

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)

UPDATE ON TAX MATTERS IN MALAYSIA

Frasers Hospitality Asset Management Pte. Ltd., in its capacity as the 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**”), wish to inform that the Inland Revenue Board of Malaysia (“**IRBM**”) has revoked its confirmation issued on 5 July 2018 (the “**Private Ruling**”) in relation to interest payments made from Notable Vision Sdn Bhd (“**NVSB**”) to FHT Malaysia Pte. Ltd. (“**FHT Malaysia**”), a wholly-owned subsidiary of FH-REIT.

Under Malaysia’s Income Tax Act (“**ITA**”), interest payments made by NVSB to FHT Malaysia would have been exempt from withholding tax under paragraph 33A of Schedule 6 of the ITA (the “**Exemption**”). Further to an application made by NVSB through its tax advisers, the IRBM had issued the Private Ruling confirming that the Exemption will still apply notwithstanding certain amendments to the ITA at such time.

On 8 July 2021, the Deputy Director General of Inland Revenue (“**DGIR**”) of IRBM issued a letter dated 29 June 2021 to NVSB to revoke the Private Ruling (the “**DGIR Letter**”), on the basis of their view that NVSB is associated as a company in the same group as JBB Hotels Sdn Bhd, the master lessee of The Westin Kuala Lumpur and a subsidiary of Frasers Property Limited, and FHT Malaysia. Consequently, IRBM may require withholding tax on future interest payments made by NVSB to FHT Malaysia. The IRBM may also require that withholding tax estimated at an aggregate of RM3.7 million (approximately S\$1.2 million)¹ be paid on past interest payments made by NVSB to FHT Malaysia, 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.

Further to the issuance of the DGIR Letter, NVSB had paid a withholding tax of approximately RM0.38 million (approximately S\$0.12 million)¹ to the IRBM on 6 August 2021 (the “**Withholding Tax Payment**”) in respect of an interest payment made by NVSB to FHT Malaysia on 12 July 2021. The Managers and NVSB had been in consultation with tax advisers and legal counsel who have opined that there are valid grounds at law to challenge the decision contained in the DGIR Letter. NVSB has on 8 September 2021 lodged a notice of appeal to the Special Commissioners of Income Tax in Malaysia in relation to the decision and views set out in the DGIR Letter, and that NVSB was not liable to pay the Withholding Tax Payment, which was made as a consequence of the decision.

¹ 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\$0.3235 as at 7 September 2021

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
8 September 2021

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.