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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)

Managed by

**Frasers Hospitality Asset Management Pte. Ltd. ("FH-REIT Manager")**

(Company Registration No: 201331351D)

**Frasers Hospitality Business Trust**

(a business trust constituted on 20 June 2014 under the laws of the Republic of Singapore)

Managed by

**Frasers Hospitality Trust Management Pte. Ltd. ("FH-BT Trustee-Manager")**

(Company Registration No: 201401270M)

**(A) EXTRAORDINARY GENERAL MEETING ("FHT EGM")**

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

**Last date and time for lodgement of Proxy Form A (FHT EGM)**

**10 September 2022, Saturday, at 10.00 a.m.**

**Date and time of the FHT EGM**

**12 September 2022, Monday, at 10.00 a.m.**

**Place of the FHT EGM**

**Grand Ballroom, Level 2,  
InterContinental Singapore,  
80 Middle Road,  
Singapore 188966**

**(B) SCHEME MEETING**

The proposed privatisation of Frasers Hospitality Trust by Frasers Property Hospitality Trust Holdings Pte. Ltd. by way of a trust scheme of arrangement

**Last date and time for lodgement of Proxy Form B (Scheme Meeting)**

**10 September 2022, Saturday, at 10.30 a.m.**

**Date and time of the Scheme Meeting**

**12 September 2022, Monday, at 10.30 a.m.**

**Place of the Scheme Meeting**

**Grand Ballroom, Level 2,  
InterContinental Singapore,  
80 Middle Road,  
Singapore 188966**



**Your Vote Counts**

**Please vote in person or by submitting your Proxy Forms**

**Scheme Consideration**  
**\$0.700 in cash**  
per Scheme Stapled Security

**Lead Financial Adviser to the FHT Managers<sup>(1)</sup>**



(Company Registration No.: 196800306E)  
(Incorporated in the Republic of Singapore)

**Financial Adviser to the FHT Managers<sup>(1)</sup>**



**Maybank Securities Pte. Ltd.**

(Company Registration No.: 197201256N)  
(Incorporated in the Republic of Singapore)

**Independent Financial Adviser to the FHT Independent Directors<sup>(2)</sup> and to the FH-REIT Trustee<sup>(3)</sup>**

**Deloitte & Touche Corporate Finance Pte Ltd**

(Company Registration No.: 200200144N)  
(Incorporated in the Republic of Singapore)

**IMPORTANT NOTICE:** If you are in any doubt about this Scheme Document or to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Scheme Document. If you have sold or transferred all or any of your Stapled Securities in FHT, you should immediately forward this Scheme Document, together with the Notice of FHT EGM and the Notice of Scheme Meeting and their accompanying Proxy Forms, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the sale or the transfer was effected for onward transmission to the purchaser or transferee.

All capitalised terms in this section shall, if not otherwise defined, bear the same meanings as ascribed to them in this Scheme Document.

(1) Refers to the FH-REIT Manager and the FH-BT Trustee-Manager

(2) Refers to the directors of the FHT Managers who are considered independent for the purposes of the Scheme, being Mr Law Song Keng, Mr Chua Phuy Hee, Mr Liew Choon Wei and Dr David Wong See Hong

(3) Refers to Perpetual (Asia) Limited, in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust

## 1. Why is the Privatisation of FHT Being Proposed?

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

- |   |   |
|---|---|
| <b>1. Obstacles in growing distribution per Stapled Security ("DPS") and net asset value ("NAV")</b>                              | <ul style="list-style-type: none"><li>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")</li><li>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</li></ul>  |
| <b>2. Uncertainty in recovery and outlook amidst a gradual move towards an endemic phase, with looming recessionary pressures</b> | <ul style="list-style-type: none"><li>Timing and speed of full recovery for FHT's portfolio from the impact of the COVID-19 pandemic remain uncertain</li><li>Ongoing geopolitical tensions and inflationary pressures could lead to decrease in consumer spending on discretionary goods and services</li><li>Rising interest rates are expected to lead to higher costs of capital</li><li>Further strengthening of S\$ could potentially limit any potential NAV and DPS growth from a COVID-19 recovery</li></ul> |
| <b>3. FHT's small size has limited its ability to reap the benefits of a continued listing</b>                                    | <ul style="list-style-type: none"><li>FHT is smaller in scale relative to its S-REIT peers in a market where size is essential to liquidity and substantive growth</li><li>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</li></ul>   |

### The FHT Independent Directors conducted a strategic review to enhance and unlock value for Stapled Securityholders

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 |
|---|---|---|--|

## 2.

### Why is the Privatisation a Credible Option?

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

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

#### 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

#### What will Scheme Stapled Securityholders receive if the Scheme is approved?

**Scheme Consideration of S\$0.700<sup>(1)</sup> in cash per Scheme Stapled Security<sup>(2)</sup>**

(1) 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 is announced, declared, made or paid by the FHT Managers on or after the Joint Announcement Date

(2) The Entitled Stapled Securityholders shall have the right to receive and retain the Permitted Distributions (if any) in addition to the Scheme Consideration. 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 ("SSW") which was completed on 29 April 2022)

### 3. Transaction Rationale

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

#### a. Obstacles in growing DPS and NAV

##### 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

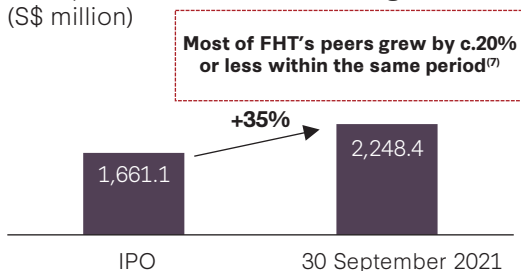
Asset Name	Year	Purchase Price in Local Currency (million)	Purchase Price in S\$ (million) <sup>(2)</sup>	30 September 2021 Valuation in Local Currency (million)	Gain/(Loss) in Local Currency
Sofitel Sydney Wentworth	2015	A\$224.0	S\$227.2 <sup>(3)</sup>	A\$270.0	20.5%
Maritim Dresden	2016	€58.4	S\$90.4 <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)	Asset Name	AEI Costs (million)
InterContinental Singapore	S\$26.0	Fraser Suites Sydney	S\$3.5
Novotel Sydney Darling Square	S\$24.5	Sofitel Sydney Wentworth	S\$2.2
ibis Styles London Gloucester Road	S\$3.4	The Westin KL	S\$1.7
<b>Total AEI Costs</b>		<b>Total AEI Costs</b>	<b>S\$61.3</b>

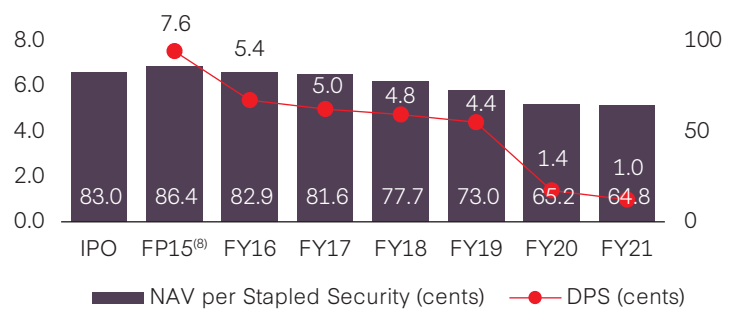
##### Despite the growth of FHT's portfolio<sup>(6)</sup>, FHT's DPS and NAV per Stapled Security have seen a declining trend since its IPO

Total portfolio valuation (including SSW) (S\$ million)



DPS (cents)

NAV per Stapled Security (cents)



##### 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

- (1) Refers to average 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.
- (2) 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
- (3) 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
- (4) 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
- (5) 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
- (6) Includes the sum of the FHT Properties, excluding right-of-use assets. The portfolio includes SSW, the divestment of which was completed on 29 April 2022
- (7) 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.
- (8) Refers to the period from the FHT IPO Date to 30 September 2015

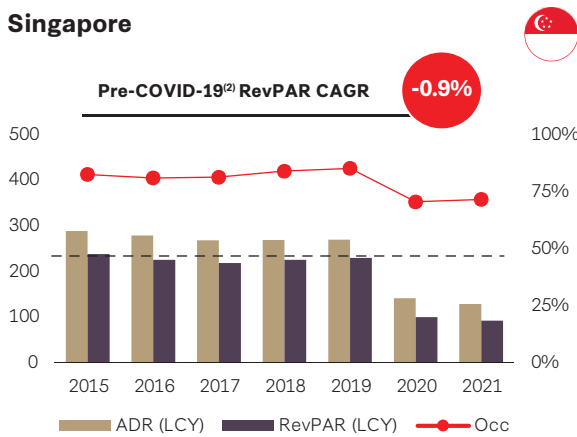
### 3. Transaction Rationale (cont'd)

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

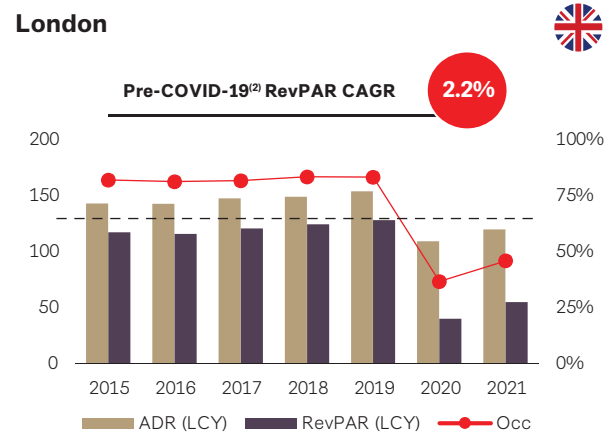
#### a. Obstacles in growing DPS and NAV (cont'd)

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

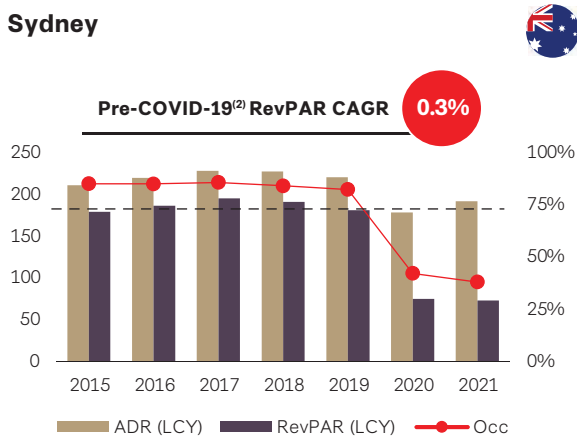
##### Singapore



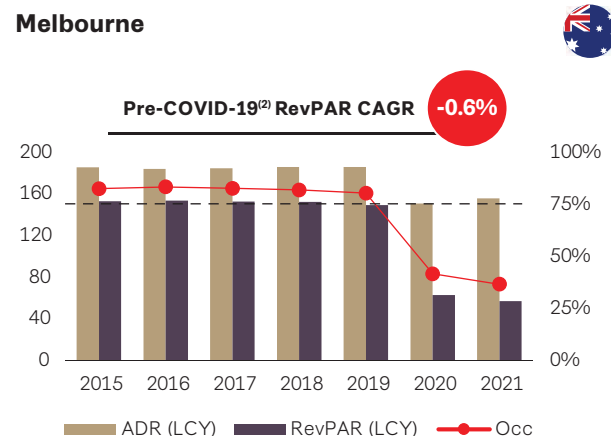
##### London



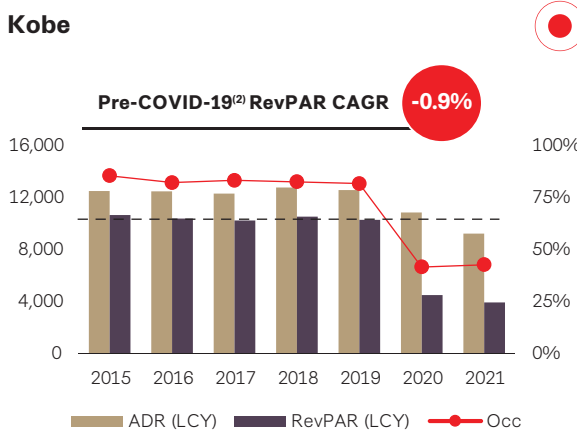
##### Sydney



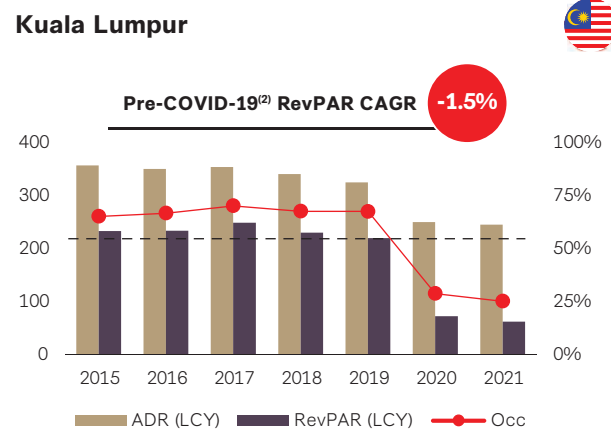
##### Melbourne



##### Kobe



##### Kuala Lumpur



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

Source: Smith Travel Research

(1) "ADR" refers to average daily rate; "RevPAR" refers to revenue per available room; and "Occ" refers to occupancy rate in %

(2) Pre-COVID-19 period refers to the period from 2015 to 2019

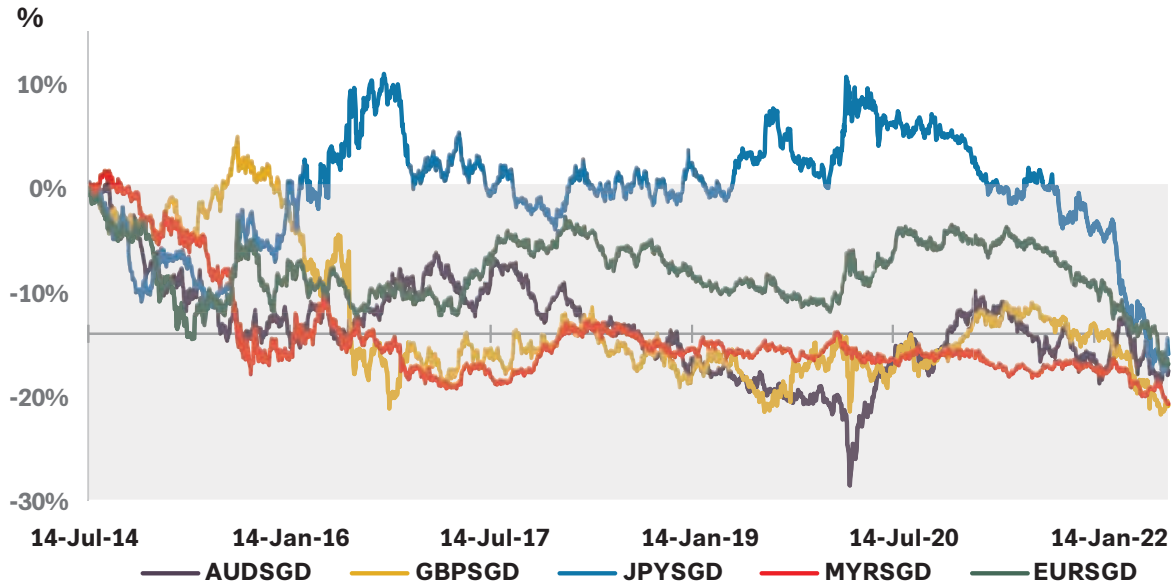
### 3. Transaction Rationale (cont'd)

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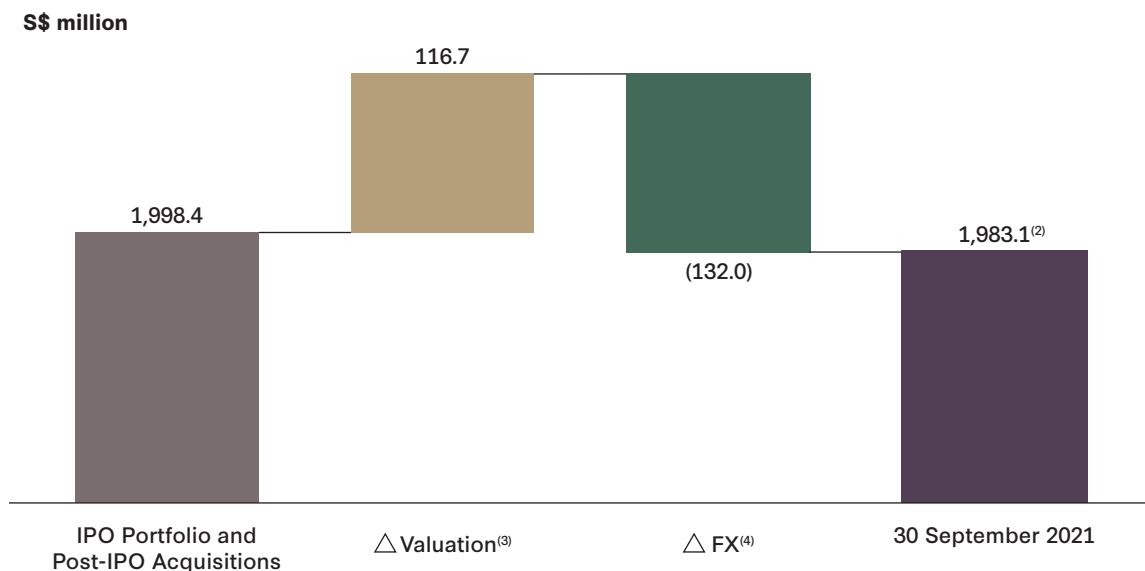
#### a. Obstacles in growing DPS and NAV (cont'd)

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 FX losses (Portfolio valuation below excludes SSW)



(1) 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")

(2) 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

(3) Δ Valuation is calculated based on (i) current valuation of FHT's portfolio and Post-IPO Acquisitions, 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), less (ii) the historical valuation of the 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 FX rates as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be)

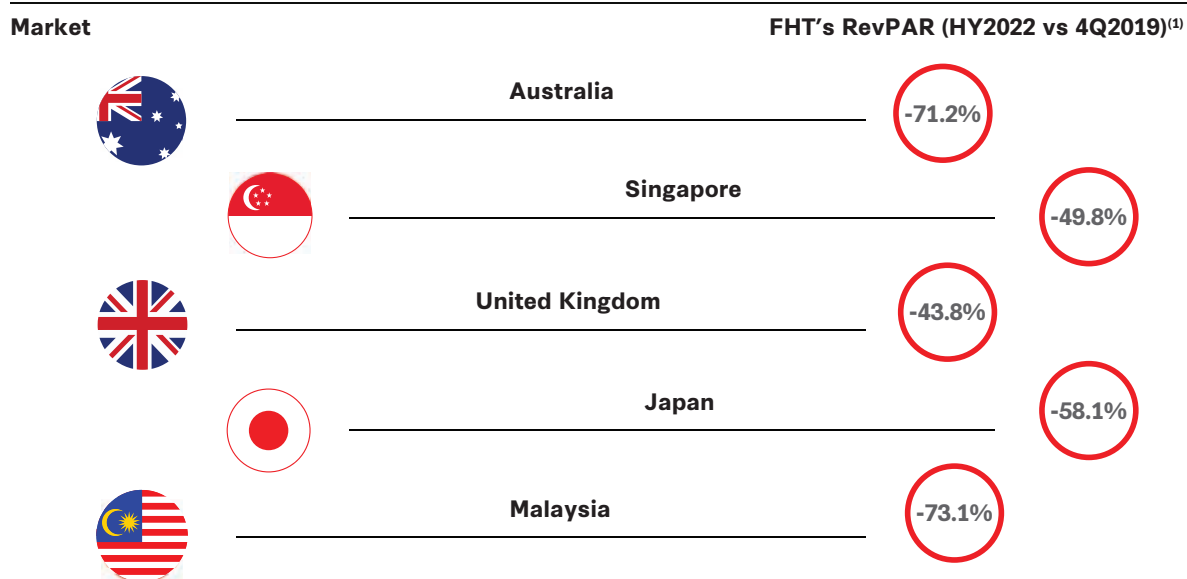
(4) Δ FX is calculated based on (i) the historical valuation of the IPO Portfolio and Post-IPO Acquisitions as at 30 September 2021, converted into S\$ based on the applicable FX rates as at 30 September 2021, less (ii) the historical valuation of the IPO Portfolio and Post-IPO Acquisitions as at 30 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)

