

# Frasers Hospitality Trust

Proposed privatisation by a wholly-owned subsidiary of  
Frasers Property Limited

19 August 2022



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This presentation should be read in conjunction with the scheme document released by Frasers Hospitality Trust (“FHT”), a stapled group comprising of Frasers Hospitality Real Estate Investment Trust (“FH-REIT”) and Frasers Hospitality Business Trust (“FH-BT”), on 19 August 2022 in relation to the proposed privatisation of FHT via the acquisition by Frasers Property Hospitality Trust Holdings Pte. Ltd. (the “Offeror”) of all the issued stapled securities (“Stapled Securities”) of FHT held by the stapled securityholders of FHT (“Stapled Securityholders”) other than the Stapled Securities held by TCC Group Investments Limited (“TCC”) and Frasers Property Limited (“FPL”) and/or its subsidiaries (including the Offeror) (the “Scheme Document”). A copy of the Scheme Document is available at <http://www.sgx.com/securities/company-announcements> and the website of FHT at <http://www.frasersproperty.com/reits/fht>.

All statements other than statements of historical facts included in this presentation 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.

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This presentation has not been reviewed by the Monetary Authority of Singapore (“MAS”).

Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.

This presentation is qualified in its entirety by, and should be read in conjunction with, the full text of the Scheme Document. In the event of any inconsistency or conflict between the Scheme Document and the information contained in this presentation, the Scheme Document shall prevail. All capitalised terms not defined in this presentation shall have the meaning ascribed to them in the Scheme Document.



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# Transaction Summary

# Transaction overview

Offeror	<ul style="list-style-type: none"><li>▪ Frasers Property Hospitality Trust Holdings Pte. Ltd.<ul style="list-style-type: none"><li>• Wholly-owned subsidiary of Frasers Property Limited</li></ul></li></ul>
Transaction Structure	<ul style="list-style-type: none"><li>▪ Proposed privatisation of FHT, to be effected through:<ul style="list-style-type: none"><li>• The proposed acquisition by the Offeror of all the Stapled Securities of FHT held by the Stapled Securityholders other than the Stapled Securities held by (a) TCC and (b) FPL and/or its subsidiaries (including the Offeror) (collectively, the "<b>Excluded Stapled Securityholders</b>"), and the Stapled Securityholders other than the Excluded Stapled Securityholders, the "<b>Scheme Stapled Securityholders</b>") (the "<b>Scheme Stapled Securities</b>"), by way of a trust scheme of arrangement (the "<b>Scheme</b>").</li></ul></li></ul>
Scheme Consideration	<ul style="list-style-type: none"><li>▪ <u>\$0.700 in cash per Scheme Stapled Security ("Scheme Consideration")</u></li><li>▪ 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 (as defined below) is announced, declared, made or paid by the FHT Managers on or after 13 June 2022, being the date of the Joint Announcement.</li></ul>
Permitted Distributions <sup>1</sup>	<ul style="list-style-type: none"><li>▪ 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 (the "<b>Permitted Distributions Start Date</b>") up to the day immediately before the date on which the Scheme becomes effective in accordance with its terms (the "<b>Effective Date</b>"), 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 the FHT Group preceding the Effective Date up to the day immediately before the Effective Date (the "<b>Permitted Distributions</b>").</li></ul>
Key Approvals Required <sup>2</sup>	<ul style="list-style-type: none"><li>▪ Stapled Securityholder Approvals – Approval of the proposed amendments to the FH-REIT trust deed, the FH-BT trust deed and the stapling deed (collectively, the "<b>FHT Trust Deeds</b>") to include provisions which are necessary for the implementation of the Scheme ("<b>FHT Trust Deeds Amendments Resolution</b>"); and Approval of the Scheme ("<b>Scheme Resolution</b>")</li><li>▪ Court and Regulatory Approvals – Court sanction of the Scheme; Approval from the SGX-ST for the proposed delisting of FHT; and Approval from the Australian Foreign Investment Review Board ("<b>FIRB</b>")</li></ul>

**The Scheme Resolution is contingent upon the approval of the FHT Trust Deeds Amendments Resolution at the FHT EGM**

<sup>1</sup> 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 the Sofitel Sydney Wentworth which was completed on 29 Apr 2022)

<sup>2</sup> For further details on the necessary approvals, please refer to Pages 44 to 46 of the Scheme Document

# Background to the Scheme

# The Scheme to privatise FHT is the outcome of a robust strategic review conducted by the FHT Independent Directors (1/2)

Since FHT's announcement referring to strategic options made on 8 April 2022, the FHT Independent Directors had, with the assistance of their financial adviser DBS Bank Ltd., explored various possible strategic options to enhance and unlock value for the Stapled Securityholders. FHT sought to deliver a proposal which could optimise value and offer certainty to Stapled Securityholders.

## Various strategic options considered by the FHT Independent Directors

1 Continued pursuit of FHT's existing strategy

2 Expansion of the existing FHT platform via acquisitions or mergers

3 Strategic sale of all or select assets

4 Sale of the FHT platform to a third-party or the sponsor, FPL

## Key factors considered by FHT in evaluating the viability of various strategic options and arriving at the proposed Scheme to privatise FHT

1 Present state and possible trajectory for recovery in the hospitality industry

2 Current macroeconomic outlook

3 Current competitive positioning of FHT vis-à-vis its other listed hospitality S-REIT peers

4 Historical trading, financial and operational performance

5 Presence of associated reversionary interests and master lease agreements with the FPL Group

6 Transactional certainty and ancillary transaction costs

# The Scheme to privatise FHT is the outcome of a robust strategic review conducted by the FHT Independent Directors (2/2)

Further background on the strategic review announced on 8 April 2022

- The FHT Independent Directors initiated concurrent discussions with all parties (including FPL) on the various strategic options available to FHT
- During these discussions, FPL had indicated to the FHT Independent Directors that hospitality remains one of its core businesses and it was prepared to discuss a privatisation of FHT with the FHT Independent Directors
- The FHT Independent Directors commenced extensive negotiations with FPL with the view of providing Stapled Securityholders with a proposal that would optimise certainty and value
- After reviewing all options, the FHT Independent Directors concluded that the Scheme represents the best option for Stapled Securityholders

Credible option for Stapled Securityholders to realise their investments with a high degree of certainty at an attractive valuation

Represents a credible offer from a financial perspective



Allows Stapled Securityholders to realise their investment immediately at a premium to NAV and have the option to reinvest their proceeds

Offers strong deal certainty for Stapled Securityholders in terms of timing and execution





# Transaction Rationale

# FHT has encountered long-term challenges and obstacles which are limiting growth

## 1 Obstacles in growing distribution per Stapled Security (“DPS”) and net asset value (“NAV”)

- Muted growth in FHT’s key hospitality markets since IPO despite: (a) FHT’s proactive pursuit of yield-accretive acquisitions; and (b) value creation through refurbishments and asset enhancement initiatives (“AEI”)
- Strengthening of the Singapore dollar (“S\$” or “SGD”) against FHT’s operational currencies have offset gains made over the years by FHT’s portfolio in local currency terms

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

- Timing and speed of full recovery for FHT’s portfolio from the impact of the COVID-19 pandemic remain uncertain
- Ongoing geopolitical tensions and inflationary pressures could lead to decrease in consumer spending on discretionary goods and services
- Rising interest rates are expected to lead to higher costs of capital
- Further strengthening of S\$ could potentially limit any potential NAV and DPS growth from a COVID-19 recovery

## 3 FHT’s small size has limited its ability to reap the benefits of a continued listing

- FHT is smaller in scale relative to its S-REIT peers in a market where size is essential to liquidity and substantive growth
- Without sufficient scale, FHT has not been included in major stock market indices and has been limited in its flexibility in undertaking asset acquisitions for growth

# Since its IPO, FHT has proactively pursued organic and inorganic strategies to grow

Strategic acquisitions, refurbishments and AEI have resulted in portfolio growth, but have had limited impact on DPS and NAV growth

- i. Since its IPO, the FHT Managers have remained committed to the growth and optimisation of its portfolio to maximise value for Stapled Securityholders
- ii. Significant efforts have been made to grow FHT's portfolio, including the pursuit of yield-accretive 3<sup>rd</sup> party acquisitions (potentially limited by FHT's higher pre-COVID-19 average yield since IPO of 7.2% vs. its peers of 6.4%)<sup>1</sup>; and value creation via refurbishments and AEI
- iii. However, such initiatives have had limited impact on FHT's DPS and NAV growth

FHT pursued yield-accretive 3<sup>rd</sup> party acquisitions since IPO totalling approximately S\$565 million and refurbishments and AEI of approximately S\$60 million

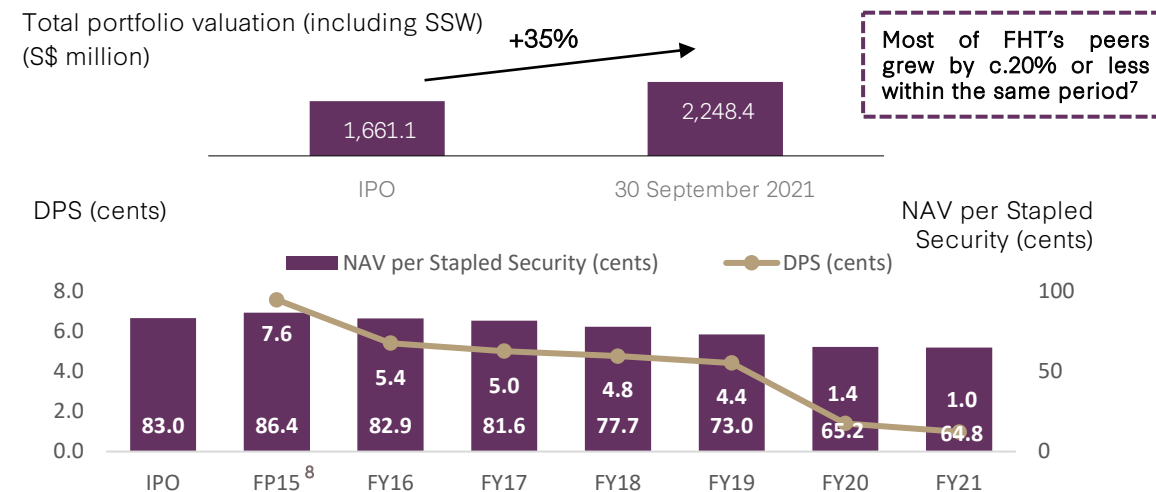
Third Party Acquisitions

Asset Name	Year	Purchase Price in Local Currency (million)	Purchase Price in S\$ (million) <sup>2</sup>	30 September 2021 Valuation (million)	Gain/(Loss) in Local Currency
Sofitel Sydney Wentworth	2015	A\$224.0	S\$227.2 <sup>3</sup>	A\$270.0	20.5%
Maritim Dresden	2016	€58.4	S\$90.4 <sup>4</sup>	€59.3	1.5%
Novotel Melbourne on Collins	2016	A\$237.0	S\$246.9 <sup>5</sup>	A\$231.0	(2.5%)
<b>Total</b>			<b>S\$564.6</b>		

