



## SGX-ST Announcement

For immediate release

### **Frasers Hospitality Trust ("FHT")**

A hospitality stapled group comprising:

### **Frasers Hospitality Real Estate Investment Trust ("FH-REIT")**

(a real estate investment trust constituted on 12 June 2014 under the laws of Republic of Singapore)

### **Frasers Hospitality Business Trust ("FH-BT")**

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

### **BACK-END TAX REFUND PROCEDURES**

Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT (the "**REIT Manager**"), and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of FH-BT (the "**Trustee-Manager**" and together with the REIT Manager, the "**Managers**"), wish to announce that Frasers Hospitality Trust ("**FHT**") will be implementing the back-end tax refund process to allow eligible stapled securityholders to claim for a refund of excess tax previously deducted from distributions by FHT made out of FH-REIT's taxable income that is not taxed at the trustee level ("**Taxable Income Distributions**"). Details of the process are provided in this Announcement and the process is available for use with immediate effect.

### **Categories of Eligible Stapled Securityholders**

1. The back-end refund process allows the following beneficial stapled securityholders to make a claim for refund of any excess tax deducted from FHT's Taxable Income Distributions (see paragraph 4 for the eligible distributions):
  - a. beneficial stapled securityholders who are individuals holding stapled securities in FHT through a Depository Agent;
  - b. beneficial stapled securityholders who are foreign non-individual investors (see paragraph 2 for the definition); and
  - c. beneficial stapled securityholders who are exempt non-corporate investors (see paragraph 3 for the definition).

Other categories of beneficial stapled securityholders will need to go through the normal process of tax return filing to claim a refund, if any, of excess tax deducted.

#### **Important Disclaimer**

This Announcement is not intended to be a substitute for tax advice. Eligible stapled securityholders should seek own tax advice accordingly where appropriate. Neither FHT nor the Manager of FH-REIT is liable for any loss whatsoever if the refund process is relied upon.

DBS Bank Ltd. is the Sole Global Coordinator and Issue Manager of the initial public offer of the stapled securities (the "**Offering**"). DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., Standard Chartered Securities (Singapore) Pte. Limited, and United Overseas Bank Limited are the joint bookrunners and underwriters for the Offering.

2. A foreign non-individual investor refers to a beneficial stapled securityholder (other than an individual) who is not a resident of Singapore for income tax purposes and:
  - a. who does not have a permanent establishment in Singapore; or
  - b. who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the stapled securities in FHT are not obtained from that operation.
  
3. An exempt non-corporate investor refers to a beneficial stapled securityholder incorporated or registered in Singapore which is:
  - a. a charity registered under the Charities Act (Cap. 37) or established by any written law;
  - b. a town council;
  - c. a statutory board;
  - d. a co-operative society registered under the Co-operative Societies Act (Cap. 62); or
  - e. a trade union registered under the Trade Unions Act (Cap. 333).

#### **Applicable Taxable Income Distributions**

4. The back-end refund process applies to the following FHT's Taxable Income Distributions:
  - a. in relation to beneficial stapled securityholders who are individuals or exempt non-corporate investors, Taxable Income Distributions made by FHT on or after 29 June 2015. Under current tax law, all individuals and exempt non-corporate investors are entitled to receive Taxable Income Distributions from FHT without tax being deducted at source and therefore, if tax had been deducted from the Taxable Income Distributions made to them, they are entitled to a refund of the tax deducted. However, individuals who derived such distributions from the carrying on of a trade, business or profession or from a partnership in Singapore are liable to tax on the distributions and hence are required to declare such distributions in their income tax returns; and
  - b. in relation to beneficial stapled securityholders who are foreign non-individual investors, Taxable Income Distributions made by FHT during the period from 29 June 2015 to 31 March 2020<sup>1</sup> (both dates inclusive). Under current tax law, foreign non-individual investors are taxed at a reduced rate of 10% on income distributions made by a real estate investment trust during the period from 18 February 2005 to 31 March 2020 and therefore, if tax had been deducted at the standard corporate tax rate (currently 17%) from the Taxable Income Distributions made to them, they are entitled to a refund of the excess tax deducted.

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<sup>1</sup> Or which other date as may be applicable should the duration of the tax concession mentioned herein (i.e. the reduced rate of tax deduction) be subsequently extended.

## Documents to be submitted

5. To make a claim for refund, the following documents are required:

a. Form R1

- i. Foreign non-individual investors and exempt non-corporate investors who hold stapled securities in FHT directly (i.e. in their own names) are required to complete Form R1.