### 3. Transaction Rationale (cont'd)

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

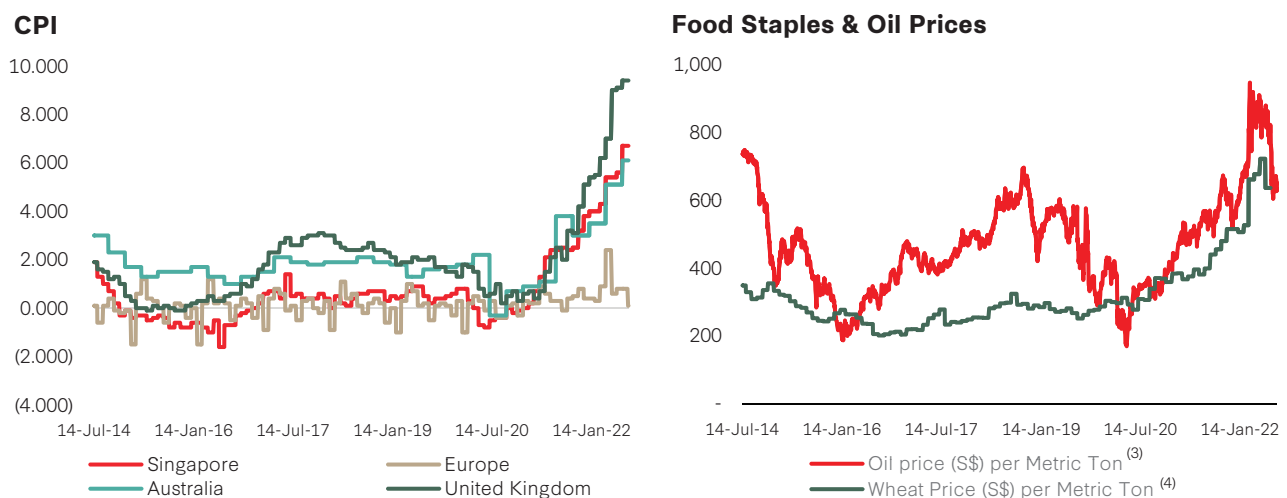
#### b. Uncertainty in recovery and outlook amidst a gradual move towards an endemic phase with looming recessionary pressures

While the COVID-19 pandemic has gradually moved toward an endemic phase and many countries 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



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 CPI<sup>(2)</sup> in FHT's operational markets, along with geopolitical uncertainties that have seen the prices of oil and food staples rise



Source: FHT filings, Bloomberg L.P., World Bank and US Department of Agriculture

- (1) 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
- (2) 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
- (3) 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
- (4) Monthly prices were compiled from World Bank and US Department of Agriculture for the period from July 2014 up to and including June 2022



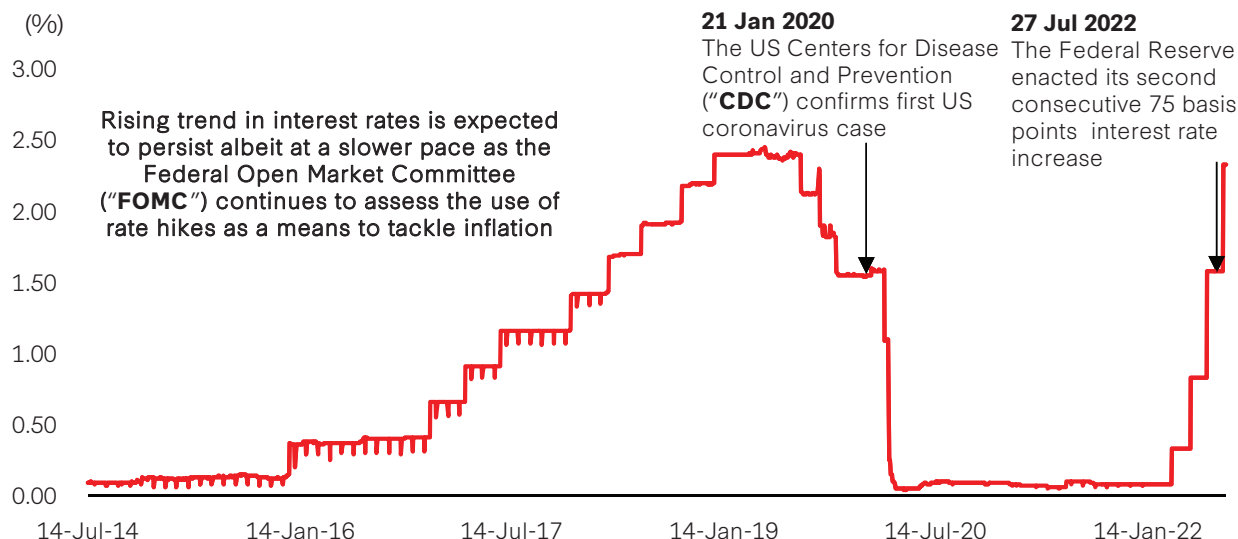
### 3. Transaction Rationale (cont'd)

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

#### b. Uncertainty in recovery and outlook amidst a gradual move towards an endemic phase with looming recessionary pressures (cont'd)

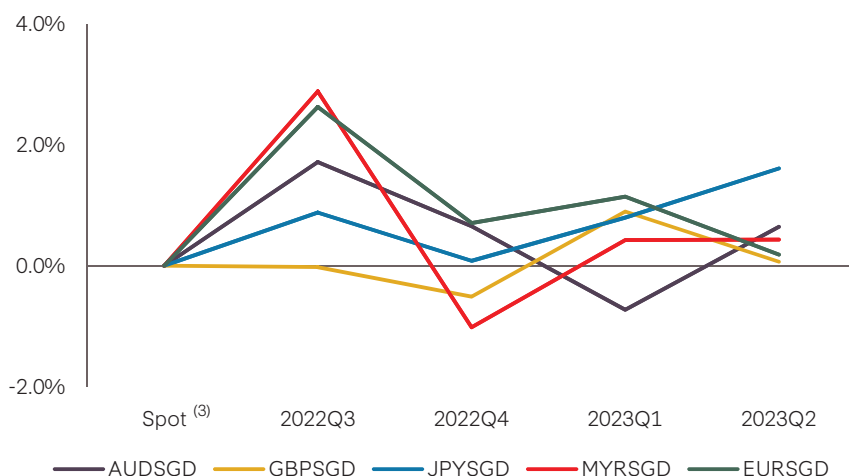
##### Ongoing Russia-Ukraine conflict compounded existing inflationary pressures, in turn triggering interest rate hikes and leading to higher costs of capital (cont'd)

Recent rise in interest rates is expected to lead to higher costs of capital<sup>(1)</sup>



##### 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>(2)</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

(1) 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

(2) Data was compiled from Bloomberg Composite as of the Latest Practicable Date and implied from FX forecast prices against US\$

(3) Spot refers to respective FX spot rates as of the Latest Practicable Date



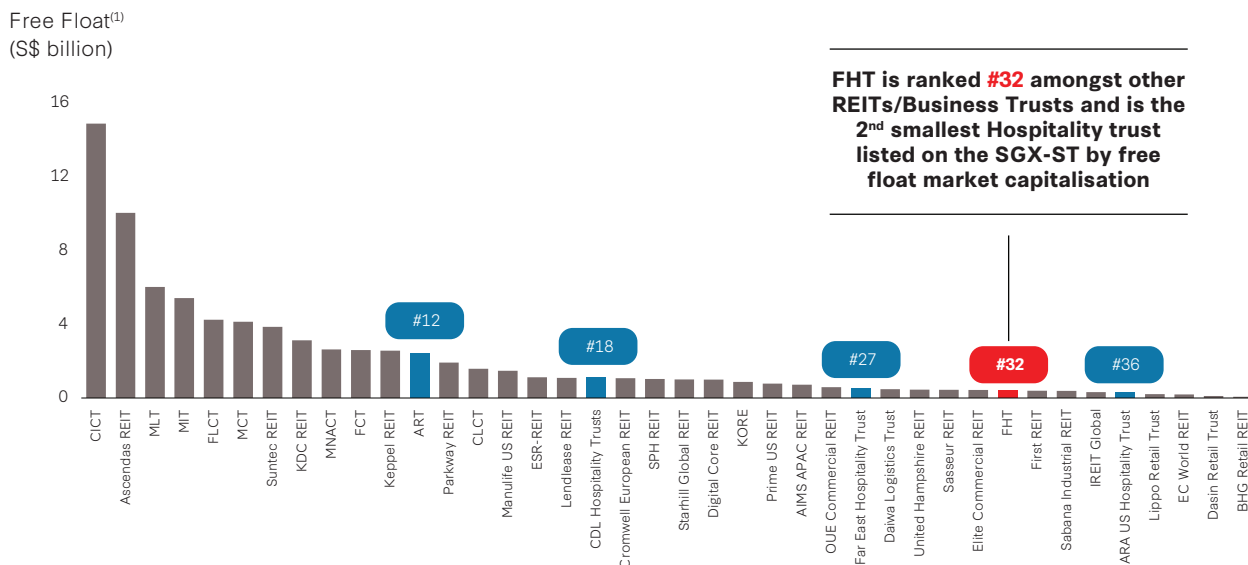
### 3. Transaction Rationale (cont'd)

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

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

**FHT is smaller in scale relative to its peers in a market where size is essential to liquidity and substantive growth**

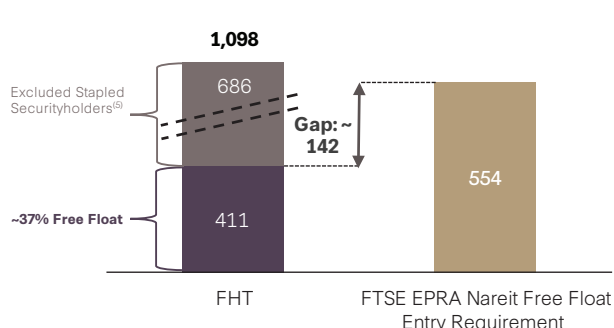
**FHT is currently ranked #32 among other REITs/BTs by free float market capitalisation**



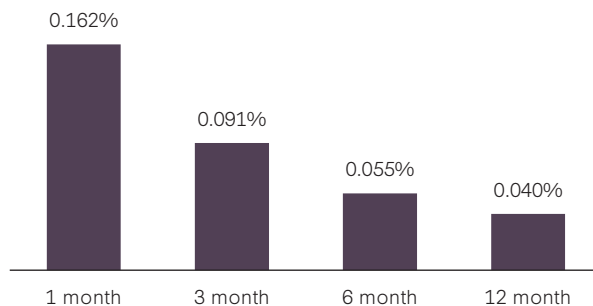
FHT is the 2<sup>nd</sup> smallest hospitality stapled trust on the SGX-ST in terms of asset size and market capitalisation with some of its other listed peers<sup>(2)</sup> being approximately 1.5 to 3.5 times larger.

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). Index inclusion 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 Free Float<sup>(3)</sup> vs FTSE EPRA Nareit Free Float Entry Requirement<sup>(4)</sup>**  
(S\$ million)



**FHT's ADTV<sup>(6)</sup> has been low historically**



(1) 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")  
(2) Refers to Ascott Residence Trust, CDL Hospitality Trusts and Far East Hospitality Trust  
(3) Data was compiled from Bloomberg L.P. as of the Last Undisturbed Trading Date  
(4) 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  
(5) This includes the direct and deemed interest held by Excluded Stapled Securityholders  
(6) This refers to average daily trading volumes as a percentage of total Stapled Securities outstanding up to and including the Last Undisturbed Trading Date

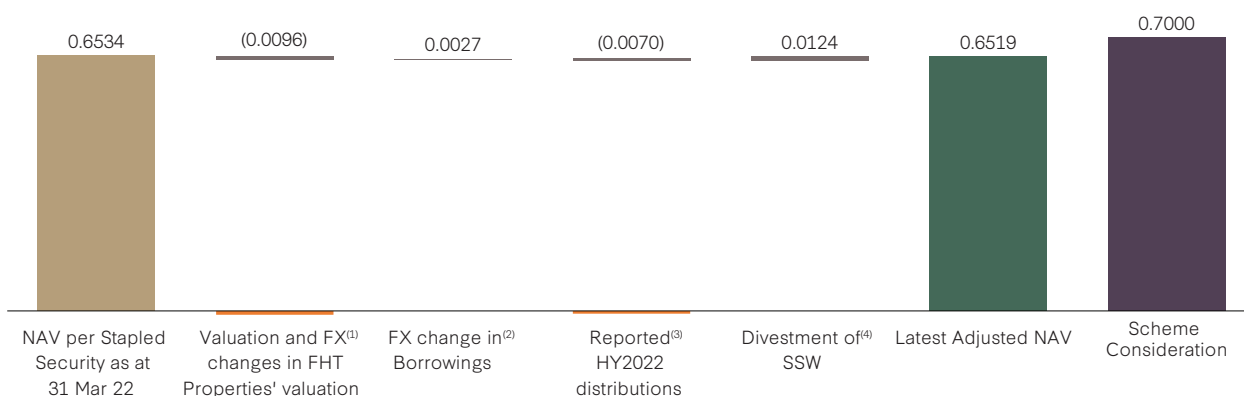
## 4. Financial Evaluation of the Scheme

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

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

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

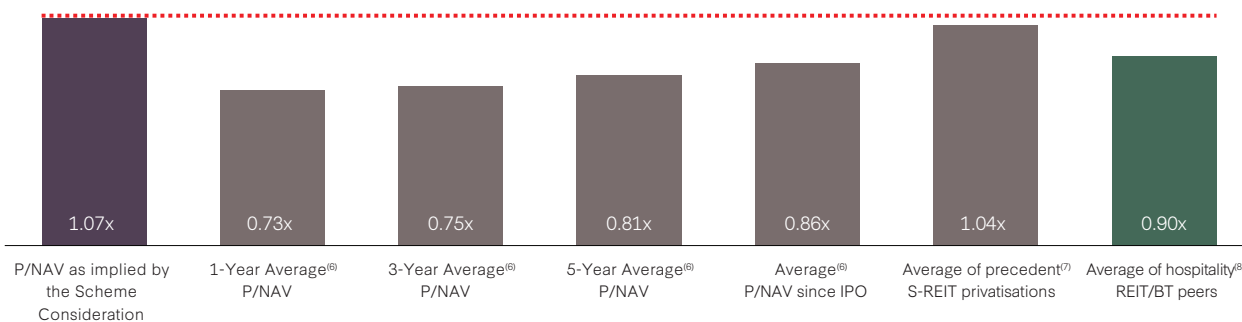
The latest independent valuations have accounted for the potential recovery trajectory post-COVID-19, based on certain assumptions.



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

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

#### P/NAV as implied by the Scheme Consideration<sup>(5)</sup> against benchmarks



(1) 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

(2) 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

(3) The exclusion of FHT's reported DPS for HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022

(4) The gain from the divestment of SSW, which was completed on 29 April 2022

(5) 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

(6) 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 as of the last reported financial quarter or period, as compiled from Bloomberg L.P. and FHT filings

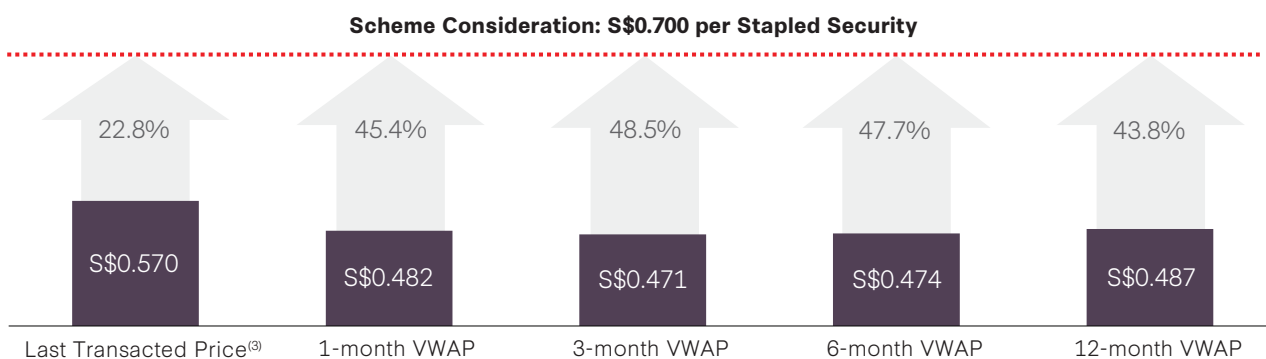
(7) Selected S-REIT privatisations take into account the privatisations of: (i) Soilbuild Business Space REIT announced on 14 December 2020; (ii) Accordia Golf Trust announced on 29 June 2020; (iii) RHT Health Trust announced on 15 November 2017; (iv) Croesus Retail Trust announced on 28 June 2017; (v) Saizen Trust announced on 22 October 2015; and (vi) Perennial CRT announced on 14 March 2014

(8) 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

## 4. Financial Evaluation of the Scheme (cont'd)

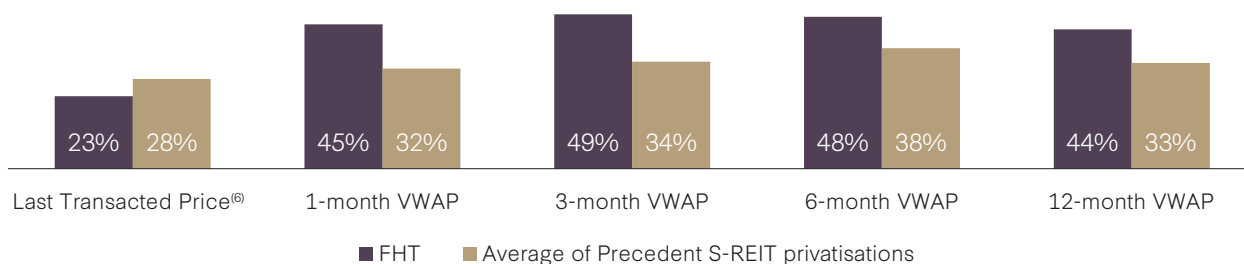
All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

**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>**



**Premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods<sup>(4),(5)</sup>**

### Premia over Benchmark Prices (%)



**The Scheme Consideration implies a higher total return for Stapled Securityholders than 2 out of 3 of FHT's peers<sup>(7)</sup> over the same period**

### 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 September 2016 <sup>(8)</sup>	Scheme Consideration	Distributions since the FHT IPO Date up to Last Trading Date	Sum of Scheme Consideration and total distributions up to Last Trading Date	Total returns since IPO
<b>S\$0.813</b>	<b>S\$0.700</b>	<b>S\$0.297<sup>(9)</sup></b>	<b>S\$0.997</b>	<b>22.7%<sup>(10)</sup></b>

Source: SGX announcements

- (1) 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
- (2) Referenced against the Last Undisturbed Trading Date
- (3) Refers to the closing price of FHT as of the Last Undisturbed Trading Date of S\$0.570
- (4) 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
- (5) Referenced against the Last Undisturbed Trading Date
- (6) Refers to the closing price of FHT as of the Last Undisturbed Trading Date of S\$0.570
- (7) 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")
- (8) 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
- (9) Refers to total dividends distributed per stapled security since IPO and adjusted for rights issue compiled from Bloomberg L.P.
- (10) Total return is rounded to one (1) decimal place and subject to rounding differences

## 4. Financial Evaluation of the Scheme (cont'd)

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

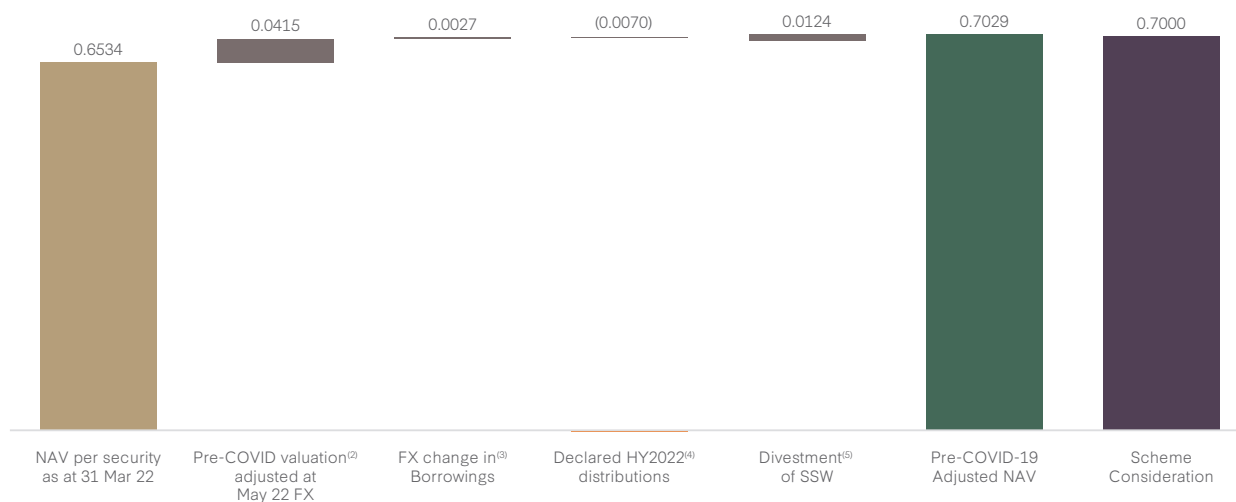
**Scheme Consideration represents a premium of 16.7% to analyst consensus target price<sup>(1)</sup> in 2022**

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



**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\$)



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

- (1) The average analyst consensus target prices were compiled from Bloomberg L.P. as of the Last Trading Date
- (2) 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
- (3) This is derived from 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
- (4) This refers to the exclusion of FHT's reported DPS for HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022
- (5) This refers to the gain from divestment of SSW, which was completed on 29 April 2022

---

**5.**

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**What is the opinion of the FHT IFA and what are the recommendations of the FHT Independent Directors?**

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All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

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**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.”