AEI

Asset Name	AEI Costs (million)
InterContinental Singapore	S\$26.0
Novotel Sydney Darling Square	S\$24.5
ibis Styles London Gloucester Road	S\$3.4
Fraser Suites Sydney	S\$3.5
Sofitel Sydney Wentworth	S\$2.2
The Westin KL	S\$1.7
<b>Total</b>	<b>S\$61.3</b>

Despite the growth of FHT's portfolio<sup>6</sup>, FHT's DPS and NAV per Stapled Security have seen a declining trend since its IPO



However, FHT's portfolio expansion of 35% since IPO has not translated into DPS and NAV growth due to muted growth within the hospitality sector and strengthening of the S\$ against FHT's operational currencies

Source: FHT and Company filings

<sup>1</sup> 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.

<sup>2</sup> The respective purchase prices and corresponding sum in S\$ are rounded to the nearest one (1) decimal place, discrepancies in the figures included herein between the listed amounts, derived amounts from the listed exchange rates and total are due to rounding

<sup>3</sup> Purchase price in S\$ was translated based on the FX rate applicable as at the date of the acquisition, being A\$ : S\$ of 0.9857 : 1

<sup>4</sup> Purchase price in S\$ was translated based on the FX rate applicable as at the date of the acquisition, being € : S\$ of 0.6457 : 1

<sup>5</sup> Purchase price in S\$ was translated based on the FX rate applicable as at the date of the acquisition, being A\$ : S\$ of 0.9599 : 1

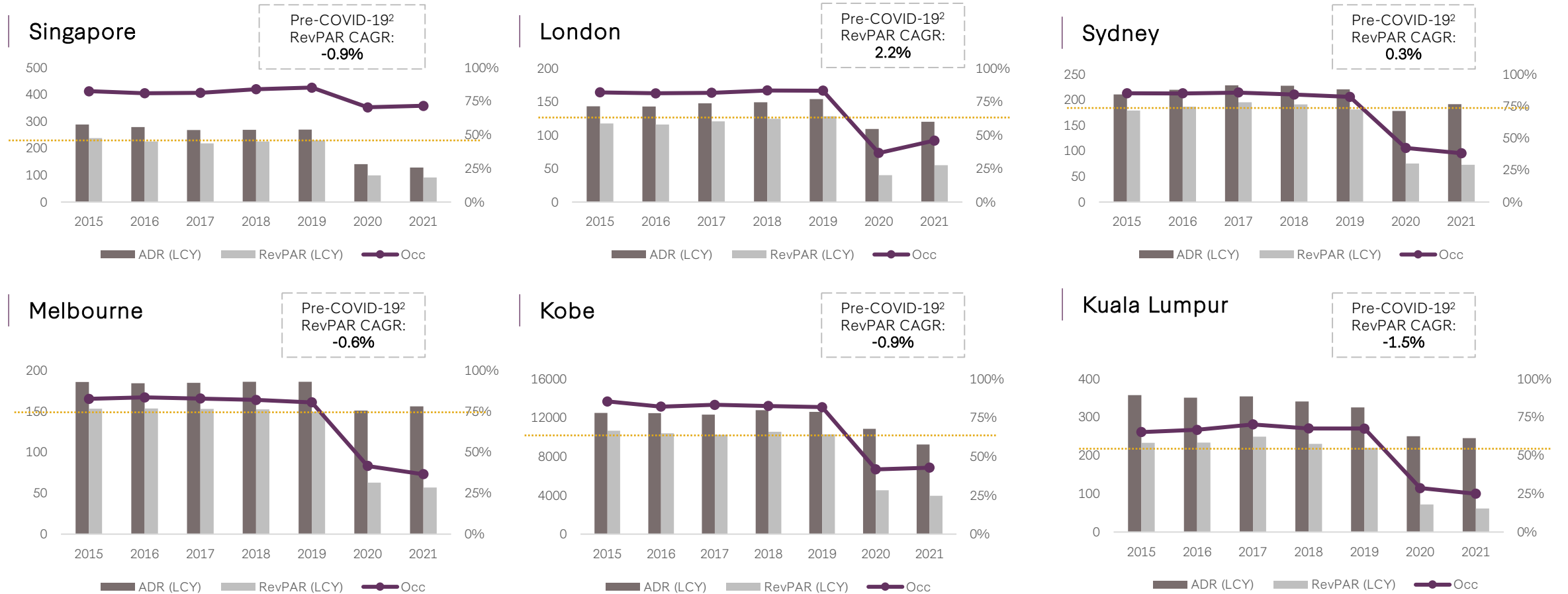
<sup>6</sup> Includes the sum of the FHT's investment properties and property, plant and equipment (collectively, but excluding Sofitel Sydney Wentworth ("SSW"), the "FHT Properties"), excluding right-of-use assets. The portfolio includes SSW, the divestment of which was completed on 29 April 2022

<sup>7</sup> Ascott Residence Trust, CDL Hospitality Trusts, and Far East Hospitality Trust's portfolios grew by 92%, 21% and 2% respectively within the period of 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

<sup>8</sup> Refers to the period from the FHT IPO Date to 30 September 2015

# FHT's operating markets experienced muted growth

The hospitality sector in FHT's key operational markets has seen minimal growth since FHT's IPO in 2014<sup>1</sup>



..... Denotes pre-COVID-19 FY2019 RevPAR levels

Source: Smith Travel Research

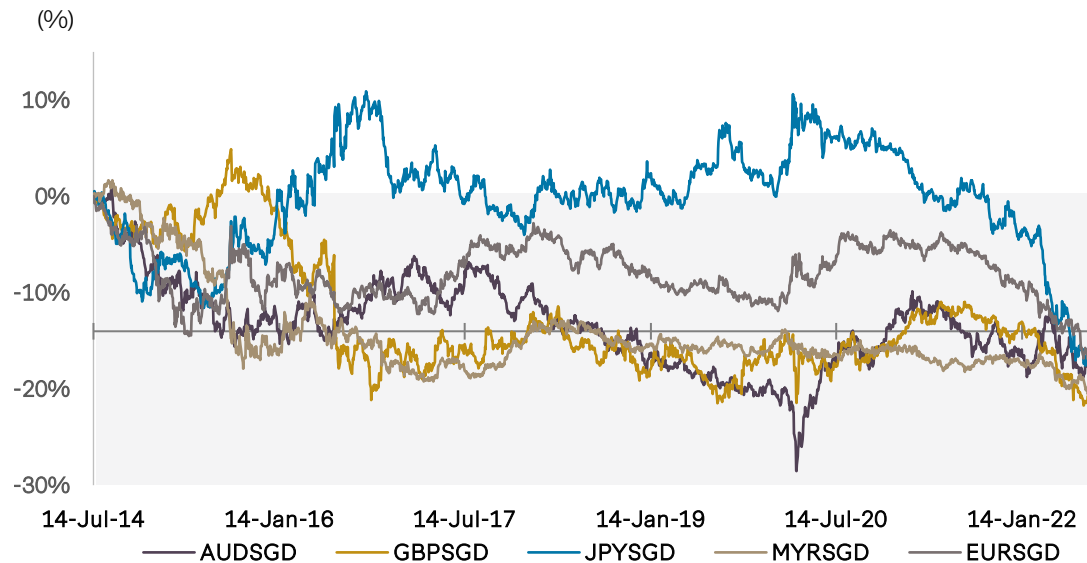
<sup>1</sup> "ADR" refers to average daily rate; "RevPAR" refers to revenue per available room; and "Occ" refers to occupancy rate in %

<sup>2</sup> Pre-COVID-19 period refers to the period from 2015 to 2019

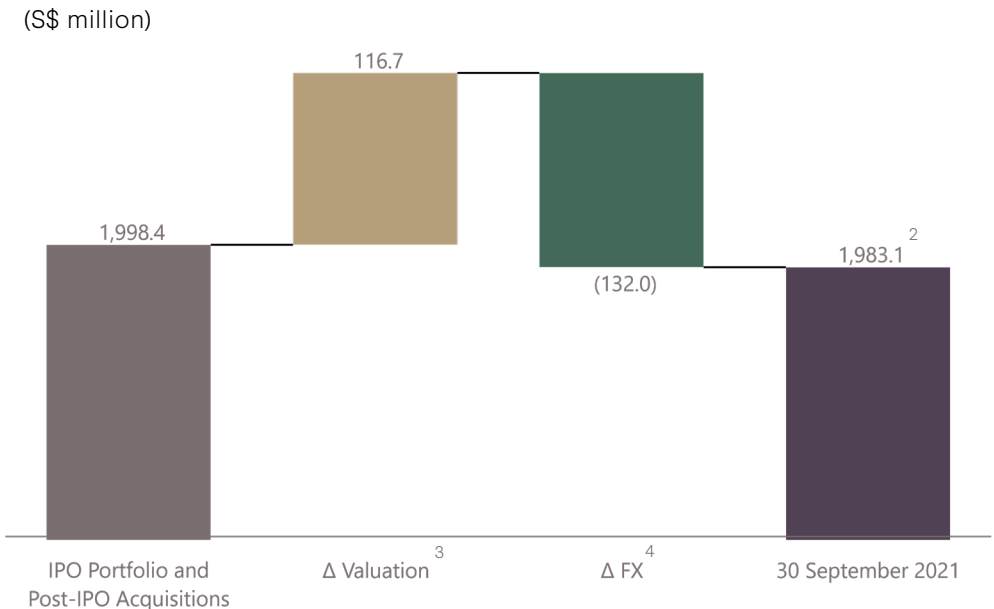
# A strengthening S\$ has offset local currency revaluation gains

