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)

RESPONSES TO SGX REGCO QUERIES ON FRASERS HOSPITALITY TRUST'S UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

Frasers Hospitality Trust ("**FHT**" or the "**Trust**") released its unaudited financial statements announcement for the half year ended 31 March 2021 ("**1H 2021**", and the financial statements announcement the "**1H2021 Financial Statements Announcement**") on 30 April 2021. The board of directors (the "**Board**") of each of Frasers Hospitality Asset Management Pte. Ltd., in its capacity as the manager of Frasers Hospitality Real Estate Investment Trust (the "**REIT Manager**"), and Frasers Hospitality Trust Management Pte. Ltd. (the "**Trustee-Manager**"), in its capacity as the trustee-manager of Frasers Hospitality Business Trust (collectively, the "**Managers**") wishes to announce the following in response to queries received from Singapore Exchange Regulation ("**SGX RegCo**") on 31 May 2021 relating to the 1H2021 Financial Statements Announcement.

SGX RegCo's Query (a):

It is noted on page 7 of the announced results that interest income received for 1H 2021 is S$173,000. Please explain why interest income amounted to only S$173,000 during 1H 2021 when the Trust has cash and cash equivalents of S$72,040,000.

The Managers' Response:

FHT's interest income arises from placement of cash reserves in interest bearing bank accounts and fixed deposits. In 1H 2021, the prevailing interest rate environment in the countries in which FHT has operations was weak due to the COVID-19 pandemic. Interest rates during that period were very low, some practically at zero percent.

FHT's cash and cash equivalents of approximately S$72 million as at 31 March 2021 is an accumulation of monthly net cash flows from operations, investing and financing activities (please refer to cash flow statement in 1H2021 Financial Statements Announcement for more information).

SGX RegCo's Query (b):

Please provide the reason(s) for the current trade and other payables of S$13,960,000 and the non-current other payables of S$361,000 as at 31 March 2021 when the Trust recorded cash and cash equivalents of S$72,040,000.

The Managers' Response:

The breakdown of trade and other payables at 31 March 2021 is as follows:

	FHT
	S$
Current liabilities:	
Trade payables	
- related companies of the REIT Manager	86,000
- third parties	605,000
	691,000
Other payables	
- related companies of the REIT Manager[1]	1,519,000
- advanced deposits	471,000
- net GST/VAT Payable	1,743,000
- third parties	598,000
	4,331,000
Accruals	
- interest on bank loans	3,657,000
- others[2]	5,281,000
	8,938,000
Total trade and other payables	**13,960,000**
Non-current liabilities:	
Provision for employee benefits	**361,000**

Trade payables and other payables are typically settled within 3 months, except for:

(i) accrued interest: Settled on the interest payment date; and

(ii) provision for employee benefits: This is in relation to long service leave ("**LSL**") entitlements by Novotel Melbourne on Collins' ("**NMOC**") staff. An employee of NMOC can request to take LSL at any time after 7 years of continuous employment. On termination of employment, an employee may be entitled to receive a payment for the balance of any long service leave accrued.

Notes:

[1] Other payables to related companies of the REIT Manager relate mainly to base and performance management fees payable to the REIT manager, FHT Australia Management Pty Ltd and Trustee Manager; and property management fees. The base management fee is payable monthly and the property management fees are payable quarterly in arrears. As for the performance management fees, the amounts accrued for the period from 1 October 2020 to 31 March 2021 will only be paid once a year after the end of the financial year. i.e. after 30 September 2021.

[2] Other Accruals relate mainly to accrued professional fees, property tax, unconsumed leave and operating expenses of NMOC.

The above payment arrangements are consistent with past practices. As part of prudent cash management, FHT retained a cash position of approximately S$72 million as at 31 March 2021 to ensure

that the Trust has sufficient funds and cash reserve to meet any uncertainties that may further arise from the COVID-19 pandemic.

SGX RegCo's Query (c):

Please disclose a breakdown of the current trade and other payables amounting to S$13,960,000 and the non-current other payables amounting to S$361,000 as at 31 March 2021. For other payables, please disclose the identity of the counterparties, the aging and nature of these other payables.

The Managers' Response:

Please refer to the Managers' response in Query (b) for details.

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
3 June 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.