---

*Directors of the FHT Managers*

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**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.”

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

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**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*

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**IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACTS TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO STAPLED SECURITYHOLDERS AND THE FHT IFA LETTER, WHICH CAN BE FOUND ON PAGES 18 to 71 OF AND APPENDIX B TO THIS 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.**

---

## 6.

# What is required for the Scheme to be approved?

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

### 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 by way of physical means, as follows:

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

##### Approval threshold

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

### b. Scheme Meeting

Subject to the FHT Trust Deeds 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 by way of physical means after the FHT EGM, as follows:

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

##### 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 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.

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. If you are unable to attend in person, you may appoint a proxy to vote on your behalf.

Each meeting has a separate proxy form, with different instructions and different approval thresholds for each resolution.

It is important that you read the instructions set out in both Proxy Forms carefully.

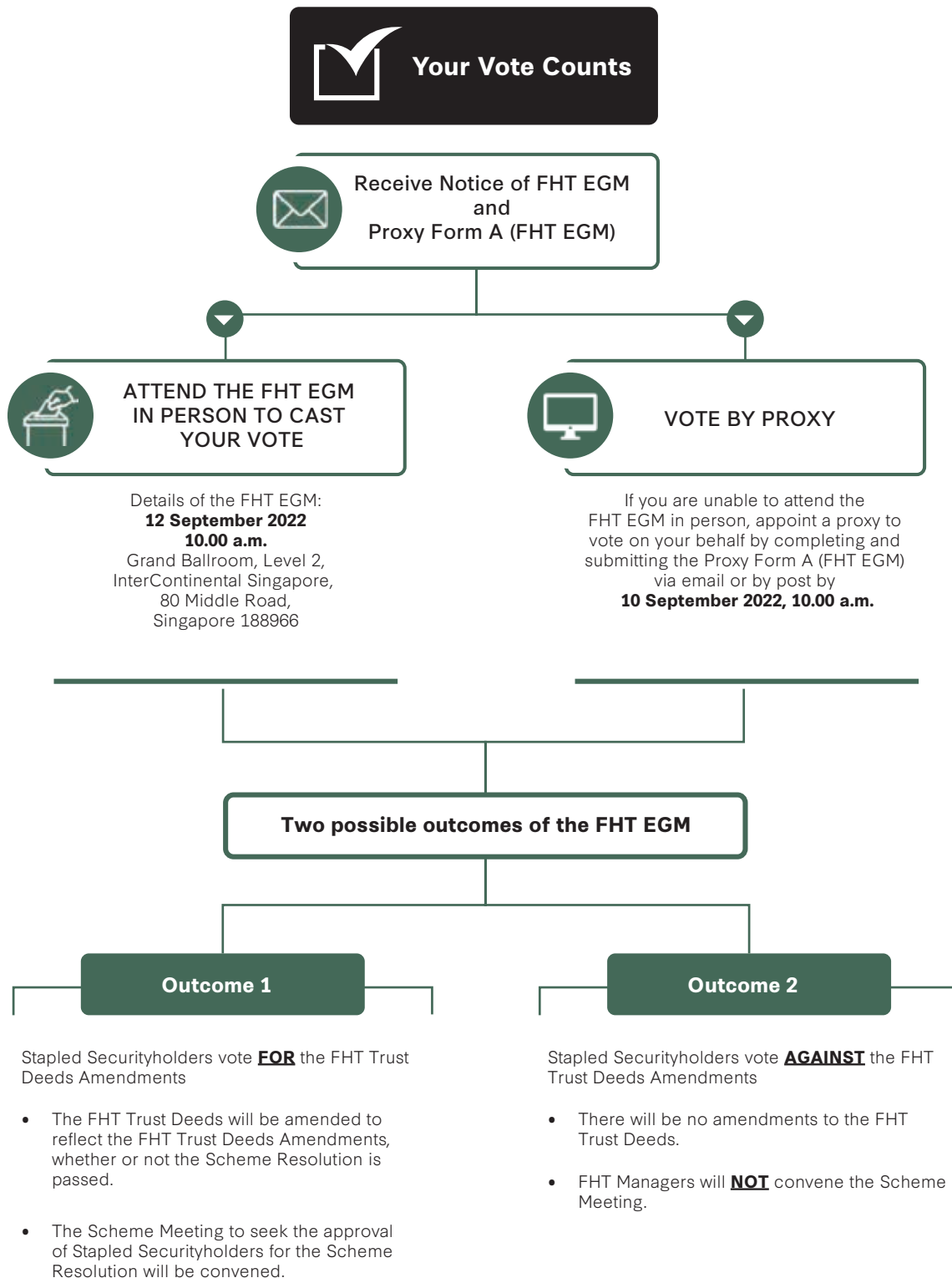
(1) For the avoidance of doubt, the FHT Trust Deeds Amendments Resolution is not conditional on the Scheme Resolution being passed. In the event that the FHT Trust Deeds Amendments Resolution is approved at the FHT EGM, the FHT Trust Deeds will be amended to reflect the FHT Trust Deeds Amendments, whether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

(2) 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

7.

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

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.





# 7. What if I am unable to attend the FHT EGM?

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

If you are unable to attend the FHT EGM in person, you may appoint a proxy to vote on your behalf by completing and returning the Proxy Form A (FHT EGM).

## 1 LOCATE PROXY FORM A (FHT EGM)

Proxy Form A (FHT EGM) is despatched or made available to you together with the Notice of FHT EGM and can also be obtained from the Stapled Security Registrar:

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
 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 Form A (FHT EGM) 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)



## 2 COMPLETE PROXY FORM A (FHT EGM)

- I Fill in your name and particulars.
- II You may fill in the details of the appointee or leave this section blank. The Chairman of the FHT EGM will be the appointee if this section is left blank.
- III If you wish to exercise all your votes **"FOR"**, **"AGAINST"** or to **"ABSTAIN"**, please indicate with a tick ✓ within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.
- IV If you are an individual, you or your attorney **MUST SIGN** and indicate the date. Physical signatures and digital signatures are accepted. If you are a corporation, the proxy form must be executed under your common seal or under the hand of your duly authorised officer or attorney.
- V Indicate the number of Stapled Securities you hold.

## 3 RETURN THE COMPLETED PROXY FORM A (FHT EGM)

### If submitted electronically:

Scan and send the completed and signed Proxy Form A (FHT EGM) 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 Form A (FHT EGM) at the office of FHT's Stapled Security Registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632

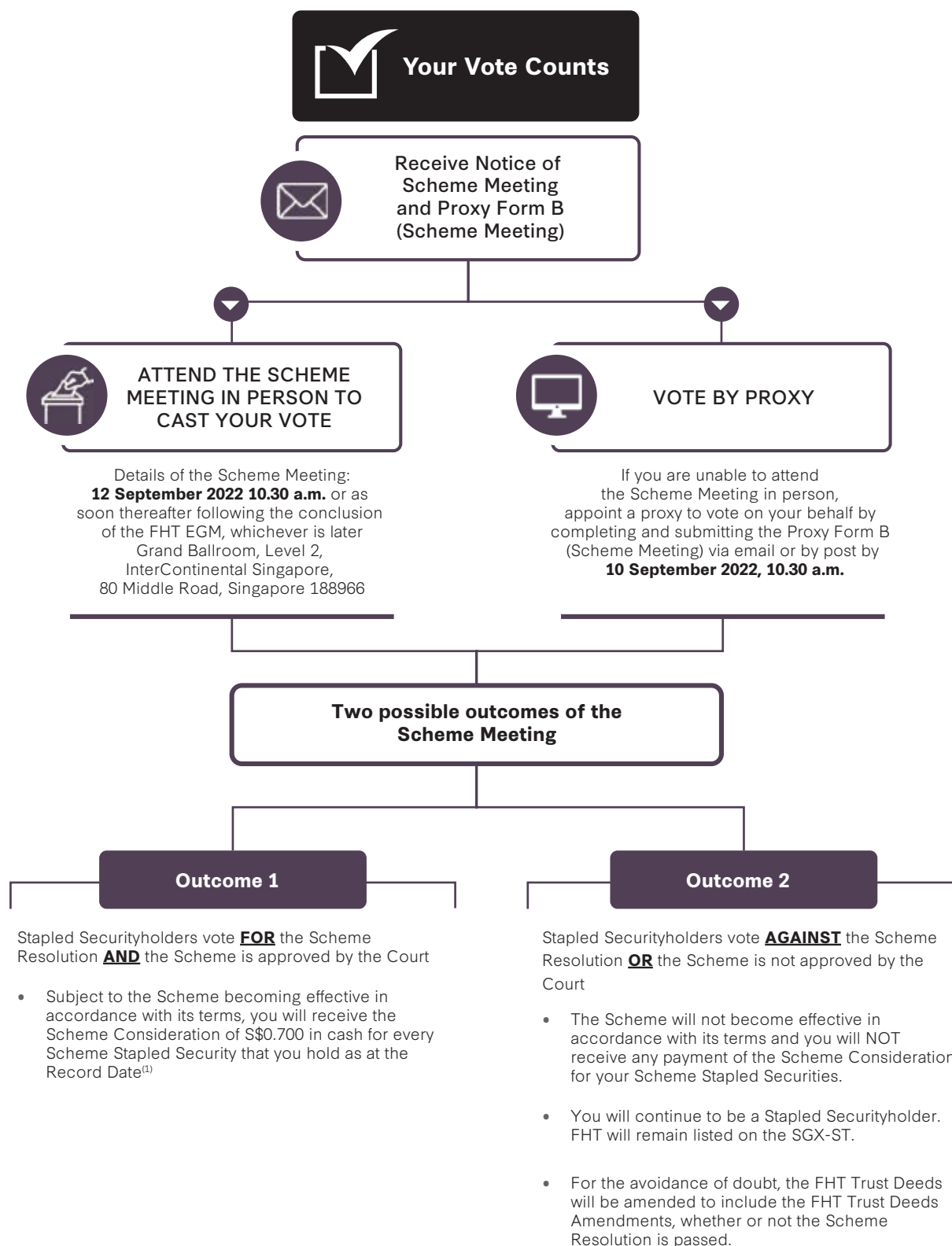


The Proxy Form A (FHT EGM) must reach the Stapled Security Registrar **NO LATER THAN 10 a.m. on Saturday, 10 September 2022**, being 48 hours before the time fixed for the FHT EGM.

Persons (including SRS Investors) who hold Stapled Securities through Relevant Intermediaries who wish to vote at the FHT EGM should not use the Proxy Form A (FHT EGM) and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions.

## 8. How do I vote on the Scheme Resolution?

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.



(1) Assuming all other Scheme Conditions are satisfied and/or waived by the Long-Stop Date

# 8. What if I am unable to attend the Scheme Meeting?

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

If you are unable to attend the Scheme Meeting in person, you may appoint someone you know, or the Chairman of the Scheme Meeting, to vote on your behalf by completing and returning the Proxy Form B (Scheme Meeting).

## 1 LOCATE PROXY FORM B (SCHEME MEETING)

Proxy Form B (Scheme Meeting) is despatched or made available to you together with the Notice of Scheme Meeting and can also be obtained from the Stapled Security Registrar:

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
 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 Form B (Scheme Meeting) 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)



## 2 COMPLETE PROXY FORM B (SCHEME MEETING)

- I Fill in your name and particulars.
- II You may fill in the details of the appointee or leave this section blank. The Chairman of the Scheme Meeting will be the appointee if this section is left blank.
- III If you wish to exercise all your votes **"FOR"**, **"AGAINST"** or to **"ABSTAIN"**, please indicate with a tick ✓ within the relevant box provided. **DO NOT TICK MORE THAN ONE BOX.**<sup>(1)</sup>
- IV If you are an individual, you or your attorney **MUST SIGN** and indicate the date. Physical signatures and digital signatures are accepted. If you are a corporation, the proxy form must be executed under your common seal or under the hand of your duly authorised officer or attorney.
- V Indicate the number of Stapled Securities you hold.

## 3 RETURN THE COMPLETED PROXY FORM B (SCHEME MEETING)

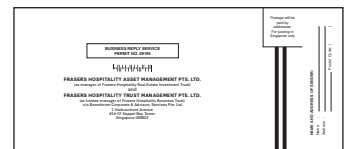
### If submitted electronically:

Scan and send the completed and signed Proxy Form B (Scheme Meeting) 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 Form B (Scheme Meeting) at the office of FHT's Stapled Security Registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632



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.

Persons (including SRS Investors) who hold Stapled Securities through Relevant Intermediaries who wish to vote at the Scheme Meeting should not use the Proxy Form B (Scheme Meeting) and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions.

(1) The above applies to Stapled Securityholders who are not Relevant Intermediaries. A Stapled Securityholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Stapled Security. If you are a Relevant Intermediary, please indicate (i) the number of votes "For" or "Against" your proxy is directed to cast under "For" or "Against" and (ii) the number of Stapled Securities your proxy is directed to abstain from voting under "Abstain"

## 9. Important Information

All capitalised terms shall, if not otherwise defined, bear the same meaning as ascribed to them in this Scheme Document.

How do I find out the number of Stapled Securities I own?

**You can check your Stapled Securities with CDP through your online CDP account or by contacting them at:**

### The Central Depository

9 North Buona Vista Drive  
#01-19/20 The Metropolis  
Singapore 138588  
Telephone: +65 6535 7511  
Fax: +65 6535 0775

### Opening hours

Monday to Friday:  
8.30 a.m. to 5.00 p.m.  
Saturday: 8.30 a.m. to 12.00 p.m.  
Closed on Sundays & Public Holidays

If you own Stapled Securities through a bank, broker or any other intermediaries, you can also check by contacting them directly.

If you are a SRS Investor, please consult your SRS Agent Bank for further information.

A

### FHT EGM

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

### IMPORTANT DETAILS OF FHT EGM

Last date and time for lodgement of Proxy Form A (FHT EGM)	10 September 2022, Saturday, at 10.00 a.m.
Date and time of the FHT EGM	12 September 2022, Monday, at 10.00 a.m.
Place of the FHT EGM	Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966

B

### SCHEME MEETING

The proposed privatisation of Frasers Hospitality Trust by Frasers Property Hospitality Trust Holdings Pte. Ltd. by way of a trust scheme of arrangement

### IMPORTANT DETAILS OF SCHEME MEETING

Last date and time for lodgement of Proxy Form B (Scheme Meeting)	10 September 2022, Saturday, at 10.30 a.m.
Date and time of the Scheme Meeting	12 September 2022, Monday, at 10.30 a.m.
Place of the Scheme Meeting	Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966

**The FHT EGM and the Scheme Meeting will be convened and held by way of physical means**

Who should I contact if I need help?  
Operating hours: 9.00 a.m. to 6.00 p.m., Monday to Friday

### FHT Investor Relations

Ms. Low Ru Yan  
Email: ruyan.low@frasershospitality.com  
Telephone: +65 6349 0423

### DBS Bank Ltd. Strategic Advisory

Telephone: +65 6878 3913

### Maybank Securities Pte. Ltd. Investment Banking and Advisory

Telephone: +65 6231 5183

The information in this section should be read with the full information contained in the rest of this Scheme Document. If there should be any inconsistency or conflict between this section and this Scheme Document, this Scheme Document shall prevail. Nothing in this section is intended to be, or shall be taken as, advice, a recommendation or a solicitation to the Stapled Securityholders or any other party.

Stapled Securityholders are advised to be cautious when dealing in their Stapled Securities and not to take any action in relation to their Stapled Securities which may not prove to be in their best interests.

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## DEFINITIONS

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In this Scheme Document, the following definitions shall apply throughout unless the context otherwise requires:

<b>“ADTV”</b>	:	Average daily trading volume
<b>“ADR”</b>	:	Average daily rate
<b>“AEI”</b>	:	Asset enhancement initiatives
<b>“Acquisition”</b>	:	The proposed privatisation of FHT through the acquisition by the Offeror of all the Scheme Stapled Securities pursuant to the Scheme, in compliance with the Code
<b>“Awards”</b>	:	The awards granted pursuant to the RSSP
<b>“Board”</b>	:	The board of directors of the FHT Managers
<b>“BT”</b>	:	Business trust
<b>“Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“CDC”</b>	:	The United States Centers for Disease Control and Prevention
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Companies Act”</b>	:	Companies Act 1967 of Singapore
<b>“Competing Proposal”</b>	:	Any offer by any person other than the Offeror involving: <ul style="list-style-type: none"><li>(a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the FHT Group;</li><li>(b) a general offer for the Stapled Securities;</li><li>(c) a scheme of arrangement involving any of the entities in the FHT Group or the merger of any entities in the FHT Group with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise);</li><li>(d) any other arrangement having an effect similar to any of (a) to (c); or</li></ul>

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## DEFINITIONS

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- (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Acquisition and/or the Scheme.