Concerted efforts were made by FHT to grow since IPO. However, significant headwinds from adverse FX trends have offset gains made over the years by FHT's portfolio in local currency terms

Operational currencies have weakened against S\$ by over 10% since FHT's IPO<sup>1</sup>



Currency weakness against S\$ resulted in valuation gains being offset by foreign exchange ("FX") losses (Portfolio valuation below excludes SSW)



<sup>1</sup> Data compiled from Bloomberg L.P. for the period from the FHT IPO Date up to and including 4 August 2022, being the latest practicable date prior to the issuance of this Scheme Document ("Latest Practicable Date")

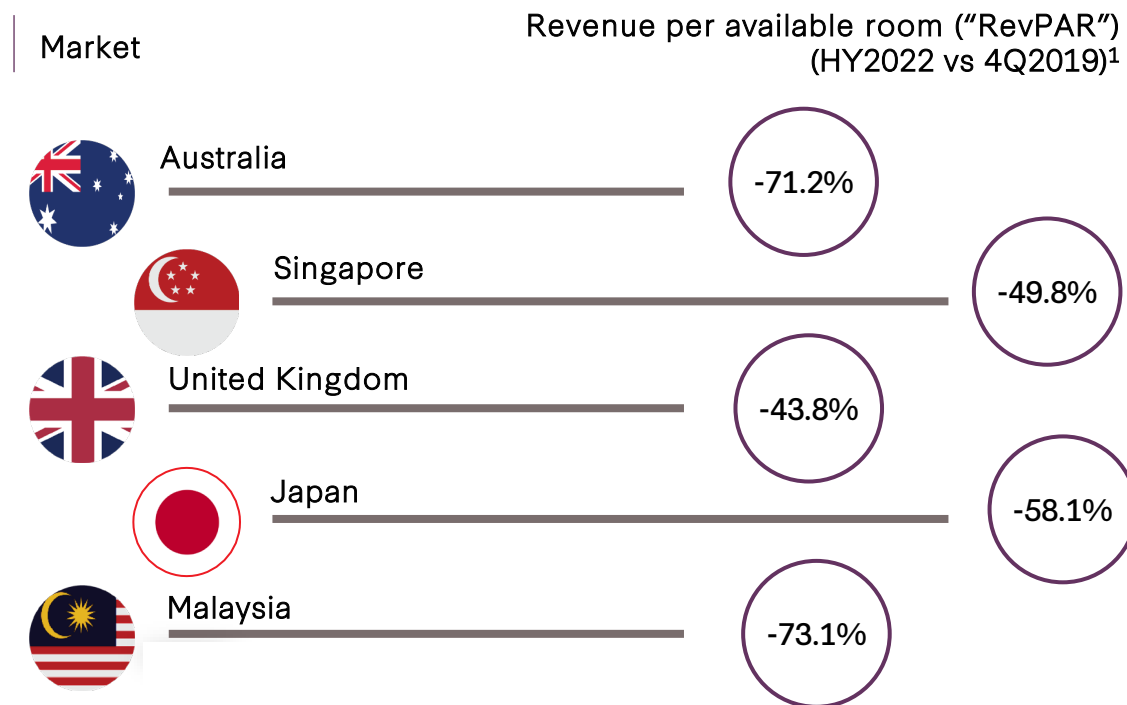
<sup>2</sup> The portfolio valuation (i) does not include SSW, the divestment of which was completed on 29 April 2022, and (ii) has been converted into S\$ based on the applicable FX rates as at 30 September 2021

<sup>3</sup> 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 foreign exchange 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 foreign exchange rates as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be)

<sup>4</sup> 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)

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

While the COVID-19 pandemic has gradually moved toward an endemic phase 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 RevPAR is currently significantly below its pre-COVID-19 levels



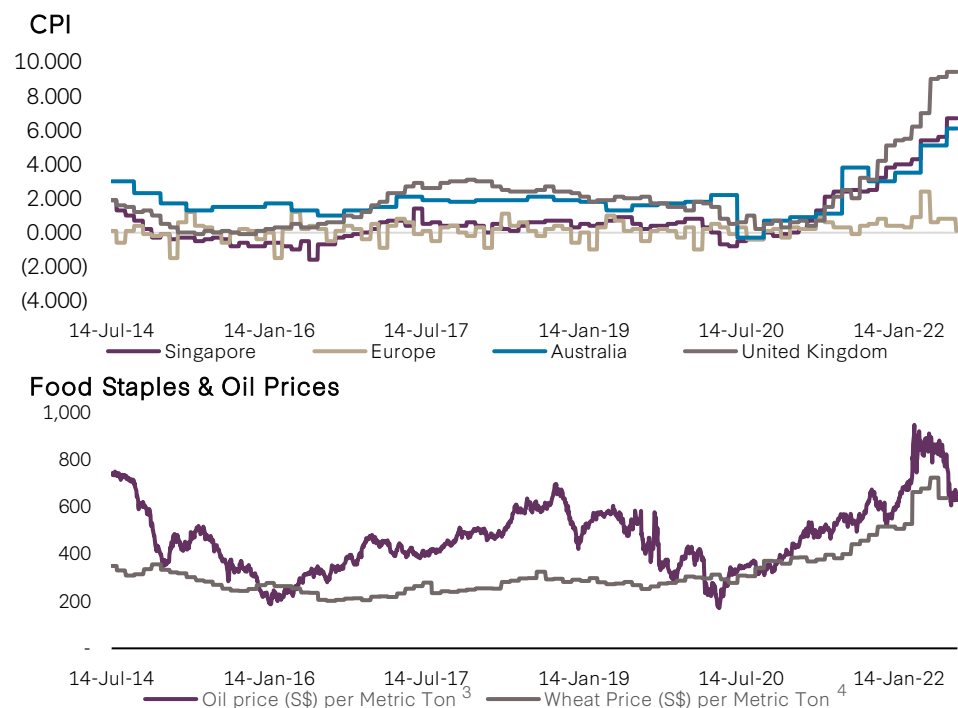
Source: FHT filings

<sup>1</sup> HY2022 refers to the period from 1 October 2021 to 31 March 2022. The evaluated period for 4Q2019 refers to the period from 1 July 2019 to 30 September 2019 which corresponds to the latest reported financial period prior to COVID-19

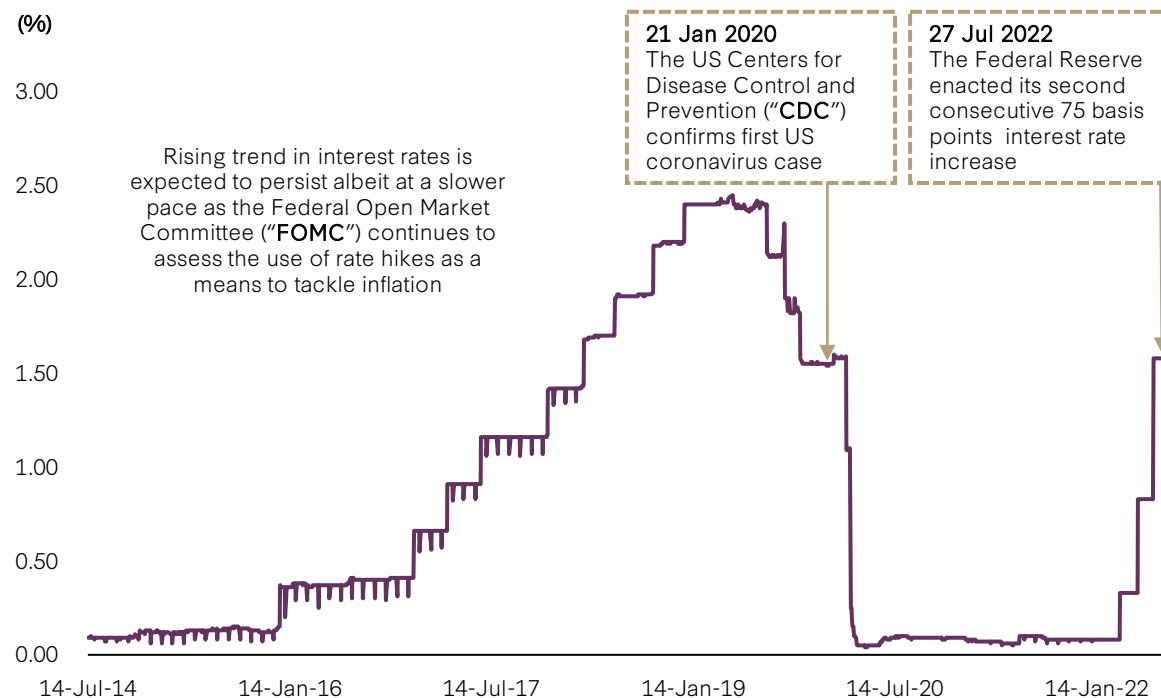
# Geopolitical tensions and looming recessionary pressures add further uncertainty to the recovery outlook

