



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 FH-REIT'S AUSTRALIA MANAGED INVESTMENT TRUST STATUS**

Frasers Hospitality Asset Management Pte. Ltd., as manager of Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**", and the manager of FH-REIT, the "**REIT Manager**") and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of Frasers Hospitality Business Trust ("**FH-BT**", and the trustee-manager of FH-BT, the "**Trustee-Manager**" and together with the REIT Manager, the "**Managers**") wish to provide an update to the holders of the stapled securities ("**Stapled Securities**") in Frasers Hospitality Trust ("**FHT**", and the holders of Stapled Securities, "**Stapled Securityholders**") in respect of the managed investment trust ("**MIT**") status of FH-REIT's wholly-owned Australian subsidiary, FHT Australia Trust ("**FHTAT**") for the financial year ended 30 September 2024 ("**FY2024**").

To qualify as a withholding MIT, there are several conditions that must be met and among other requirements, no individual (who is not a resident of Australia, i.e. "Foreign Individual") can directly or indirectly hold, control or have the right to acquire an interest of 10.0% or more in FH-REIT (and therefore, FHTAT) at any time during the income year.

On 17 July 2024, InterBev Investment Limited ("**IBIL**") and TCC Assets Limited ("**TCCAL**") entered into a conditional share swap agreement ("**SSA**"). The completion of the share swap under the SSA, which was subject to the satisfaction of conditions which included the relevant approval from the shareholders of IBIL's parent company Thai Beverage Public Company Limited which is listed on Singapore Exchange Securities Trading Limited, subsequently took place on 20 September 2024.

Following the completion of the share swap, (i) IBIL ceased to have an interest in Frasers Property Limited ("**FPL**"), and accordingly, is no longer deemed to have an interest in the Stapled Securities which FPL has an interest in; and (ii) TCCAL's effective stake in FPL increased to approximately 86.89% (based on the total number of issued shares of FPL (excluding treasury shares) as at the date of the SSA).

This increase in TCCAL's effective stake in FPL consequently resulted in the failure to continue to satisfy the condition that a Foreign Individual cannot hold an effective interest of more than 10.0% in FH-REIT and an effective indirect interest of more than 10.0% in FHTAT. This would, based on the applicable regulations, cause FHTAT to be unable to meet the 10.0% foreign resident individual test, which is one of the requirements to qualify as a withholding MIT in FY2024. The foregoing corporate action in relation to entities above FH-REIT's unitholder's level was beyond the control of FH-REIT and the REIT Manager.

Since FHT's initial public offering ("IPO") in July 2014, FHTAT had qualified as a withholding MIT to enjoy a concessionary withholding tax rate at 15% on FHTAT's distributions to FH-REIT, save for the financial year ended 30 September 2021 ("FY2021")<sup>1</sup>.

Following the completion of the share swap under the SSA above on 20 September 2024, FHTAT would not qualify as a withholding MIT for FY2024. FHTAT will consequently not enjoy this preferential Australian withholding tax rate and the distribution from FHTAT in respect of FY2024 would be subject to an effective Australian tax rate of 37.5%.

Arising from FHTAT not qualifying as a withholding MIT and based on the Managers' preliminary review of the unaudited results for FY2024, the reduction in FHT's distributable income for FY2024 is estimated to be approximately S\$1.3 million. By reference to FHT's audited financial results for the financial year ended 30 September 2023 ("**FY2023 Audited Financial Results**"), this represents an approximately 2.5% reduction to FHT's reported distributable income for FY2023.

Under applicable financial reporting standards, FHT is to recognise deferred tax liability to account for future capital gains tax that may become realised should any of the Australia properties held indirectly by FHTAT be divested. As this is an accounting deferred tax liability based on the expected realisation of the assets, including any capital gains that could arise on sale, this does not translate to any impact on the distributable income of FHT for FY2024. The actual realisation of this deferred tax liability will depend on factors at the time of the divestment of the Australia properties of FH-REIT (if at all), such as the selling price, the book value of the properties and the prevailing tax regulations. Arising from FHTAT not qualifying as a withholding MIT and based on the Managers' preliminary review of the unaudited results for FY2024, it is estimated that the additional deferred tax liability at FHT level to be recognised for FY2024 would amount to approximately S\$22.0 million. By reference to FHT's FY2023 Audited Financial Results, this represents an approximately 1.7% reduction to FHT's reported net asset value per Stapled Security as at 30 September 2023.

The Managers would like to highlight that as mentioned in the prospectus at IPO (see "Risk Factors" at page 135), there are no stipulated limits on how many Stapled Securities a Stapled Securityholder may acquire, and where FHTAT does not qualify for MIT treatment, the distributions would be subject to Australian tax at 30.0% (where the unitholder is a company) or 45.0% (where the unitholder is a trust), thus bringing the effective tax rate to 37.5% on distributions made by FHTAT if it does not qualify as an MIT, instead of the preferential withholding tax rate of 15%.

Since IPO, FHTAT had qualified as a withholding MIT except for FY2021 and the Managers have been continuously providing updates on FHTAT's MIT status in its unaudited half year financial results and its full year financial results, highlighting on FHTAT's withholding MIT status for the relevant income period.

FHT is in the midst of preparing its financial results for FY2024 and will be announcing its unaudited FY2024 financial results before the commencement of trading on 7 November 2024. FHT will provide further details of FHT's performance when it releases its financial results.

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<sup>1</sup> For more information on the loss of withholding MIT status for the FY2021, Stapled Securityholders may refer to the financial statements and related announcement that have been announced by the Managers on SGXNET, dated 30 April 2021, 29 October 2021, 29 April 2022, 4 November 2022, 28 April 2023, 7 November 2023 and 9 May 2024. The breach of MIT conditions in FY2021 was rectified in the same financial year. Stapled Securityholders should note that as FHTAT was in a tax loss position and was not making any distribution to its unitholders for FY2021, there was no Australian withholding tax which was applicable to FHTAT. Accordingly, whether or not the withholding MIT concessionary withholding tax rate of 15% was available or not would not have had any practical implications for FHTAT or its unitholders.

**Stapled Securityholders and potential investors are advised to exercise caution when dealing or trading in the Stapled Securities.**

**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 October 2024

### **Important Notice**

The value of 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.