For the purpose of this definition, a Competing Proposal will be deemed to be for all or substantially all of the assets, business and/or undertakings of the FHT Group if the relevant assets, business and/or undertakings in question constitute a “**material amount**” as defined in Note 2 on Rule 5 of the Code

<b>“Court”</b>	:	The General Division of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court of the Republic of Singapore and/or the Court of Appeal of the Republic of Singapore
<b>“CPI”</b>	:	Consumer Price Index
<b>“Deed of Undertaking”</b>	:	The irrevocable undertaking given by TCC to the Offeror, pursuant to which TCC has undertaken and/or agreed, <i>inter alia</i> , that the Scheme will be in respect of the Scheme Stapled Securities only, and that the Stapled Securities held by TCC will not be acquired by the Offeror pursuant to the Scheme
<b>“DGIR”</b>	:	Deputy Director General of Inland Revenue
<b>“DGIR Letter”</b>	:	Has the meaning ascribed to it in Paragraph 9 of Appendix D to this Scheme Document
<b>“DPS”</b>	:	Distribution per Stapled Security
<b>“Effective Date”</b>	:	The date on which the Scheme becomes effective in accordance with its terms, and which date shall, in any event, be no later than the Long-Stop Date
<b>“Encumbrances”</b>	:	Any liens, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other third party rights and security interests or an agreement, arrangement or obligation to create any of the foregoing
<b>“Entitled Stapled Securityholders”</b>	:	Scheme Stapled Securityholders as at 5.00 p.m. on the Record Date

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## DEFINITIONS

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<b>“Excluded Stapled Securityholders”</b>	:	(a) TCC and (b) FPL and/or its subsidiaries (including the Offeror)
<b>“Extraordinary Resolution”</b>	:	A resolution proposed and passed as such by the Stapled Securityholders consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of the Stapled Securityholders
<b>“FH-BT”</b>	:	Frasers Hospitality Business Trust
<b>“FH-BT Trustee-Manager”</b>	:	Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of FH-BT
<b>“FH-REIT”</b>	:	Frasers Hospitality Real Estate Investment Trust
<b>“FH-REIT Manager”</b>	:	Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT
<b>“FH-REIT Trustee”</b>	:	Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT)
<b>“FHT”</b>	:	Frasers Hospitality Trust
<b>“FHT Convertible Securities”</b>	:	Convertible securities, warrants, options and derivatives in respect of the Stapled Securities or other securities (if any) which carry voting rights in FHT
<b>“FHT Directors”</b>	:	The directors for the time being of the FHT Managers, being Mr Law Song Keng, Mr Chua Phuay Hee, Mr Liew Choon Wei, Dr David Wong See Hong and Mr Panote Sirivadhanabhakdi as at the Latest Practicable Date
<b>“FHT EGM”</b>	:	The extraordinary general meeting of Stapled Securityholders to be convened to approve the FHT Trust Deeds Amendments, notice of which is set out in the “Notice of FHT EGM” section to this Scheme Document
<b>“FHT Financial Advisers”</b>	:	DBS Bank Ltd. (“ <b>DBS</b> ”) and Maybank Securities Pte. Ltd.
<b>“FHT FY2019 Annual Report”</b>	:	The annual report of FHT for FY2019
<b>“FHT FY2020 Annual Report”</b>	:	The annual report of FHT for FY2020
<b>“FHT FY2021 Annual Report”</b>	:	The annual report of FHT for FY2021

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## DEFINITIONS

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<b>“FHT Group” or “FHT Group Entities”</b>	:	FHT and its subsidiaries, and <b>“FHT Group Entity”</b> means any one of them
<b>“FHT IFA”</b>	:	Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser appointed pursuant to Rule 1309(2) of the Listing Manual to advise the FHT Independent Directors and the FH-REIT Trustee on the Scheme, in compliance with the provisions of the Code
<b>“FHT IFA Letter”</b>	:	The letter from the FHT IFA containing the advice from the FHT IFA in relation to the Scheme as set out in Appendix B to this Scheme Document
<b>“FHT IPO Date”</b>	:	14 July 2014
<b>“FHT Independent Directors”</b>	:	The directors of the FHT Managers who are considered independent for the purposes of the Scheme, being Mr Law Song Keng, Mr Chua Phuay Hee, Mr Liew Choon Wei and Dr David Wong See Hong
<b>“FHT Malaysia”</b>	:	FHT Malaysia Pte. Ltd.
<b>“FHT Managers”</b>	:	The FH-REIT Manager and the FH-BT Trustee-Manager
<b>“FHT Properties”</b>	:	Collectively FHT’s investment properties listed in the portfolio statements as at 30 September 2021 set out on pages 181 to 184 of the FHT FY2021 Annual Report and its property, plant and equipment (but excluding SSW), and <b>“FHT Property”</b> means any one of them
<b>“FHT Trust Deeds”</b>	:	Collectively:  (i) the trust deed dated 12 June 2014 constituting FH-REIT entered into between the FH-REIT Manager and the FH-REIT Trustee;  (ii) the trust deed dated 20 June 2014 constituting FH-BT executed by the FH-BT Trustee-Manager; and  (iii) the stapling deed dated 20 June 2014 stapling the FH-REIT units and the FH-BT units together to form the Stapled Securities entered into between the FH-REIT Manager, the FH-REIT Trustee and the FH-BT Trustee-Manager,  in each case, as amended, restated and/or supplemented from time to time
<b>“FHT Trust Deeds Amendments”</b>	:	The proposed amendments to the FHT Trust Deeds to include provisions which are necessary for the implementation of the Scheme as set out in Appendix E to this Scheme Document

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## DEFINITIONS

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<b>“FHT Trust Deeds Amendments Resolution”</b>	:	The Extraordinary Resolution of Stapled Securityholders to approve the FHT Trust Deeds Amendments
<b>“FHT Unaudited HY2022 Financial Statements”</b>	:	The unaudited consolidated financial statements of FHT for HY2022 as announced on 29 April 2022
<b>“FHT Warranties”</b>	:	The warranties given by the FH-REIT Trustee and the FHT Managers in connection with the Acquisition and the Scheme as set out in the Implementation Agreement and reproduced in Appendix J to this Scheme Document
<b>“FOMC”</b>	:	Federal Open Market Committee
<b>“FPL”</b>	:	Frasers Property Limited
<b>“FPL Group”</b>	:	FPL and its subsidiaries
<b>“FX”</b>	:	Foreign exchange
<b>“FY”</b>	:	The financial year ended or ending 30 September, as the case may be
<b>“FY2019”</b>	:	Financial year ended 30 September 2019
<b>“FY2020”</b>	:	Financial year ended 30 September 2020
<b>“FY2021”</b>	:	Financial year ended 30 September 2021
<b>“Governmental Authority”</b>	:	<p>(a) The government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof, including without limitation any entity directly or indirectly owned (in whole or in part) or controlled thereby;</p> <p>(b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and</p> <p>(c) any quasi-government or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Taxation, importing or other governmental or quasi-governmental authority</p>

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## DEFINITIONS

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<b>“Headcount Condition”</b>	:	Has the meaning ascribed to it in Paragraph 4(b) of Appendix L to this Scheme Document
<b>“HY2022”</b>	:	The six-month period ended 31 March 2022
<b>“Implementation Agreement”</b>	:	The implementation agreement dated 13 June 2022 entered into between the FH-REIT Trustee, the FHT Managers and the Offeror, setting out the terms and conditions on which the Parties will implement the Scheme
<b>“IPO”</b>	:	Initial public offering
<b>“IPO Portfolio”</b>	:	FHT’s portfolio as at its IPO
<b>“IRBM”</b>	:	Inland Revenue Board of Malaysia
<b>“Joint Announcement”</b>	:	The joint announcement by the Offeror and the FHT Managers of the Acquisition and the Scheme, released on 13 June 2022
<b>“Joint Announcement Date”</b>	:	13 June 2022, being the date of the Joint Announcement
<b>“Last Trading Date”</b>	:	8 June 2022, being the last full trading day immediately prior to the Joint Announcement Date
<b>“Last Undisturbed Trading Date”</b>	:	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
<b>“Latest Adjusted NAV”</b>	:	Has the meaning ascribed to it in Paragraph 1.6 of the Letter to Stapled Securityholders
<b>“Latest Practicable Date”</b>	:	4 August 2022, being the latest practicable date prior to the issuance of this Scheme Document
<b>“Letter to Stapled Securityholders”</b>	:	The letter from the FHT Managers to Stapled Securityholders as set out on pages 18 to 71 of this Scheme Document
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Long-Stop Date”</b>	:	31 December 2022 (or such other date as the Parties may agree in writing)
<b>“LTM”</b>	:	Last twelve months

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## DEFINITIONS

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<b>“Market Day”</b>	:	A day on which the SGX-ST is open for the trading of securities
<b>“MAS”</b>	:	Monetary Authority of Singapore
<b>“Material Adverse Effect”</b>	:	Has the meaning ascribed to it in Paragraph 6.3(a)(xi) of the Letter to Stapled Securityholders
<b>“NAV”</b>	:	Net asset value
<b>“Notices and Proxy Forms”</b>	:	(i) the Notice of FHT EGM; (ii) the Notice of Scheme Meeting; (iii) the Proxy Form A (FHT EGM); and (iv) the Proxy Form B (Scheme Meeting)
<b>“NVSB”</b>	:	Notable Vision Sdn Bhd
<b>“Occ”</b>	:	Occupancy rate (in %)
<b>“Offer”</b>	:	A voluntary conditional offer for the Stapled Securities
<b>“Offeror”</b>	:	Frasers Property Hospitality Trust Holdings Pte. Ltd.
<b>“Offeror Concert Party Group”</b>	:	Offeror and parties acting in concert with the Offeror in connection with the Acquisition
<b>“Offeror Convertible Securities”</b>	:	Convertible securities, warrants, options and derivatives in respect of the Offeror Shares or other securities (if any) which carry voting rights in the Offeror
<b>“Offeror Financial Advisers”</b>	:	Merrill Lynch (Singapore) Pte. Ltd. ( <b>“BofA Securities”</b> ) and Oversea-Chinese Banking Corporation Limited
<b>“Offeror’s Letter”</b>	:	The letter from the Offeror to Stapled Securityholders as set out in Appendix C to this Scheme Document
<b>“Offeror Shares”</b>	:	Shares in the capital of the Offeror
<b>“Offeror Warranties”</b>	:	The warranties given by the Offeror in connection with the Acquisition and the Scheme as set out in the Implementation Agreement and reproduced in Appendix I of this Scheme Document
<b>“Official List”</b>	:	The list of issuers maintained by SGX-ST in relation to the Main Board of the SGX-ST



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## DEFINITIONS

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<b>“Overseas Stapled Securityholders”</b>	:	Stapled Securityholders whose registered addresses (as recorded in the Register of Stapled Securityholders or in the records maintained by CDP for the service of notice and documents) are outside Singapore
<b>“P/NAV”</b>	:	Price to NAV
<b>“Parties”</b>	:	The parties to the Implementation Agreement, being the Offeror, the FH-REIT Trustee and the FHT Managers, and <b>“Party”</b> means any one of them
<b>“Permitted Distributions”</b>	:	Has the meaning ascribed to it in Paragraph 6.2 of the Letter to Stapled Securityholders
<b>“Post-IPO Acquisitions”</b>	:	FHT’s acquisitions since its IPO
<b>“Prescribed Occurrence”</b>	:	Any of the events or matters in relation to the FHT Group and/or the Offeror (as the case may be) set out in Appendix K to this Scheme Document, occurrence of which amounts to a breach of the Scheme Condition set out in Paragraph 6.3(a)(viii) of the Letter to Stapled Securityholders
<b>“Proxy Form A (FHT EGM)”</b>	:	The accompanying proxy form for the FHT EGM as set out in this Scheme Document
<b>“Proxy Form B (Scheme Meeting)”</b>	:	The accompanying proxy form for the Scheme Meeting as set out in this Scheme Document
<b>“Record Date”</b>	:	The record date to be announced before the Effective Date by the FHT Managers on which the transfer books and the Register of Stapled Securityholders will be closed in order to determine the entitlements of the Scheme Stapled Securityholders in respect of the Scheme
<b>“Register of Stapled Securityholders”</b>	:	The register showing all Stapled Securityholders at any one time
<b>“Regulatory Approvals”</b>	:	Such consents and/or approvals and/or other acts from any Governmental Authority, and/or the expiration of applicable waiting periods under applicable law, as required by any Party, or which the Parties may agree are necessary or desirable, to implement the Acquisition and/or the Scheme
<b>“REIT”</b>	:	Real estate investment trust
<b>“Relevant Date”</b>	:	The date falling on the Business Day immediately preceding the Effective Date

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## DEFINITIONS

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<b>“Relevant Intermediary”</b>	:	(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; or  (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA, and who holds Stapled Securities in that capacity
<b>“RevPAR”</b>	:	Revenue per available room
<b>“RSSP”</b>	:	The FHT Managers’ Restricted Stapled Security Plan
<b>“Rules of Court”</b>	:	The Rules of Court, 2021 of Singapore
<b>“S-REIT”</b>	:	Real estate investment trust in Singapore
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively
<b>“Scheme”</b>	:	The trust scheme of arrangement by which all of the Scheme Stapled Securities are to be transferred to the Offeror as set out in Appendix M of this Scheme Document (as may be amended or modified from time to time)
<b>“Scheme Conditions”</b>	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Long-Stop Date for the Scheme to be implemented and which are reproduced in Paragraph 6.3(a) of the Letter to Stapled Securityholders, and <b>“Scheme Condition”</b> means any one of them
<b>“Scheme Consideration”</b>	:	Has the meaning ascribed to it in Paragraph 1.5 of the Letter to Stapled Securityholders
<b>“Scheme Court Order”</b>	:	The order of the Court sanctioning the Scheme under Order 32 of the Rules of Court (which is derived from, or deals with the same subject matter as, Order 80 of the revoked Rules of Court 2014 of Singapore)
<b>“Scheme Document”</b>	:	This document dated 19 August 2022 and any other document(s) which may be issued by or on behalf of the FHT Managers to amend, revise, supplement or update the document(s) from time to time

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## DEFINITIONS

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<b>“Scheme Meeting”</b>	:	The meeting of Stapled Securityholders to be convened by order of the Court to approve the Scheme, notice of which is set out in the <b>“Notice of Scheme Meeting”</b> section to this Scheme Document, and any adjournment thereof
<b>“Scheme Meeting Court Order”</b>	:	The order of the Court dated 3 August 2022 convening the Scheme Meeting
<b>“Scheme Resolution”</b>	:	The resolution of Stapled Securityholders to approve the Scheme
<b>“Scheme Settlement Date”</b>	:	The date falling not later than seven (7) Business Days after the Effective Date
<b>“Scheme Stapled Securities”</b>	:	The Stapled Securities held by the Scheme Stapled Securityholders
<b>“Scheme Stapled Securityholder”</b>	:	The Stapled Securityholders other than the Excluded Stapled Securityholders
<b>“Securities Account”</b>	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under the SRS
<b>“SRS Investors”</b>	:	Investors who have purchased Stapled Securities using their SRS contributions pursuant to the SRS
<b>“SSW”</b>	:	Sofitel Sydney Wentworth
<b>“Stapled Securities”</b>	:	The issued stapled securities of FHT
<b>“Stapled Security Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd., with its registered office at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, being the stapled security registrar of FHT

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## DEFINITIONS

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<b>“Stapled Securityholder”</b>	:	A registered holder for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Stapled Securityholder” shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with such Stapled Securities
<b>“Switch Option”</b>	:	Has the meaning ascribed to it in Paragraph 6.8 of the Letter to Stapled Securityholders
<b>“Taxation”</b>	:	All forms of taxation whether of Singapore or elsewhere including all state or local taxation, past, present and deferred (including without limitation, income tax (including net income and gross income), corporate, value added, goods and services, occupation, real and personal property, social security, gross receipts, sales, use, ad valorem, franchise, profits, licence, withholding, payroll, employment, excise, severance, occupation, premium or windfall profit taxes, estate duty, stamp duty, customs and other import or export duties), or charges of any kind whatsoever, estimated and other taxes, together with any interest and levies and all penalties, charges, costs and additions to tax, payable by or due from each of the members of the FHT Group or any additional amounts imposed by any government, Governmental Authority, statutory body or any revenue authority, upon a member of the FHT Group
<b>“TCC”</b>	:	TCC Group Investments Limited
<b>“TCC Group”</b>	:	The companies and entities in the TCC group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi
<b>“Value Condition”</b>	:	Has the meaning ascribed to it in Paragraph 4(b) of Appendix L to this Scheme Document
<b>“Valuers”</b>	:	The independent valuers commissioned by the FHT Managers to conduct independent updated property valuations of the FHT Properties as at 31 May 2022, being Savills Valuation and Professional Services (S) Pte Ltd, Savills (Malaysia) Sdn Bhd, Savills Japan Valuation G.K., Savills Valuations Pty Ltd and Savills Advisory Services Limited
<b>“VWAP”</b>	:	Volume weighted average price
<b>“%” or “per cent.”</b>	:	Per centum or percentage

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## DEFINITIONS

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The terms “**acting in concert**” and “**concert parties**” shall have the meanings ascribed to them in the Code.

The terms “**Depositor**”, “**Depository**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them in Sections 5 and 6 of the Companies Act.

The headings in this Scheme Document are inserted for convenience only and shall not affect the interpretation of this Scheme Document.

Words importing the singular only shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or the Code or any modification thereof and used in this Scheme Document shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.

Any reference to a time of day and date in this Scheme Document shall be a reference to Singapore time of day and date respectively, unless otherwise specified.

Any discrepancies in figures included in this Scheme Document between the listed amounts shown and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Scheme Document may not be an arithmetic aggregation of the figures that precede them.

In this Scheme Document, the total number of Stapled Securities as at the Latest Practicable Date is 1,926,073,869. Unless stated otherwise, all references to percentage stapled securityholding of FHT in this Scheme Document are based on 1,926,073,869 Stapled Securities as at the Latest Practicable Date.

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## CAUTIONARY NOTES

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**Forward Looking Statements.** All statements other than statements of historical facts included in this Scheme Document 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”. These statements reflect the FHT Managers or the Offeror’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, Stapled Securityholders and investors of FHT should not place undue reliance on such forward-looking statements, and none of the FHT Managers, the FH-REIT Trustee, the Offeror, the FHT Financial Advisers and the Offeror Financial Advisers undertakes any obligation to update publicly or revise any forward-looking statements.

No representation, warranty or covenant, express or implied, is made by the FHT Managers, the FH-REIT Trustee or the FHT Financial Advisers or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information relating to pro forma financials (including the pro forma distribution per Stapled Security and pro forma NAV per Stapled Security) contained in this Scheme Document and nothing contained in this Scheme Document is or should be relied upon as a promise, representation or covenant by any of the aforementioned persons.

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## CORPORATE INFORMATION

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<b>FH-REIT MANAGER</b>	:	Frasers Hospitality Asset Management Pte. Ltd.
<b>FH-BT TRUSTEE-MANAGER</b>	:	Frasers Hospitality Trust Management Pte. Ltd.
<b>FHT DIRECTORS</b>	:	Mr Law Song Keng (Chairman, Non-Executive and Independent Director)  Mr Chua Phuay Hee (Non-Executive and Independent Director)  Mr Liew Choon Wei (Non-Executive and Independent Director)  Dr David Wong See Hong (Non-Executive and Independent Director)  Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director)
<b>COMPANY SECRETARY</b>	:	Ms Catherine Yeo
<b>REGISTERED OFFICE OF THE FHT MANAGERS</b>	:	438 Alexandra Road #21-00 Alexandra Point Singapore 119958
<b>FH-REIT TRUSTEE</b>	:	Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT) 8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
<b>STAPLED SECURITY REGISTRAR AND TRANSFER OFFICE</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
<b>LEGAL ADVISER TO THE FHT MANAGERS</b>	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>LEGAL ADVISER TO THE FH-REIT TRUSTEE</b>	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 048624
<b>LEAD FINANCIAL ADVISER TO THE FHT MANAGERS</b>	:	DBS Bank Ltd. 12 Marina Boulevard, Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982

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## CORPORATE INFORMATION

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**FINANCIAL ADVISER TO  
THE FHT MANAGERS** : Maybank Securities Pte. Ltd.  
50 North Canal Road #03-01  
Singapore 059304

**INDEPENDENT  
FINANCIAL ADVISER TO  
THE FHT INDEPENDENT  
DIRECTORS AND THE  
FH-REIT TRUSTEE** : Deloitte & Touche Corporate Finance Pte Ltd  
6 Shenton Way  
#33-00 OUE Downtown  
Singapore 068809



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## EXPECTED TIMETABLE

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### FHT EGM

Notice of FHT EGM	:	19 August 2022
Last date and time for lodgement of Proxy Form A (FHT EGM)	:	10 September 2022, 10.00 a.m. <sup>(1)(2)</sup>
Place of FHT EGM	:	Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 <sup>(3)</sup>
Date and time of the FHT EGM	:	12 September 2022, 10.00 a.m.