Ongoing Russia-Ukraine conflict compounded existing inflationary pressures, in turn triggering interest rate hikes and leading to higher costs of capital

Inflationary pressures have driven up Consumer Price Index ("CPI")<sup>1</sup> in FHT's operational markets, along with geopolitical uncertainties that have seen the prices of oil and food staples rise



Recent rise in interest rates is expected to lead to higher costs of capital<sup>4</sup>



<sup>1</sup> Data was compiled from Bloomberg L.P. for the period from the FHT IPO Date up to and including the Latest Practicable Date. The CPI is designed to measure the average price changes of a fixed basket of consumption goods and services commonly purchased by resident households over time

<sup>2</sup> 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 the Latest Practicable Date

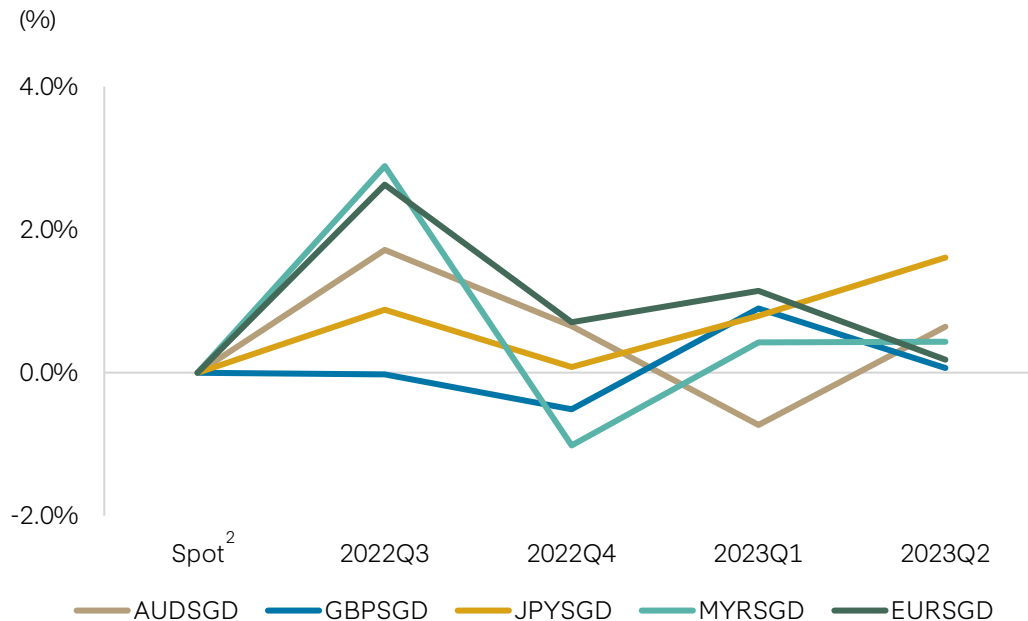
<sup>3</sup> Monthly price were compiled from World Bank and US Department of Agriculture for the period from July 2014 up to and including June 2022

<sup>4</sup> The US Federal Funds effective interest rate data was compiled from Bloomberg L.P. for the period from the FHT IPO Date up to and including the Latest Practicable Date

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

Further strengthening of S\$ could potentially limit any potential NAV and DPS growth from a COVID-19 recovery

S\$ likely to remain strong vs. FHT's operational currencies<sup>1</sup>



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

<sup>1</sup> Data was compiled from Bloomberg Composite as of the Latest Practicable Date and implied from FX forecast prices against US\$

<sup>2</sup> Spot refers to respective FX spot rates as of the Latest Practicable Date

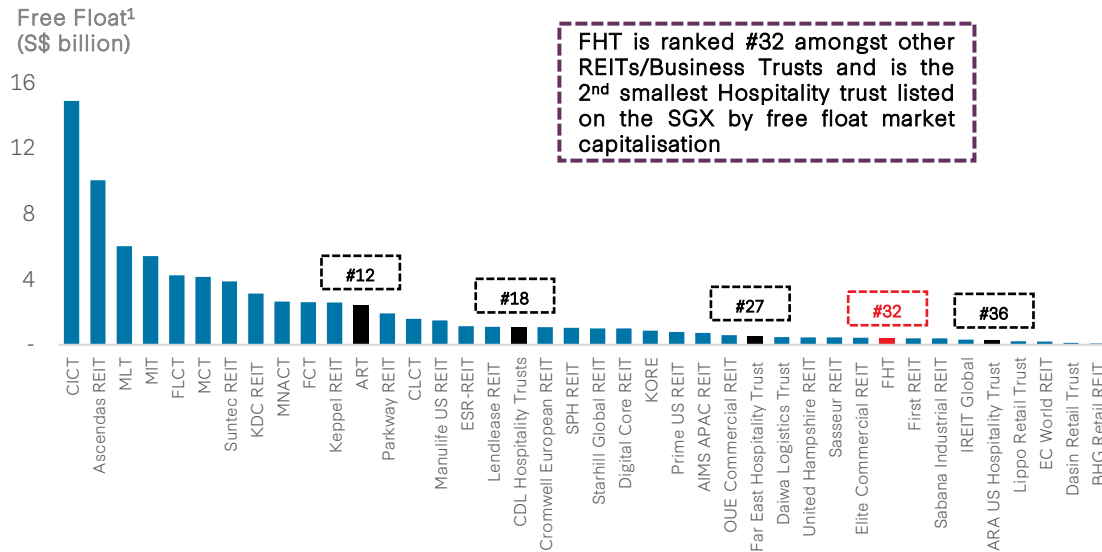


# Size matters and is essential in enabling liquidity and growth

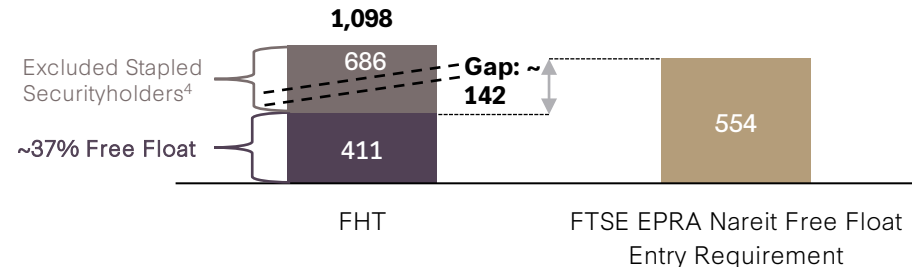
## FHT's small size has limited its ability to reap the benefits of a continued listing

- FHT is the 2<sup>nd</sup> smallest hospitality trust on the SGX-ST in terms of asset size and market capitalisation with some of its other listed peers being approximately 1.5 to 3.5 times larger.
- FHT's free float would have to increase by another approximately 35% or S\$142 million to be considered for inclusion in major stock market indices (such as the FTSE EPRA Nareit Index). Inclusion in major stock market indices typically contributes towards better trading liquidity, stronger institutional investor following and analyst coverage, and potentially improved valuations leading to a lower cost of capital.

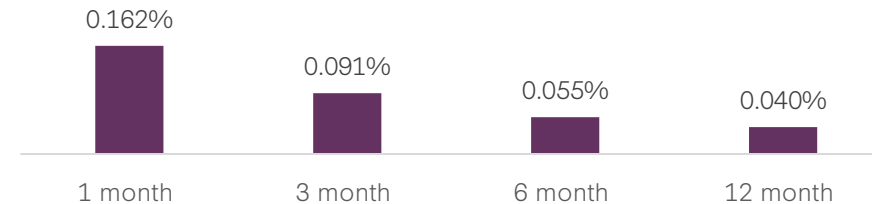
### FHT is currently ranked #32 among other REITs/BTs by free float market cap



### FHT Free Float<sup>2</sup> vs FTSE EPRA Nareit Free Float Entry Requirement<sup>3</sup> (S\$m)



### FHT's average daily trading volume ("ADTV")<sup>5</sup> has been low historically



<sup>1</sup> Free float and data were compiled from Capital IQ as of 7 April 2022, being the last full trading day immediately prior to the announcement referring to strategic options made by the FHT Managers on 8 April 2022 ("Last Undisturbed Trading Date")

<sup>2</sup> Data was compiled from Bloomberg L.P. as of the Last Undisturbed Trading Date

<sup>3</sup> Based on the FTSE EPRA Nareit Developed Asia Free Float Requirement as of April 2022 which requires the free float market capitalisation of the REIT/BT to be at least 0.1% of the market capitalisation of its respective regional index (instead of the 0.4% threshold referred to in the Joint Announcement, which was based on the respective fast entry requirements). The conversion rate assumed was US\$:S\$ exchange rate of 1.00 : 1.3958. Discrepancies in the figures included herein between the listed amounts and total are due to rounding

<sup>4</sup> This includes the direct and deemed interest held by Excluded Stapled Securityholders

<sup>5</sup> This refers to average daily trading volumes as a percentage of total Stapled Securities outstanding up to and including the Last Undisturbed Trading Date