**Please use a separate Form R1 for each income distribution period.**

- ii. Each Form R1 submission must be accompanied by either the original Subsidiary Income Tax Certificate (“**SITC**”) or the original Annual Dividend Statement (“**ADS**”) issued by The Central Depository (Pte) Limited that was issued for the Taxable Income Distribution in respect of which the claim for refund is made. The IRAS will verify the claim against the SITC (or ADS) and therefore the SITC (or ADS), must show, among other things, the name of the individual, foreign non-individual or exempt non-corporate investor who is beneficially entitled to the distribution.

b. Form R2 (Depository Agents)

- i. Depository Agents are required to make the declaration on Form R2 and to furnish the particulars of the beneficiaries on whose behalf the claim is made in Annex 1 to the Form.

**Please use a separate Form R2 for each income distribution period.**

- ii. Each Form R2 submission must be accompanied by the SITC that was issued for the Taxable Income Distribution in respect of which the claim for refund is made.
- iii. **Please note that the declaration status of the beneficiary or beneficiaries of the stapled securities deposited in a particular sub-account (i.e. individuals / foreign non-individual investors / exempt non-corporate investors) must be properly substantiated. Depository Agents must ensure that the appropriate documents to support the declaration are available. Where the stapled securities are held through more than one tier of nominees, please note that the confirmation must be from the ultimate beneficiary or beneficiaries. Please also ensure that records of the amount of distributions made to each beneficiary are kept as the Inland Revenue Authority of Singapore (“IRAS”) may require such information;**

**It should be noted that the IRAS may audit the declaration form(s) made by you and may require you to provide evidence to substantiate your declaration. If it is found by the IRAS that you have not exercised due care and diligence in your declaration or have provided incorrect information, the IRAS may impose penalties as provided under the Singapore Income Tax Act. You may also be excluded from this arrangement thereafter and all future distributions made to you in respect of units held by you in your capacity as a foreign non-individual investor or exempt non-corporate investor or Depository Agent will be net of tax deducted at the normal prevailing corporate tax rate.**

6. Please submit the duly completed Form R1 or Form R2 and the accompanying SITCs or ADSs to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. In addition, please email a soft copy of the completed Annex 1 to Boardroom Corporate & Advisory Services Pte. Ltd. at [srs.teama@boardroomlimited.com](mailto:srs.teama@boardroomlimited.com).

Applicants may submit the Form R1 or Form R2 and accompanying SITCs or ADSs at any time. Please note that the claim for refund will be collated on a yearly basis (by 15 May) and you will have to return the completed declaration form to Boardroom Corporate & Advisory Services Pte. Ltd. within the time limit, currently envisaged to be 5.00pm on or around every 15 May. If the stipulated dates happen to fall on a weekend or public holiday, the deadline will be the next working day.

The claim for refund will be filed with the IRAS by FHT on a yearly basis. For example, all claims received by Boardroom Corporate & Advisory Services Pte. Ltd. on 15 May 2016 will be compiled and submitted to the IRAS in June 2016. However, please also note that every claim for refund must be made to the IRAS within four years from the end of the year of assessment to which the claim relates. For example, for claiming of refund in respect of Taxable Income Distribution made by FHT for the period 14 July 2014 to 30 September 2014 (which relates to the year of assessment 2015), the claim for refund must be submitted to the IRAS on or before 31 December 2019.

The Manager of FH-REIT will be processing the back-end refund once a year but reserves the right to end the yearly back-end process if it is deemed to be no longer necessary with advance notice.

For this back-end refund process, Boardroom Corporate & Advisory Services Pte. Ltd. will email forms to Depository Agents on or around 17 March 2016. For subsequent refunds please refer to FHT's website at [www.frasershospitalitytrust.com](http://www.frasershospitalitytrust.com) to download the relevant forms.

7. The amount of excess tax deducted will be refunded only after the IRAS has refunded this amount to FHT.

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

(Company Registration No: 201331351D)

As Manager of Frasers Hospitality Real Estate Investment Trust

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

(Company Registration No: 201401270M)

As Trustee-Manager of Frasers Hospitality Business Trust

Piya Treruangrachada

Company Secretary

16 March 2016

## **Important Notice**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.

The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the 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 have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities. The past performance of FHT is not necessarily indicative of the future performance of FHT.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities in the United States. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offering of securities is being made in the United States.