### SCHEME MEETING

Notice of Scheme Meeting	:	19 August 2022
Last date and time for lodgement of Proxy Form B (Scheme Meeting)	:	10 September 2022, 10.30 a.m. <sup>(1)(2)</sup>
Place of Scheme Meeting	:	Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 <sup>(3)</sup>
Date and time of Scheme Meeting	:	12 September 2022, 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the FHT EGM to be held, whichever is later) <sup>(4)</sup>
Expected date of Court hearing of the application to sanction the Scheme	:	3 October 2022 <sup>(5)</sup>
Expected last day of trading of the Stapled Securities	:	7 October 2022 <sup>(6)</sup>
Expected Record Date	:	11 October 2022 at 5.00 p.m.
Expected Relevant Date	:	11 October 2022
Expected Effective Date of the Scheme	:	12 October 2022 <sup>(7)</sup>
Expected date for the payment of the Scheme Consideration	:	19 October 2022
Expected date for the delisting of FHT	:	21 October 2022

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## EXPECTED TIMETABLE

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**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.**

**Notes:**

- (1) Stapled Securityholders are requested to submit Proxy Form A (FHT EGM) and/or the Proxy Form B (Scheme Meeting) in accordance with the respective instructions contained therein not later than 10.00 a.m. and/or 10.30 a.m. on 10 September 2022 respectively, being not less than 48 hours before the time fixed for holding the FHT EGM and/or the Scheme Meeting (as the case may be).
- (2) The Proxy Form A (FHT EGM) and the Proxy Form B (Scheme Meeting) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
  - (a) if submitted by post, be lodged at the office of Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com).

The submission of the Proxy Form A (FHT EGM) and/or the Proxy Form B (Scheme Meeting) will not preclude a Stapled Securityholder from attending, speaking and voting in person at the FHT EGM and/or the Scheme Meeting respectively if he/she/they find(s) that he/she/they is/are able to do so. Any appointment of a proxy/the proxies shall be deemed to be revoked if a Stapled Securityholder attends the FHT EGM or the Scheme Meeting (as the case may be) in person, and in such event, the FHT Managers reserve the right to refuse to admit any person appointed under the Proxy Form A (FHT EGM) and the Proxy Form B (Scheme Meeting) to the FHT EGM and Scheme Meeting respectively.

- (3) The FHT EGM and Scheme Meeting are proposed to be held at Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966, in accordance with and subject to such vaccinated-differentiated safe management measures and other measures which may be prescribed by any prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time.
- (4) The Scheme Meeting will only be convened if the FHT Trust Deeds Amendments Resolution is passed by way of an Extraordinary Resolution at the FHT EGM.
- (5) The date of the Court hearing of the application to sanction the Scheme will depend on the date that is allocated by the Court.
- (6) Stapled Securityholders should note that if the Scheme becomes effective in accordance with its terms, all the Stapled Securities held by the Entitled Stapled Securityholders as at the Record Date, will be transferred to the Offeror such that on the Scheme Settlement Date, the Offeror shall hold all of the Stapled Securities, excluding the Stapled Securities held by the Excluded Stapled Securityholders, and the Stapled Securityholders will not be able to trade their Stapled Securities from the last day of trading of the Stapled Securities, currently expected to be on 7 October 2022.
- (7) If each of the Scheme Conditions is satisfied or, as the case may be, has been waived in accordance with the Implementation Agreement, the Scheme will come into effect on a date to be mutually agreed in writing between the Offeror and the FHT Managers, being a date within 25 Business Days from the date that the last of the Scheme Conditions set out in Paragraphs 6.3(a)(i), 6.3(a)(ii), 6.3(a)(iii), 6.3(a)(iv), 6.3(a)(v) and 6.3(a)(vii) of the Letter to Stapled Securityholders is satisfied or waived in accordance with the terms of the Implementation Agreement, provided that the rest of the Scheme Conditions set out in Paragraph 6.3(a) of the Letter to Stapled Securityholders are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement.

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## LETTER TO STAPLED SECURITYHOLDERS

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### FRASERS HOSPITALITY TRUST

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)

Managed by

**Frasers Hospitality Asset Management  
Pte. Ltd.**

(Company Registration No: 201331351D)

**Frasers Hospitality  
Business Trust**

(a business trust constituted on  
20 June 2014 under the laws of  
the Republic of Singapore)

Managed by

**Frasers Hospitality Trust Management  
Pte. Ltd.**

(Company Registration No: 201401270M)

**Directors of the FHT Managers:**

Mr Law Song Keng  
(Chairman, Non-Executive and Independent Director)  
Mr Chua Phuay Hee  
(Non-Executive and Independent Director)  
Mr Liew Choon Wei  
(Non-Executive and Independent Director)  
Dr David Wong See Hong  
(Non-Executive and Independent Director)  
Mr Panote Sirivadhanabhakdi  
(Non-Executive and Non-Independent Director)

**Registered Office:**

438 Alexandra Road  
#21-00  
Alexandra Point  
Singapore 119958

19 August 2022

To: Stapled Securityholders

Dear Sir/Madam

**(1) THE PROPOSED FHT TRUST DEEDS AMENDMENTS; AND**

**(2) THE PROPOSED PRIVATISATION OF FHT BY THE OFFEROR BY WAY OF A TRUST  
SCHEME OF ARRANGEMENT**

**1. INTRODUCTION**

**1.1 Joint Announcement of the Acquisition and the Scheme**

On 13 June 2022, the respective boards of directors of the FHT Managers and the Offeror jointly announced the privatisation of FHT, which shall be effected through the acquisition by the Offeror of all the Scheme Stapled Securities by way of a trust scheme of arrangement in accordance with the Code and the FHT Trust Deeds.

A copy of the Joint Announcement is available on the SGX-ST website at <https://www.sgx.com/securities/company-announcements>.

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### 1.2 Purpose

The purpose of this Scheme Document is to set out information pertaining to the FHT Trust Deeds Amendments and the Scheme, to seek approval from Stapled Securityholders for the FHT Trust Deeds Amendments and the Scheme, and to give Stapled Securityholders notice of both the FHT EGM and the Scheme Meeting.

### 1.3 Background to the Scheme

The Scheme to privatise FHT arose from a strategic review to enhance and unlock value for Stapled Securityholders.

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

The COVID-19 pandemic had brought about significant uncertainties in the hospitality sector. Although borders have begun to gradually reopen and international travel is resuming, the timing and speed of recovery of FHT's portfolio to pre-COVID-19 levels remains uncertain due to the following reasons: (a) the current financial and operating performance of FHT's operational markets (as set out in Paragraph 2.1(b)) has seen minimal growth since FHT's IPO in 2014 and remains significantly below pre COVID-19 levels; (b) the strength of the Singapore Dollar could offset any improvements in operational and financial performance and valuations of the FHT Properties in local currency terms; and (c) challenging macro-economic environment with record high levels of inflation, rising interest rates and ongoing geopolitical tensions may lead to more cautious discretionary spending amongst consumers.

Having considered this and following FHT's announcement on 8 April 2022, the FHT Independent Directors had, with the assistance of their financial adviser DBS, explored various possible strategic options to enhance and unlock value for the Stapled Securityholders (including but not limited to bona fide proposals from all parties). FHT sought to deliver a proposal which could optimise value and offer certainty to Stapled Securityholders.

The strategic options that were considered are as follows:

- (i) the continued pursuit of FHT's existing strategy;
- (ii) expansion of the existing FHT platform via acquisitions or mergers;
- (iii) the strategic sale of all or select assets; and
- (iv) the sale of the FHT platform to a third-party or the sponsor, FPL.

The key factors considered by the FHT Managers, together with DBS, in evaluating the viability of various strategic options and arriving at the proposed Scheme to privatise FHT include, amongst others:

- (A) the present state and possible trajectory for recovery in the hospitality industry;
- (B) the current macroeconomic outlook;

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- (C) the current competitive positioning of FHT vis-à-vis its other listed hospitality S-REIT peers;
- (D) its historical trading, financial and operational performance;
- (E) the presence of associated reversionary interests and master lease agreements with the FPL Group; and
- (F) transactional certainty and ancillary transaction costs.

The FHT Independent Directors are of the view that a merger with other REITs would lead to greater transaction uncertainty as approvals from both sets of unitholders are required. Even if a merger obtains the requisite approvals, there is no guarantee that the merged entity would be able to integrate successfully and perform well post-merger. A sale of all or select assets will consume more time and resources without certainty of a formal proposal and is subject to various issues such as the risk of cherry picking where parties only opt to acquire certain better-performing assets but not others. A sale of assets would also result in greater friction costs such as stamp duties which might have to be incurred and result in a smaller scale and size, negatively impacting the future growth of FHT.

Having considered the various strategic options and based on the factors above, the privatisation of FHT was considered by the FHT Independent Directors to be the most credible and favourable option for Stapled Securityholders as it provides Stapled Securityholders with an option to realise their investment in FHT at a premium to NAV with a higher degree of transaction certainty.

**(b) The Scheme represents a credible option for Stapled Securityholders to realise their investment with a high degree of certainty at an attractive valuation**

Following the announcement on 8 April 2022, the FHT Independent Directors initiated concurrent discussions with all parties (including FPL) on the various strategic options available to FHT.

In this regard, Mr Panote Sirivadhanabhakdi, who is a FHT Director and also an Executive and Non-Independent Director and the Group Chief Executive Officer of FPL and a director of various subsidiaries of FPL, as well as a director of various entities within the TCC Group and holds 20% of the issued share capital of TCC, recused himself from the discussions and negotiations in respect of the Scheme. Mr Panote Sirivadhanabhakdi will also abstain from making any recommendations and voting on the Scheme Resolution.

During these discussions, FPL had indicated to the FHT Independent Directors that hospitality remained as one of its core businesses and that FPL was prepared to discuss a privatisation of FHT with the FHT Independent Directors.

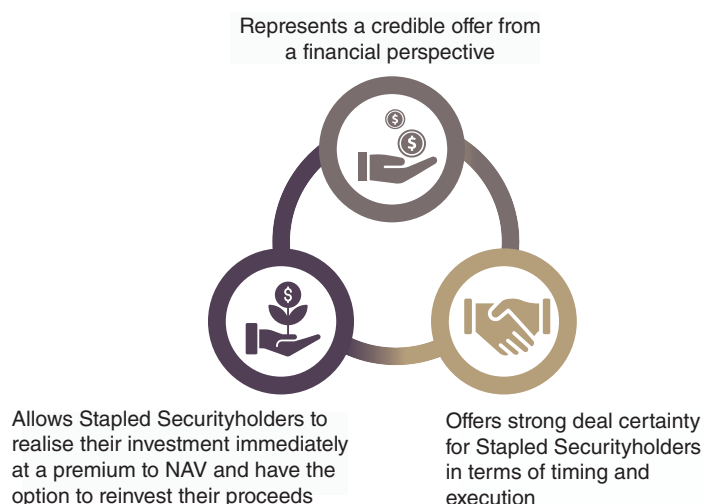
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Having considered FPL's intentions, the FHT Independent Directors commenced extensive negotiations with FPL with the view to providing Stapled Securityholders with a proposal that would optimise certainty and value. At the conclusion of the negotiation process, the FHT Independent Directors concluded that the Scheme represents the best option for Stapled Securityholders for the following reasons:

- (i) the Scheme represents a credible offer from a financial perspective;
- (ii) the Scheme offers strong deal certainty for Stapled Securityholders in terms of timing and execution; and
- (iii) the Scheme allows Stapled Securityholders to realise their investment at an attractive valuation immediately at a premium to NAV and have the option to reinvest their proceeds.



Stapled Securityholders should note that under the terms of the Implementation Agreement, the FHT Managers are restricted from, among others, soliciting or initiating competing proposals during the period of the Scheme. However, the FHT Managers are entitled to, among others, consider and evaluate unsolicited or uninitiated proposals received, provided that the FHT Managers have determined in good faith and acting reasonably that such action is required for the purposes of complying with the Listing Manual, the Code or any other laws, rules or regulations applicable to FHT and/or allowing the directors of the FHT Managers to comply with or discharge their fiduciary duties, or other legal or regulatory obligations to which they are subject under applicable laws and regulations.

### 1.4 Factors

The Scheme Consideration was agreed upon following extensive negotiations between the Offeror and the FHT Managers conducted on an arm's length basis, after taking into account multiple factors, including the following:

- (a) various pricing benchmarks used for evaluation (as set out in Paragraph 2.4 below) including:
  - (i) premia over benchmark prices to precedent S-REIT privatisations;

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- (ii) average P/NAV of other listed Singapore hospitality trusts;
  - (iii) analyst consensus target price in 2022 prior to the Joint Announcement; and
  - (iv) the total returns to Stapled Securityholders who invested at FHT's IPO and subscribed for FHT's rights issue on 9 September 2016;
- (b) latest available independent valuations of the FHT Properties (as set out in Paragraph 14 below) which incorporate the likely trajectory of a recovery post-COVID-19 based on certain assumptions;
  - (c) the latest available NAV adjusted for (i) latest available independent valuations of the FHT Properties (as set out in Paragraph 1.6 below), (ii) HY2022 distributions, and (iii) gain from the divestment of SSW;
  - (d) the pre-COVID-19 valuations of the FHT Properties adjusted for FX movements (as set out in Paragraph 2.4(f) below);
  - (e) the latest available NAV adjusted for pre-COVID-19 valuations of the FHT Properties adjusted for FX movements (as set out in Paragraph 2.4(f) below);
  - (f) FHT's current positioning amongst other S-REITs (as set out in Paragraph 2.3 below);
  - (g) the uncertainties brought about by looming recessionary pressures stemming from inflation, increased interest rates and geopolitical instability against the potential benefits to be derived from a gradual post-COVID-19 recovery in the tourism and hospitality industries (as set out in Paragraph 2.2 below); and
  - (h) the amount of Permitted Distributions (as defined in Paragraph 6.2) to be announced, declared, made or paid by the FHT Managers.

**The FHT Independent Directors, acting in accordance with their fiduciary duties and upon extensive evaluation, are now proposing the Scheme for the consideration of the Stapled Securityholders.**

### 1.5 Scheme Consideration

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 in cash per Scheme Stapled Security (the "**Scheme Consideration**") to the Entitled Stapled Securityholders. Based on a total of 721,799,270 Scheme Stapled Securities in issue as at the Latest Practicable Date, the aggregate Scheme Consideration payable to the Entitled Stapled Securityholders is S\$505,259,489.

Details of the factors on how the Scheme Consideration was agreed upon are set out in Paragraph 1.4 above.

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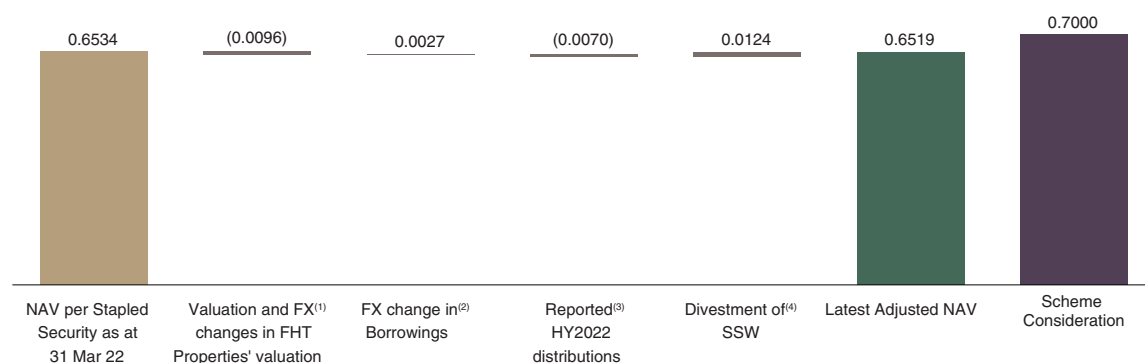
### 1.6 Adjusted NAV

The FHT Managers have commissioned the Valuers to undertake an independent valuation of the FHT Properties as at 31 May 2022 for the purposes of the Scheme. Although latest valuations of the FHT Properties have increased in their local operational currencies, upon conversion to S\$ based on the applicable FX rates as at 31 May 2022, the valuations reflect a decline of S\$10.0 million compared to the carrying value of the FHT Properties as at 31 March 2022.

Please refer to Paragraph 14 below for more details on the valuation of the FHT Properties conducted by the Valuers.

The latest valuations have also taken into account the possible recovery of the FHT Properties from COVID-19 based on certain assumptions.

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



#### Notes:

For the purposes of benchmarking and valuation in this Scheme Document, FHT's NAV per Stapled Security as of 31 March 2022 of S\$0.6534 has been adjusted to the latest adjusted NAV per Stapled Security of S\$0.6519 ("**Latest Adjusted NAV**"), which is derived from:

- (1) 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;
- (2) 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;
- (3) the exclusion of FHT's reported DPS for HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022; and
- (4) the gain from the divestment of SSW, which was completed on 29 April 2022.

### 1.7 Proposed FHT Trust Deeds Amendments

In connection with the implementation of the Scheme, it was also announced in the Joint Announcement that the FHT Managers propose to amend the FHT Trust Deeds to include the FHT Trust Deeds Amendments which are necessary for the implementation of the Scheme.



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### 1.8 Summary of Approvals Sought

#### (a) FHT Trust Deeds Amendments Resolution

The FHT Managers are convening the FHT EGM to seek the approval of Stapled Securityholders for the FHT Trust Deeds Amendments Resolution which will introduce provisions which are necessary for the implementation of the Scheme.

Please refer to Paragraph 7 below and Appendix E to this Scheme Document for further details on the FHT Trust Deeds Amendments.

#### (b) Scheme Resolution

In addition, subject to and contingent upon the passing of the FHT Trust Deeds Amendments Resolution at the FHT EGM, the FHT Managers are convening the Scheme Meeting to seek the approval of Stapled Securityholders for the Scheme Resolution.

**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 convening of 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.**

**For the avoidance of doubt, the FHT Trust Deeds Amendments Resolution is not conditional on the Scheme Resolution being passed. In the event the FHT Trust Deeds Amendments are approved at the FHT EGM, the FHT Trust Deeds will be amended to include the FHT Trust Deeds Amendments, whether or not the Scheme Resolution is passed.**

**In addition, the Scheme will only come into effect if all the Scheme Conditions set out in Paragraph 6.3(a) below have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.**

## 2. RATIONALE FOR THE ACQUISITION AND THE SCHEME

### 2.1 Obstacles in growing DPS and NAV

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

The FHT Managers have remained committed to the growth and optimisation of the FHT Properties to maximise value for Stapled Securityholders. Significant efforts have been made to grow FHT's portfolio, demonstrated through a series of strategic asset acquisitions and refurbishments and AEI. Despite FHT's pre-COVID-19 average yield since IPO of 7.2% being higher than its hospitality peers of 6.4%<sup>1</sup>, FHT successfully completed yield-accretive acquisitions since IPO totalling approximately S\$565 million.

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<sup>1</sup> Refers to average LTM yield adjusted for the 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.

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- (i) FHT pursued yield-accretive 3rd party acquisitions since IPO totalling approximately S\$565 million and refurbishments and AEI of approximately S\$60 million

### – Acquisitions

Asset Name	Year	Purchase Price in Local Currency (million)	Purchase Price in S\$ (million) <sup>(1)</sup>	30 September 2021 Valuation (million)	Gain/(Loss) in Local Currency
Sofitel Sydney Wentworth	2015	A\$224.0	S\$227.2 <sup>(2)</sup>	A\$270.0	20.5%
Maritim Dresden	2016	€58.4	S\$90.4 <sup>(3)</sup>	€59.3	1.5%
Novotel Melbourne on Collins	2016	A\$237.0	S\$246.9 <sup>(4)</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>

#### Notes:

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.