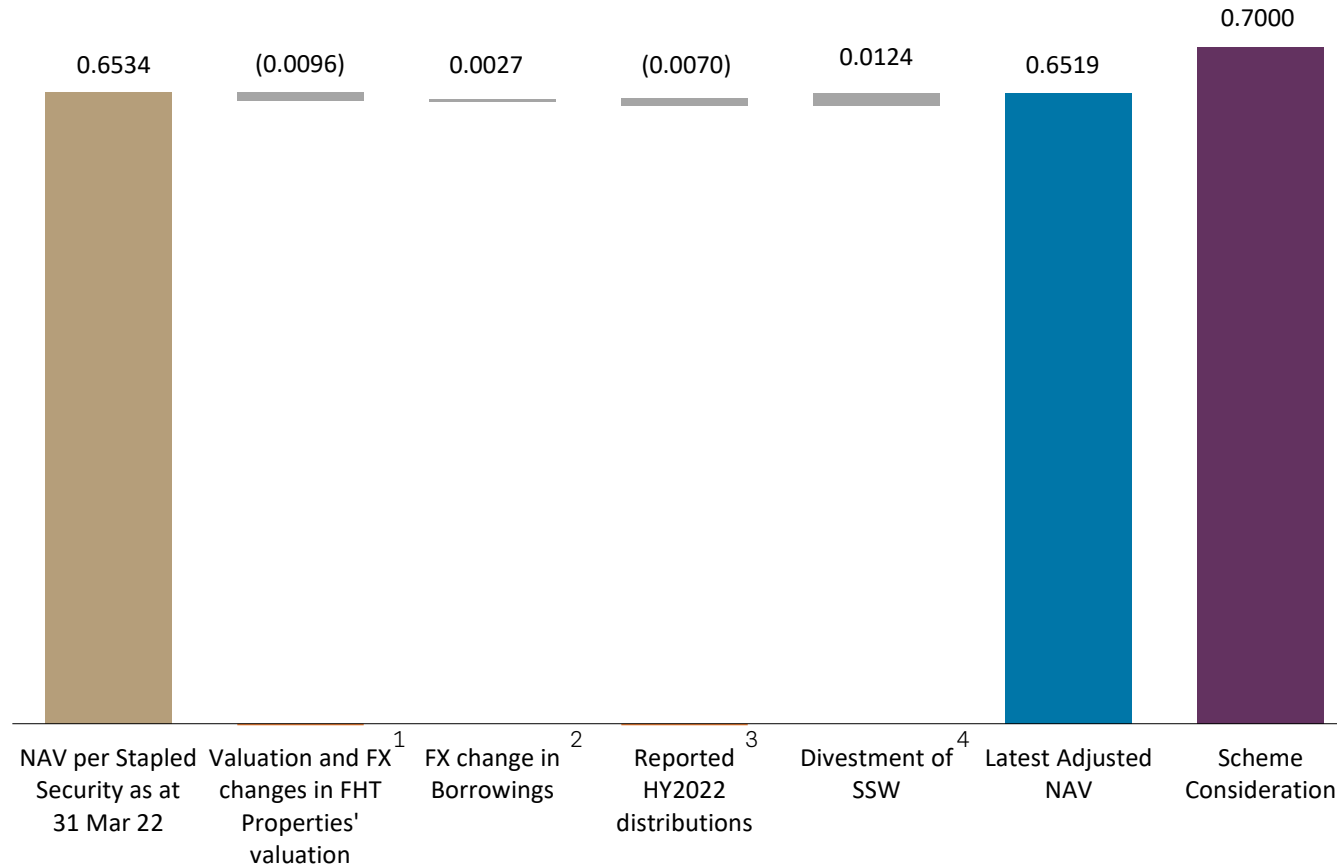
# Financial Evaluation of the Scheme

# Financial Evaluation of the Scheme Consideration

- 1 P/NAV as implied by the Scheme Consideration of 1.07x exceeds historical averages of FHT's trading multiples since IPO, current trading multiples of other listed Singapore hospitality trusts and precedent S-REIT privatisations
- 2 Premia of 45.4%, 48.5%, 47.7% and 43.8% to the 1-month, 3-month, 6-month and 12-month VWAP respectively, referenced against the Last Undisturbed Trading Date of 7 April 2022
- 3 Premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods
- 4 Higher total return to Stapled Securityholders implied by the Scheme Consideration versus a similar investment in 2 out of 3 other listed hospitality trusts from 14 July 2014 ("FHT IPO Date") to 8 June 2022
- 5 Premium of 16.7% to the analyst consensus target price in 2022
- 6 Scheme Consideration takes into account pre-COVID-19 portfolio valuation

# The FHT Managers have commissioned valuations of FHT's properties as at 31 May 2022

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

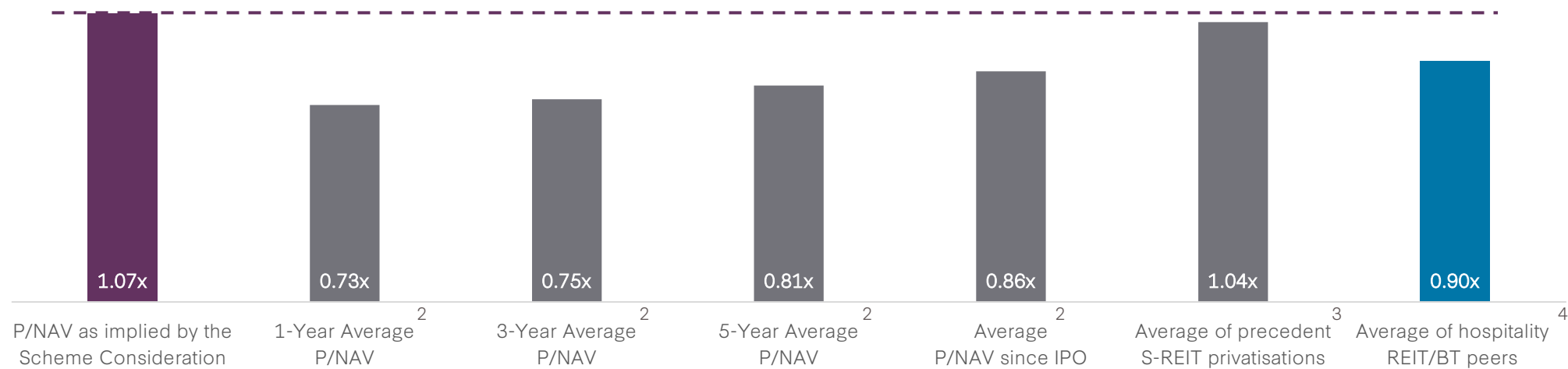


The latest independent valuations have accounted for the potential recovery trajectory post-COVID-19, based on certain assumptions

<sup>1</sup> The incremental carrying values of the FHT Properties 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 held as at 31 March 2022  
<sup>2</sup> 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  
<sup>3</sup> The exclusion of FHT's reported DPS for HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022  
<sup>4</sup> The gain from the divestment of SSW, which was completed on 29 April 2022

# P/NAV multiple implied by Scheme Consideration allows Stapled Securityholders to exit at an attractive valuation

P/NAV as implied by the Scheme Consideration<sup>1</sup> against benchmarks



Opportunity for Stapled Securityholders to exit at a valuation that compares favourably against benchmarks

<sup>1</sup> This is derived from: (i) the incremental carrying values of the FHT Properties 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 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 HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022; and (iv) the gain from the divestment of SSW, which was completed on 29 April 2022

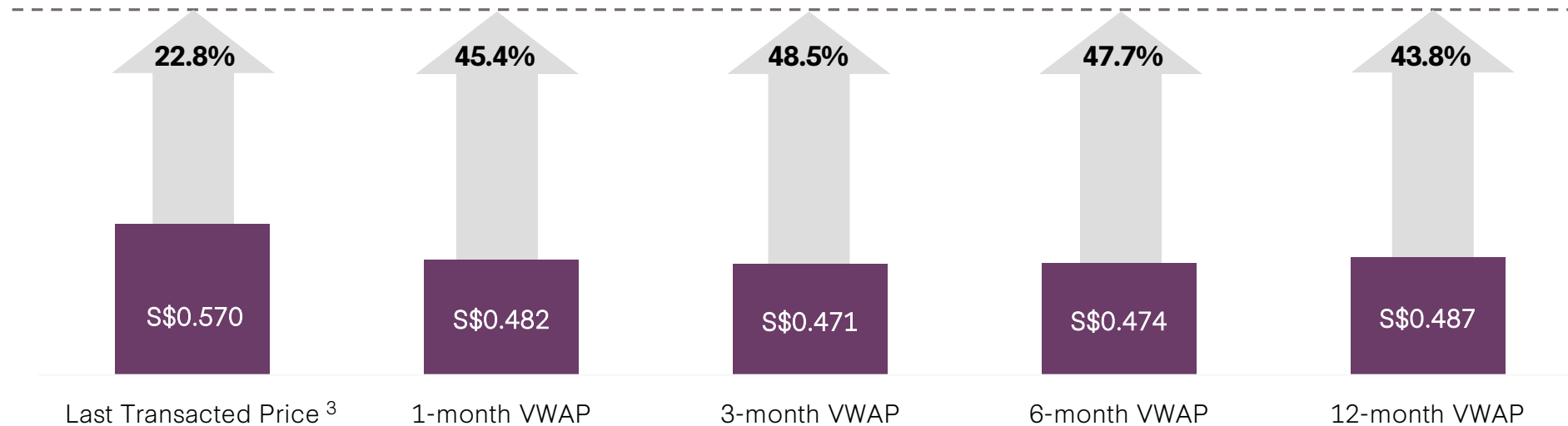
<sup>2</sup> The historical average P/NAV is computed daily up to and including the Last Undisturbed Trading Date and reflects the market capitalisation at the end of each trading day divided by NAV for last reported financial quarter or period, as compiled from Bloomberg L.P. and FHT filings

<sup>3</sup> 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 June 2017; (v) Saizen Trust announced on 22 October 2015; and (vi) Perennial CRT announced on 14 March 2014

<sup>4</sup> P/NAV is computed as the closing price as at the Last Undisturbed Trading Date, divided by the reported NAV per Stapled 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

# Scheme Consideration represents a premium of 45.4%, 48.5%, 47.7% and 43.8% to the 1-month, 3-month, 6-month and 12-month VWAP respectively<sup>1,2</sup>

