



## SGX-ST ANNOUNCEMENT

*For immediate release*

A hospitality stapled group 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)

and

**Frasers Hospitality Business Trust**

(a business trust constituted on 20 June 2014 under the laws of the Republic of Singapore)

### FURTHER UPDATE ON TAX MATTERS IN MALAYSIA

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement dated 8 September 2021 titled "Update on Tax Matters in Malaysia" (the "Announcement") issued by the Managers (as defined below).*

Frasers Hospitality Asset Management Pte. Ltd., as manager of Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**", and in such capacity, the "**REIT Manager**"), and Frasers Hospitality Trust Management Pte. Ltd., in its capacity as the trustee-manager of Frasers Hospitality Business Trust (together with the REIT Manager, the "**Managers**") refer to the Announcement and wish to inform that further to the judicial review application ("the **Application**") filed by NVSB in relation to the decision set out in the DGIR Letter, the High Court of Malaysia had on 9 March 2022 heard NVSB's application for leave to commence judicial review proceedings to challenge the decision in the DGIR Letter. The High Court of Malaysia will deliver its decision on 24 May 2022.

The Managers wish to update that the IRBM may require that withholding tax be paid on past interest payments made by NVSB to FHT Malaysia which has been revised to an estimated aggregate of RM4.7 million (approximately S\$1.5 million)<sup>1</sup>, as well as penalties in relation to late payment of withholding tax and for claiming income tax deductions on interest payments when NVSB had not originally withheld tax on such payments, all of which FHT has not made provision for in its accounts.

In addition, in connection with the issuance of the DGIR Letter, the IRBM completed its tax audit of NVSB for the year 2014 to 2019 and has issued a notice of assessment ("**YA2019 Assessment**") for income tax and penalties payable by 31 March 2022 amounting to an aggregate of RM 2.6 million (approximately S\$0.8 million) ("**YA2019 Tax Payable**") which comprise (i) disallowed income tax deductions previously claimed on the interest payments made by NVSB to FHT Malaysia ("**Disallowed Deductions**"); and (ii) penalties for claiming such income tax deductions on interest payments when NVSB had not originally withheld tax on such payments.

The Managers and NVSB have been in consultation with tax advisers and legal counsel, and believe that there are valid grounds to challenge the YA2019 Assessment on the Disallowed Deductions on the same basis as the Withholding Tax Payment. As such, NVSB will be lodging a notice of appeal to the Special Commissions of Income Tax in Malaysia in relation to the YA2019 Assessment and that the Disallowed

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<sup>1</sup> In this announcement, unless otherwise stated, translations of amounts from the Malaysian Ringgit to Singapore dollars have been made on the basis of RM1: S\$0.3259 as at 8 March 2022. The revision to this amount arises from a further letter issued by IRBM rectifying the amount originally set out in the DGIR Letter.

Deductions should be allowed on the basis that NVSB is not required to withhold tax on the interest payments.

The Managers will make further announcements on this matter as and when there is any material development.

**BY ORDER OF THE BOARD**

**Frasers Hospitality Asset Management Pte. Ltd.**

As manager of Frasers Hospitality Real Estate Investment Trust  
Company Registration No: 201331351D

**Frasers Hospitality Trust Management Pte. Ltd.**

As trustee-manager of Frasers Hospitality Business Trust  
Company Registration No: 201401270M

Catherine Yeo  
Company Secretary

9 March 2022

**Important Notice:**

The value of FHT stapled securities (the “**Stapled Securities**”) and the income derived from them, if any, may fall or rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, Frasers Hospitality Asset Management Pte. Ltd. (as manager of Frasers Hospitality Real Estate Investment Trust), Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of Frasers Hospitality Business Trust), Perpetual (Asia) Limited (in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust) or any of each of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This 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 Managers is not necessarily indicative of the future performance of FHT and the Managers.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ view of future events.