

**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)

**PROFIT GUIDANCE ON THE UNAUDITED FINANCIAL RESULTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

Frasers Hospitality Asset Management Pte. Ltd., in its capacity as the manager of Frasers Hospitality Real Estate Investment Trust, and Frasers Hospitality Trust Management Pte. Ltd., in its capacity as the trustee-manager of Frasers Hospitality Business Trust (collectively, the “**Managers**”), refer to the following announcements issued by the Managers detailing the impact of the COVID-19 outbreak on Frasers Hospitality Trust’s (“**FHT**”) performance:

- 6 August 2020: Business updates for the third quarter ended 30 June 2020 (“**3Q2020 Update**”);
- 8 May 2020: Financial statements for the second quarter ended 31 March 2020 and the related press release and investor presentation; and
- 27 March 2020: Frasers Hospitality Trust provides update on the impact of the COVID-19 outbreak.

In the 3Q2020 Update, the Managers have guided that the highly challenging hotel trading environment in the near term would continue to severely impact FHT’s portfolio performance. Given that the duration of the COVID-19 outbreak remained uncertain, the Managers have previously expected FHT’s performance for the financial year ended 30 September 2020 (“**FY2020**”) to be materially and adversely impacted. The Managers have also cautioned that the annual valuation of FHT’s portfolio, to be conducted at the end of the financial year, could further weigh on its total return for FY2020.

With global travel remaining largely in a standstill and occupancies continuing to be significantly impacted, the Managers wish to inform FHT’s stapled securityholders (“**Stapled Securityholders**”) that:

- (i) 2 properties in FHT’s portfolio, namely ibis Styles London Gloucester Road and The Westin Kuala Lumpur, continue to be temporarily closed due to weak market conditions;
- (ii) FHT’s income available for distribution for FY2020 is expected to decline by 60% to 70%<sup>1</sup> from the S\$83.9 million reported for the financial year ended 30 September 2019 (“**FY2019**”) while its distribution per stapled security for FY2020 is expected to decline by 65% to 75%<sup>1</sup> from the 4.41 cents recorded for FY2019; and
- (iii) in line with the requirements of Appendix 6 of the Code on Collective Investment Schemes<sup>2</sup> issued by the Monetary Authority of Singapore, FHT conducts valuation of all its properties on an annual

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<sup>1</sup> These are based on preliminary estimates which may change as the Managers finalise the financial statements for FY2020.

<sup>2</sup> A full valuation of real estate assets should be conducted by a valuer at least once a financial year in accordance with any applicable code of practice for such valuations.

basis. An independent valuation on its portfolio is now in progress. In view of the weaker portfolio performance and the unprecedented market uncertainty arising from the COVID-19 outbreak, and based on preliminary results of the independent valuation, the Managers expect FHT to record unrealised fair value losses<sup>3</sup> for its portfolio for FY2020 and consequently to turn in a significant negative total return for FY2020, from the S\$51.8 million reported in FY2019. **However, the unrealised fair value losses will not have any impact on FHT's distributable income.**

The Managers wish to reiterate that FHT continues to have adequate liquidity to meet its operational needs and financial commitments. Amidst the uncertain market conditions, the Managers will continue to exercise prudence in their capital and cash flow management.

FHT's FY2020 unaudited financial results will be released after the close of trading on 30 October 2020.

**Stapled Securityholders and potential investors are advised to exercise caution when dealing or trading in the stapled securities of FHT.**

**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

16 October 2020

**For further information, kindly contact:**

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<sup>3</sup> These are based on preliminary valuations which may change as the Managers finalise the property valuations to be adopted in the financial statements for FY2020.

## Important Notice

The value of the stapled securities in Frasers Hospitality Trust (“**FHT**”, and the stapled securities in FHT, 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) (collectively, the “**Managers**”), 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.