## Scheme Consideration: S\$0.700 per Stapled Security



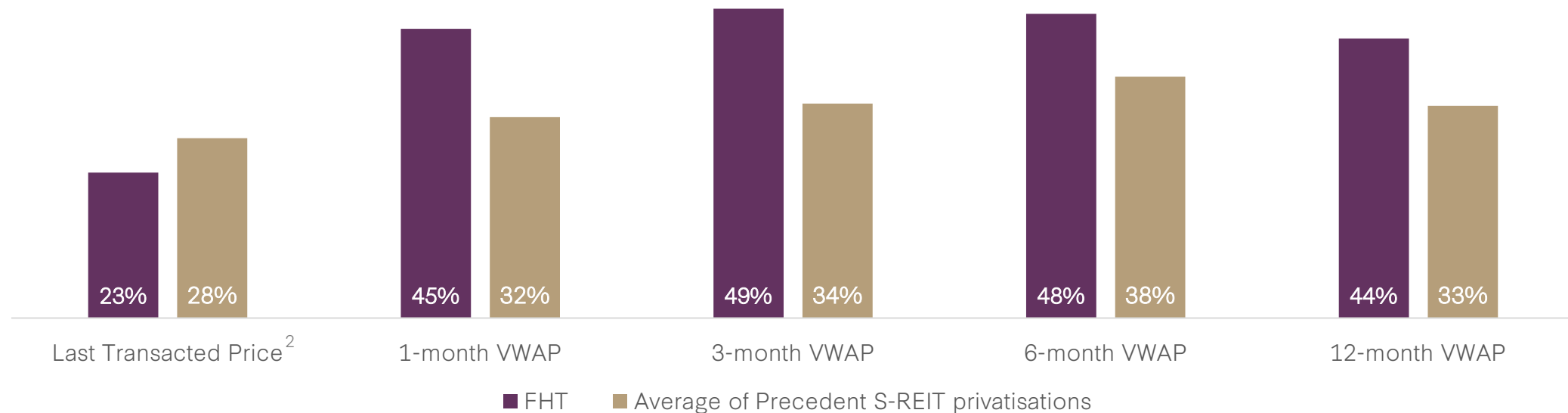
<sup>1</sup> The VWAPs of Stapled Securities are rounded to the nearest three (3) decimal places and computed on data compiled from Bloomberg L.P. up to and including the Last Undisturbed Trading Date. The respective premia are rounded to the nearest one (1) decimal place and subject to rounding differences

<sup>2</sup> Referenced against the Last Undisturbed Trading Date

<sup>3</sup> Refers to the closing price of FHT as of the Last Undisturbed Trading Date of S\$0.570

# Premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods<sup>1,3</sup>

Premia over Benchmark Prices (%)



Source: SGX announcements

<sup>1</sup> 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

<sup>2</sup> Refers to the closing price of FHT as of the Last Undisturbed Trading Date of S\$0.570

<sup>3</sup> Referenced against the Last Undisturbed Trading Date

# Provides a higher total return for Stapled Securityholders<sup>1</sup> than two out of three of FHT's peers<sup>2</sup> over the same period

## Total Returns Analysis Since IPO

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 Sep 2016 <sup>3</sup>	Scheme Consideration	Distributions since the FHT IPO Date up to 8 Jun 2022	Sum of Scheme Consideration and total distributions up to 8 Jun 2022	Total returns since IPO
S\$0.813	S\$0.700	S\$0.297 <sup>4</sup>	S\$0.997	22.7% <sup>5</sup>

The Scheme Consideration of S\$0.700 per Scheme Stapled Security, 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<sup>2</sup> over the same period

<sup>1</sup> As implied by the Scheme Consideration

<sup>2</sup> 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 and including 8 June 2022, being the last full trading day immediately prior to the date of the Joint Announcement (the "Last Trading Date")

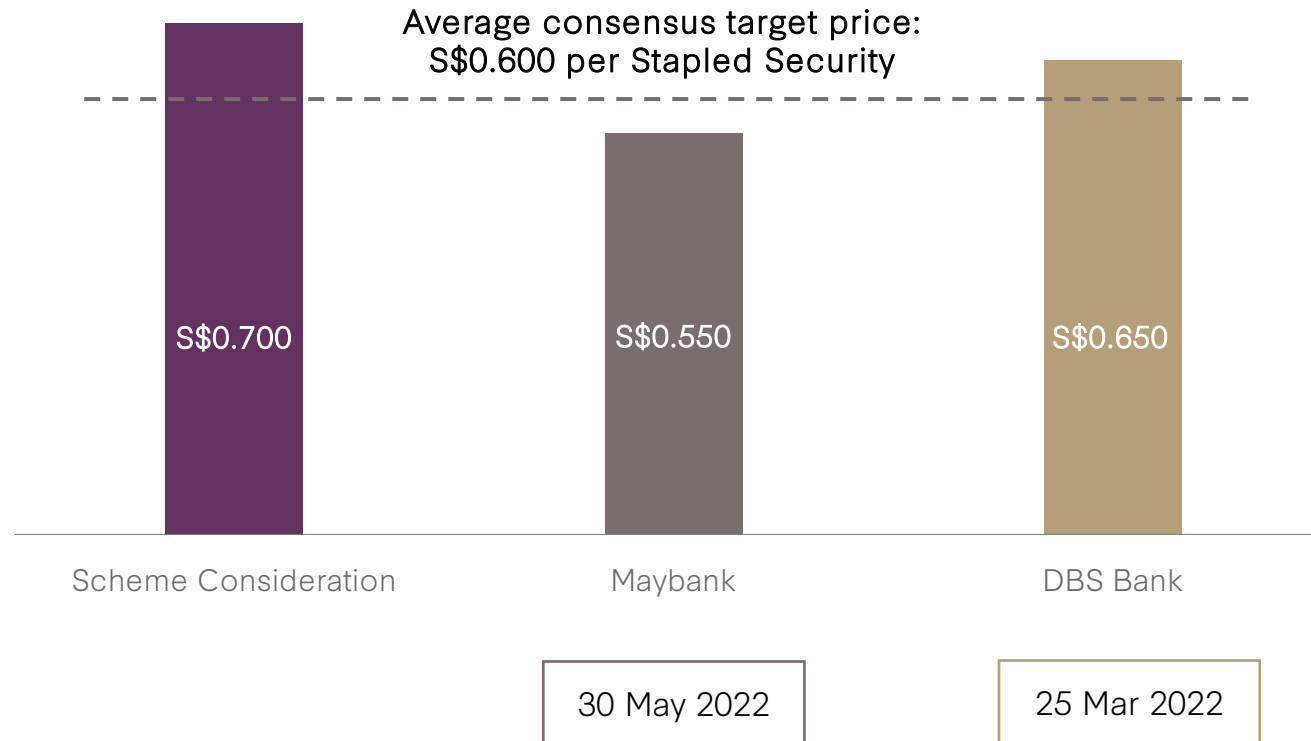
<sup>3</sup> The security price as at FHT IPO Date is computed as the IPO price of S\$0.880 per Stapled Security for FHT (adjusted for rights issues undertaken since IPO to Last Trading Date) and closing price of the relevant hospitality REIT/BT peers sourced from Bloomberg L.P., and adjusted for any rights issue undertaken since the FHT IPO Date to Last Trading Date

<sup>4</sup> Refers to total dividends distributed per stapled security since IPO and adjusted for rights issue sourced from Bloomberg L.P.

<sup>5</sup> Total return is rounded to one (1) decimal place and subject to rounding differences



# Scheme Consideration represents a premium of 16.7% to analyst consensus target price<sup>1</sup> in 2022

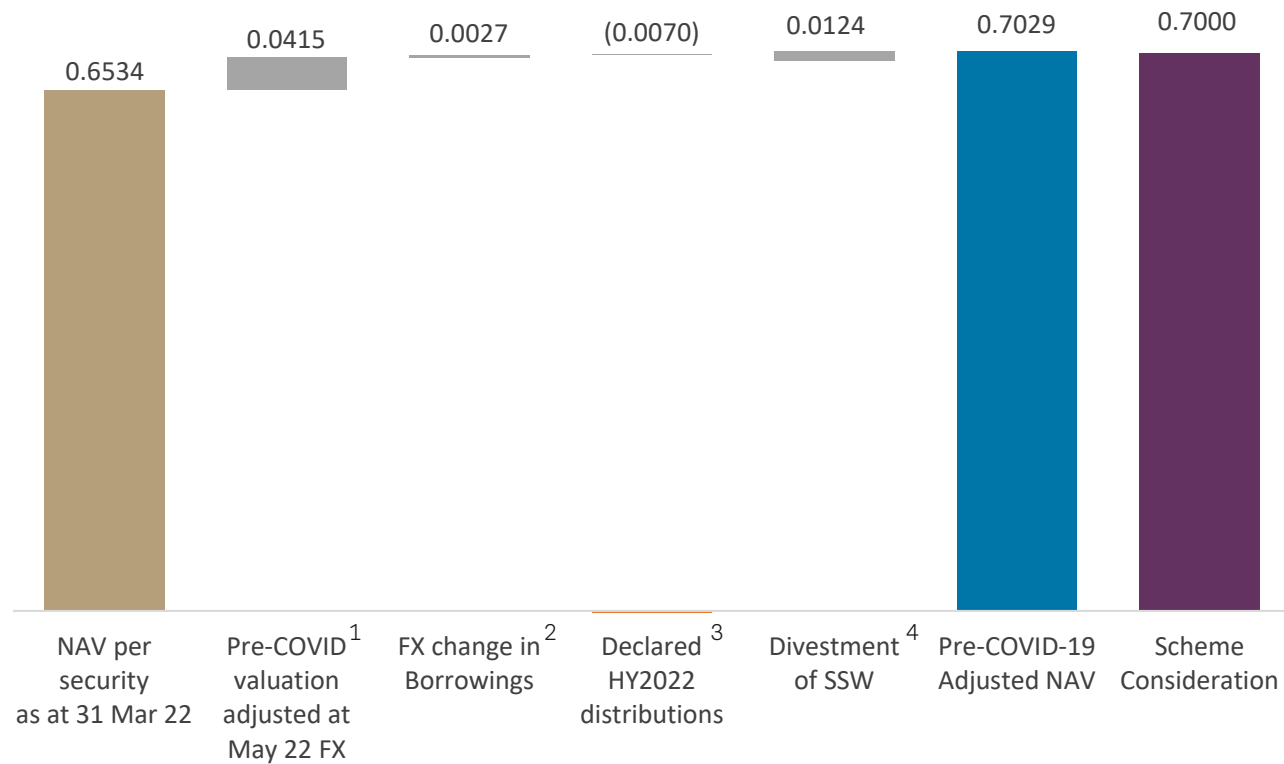


In arriving at the target prices, the respective analyst reports have taken into account the recovery prospects of FHT.