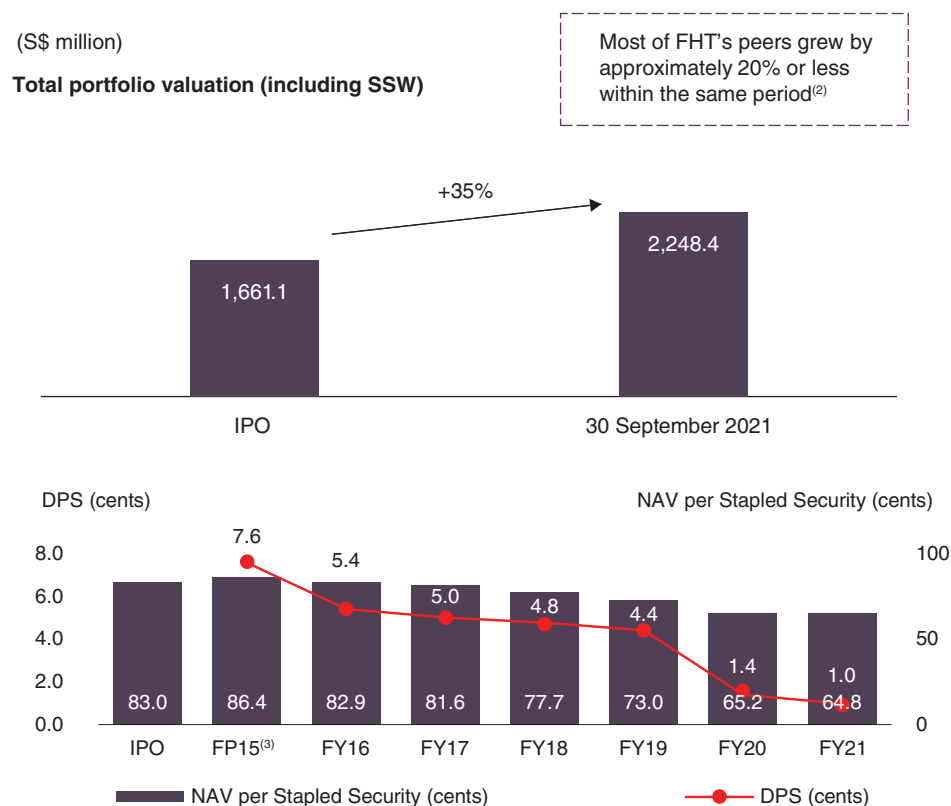
Although FHT's portfolio grew by 35% since IPO, more than most of its peers which grew by approximately 20% or less within the same period, this did not translate into DPS and NAV growth. A declining trend in both NAV per Stapled Security and DPS can be observed from FP15 to FY21 despite the acquisitions of SSW, Maritim Dresden and Novotel Melbourne on Collins between 2015 and 2016; and various AEI undertaken by FHT since its IPO.

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The declining trend was mainly attributable to (a) muted growth within the hospitality sector in the markets FHT operates in from 2015 to 2019 reflected in the minimal growth in RevPAR, ADR and occupancy rates. This was further exacerbated by the impacts of the pandemic on the hospitality sector resulting in a sharp decline in RevPAR, ADR and occupancy rates between 2020 and 2021; and (b) the strengthening of the S\$ against FHT's operational currencies.

The yield-accretive 3<sup>rd</sup> party acquisitions in 2015 and 2016 and the AEI undertaken were therefore unable to outweigh the negative impacts of adverse FX movements, and weakness in the hospitality sector.

(ii) Despite the growth of FHT's portfolio<sup>(1)</sup>, FHT's DPS and NAV per Stapled Security have seen a declining trend since its IPO



Source: FHT and company filings.

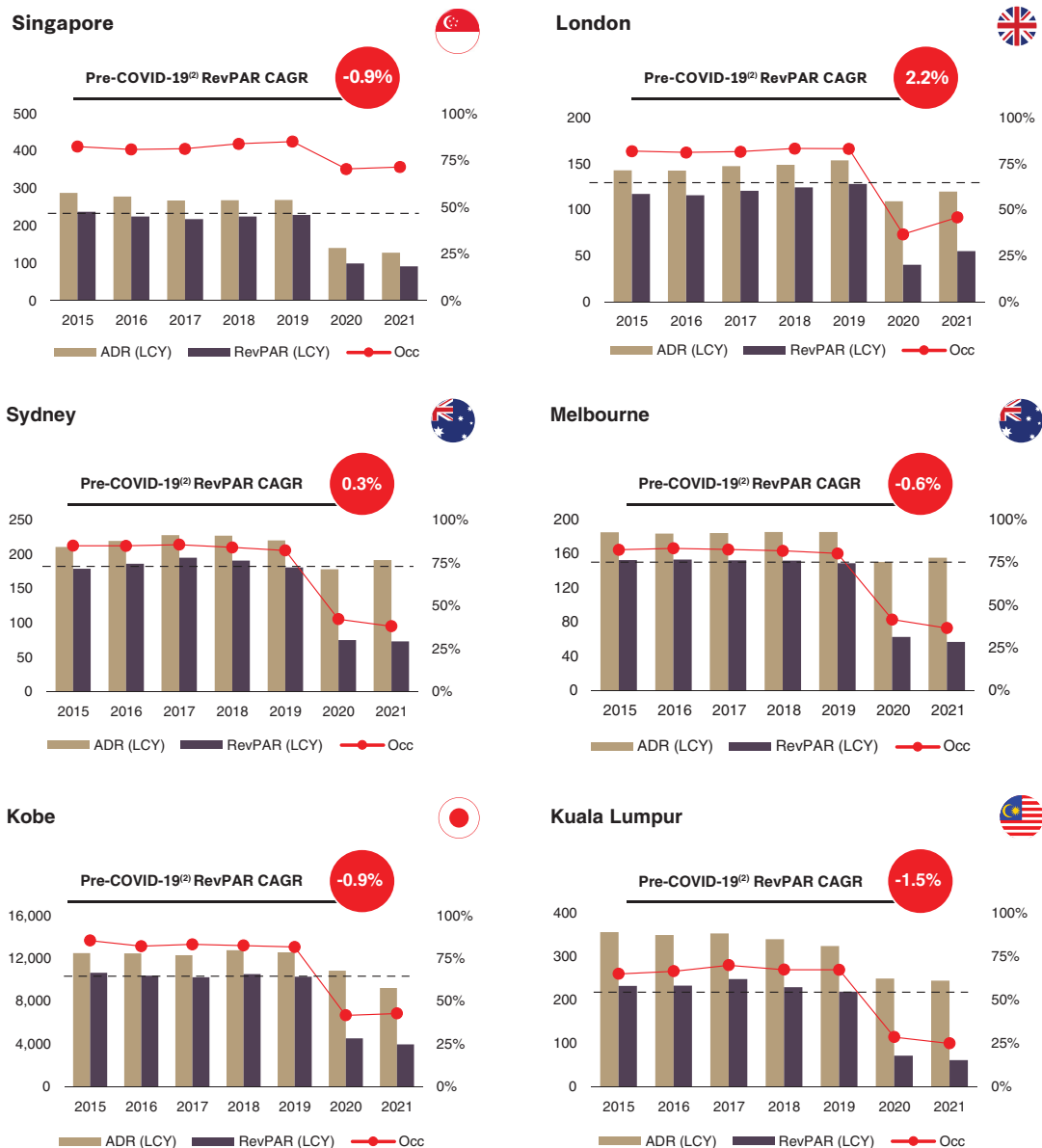
**Notes:**

- (1) Includes the sum of the FHT Properties, excluding right-of-use assets. The portfolio includes SSW, the divestment of which was completed on 29 April 2022.
- (2) Ascott Residence Trust, CDL Hospitality Trusts, and Far East Hospitality Trust's portfolios grew by 92%, 21% and 2% respectively within the period from 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.
- (3) Refers to the period from the FHT IPO Date to 30 September 2015.

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### (b) FHT's operating markets experienced muted growth

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



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

Source: Smith Travel Research.

#### Notes:

- (1) "ADR" refers to average daily rate; "RevPAR" refers to revenue per available room; and "Occ" refers to occupancy rate in %.
- (2) Pre-COVID-19 period refers to the period from 2015 to 2019.

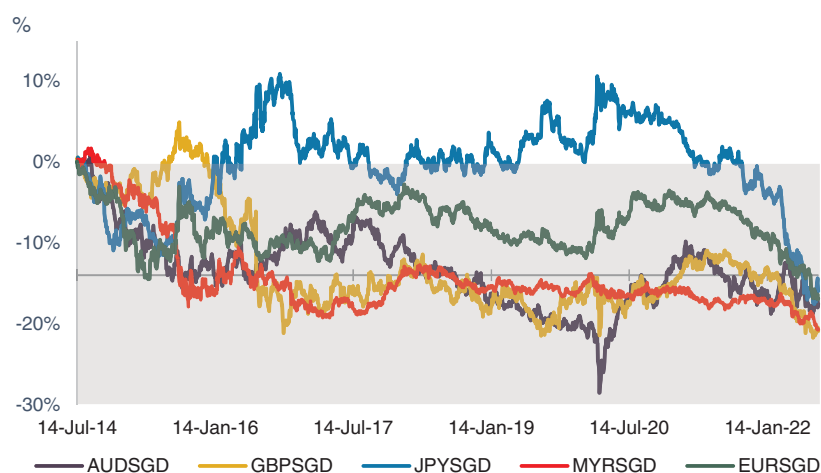
The weak operating environment, which contributed to the decline in FHT's DPS and NAV since its IPO, may potentially persist through the post-recovery phase of the COVID-19 pandemic.

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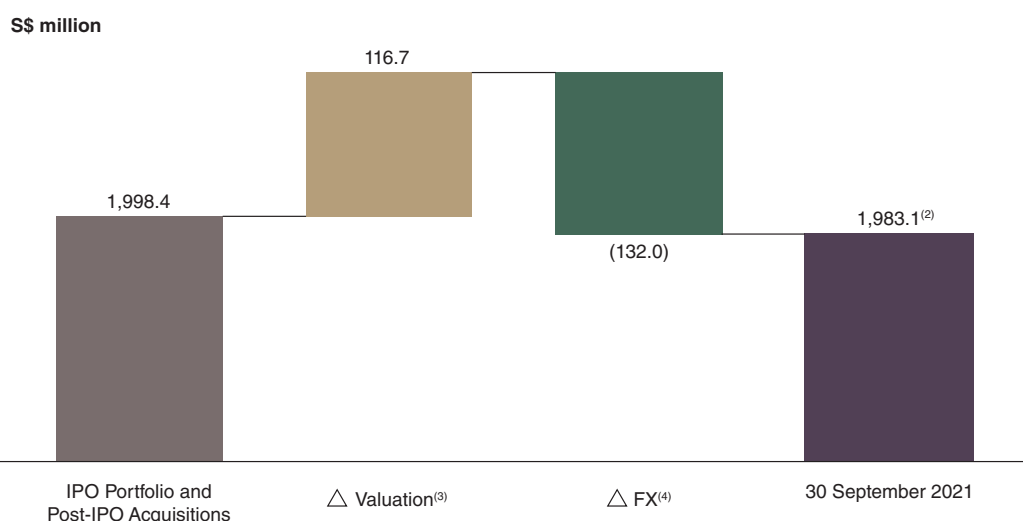
(c) **A strengthening S\$ has offset local currency revaluation gains**

FHT made concerted efforts to grow since its IPO but faced significant headwinds due to adverse FX trends against its operational currencies. Cumulatively, FHT's operational currencies have weakened against the S\$ by over 10% since its IPO. These foreign currency movements have negatively impacted FHT's DPS and NAV growth since IPO and have offset gains made over the years by FHT's portfolio in local currency terms.

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



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



**Notes:**

(1) 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.

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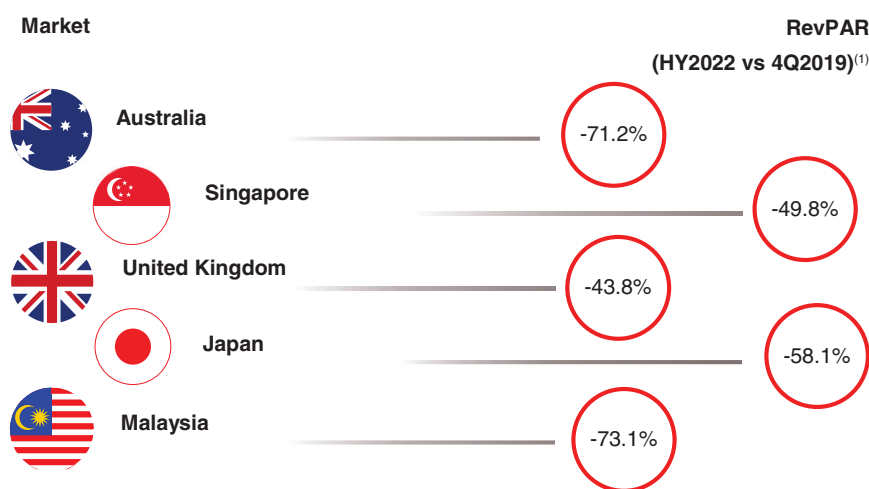
- (2) The portfolio valuation (i) does not include SSW, the divestment of which was completed on 29 April 2022, and (ii) has been converted into S\$ based on the applicable FX rates as at 30 September 2021.
- (3)  $\Delta$  Valuation is calculated based on (i) current valuation of FHT's portfolio and Post-IPO Acquisitions, 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), less (ii) the historical valuation of the 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 FX rates as at the time of the IPO and/or the Post-IPO Acquisitions (as the case may be).
- (4)  $\Delta$  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).

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

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

While there is a gradual move towards an endemic phase of the COVID-19 pandemic 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.

##### (i) FHT's current RevPAR is significantly below its pre-COVID-19 levels



Source: FHT filings.

#### Note:

- (1) 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.

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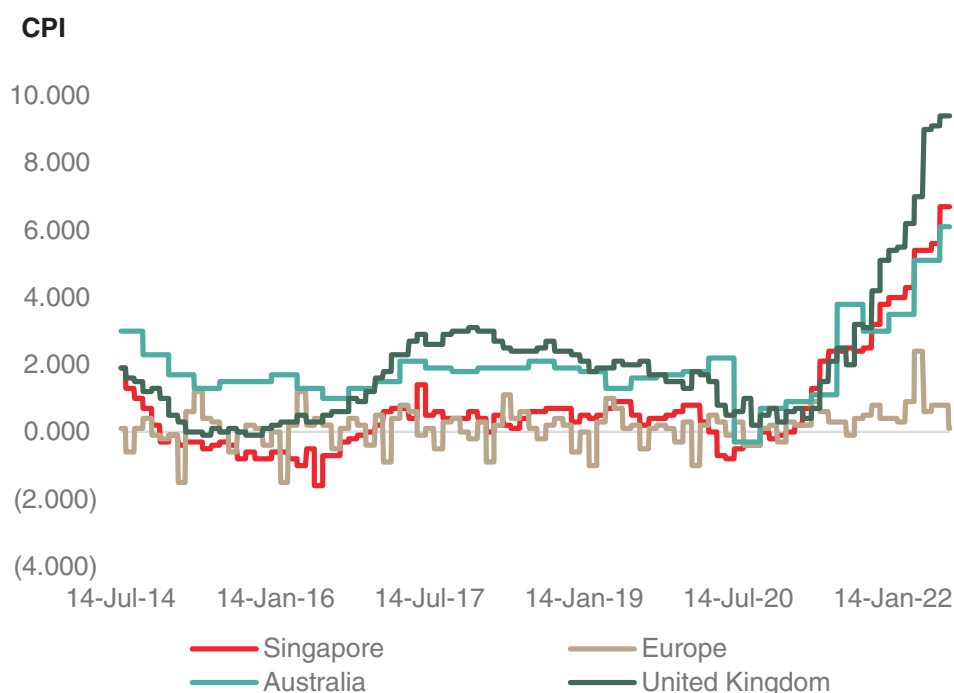
(b) **Geopolitical tensions and looming recessionary pressures add further uncertainty to the recovery outlook**

Since the start of 2021, inflationary concerns have been rising globally, further exacerbated by the ongoing Russia-Ukraine conflict which has directly resulted in a rise in the prices of oil and food staples, such as wheat. Inflationary pressures on key consumer goods could potentially lead to a decrease in consumer spending on discretionary goods and services.

A rising interest rate environment is likely to also pose greater challenges for FHT as it could lead to higher costs of capital. This rising trend in interest rates is expected to persist albeit at a slower pace as the FOMC continues to assess the use of rate hikes as a means to tackle inflation<sup>2</sup>.

The factors mentioned above are likely to hamper FHT's recovery to pre-COVID-19 levels.

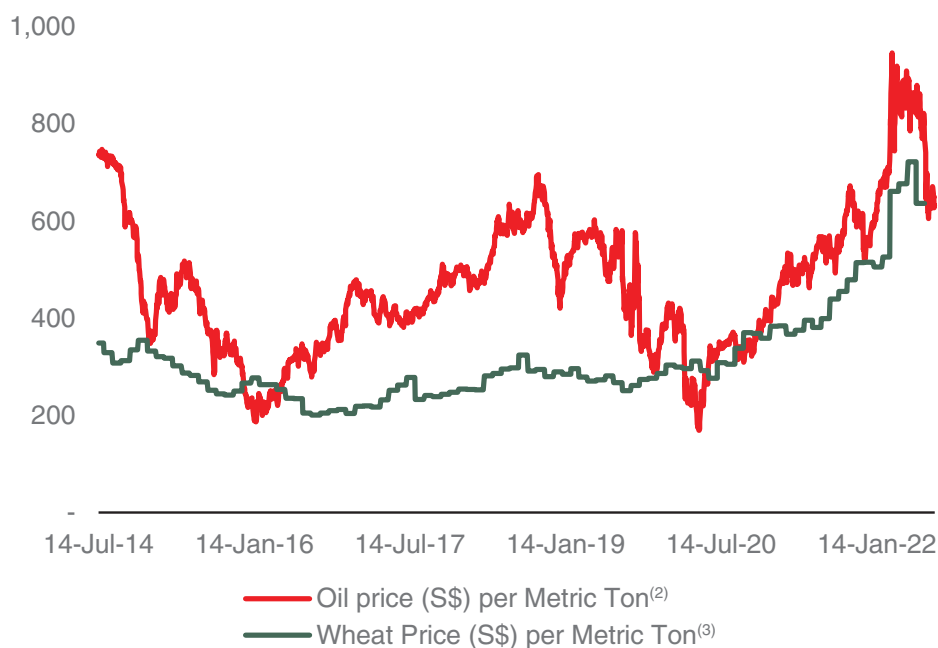
(i) Inflationary pressures have driven up CPI<sup>(1)</sup> in FHT's operational markets, along with geopolitical uncertainties that have seen the prices of oil and food staples rise



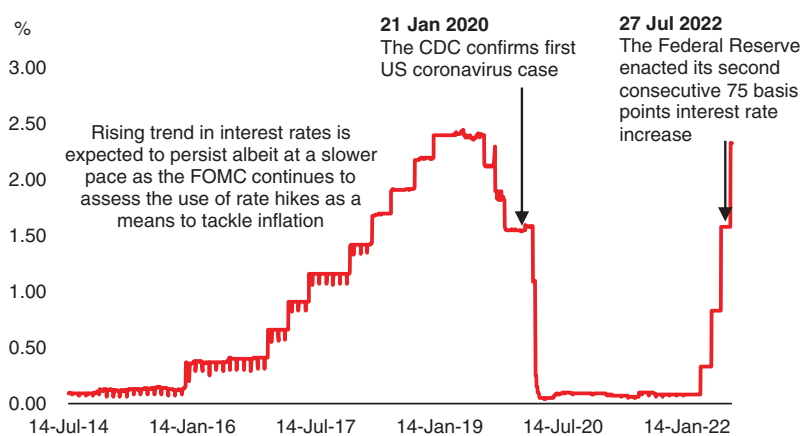
<sup>2</sup> Source: Retrieved from CNBC, "Fed hikes interest rates by 0.75 percentage point for second consecutive time to fight inflation".

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### Food Staples & Oil Prices (S\$ per Metric Ton)



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



**Notes:**

- (1) 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.
- (2) 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.
- (3) Monthly prices were compiled from World Bank and US Department of Agriculture for the period from July 2014 up to and including June 2022.
- (4) The U.S. 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.



