entity within the FHT Group or the Offeror or any of their respective directors (in their capacity as directors of the relevant entity) is the subject of any

formal and material governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;

- (k) Resolution for Winding Up: FHT (or any entity within the FHT Group) or the Offeror resolving that it be wound up;
- (l) Order of Court for Winding Up: the making of an order by a court of competent jurisdiction for the winding up of FHT (or any entity within the FHT Group) or the Offeror;
- (m) Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of FHT (or any entity within the FHT Group) or the Offeror;
- (n) Composition: FHT (or any entity within the FHT Group) or the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- (o) Appointment of Receiver: the appointment of a receiver or a receiver and manager, in relation to the property or assets of FHT (or any entity within the FHT Group) or the Offeror;
- (p) Insolvency: FHT (or any entity within the FHT Group) or the Offeror becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts or otherwise triggers an event of default under the terms of its debts;
- (q) Breach of the Implementation Agreement: the FHT Group or the Offeror being in material breach of any of the provisions of the Implementation Agreement; or
- (r) Analogous Event: any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

SCHEDULE 3

INDICATIVE TIMELINE

All dates and times referred below are to Singapore dates and times. The timeline below is indicative only and subject to change. Please refer to future SGXNET announcement(s) by the FHT Managers and/or the Offeror for the exact dates of these events.

Event	Date
Joint Announcement of Scheme	13 June 2022
Expected date of first Court hearing to convene the Scheme Meeting ⁽¹⁾	Late July 2022
Expected date of despatch of Scheme Document, notice of Scheme Meeting and notice of FHT EGM	Mid August 2022
Expected date of FHT EGM and Scheme Meeting for Stapled Securityholders	Early September 2022
Expected date of second Court hearing for Court approval of Scheme ⁽¹⁾	Mid September 2022
Expected Effective Date of the Scheme	Late September 2022
Expected delisting of FHT	4 th Quarter of 2022

Note:

- (1) The dates of the Court hearings of the application to (i) convene the Scheme Meeting and (ii) approve the Scheme will depend on the dates that are allocated by the Court.