<sup>1</sup> The average analyst consensus target prices were compiled from Bloomberg L.P. as of the Last Trading Date

# Scheme Consideration takes into account pre-COVID-19 portfolio valuations

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



Demonstrates that recovery prospects have been taken into account in arriving at the Scheme Consideration

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

<sup>1</sup> This is derived from the incremental carrying values of the FHT Properties 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

<sup>2</sup> Derived from the incremental value of FHT's borrowings as at 31 Mar 2022, converted to S\$ based on the applicable foreign exchange rates as at 31 May 2022.

<sup>3</sup> Refers to the exclusion of FHT's reported DPS for the financial half year ended 31 Mar 2022 of 0.7039 Singapore cents, which was paid out on 29 Jun 2022.

<sup>4</sup> Refers to the gain from divestment of SSW, which was completed on 29 Apr 2022.



# **IFA Opinion and Directors' Recommendations**

# Recommendation of the FHT Directors on the FHT Trust Deeds Amendments

## Recommendation of the FHT Directors on the FHT Trust Deeds Amendments



Having regard to the above and the rationale for the FHT Trust Deeds Amendments as set out in Paragraph 7 of the Letter to Stapled Securityholders, the FHT Directors are of the opinion that the FHT Trust Deeds Amendments would be beneficial to, and be in the interests of, FHT.

Accordingly, the FHT Directors recommend that Stapled Securityholders **VOTE IN FAVOUR** of the FHT Trust Deeds Amendments Resolution at the FHT EGM.

*FHT Directors*

IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACTS TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO STAPLED SECURITYHOLDERS AND THE IFA LETTER, WHICH CAN BE FOUND ON PAGES 18 TO 71 OF AND APPENDIX B OF THE SCHEME DOCUMENT RESPECTIVELY. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS, WHICH ARE ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE FHT IFA AND RECOMMENDATIONS OF THE FHT DIRECTORS AND THE FHT INDEPENDENT DIRECTORS.

# Opinion of the FHT IFA and Recommendation of the FHT Independent Directors on the Scheme

## Opinion of the FHT IFA on the Scheme

“

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Scheme are **FAIR** and **REASONABLE**. Accordingly, we advise the FHT Independent Directors to recommend that the Scheme Stapled Securityholders **VOTE IN FAVOUR** of the Scheme Resolution.

*Deloitte & Touche Corporate Finance Pte Ltd - FHT IFA*

## Recommendation of the FHT Independent Directors on the Scheme

“

The FHT Independent Directors have considered carefully the terms of the Scheme and the advice given by the FHT IFA in the FHT IFA Letter and have taken into account the various factors set out in the FHT IFA Letter. In light of the foregoing, the FHT Independent Directors recommend that Stapled Securityholders **VOTE IN FAVOUR** of the Scheme Resolution at the Scheme Meeting.

*FHT Independent Directors*

**IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACTS TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO STAPLED SECURITYHOLDERS AND THE IFA LETTER, WHICH CAN BE FOUND ON PAGES 18 TO 71 OF AND APPENDIX B OF THE SCHEME DOCUMENT RESPECTIVELY. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS, WHICH ARE ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE FHT IFA AND RECOMMENDATIONS OF THE FHT DIRECTORS AND THE FHT INDEPENDENT DIRECTORS.**



# Timeline and Approvals Required

# The Scheme will be subject to the approval of the Stapled Securityholders and various other conditions

## a. FHT EGM

The FHT Managers will first seek the approval of Stapled Securityholders for the FHT Trust Deeds Amendments at the FHT EGM to be convened and held at Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966, on Monday, 12 September 2022 at 10.00 a.m. (Singapore time), as follows:

### FHT TRUST DEEDS AMENDMENTS RESOLUTION <sup>1</sup>

The proposed amendment of the FHT Trust Deeds to include provisions which are necessary for the implementation of the Scheme

#### Approval threshold

- 75.0% or more of the total number of votes cast

## b. Scheme Meeting

Subject to the FHT Scheme Amendments being approved by Stapled Securityholders at the FHT EGM, the FHT Managers will seek the approval of Stapled Securityholders for the Scheme at the Scheme Meeting to be convened and held at the same venue as the FHT EGM, on Monday, 12 September 2022 at 10.30 a.m. (Singapore time) or as soon thereafter following the conclusion of the FHT EGM, whichever is later, as follows:

### SCHEME RESOLUTION <sup>2</sup>

The proposed privatisation of FHT by the Offeror by way of a trust scheme of arrangement

#### Approval threshold

- A majority in number 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

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), will abstain from voting on the Scheme Resolution at the Scheme Meeting. The FHT Managers will also abstain from voting on the Scheme Resolution at the Scheme Meeting. Mr Panote Sirivadhanabhakdi will also abstain from making any recommendations and voting on the Scheme Resolution.

## Other Approvals

### Requirements

#### Court and Regulatory Approvals

- Court sanction for: (1) convening of the Scheme Meeting (which had been obtained on 3 August 2022); and (2) the approval of the Scheme (if approved at the Scheme Meeting)
- Additional regulatory approvals include approval from the SGX-ST for the proposed delisting of FHT and approval from the FIRB

#### Notes:

<sup>1</sup> For the avoidance of doubt, the FHT Trust Deeds Amendments Resolution is not conditional on the Scheme Resolution being passed. In the event that the FHT Trust Deeds Amendments Resolution is approved at the FHT EGM, the FHT Trust Deeds will be amended to reflect the FHT Trust Deeds Amendments, whether or not the Scheme Resolution is passed.

<sup>2</sup> The Scheme Resolution is contingent upon the approval of the FHT Trust Deeds Amendments Resolution at the FHT EGM. In the event that the FHT Trust Deeds Amendments Resolution is not approved at the FHT EGM, 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 FHT Trust Deeds Amendments Resolution and the Scheme Resolution are approved at the FHT EGM and the Scheme Meeting respectively.

# Indicative Timeline

Key Event	Expected Date and Times (Singapore Time)
Last Date and Time for Pre-registration for SIAS-FHT Dialogue Session <sup>1</sup>	Wednesday, 24 August 2022 at 12.00 p.m.
SIAS – FHT Dialogue Session <i>Grand Ballroom III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 or via live webcast where login details will be provided in confirmation email</i>	Wednesday, 31 August 2022 at 7.00 p.m.
Last Date and Time for Lodgment of Proxy Form A (FHT EGM) <i>Refer to Pages 33 to 36 of this presentation for further details on the voting instructions</i>	Saturday, 10 September 2022 at 10.00 a.m.
Last Date and Time for Lodgment of Proxy Form B (Scheme Meeting) <i>Refer to Pages 33 to 36 of this presentation for further details on the voting instructions</i>	Saturday, 10 September 2022 at 10.30 a.m.
FHT EGM <i>Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966</i>	Monday, 12 September 2022 at 10.00 a.m.
Scheme Meeting <sup>2</sup> <i>Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966</i>	Monday, 12 September 2022 at 10.30 a.m. (or as soon thereafter following the conclusion of the FHT EGM, whichever is later)
Expected Date of Court hearing of the application to sanction the Scheme <sup>3</sup>	Monday, 3 October 2022
Expected Effective Date of the Scheme <sup>3</sup>	Wednesday, 12 October 2022
Expected Date for the payment of the Scheme Consideration <sup>3</sup>	Wednesday, 19 October 2022
Expected Date for the delisting of FHT <sup>3</sup>	Friday, 21 October 2022

Note:

<sup>1</sup> Pre-registration will be required for both physical and virtual participation and accepted on a first come, first served basis. Pre-registration is compulsory and any RSVPs received after the deadline will not be accepted.

<sup>2</sup> The Scheme Meeting will only be convened if the FHT Trust Deeds Amendments Resolution is passed by Extraordinary Resolution at the FHT EGM.

<sup>3</sup> You should note that save for the last date and time for the lodgement of the Proxy Form A (FHT EGM) and the Proxy Form B (Scheme Meeting) and the date, time and place of each of the FHT EGM and the Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by FHT for the exact dates of these events.





# **Additional Information - Voting Instructions**

# How do I vote for the FHT EGM and the Scheme if I am unable to attend the FHT EGM and/or Scheme Meeting in person?

## Information on Obtaining the Proxy Forms

- The FHT EGM and the Scheme Meeting are two different meetings of Stapled Securityholders to be held by way of physical means on the same day.
- Each meeting has a separate proxy form, with different instructions and different approval thresholds for each resolution.
- The Proxy Form A (FHT EGM) and Proxy Form B (Scheme Meeting) are despatched or made available to you together with the Notice of FHT EGM and Notice of Scheme Meeting respectively, and can also be obtained from the Stapled Security Registrar:
  - Address: 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632
  - Operating hours: Monday to Friday, 8.30 a.m. to 5.30 p.m.
- An electronic copy of the Proxy Forms is also available on the website of the SGX-ST at [www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements) and on the website of FHT at [www.frasersproperty.com/reits/fht](http://www.frasersproperty.com/reits/fht)
- Scan the following QR code for more information.



**Your Vote Counts**

Please vote by submitting your proxy forms



## Information on Completing and Submitting the Proxy Forms

Fill in **BOTH** proxy forms, instructions to complete the Proxy Forms can be found in the Scheme Document and Notice to Stapled Securityholders of Electronic Despatch of Scheme Document.

The Proxy Form A (FHT EGM) must reach the Stapled Security Registrar **NO LATER THAN** 10.00 a.m. on Saturday, 10 September 2022, being 48 hours before the time fixed for the FHT EGM.