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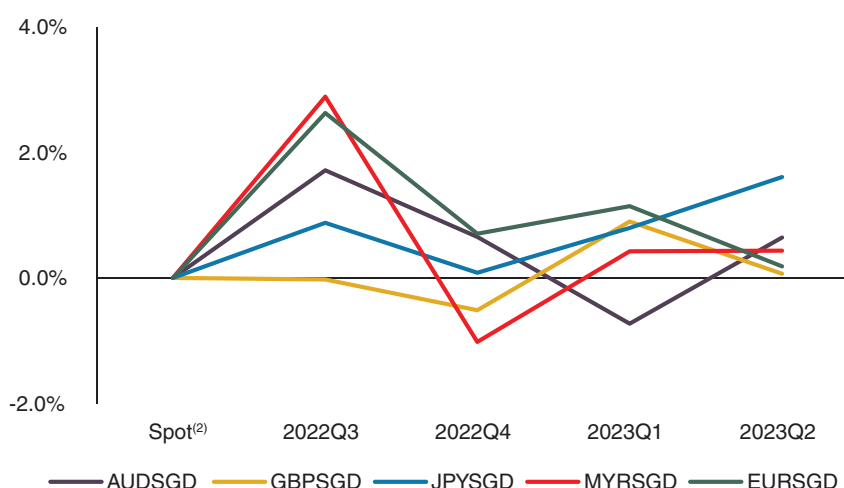
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(c) **Further strengthening of S\$ could potentially limit any potential NAV and DPS growth from a COVID-19 recovery**

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.

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



**Notes:**

- (1) Data was compiled from Bloomberg Composite as of the Latest Practicable Date and implied from FX forecast prices against US\$.
- (2) Spot refers to respective FX spot rates as of the Latest Practicable Date.

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

(a) **Size matters and is essential in enabling liquidity and growth**

FHT is smaller in scale as compared to its peers. It is the second smallest hospitality stapled trust listed on the SGX-ST in terms of asset size and market capitalisation, with some of its other listed peers<sup>3</sup> being approximately 1.5 to 3.5 times larger.

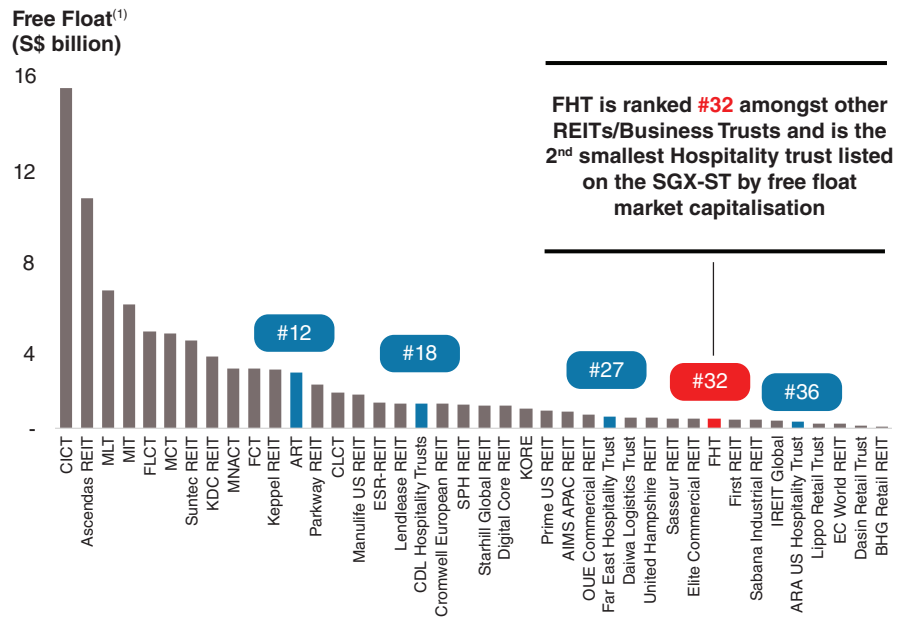
Scale is an important enabler for growth of a REIT or BT as scale would confer certain benefits such as:

- **Index Inclusion.** A key criterion for inclusion into major stock market indices is free float market capitalisation, a proxy for scale and liquidity. Unlike most of the large capitalisation REITs or BTs, FHT is currently not part of any major stock market indices (such as the FTSE EPRA Nareit Index) and has to grow its free float by another approximately 35% i.e. S\$142 million, to be considered for inclusion. Inclusion in major stock market indices contributes towards: (i) better trading liquidity; (ii) stronger institutional following and analyst coverage; and (iii) potentially improved valuations leading to a lower cost of capital.

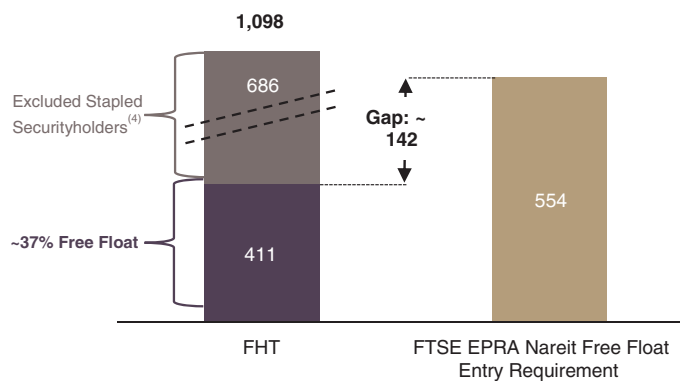
<sup>3</sup> This refers to Ascott Residence Trust, CDL Hospitality Trusts and Far East Hospitality Trust.

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- Flexibility to undertake asset acquisitions for growth.** A lack of scale has, in part, made it difficult for FHT to make yield-accretive acquisitions as compared to its larger peers because: (i) it has contributed to FHT's higher trading yields (due in part to it being ineligible for major stock index inclusions); and (ii) it translates to having less debt headroom to fund acquisitions.
- (i) FHT is currently ranked 32<sup>nd</sup> among other REITs/BTs by free float market capitalisation



- (ii) FHT Free Float<sup>(2)</sup> vs FTSE EPRA Nareit Free Float Entry Requirement<sup>(3)</sup> (\$ million)

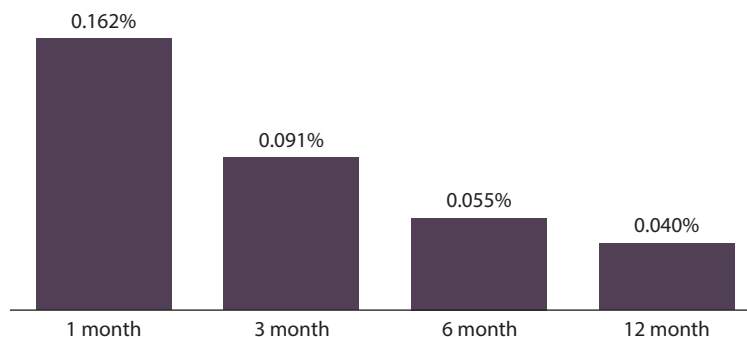


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(iii) FHT's ADTV as a percentage of total Stapled Securities<sup>(5)</sup> has been low historically



**Notes:**

- (1) Free float and data were compiled from Capital IQ as of the Last Undisturbed Trading Date.
- (2) Data was compiled from Bloomberg L.P. as of the Last Undisturbed Trading Date.
- (3) 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.
- (4) This includes the direct and deemed interest held by Excluded Stapled Securityholders.
- (5) This refers to average daily trading volumes as a percentage of total Stapled Securities outstanding up to and including the Last Undisturbed Trading Date.

### 2.4 Financial evaluation of the Scheme

(a) **The Scheme Consideration will allow Stapled Securityholders to exit at an attractive P/NAV multiple as compared to various benchmarks**

The P/NAV as implied by the Scheme Consideration of 1.07x<sup>4</sup> represents a premium of 46.4%, 42.3%, 33.2% and 25.0% to the historical 1-year, 3-year, 5-year average P/NAV multiples of the Stapled Securities, and the average P/NAV multiple of the Stapled Securities since the IPO of FHT, respectively. Further, the P/NAV as implied by the Scheme Consideration exceeds the P/NAV implied by the average of precedent S-REIT privatisations of 1.04x and the average of hospitality REIT/BT peers of 0.90x.

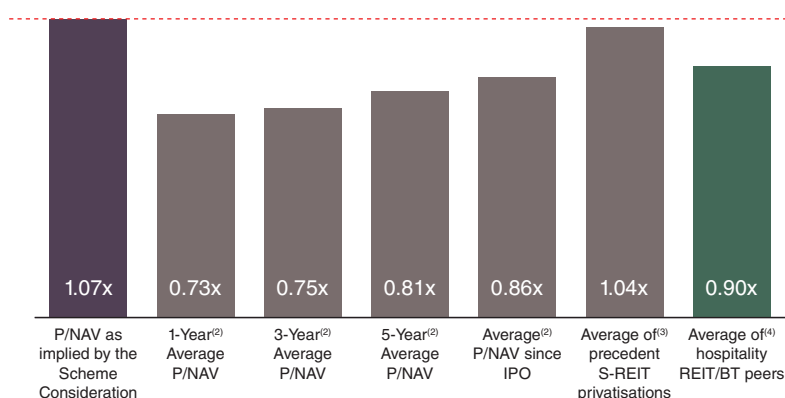
The Scheme Consideration therefore provides an opportunity for Stapled Securityholders to exit at a valuation that compares favourably against benchmarks mentioned above.

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<sup>4</sup> Derived from the Latest Adjusted NAV of S\$0.6519 per Stapled Security. Please refer to paragraph 1.6 above for further details on FHT's Latest Adjusted NAV.

## LETTER TO STAPLED SECURITYHOLDERS

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



Source: Bloomberg L.P. and FHT filings

#### Notes:

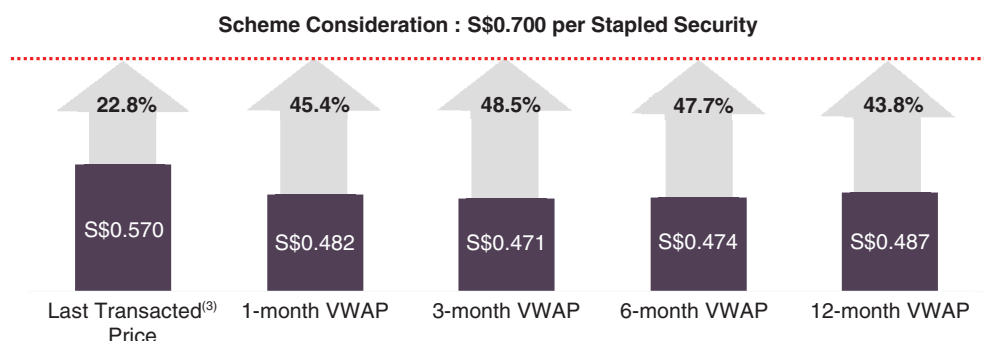
- (1) This is derived from: (i) the incremental carrying values of the FHT Properties and held as at 31 March 2022, based on the valuation of the FHT Properties as at 31 May 2022, converted to S\$ based on the applicable FX rates as at 31 May 2022, against the carrying values of the FHT Properties held 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.
- (2) 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 as of the last reported financial quarter or period, as compiled from Bloomberg L.P. and FHT filings.
- (3) 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.
- (4) 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.

#### (b) **Scheme Consideration implies premia in excess of 40% against FHT's historical VWAP**

The Scheme Consideration represents a premium of 45.4%, 48.5%, 47.7% and 43.8% to the one-month, three-month, six-month and twelve-month VWAP respectively.

## LETTER TO STAPLED SECURITYHOLDERS

### Scheme Consideration 1-month, 3-month, 6-month and 12-month premium over historical VWAPs<sup>(1)(2)</sup>

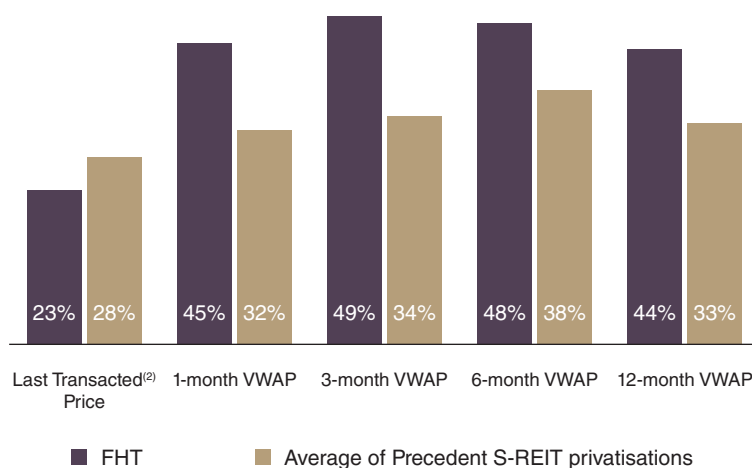


**Notes:**

- (1) 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.
- (2) Referenced against the Last Undisturbed Trading Date.
- (3) Refers to the closing price of FHT as of the Last Undisturbed Trading Date of S\$0.570.

**(c) Premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods**

### Premia over Benchmark Prices (%)<sup>(1)(3)</sup>



Source: SGX-ST announcements

**Notes:**

- (1) 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.
- (2) This refers to the closing price of FHT as of the Last Undisturbed Trading Date of S\$0.570.
- (3) Referenced against the Last Undisturbed Trading Date.

## LETTER TO STAPLED SECURITYHOLDERS

(d) **Total returns analysis for Stapled Securityholders that invested since IPO**

*The Scheme Consideration implies a total return of 22.7%<sup>(4)</sup> 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 (2) out of three (3) of FHT's peers<sup>(3)</sup> over the same period*

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 September 2016 <sup>(1)</sup>	Scheme Consideration	Distributions since the FHT IPO Date up to the Last Trading Date	Sum of Scheme Consideration and total distributions up to the Last Trading Date	Total returns since IPO
S\$0.813	S\$0.700	S\$0.297 <sup>(2)</sup>	S\$0.997	22.7% <sup>(4)</sup>

**Notes:**

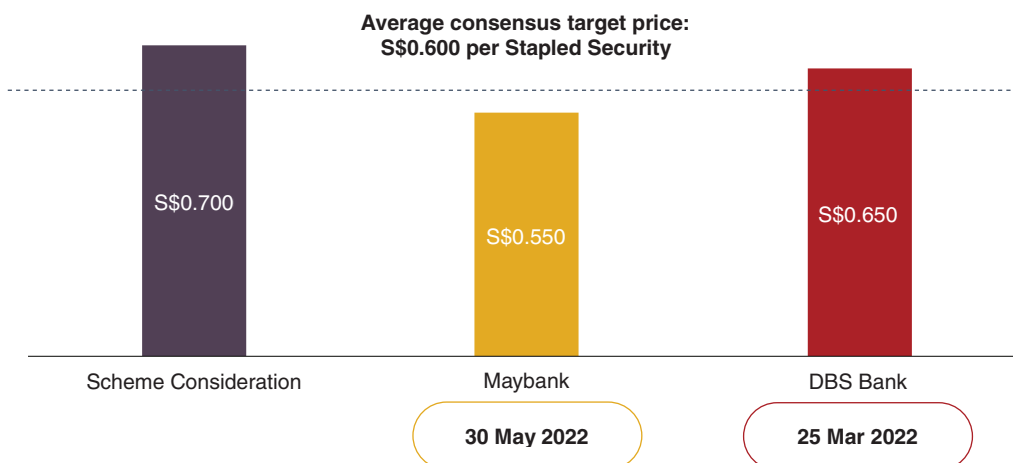
- (1) The security price as at the FHT IPO Date is computed as the IPO price of S\$0.880 per Stapled Security for FHT (adjusted for rights issues undertaken since IPO to the Last Trading Date) and closing price of the relevant hospitality REIT/BT peers sourced from Bloomberg L.P., and adjusted for any rights issue undertaken since the FHT IPO Date to the Last Trading Date.
- (2) This refers to the total dividends distributed per Stapled Security since IPO and adjusted for rights issue compiled from Bloomberg L.P.
- (3) 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 the Last Trading Date.
- (4) Total return is rounded to one (1) decimal place and subject to rounding differences.

(e) **The Scheme Consideration exceeds analyst consensus target prices**

The Scheme Consideration exceeds all analyst consensus target prices for FHT and represents a premium of 16.7% to the latest analyst consensus target price noting that, in arriving at the target prices, the respective analyst reports took into account the recovery prospects of FHT.

## LETTER TO STAPLED SECURITYHOLDERS

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



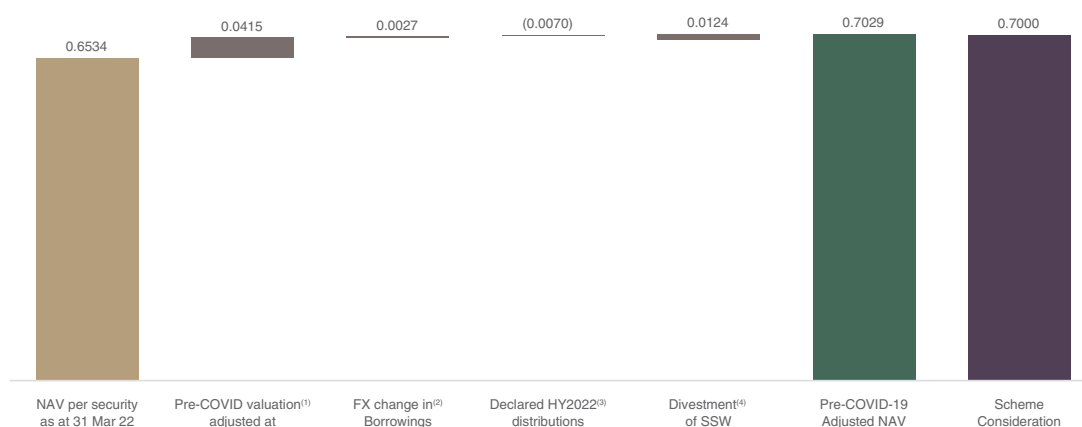
**Note:**

(1) The average analyst consensus target prices were compiled from Bloomberg L.P. as of the Last Trading Date.

(f) **The Scheme Consideration takes into account pre-COVID-19 portfolio valuations**

The Scheme Consideration is in line with FHT's pre-COVID-19 adjusted NAV per Stapled Security and demonstrates that recovery prospects have been taken into account in arriving at the Scheme Consideration.

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



**Notes:**

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

- (1) 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.
- (2) This is derived from 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.
- (3) This refers to the exclusion of FHT's reported DPS for HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022.
- (4) This refers to the gain from divestment of SSW, which was completed on 29 April 2022.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 3. OFFEROR'S RATIONALE FOR THE ACQUISITION AND FUTURE INTENTIONS FOR FHT

#### 3.1 Offeror's Rationale for the Acquisition

- (a) The long-term strategy of the FPL Group is centred on leveraging its synergistic multi-asset class capabilities to create value. Hospitality remains one of the FPL Group's core businesses. The FPL Group takes a long-term view of the returns from its investments. While the FPL Group is cognisant of the prevailing factors which may negatively impact the recovery trajectory of the hospitality sector, the FPL Group remains cautiously optimistic about the long-term growth potential of the hospitality sector.
- (b) The Acquisition, which is initiated and led by FHT following the decisions of the boards of the FHT Managers that FHT's privatisation by the FPL Group will be the best course of action to optimise value for Stapled Securityholders, will allow the FPL Group to increase its investment in hospitality assets at locations that the FPL Group is already familiar with. As with all assets in the FPL Group's investment portfolio, the FPL Group will leverage its deep understanding of FHT's assets and adopt a rigorous and disciplined approach to drive performance.
- (c) The arm's length Scheme Consideration was arrived at after taking into consideration the financial and business effects of the Acquisition on the FPL Group, both over the short and long term, in addition to a number of FHT financial reference points. The Scheme Consideration:
- (i) represents a 7.1% premium to FHT's NAV per Stapled Security;
  - (ii) represents an implied P/NAV of 1.07x which exceeds the average of precedent S-REIT privatisations of 1.04x;
  - (iii) represents a 22.8%, 48.5% and 43.8% premium to the last-transacted, three (3)-month and 12-month VWAP prior to the Last Undisturbed Trading Date as compared to precedent S-REIT privatisations' average premia to 12-month VWAP of 33.3%;
  - (iv) represents implied total returns of 22.7% since the IPO of FHT after adjusting for FHT's rights issue on 9 September 2016 (implying a greater total return for Stapled Securityholders than two (2) out of three (3) of FHT's peers over the same period);
  - (v) represents a 16.7% premium to the latest analyst consensus target price prior to the Joint Announcement of S\$0.60; and
  - (vi) is in line with the pre-COVID-19 NAV per Stapled Security after adjusting for changes in balance sheet and foreign exchange movements.