The Proxy Form B (Scheme Meeting) must reach the Stapled Security Registrar **NO LATER THAN** 10.30 a.m. on Saturday, 10 September 2022, being 48 hours before the time fixed for the Scheme Meeting.

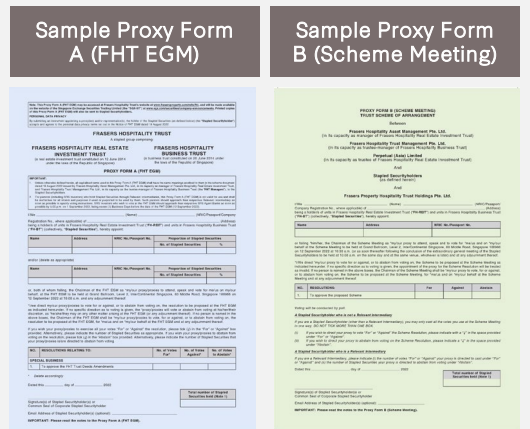
### If submitted electronically:

Scan and send the completed and signed Proxy Forms via email to the Stapled Security Registrar at [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com)

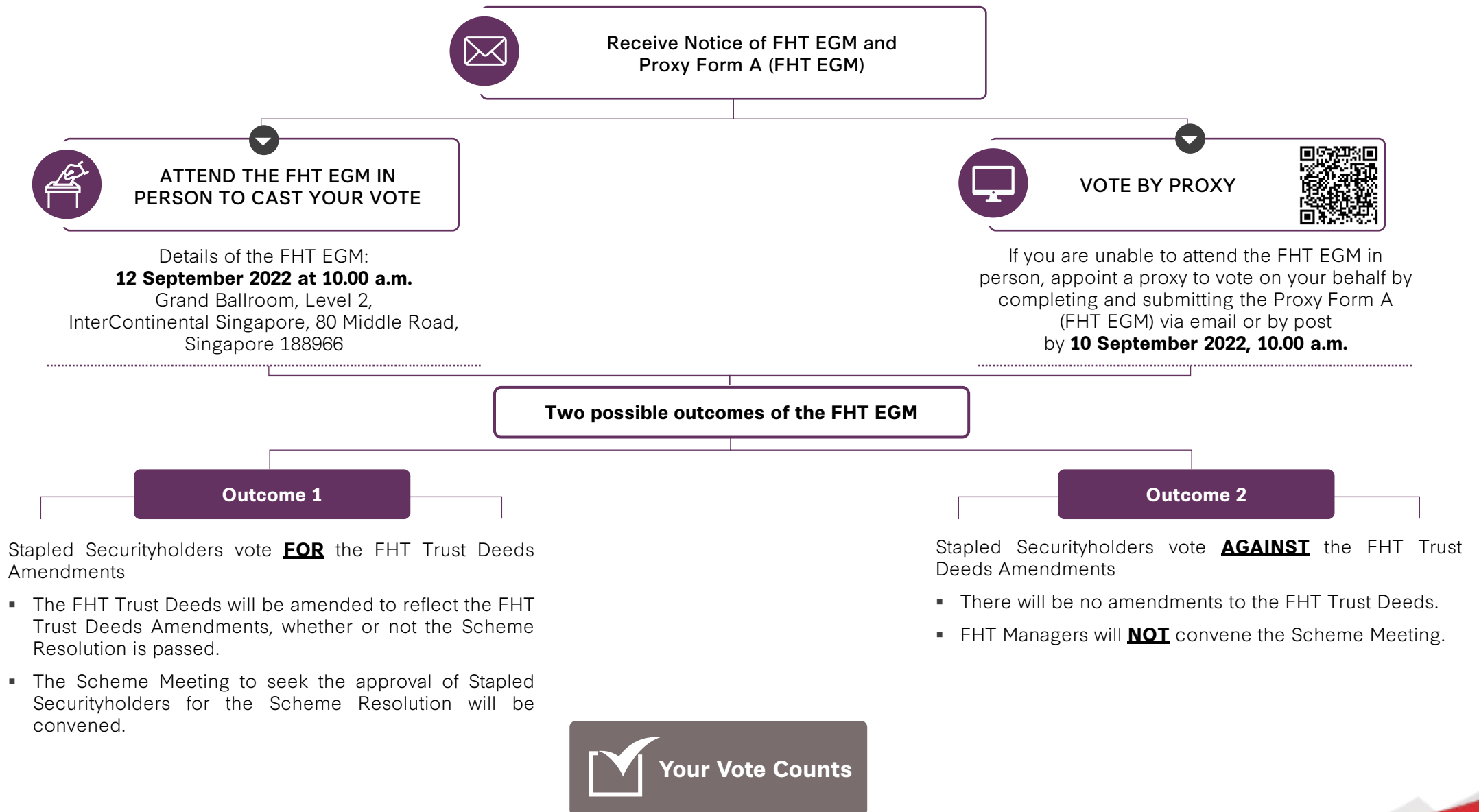
OR

### If submitted by post:

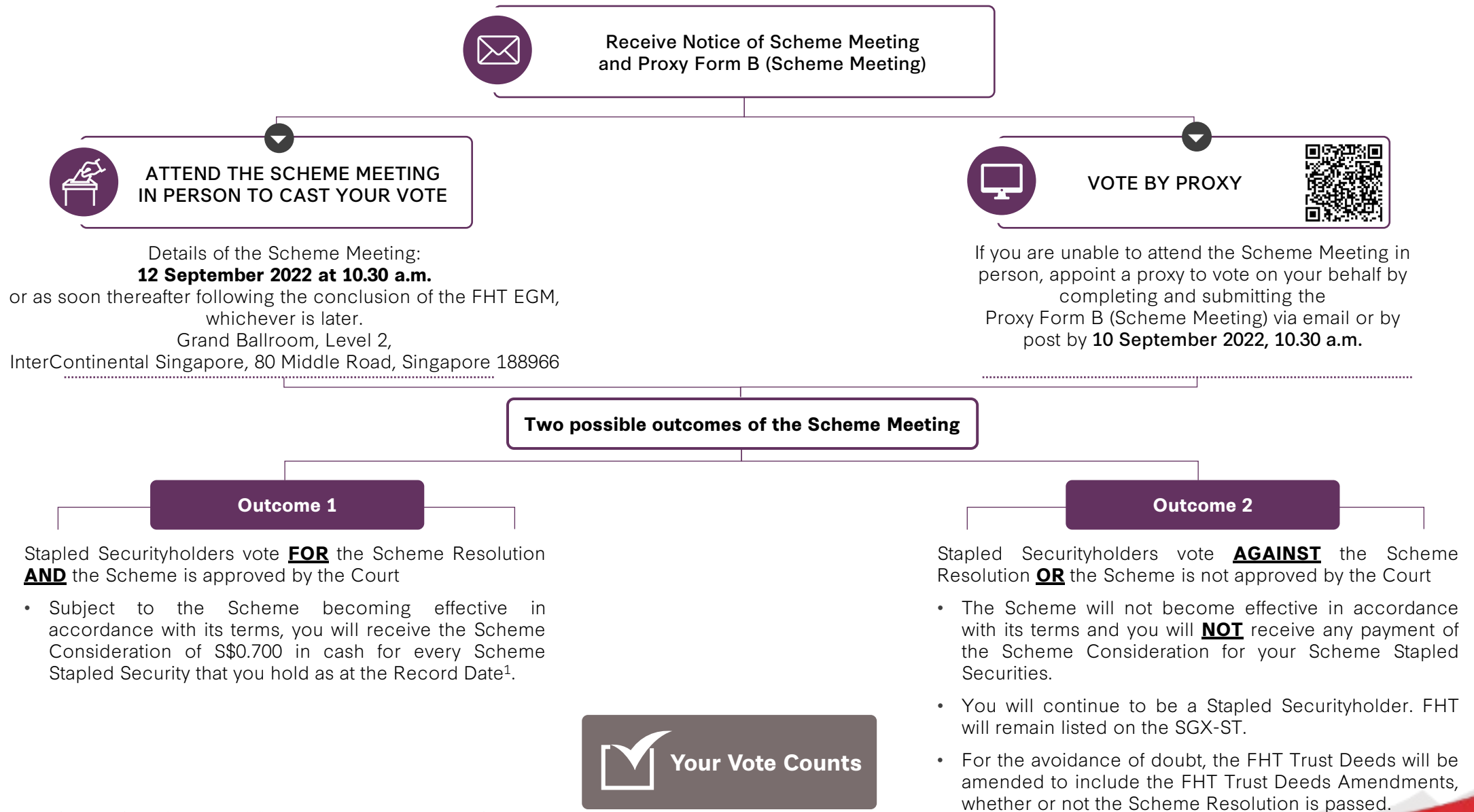
Lodge the completed and signed Proxy Forms at the office of FHT's Stapled Security Registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632



# How do I vote on the FHT Trust Deeds Amendments Resolution?



# How do I vote on the Scheme Resolution?



Note:

<sup>1</sup> Assuming all other Scheme Conditions are satisfied and/or waived by the Long-Stop Date

# Investor Contacts

## Investor Contact

### Lead Financial Adviser to the FHT Managers

DBS Bank Ltd.

#### Strategic Advisory

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### Financial Adviser to the FHT Managers

Maybank Securities Pte. Ltd.

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## Media Contact

### FHT Investor Relations

FHT Investor Relations

#### Ms. Low Ru Yan

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Telephone: +65 6349 0423

### PR Adviser to the FHT Managers

Klareco Communications Pte. Ltd.

#### Ms. Crystal Lim

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Telephone: +65 6333 3449

# Responsibility Statement

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

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Offeror, the FHT IFA, and/or the Valuers), the sole responsibility of the directors of the FHT Managers 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 presentation. The directors of the FHT Managers do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

# Thank You