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## LETTER TO STAPLED SECURITYHOLDERS

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### 3.2 Offeror's Future Intentions for FHT

Based on Paragraph 5 of the Offeror's Letter at Appendix C to this Scheme Document, following the completion of the Acquisition and the Scheme, the Offeror intends to undertake a review of the FHT Group's businesses and operations, which may include the reorganisation or restructuring of certain of its assets over time. Save as disclosed above, the Offeror has no current intention to (a) introduce any major changes to the business of the FHT Group; (b) re-deploy the fixed assets of the FHT Group; or (c) discontinue the employment of the existing employees of the FHT Managers or the FHT Group, in each case, other than in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the completion of the Acquisition and the Scheme.

Nonetheless, the Offeror retains the flexibility to, at any time, consider any options or opportunities which may present themselves, and which it regards to be in the best interests of FHT and/or the FHT Group.

## 4. INFORMATION ON FHT AND THE FHT MANAGERS

### 4.1 FHT

FHT is a global hotel and serviced residence trust that is listed on the SGX-ST, and is a stapled group comprising FH-REIT and FH-BT. FHT invests globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT's portfolio comprises 15 properties as at 30 September 2021, and post completion of the divestment of SSW on 29 April 2022, 14 quality assets in prime locations in nine (9) key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$2.0 billion.

As at the Latest Practicable Date, FHT has:

- (a) an aggregate of 1,926,073,869 Stapled Securities in issue; and
- (b) an aggregate of 2,011,137 outstanding Awards granted pursuant to the RSSP.

### 4.2 The FH-REIT Manager

The FH-REIT Manager was incorporated in Singapore on 20 November 2013 and currently holds a capital markets services licence for real estate investment trust management pursuant to the SFA. FH-REIT is managed by the FH-REIT Manager, whose main responsibility is to manage FH-REIT's assets and liabilities for the benefit of Stapled Securityholders, through setting the strategic direction of FH-REIT and making recommendations to the FH-REIT Trustee on acquisitions, divestments and enhancement of the assets of FHT.

As at the Latest Practicable Date:

- (a) the FH-REIT Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-REIT Manager comprises the following individuals:
  - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);

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## LETTER TO STAPLED SECURITYHOLDERS

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- (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
- (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
- (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
- (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

### 4.3 The FH-BT Trustee-Manager

The FH-BT Trustee-Manager was incorporated in Singapore on 13 January 2014. FH-BT is managed by the FH-BT Trustee-Manager, which has the dual responsibilities of safeguarding the interests of the Stapled Securityholders and managing the business conducted by FH-BT. The FH-BT Trustee-Manager has general powers of management over the business and assets of FH-BT and its main responsibility is to manage FH-BT's assets and liabilities for the benefit of the Stapled Securityholders as a whole.

As at the Latest Practicable Date:

- (a) the FH-BT Trustee-Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-BT Trustee-Manager comprises the following individuals:
  - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);
  - (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
  - (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
  - (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
  - (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

## 5. INFORMATION ON THE OFFEROR AND FPL

### 5.1 The Offeror

The Offeror was incorporated in Singapore on 28 April 2006 and is a wholly-owned subsidiary of FPL. As at the Latest Practicable Date, the directors of the Offeror are:

- (a) Mr Chan Boon Kiong; and
- (b) Mr Chia Khong Shoong.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares.

As at the Latest Practicable Date, the Offeror holds 466,618,417 Stapled Securities, representing approximately 24.23% of the total number of issued Stapled Securities.

Schedule 1 to the Offeror's Letter at Appendix C to this Scheme Document sets out certain additional information on the Offeror.

## LETTER TO STAPLED SECURITYHOLDERS

### 5.2 FPL

FPL is a multinational developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the FPL Group has total assets of approximately S\$40.7 billion as at 31 March 2022. FPL's multinational businesses operate across five (5) asset classes, namely, residential, retail, commercial & business parks, industrial & logistics and hospitality. The FPL Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa. FPL is also the sponsor of FHT.

As at the Latest Practicable Date, FPL holds, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 496,964,399 Stapled Securities, representing approximately 25.80% of the total number of issued Stapled Securities, as set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Offeror	466,618,417	24.23	–	–	466,618,417	24.23
Frasers Hospitality Pte. Ltd.	11,668,847	0.61	–	–	11,668,847	0.61
FH-REIT Manager	18,677,135	0.97	–	–	18,677,135	0.97
FPL <sup>(2)</sup>	–	–	496,964,399	25.80	496,964,399	25.80

**Notes:**

- (1) Rounded to the nearest two (2) decimal places, and computed based on a total of 1,926,073,869 Stapled Securities as at the Latest Practicable Date.
- (2) FPL holds a 100% direct interest in each of the FH-REIT Manager, Frasers Hospitality Pte. Ltd. ("**FHPL**") and the Offeror; and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. FPL therefore has a deemed interest in the Stapled Securities in FHT in which each of the FH-REIT Manager, FHPL and the Offeror has an interest, by virtue of Section 4 of the SFA.

Assuming there is no change in the total number of issued Stapled Securities up to the completion of the Scheme, after the completion of the Scheme:

- (a) FPL is expected to hold, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 1,218,763,669 Stapled Securities, representing approximately 63.28% of the total number of issued Stapled Securities; and
- (b) TCC will continue to hold an aggregate of 707,310,200 Stapled Securities, representing approximately 36.72% of the total number of issued Stapled Securities. In this regard, TCC has provided the Deed of Undertaking to the Offeror, pursuant to which TCC has undertaken and/or agreed, *inter alia*, that the Scheme will be in respect of the Scheme Stapled Securities only, and that the Stapled Securities held by TCC will not be acquired by the Offeror pursuant to the Scheme.

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TCC is owned by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi (being the five children of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi) in equal proportions.

Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCC Assets Limited, which holds a majority interest in FPL. The Offeror is a wholly-owned subsidiary of FPL.

Schedule 2 to the Offeror's Letter at Appendix C to this Scheme Document sets out certain additional information on FPL.

### 6. THE ACQUISITION AND THE SCHEME

#### 6.1 The Acquisition and the Scheme

The Scheme is proposed to be effected in accordance with the Code and the terms of the FHT Trust Deeds (to be amended and supplemented as described in Paragraph 7 below), subject to the terms and conditions of the Implementation Agreement.

Under the Scheme, upon the Scheme becoming effective and binding in accordance with its terms:

- (a) all of the Scheme Stapled Securities held by the Entitled Stapled Securityholders as at the Record Date, will be transferred to the Offeror fully paid, free from all Encumbrances and together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the FHT Managers on or after the Joint Announcement Date, except for the Permitted Distributions; and
- (b) in consideration for such transfer of the Scheme Stapled Securities, the Offeror agrees to pay or procure the payment of the Scheme Consideration to each Entitled Stapled Securityholder, in accordance with the terms and conditions of the Implementation Agreement.

The Scheme will be extended to all Scheme Stapled Securities outstanding as at the Record Date, including Scheme Stapled Securities unconditionally delivered pursuant to the valid vesting and release of any outstanding Awards granted pursuant to the RSSP. For the avoidance of doubt, any Stapled Securities to be delivered pursuant to the valid vesting and release of any outstanding Awards granted under the RSSP will be by way of transfer of the existing Stapled Securities held by the FH-REIT Manager, and no new Stapled Securities will be issued pursuant to the vesting and release of any outstanding Awards granted under the RSSP.

#### 6.2 Permitted Distributions

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 up to the day immediately before the Effective Date, 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 "**Permitted Distributions**").

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## LETTER TO STAPLED SECURITYHOLDERS

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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 SSW which was completed on 29 April 2022).

**The FHT Managers shall be entitled to announce, declare, make or pay the Permitted Distributions without any adjustment to the Scheme Consideration, and the Entitled Stapled Securityholders shall have the right to receive and retain the Permitted Distributions (if any) in addition to the Scheme Consideration.**

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 is announced, declared, made or paid by the FHT Managers on or after the Joint Announcement Date.

### 6.3 Scheme Conditions

#### (a) Scheme Conditions

The table below sets out the Scheme Conditions and the status of each Scheme Condition as at the Latest Practicable Date. All capitalised terms used and not defined in the table shall have the same meanings given to them in the Implementation Agreement.

No.	Scheme Condition	Status
(i)	<b>Amendment of FHT Trust Deeds:</b> the approval of Stapled Securityholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the FHT EGM for the amendment of the FHT Trust Deeds to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties	To be sought at the FHT EGM
(ii)	<b>Stapled Securityholders' Approval for the Scheme:</b> the approval of the Scheme by a majority in number of the Stapled Securityholders 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 at the Scheme Meeting	To be sought at the Scheme Meeting
(iii)	<b>Court Approval for the Scheme:</b> the Scheme Court Order being obtained	To be applied for, pending approval of the FHT Trust Deeds Amendments Resolution and Scheme Resolution

## LETTER TO STAPLED SECURITYHOLDERS

No.	Scheme Condition	Status
(iv)	<p><b>Regulatory Approvals:</b> the following Regulatory Approvals having been obtained or granted and remaining in full force and effect as at the Relevant Date:</p>	
	<p>(1) confirmation from the SIC that:</p> <p style="margin-left: 40px;">(A) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, subject to any conditions the SIC may deem fit to impose;</p> <p style="margin-left: 40px;">(B) it has no objections to the Scheme Conditions; and</p> <p style="margin-left: 40px;">(C) it has no objections to the Switch Option (as defined below);</p>	Rulings obtained
	<p>(2) approval-in-principle from the SGX-ST for the Scheme, the Scheme Document and for the proposed delisting of FHT from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms;</p>	Satisfied, save for the proposed delisting of FHT from the SGX-ST. Please see Paragraph 9 below for further details.
	<p>(3) there being no objections from the MAS:</p> <p style="margin-left: 40px;">(A) to the withdrawal of the authorisation of FH-REIT as an authorised collective investment scheme in the event the Acquisition and the Scheme are implemented and FHT is delisted from the Main Board of the SGX-ST; and</p> <p style="margin-left: 40px;">(B) to grant an exemption to FH-REIT from the requirements set out in Section 295(2) of the SFA in the event the authorisation of FH-REIT as an authorised collective investment scheme is withdrawn; and</p>	Satisfied

## LETTER TO STAPLED SECURITYHOLDERS

No.	Scheme Condition	Status
	<p>(4) in relation to Australian foreign investment approval, either:</p> <p>(A) receipt by the Offeror of a written notice under the Australian Foreign Acquisitions and Takeovers Act 1975 from the Treasurer of the Commonwealth of Australia (or his or her delegate) stating that, or to the effect that, the Australian Commonwealth Government does not object to the Acquisition, either without conditions or otherwise on terms acceptable to the Offeror, acting reasonably; or</p> <p>(B) following the Offeror giving notice of the Acquisition to the Treasurer of the Commonwealth of Australia under the Australian Foreign Acquisitions and Takeovers Act 1975, the Treasurer of the Commonwealth of Australia ceases to be empowered to make any order under Division 2 of Part 3 of the Australian Foreign Acquisitions and Takeovers Act 1975</p>	In progress
(v)	<p><b>Authorisations:</b> in addition to the approvals set out in paragraph (iv) above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any or all Parties under any and all applicable laws, from all Governmental Authorities, for or in respect of the Acquisition or the implementation of the Scheme, and such authorisations, consents, clearances, permissions and approvals not having been revoked or withdrawn as at the Relevant Date</p>	As at the Latest Practicable Date, no other authorisations and consents have been identified.
(vi)	<p><b>No Legal or Regulatory Restraint:</b> between the date of the Implementation Agreement and up to the Relevant Date, no issuance of any order, injunction, judgment, decree or ruling issued by any Governmental Authority or by any court of competent jurisdiction preventing the Acquisition or the implementation of the Scheme, being in effect as at the Relevant Date</p>	To be determined on the Relevant Date

## LETTER TO STAPLED SECURITYHOLDERS

No.	Scheme Condition	Status
(vii)	<b>Third Parties:</b> the receipt of all authorisations, consents, clearances, permissions approvals and waivers as are necessary or required by the FHT Group from all Third Parties under the contracts entered into by the FHT Group, for or in respect of the implementation of the Scheme, and such authorisations, consents, clearances, permissions approvals and/or waivers not having been revoked or withdrawn as at the Relevant Date. “ <b>Third Parties</b> ” means certain counterparties to agreements entered into by members of the FHT Group as may be agreed in writing between the FHT Managers and the Offeror	In progress
(viii)	<b>No Prescribed Occurrence:</b> between the Joint Announcement Date and up to the Relevant Date, no Prescribed Occurrence in relation to the FHT Group and/or the Offeror (as the case may be) occurs other than as required or contemplated by the Implementation Agreement, the Acquisition and/or the Scheme	To be determined on the Relevant Date
(ix)	<b>FHT’s Warranties:</b> there being no breach of the FHT Warranties which are material in the context of the Scheme as at the Joint Announcement Date and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date))	To be determined on the Relevant Date
(x)	<b>Offeror’s Warranties:</b> there being no breach of the Offeror Warranties which are material in the context of the Scheme as at the Joint Announcement Date and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date))	To be determined on the Relevant Date



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## LETTER TO STAPLED SECURITYHOLDERS

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No.	Scheme Condition	Status
(xi)	<p><b>Material Adverse Effect:</b> there being no event or events, whether individually or in aggregate, occurring between the Joint Announcement Date and up to the Relevant Date (both dates inclusive) which has or have the effect of causing a diminution in the consolidated net tangible assets of the FHT Group by more than S\$125.9 million, being 10% of the consolidated net tangible assets of the FHT Group of S\$1,258.6 million for HY2022, as stated in the FHT Unaudited HY2022 Financial Statements, as determined by reference to the later of (i) the latest publicly released unaudited consolidated financial statements of the FHT Group prior to the Relevant Date; and (ii) the unaudited consolidated management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the FHT Unaudited HY2022 Financial Statements) as at the calendar month-end falling at least 15 calendar days prior to the Relevant Date (“<b>Material Adverse Effect</b>”).</p> <p>For the avoidance of doubt, none of the distributions which have been paid to the Stapled Securityholders prior to the Joint Announcement Date or the Permitted Distributions shall be taken into account in determining if there has been a Material Adverse Effect.</p>	To be determined on the Relevant Date

(b) **Benefit of Scheme Conditions**

(i) **Offeror’s Benefit**

The Offeror alone may waive the Scheme Conditions in Paragraphs 6.3(a)(vii), 6.3(a)(viii) (in relation to any Prescribed Occurrences relating to the FHT Group), 6.3(a)(ix) and 6.3(a)(xi).

(ii) **FHT’s Benefit**

The FHT Managers and the FH-REIT Trustee alone may waive the Scheme Conditions in Paragraphs 6.3(a)(viii) (in relation to any Prescribed Occurrences relating to the Offeror) and 6.3(a)(x).

(iii) **Mutual Benefit and No Waiver**

The Parties may jointly waive the Scheme Conditions in Paragraphs 6.3(a)(v) and 6.3(a)(vi), to the extent legally permissible. The Scheme Conditions set out in Paragraphs 6.3(a)(i), 6.3(a)(ii), 6.3(a)(iii) and 6.3(a)(iv) are not capable of being waived by any or all of the Parties.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 6.4 Effective Date

The Scheme will become effective upon the written notification to the MAS of the grant of the Scheme Court Order, which shall be effected by or on behalf of the Offeror:

- (a) on a date to be mutually agreed in writing between the Offeror and the FHT Managers, being a date within 25 Business Days from the date that the last of the Scheme Conditions set out in Paragraphs 6.3(a)(i), 6.3(a)(ii), 6.3(a)(iii), 6.3(a)(iv), 6.3(a)(v) and 6.3(a)(vii) is satisfied or waived in accordance with the terms of the Implementation Agreement; and
- (b) provided that the rest of the Scheme Conditions set out in Paragraph 6.3(a) are satisfied or waived on the Relevant Date in accordance with the terms of the Implementation Agreement.

### 6.5 Termination of the Scheme

#### (a) Right to Terminate

The Implementation Agreement may be terminated with immediate effect at any time on or prior to the Relevant Date (provided that the Party seeking termination does so only after it has had prior consultation with the SIC, and the SIC has given its approval for, or stated that it has no objection to, such termination):

- (i) **Regulatory Action.** By any Party, if any court of competent jurisdiction or governmental authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof (including for the avoidance of doubt if the Scheme Court Order is not granted), and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (ii) **Stapled Securityholders' Approval.** By any Party, if the resolutions in respect of the FHT Trust Deeds Amendments and/or the Scheme are not approved (without amendment) by the requisite majorities of the Stapled Securityholders at the FHT EGM or the Scheme Meeting (as the case may be);
- (iii) **Breach or Prescribed Occurrence.** By either:
  - (1) the Offeror, if (A) any of the FH-REIT Trustee or the FHT Managers are in breach of a FHT Warranty which is material in the context of the Scheme; or (B) a Prescribed Occurrence relating to the FHT Group has occurred which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 21 days (or such other period as the Parties may mutually agree in writing) after being given notice by the Offeror to do so; or
  - (2) the FH-REIT Trustee and the FHT Managers, if (A) the Offeror is in breach of an Offeror Warranty which is material in the context of the Scheme; or (B) a Prescribed Occurrence relating to the Offeror has occurred which is material in the context of the Scheme, and the Offeror fails to remedy such breach (if capable of remedy) within 21 days (or such other period as the Parties may

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## LETTER TO STAPLED SECURITYHOLDERS

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mutually agree in writing) after being given notice by the FH-REIT Trustee or the FHT Managers to do so;

- (iv) **Material Adverse Effect.** By the Offeror, if there has been an occurrence of a Material Adverse Effect;
- (v) **Entry into Agreement in respect of Competing Proposal.** By the Offeror, if the FHT Managers or the FH-REIT Trustee enters into any agreement for the implementation of a Competing Proposal; or
- (vi) **Completion of Competing Proposal.** If a Competing Proposal becomes or is declared unconditional in all respects (or its equivalent) or is completed or becomes effective (or the equivalent in respect of any of the foregoing), by the Offeror or the FH-REIT Trustee and the FHT Managers by notice in writing to the FH-REIT Trustee and the FHT Managers or to the Offeror, as the case may be (save in respect of any Competing Proposal effected with the Offeror's prior written consent).

(b) **Non-fulfilment of Conditions**

Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Scheme Conditions set out in Paragraph 6.3(a) has not been satisfied (or, where applicable, has not been waived) by the Long-Stop Date (being 31 December 2022 or such other date as the Parties may agree in writing), except that:

- (i) in the event of any non-fulfilment of the Scheme Conditions in Paragraphs 6.3(a)(i), 6.3(a)(ii), 6.3(a)(iii), 6.3(a)(iv), 6.3(a)(v) and/or 6.3(a)(vi), any Party may rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement;
- (ii) in the event of any non-fulfilment of the Scheme Conditions in Paragraphs 6.3(a)(vii), 6.3(a)(viii) (in relation to the Prescribed Occurrences relating to the FHT Group), 6.3(a)(ix) and/or 6.3(a)(xi), only the Offeror may rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement; and
- (iii) in the event of any non-fulfilment of the Scheme Conditions in Paragraphs 6.3(a)(viii) (in relation to the Prescribed Occurrences relating to the Offeror) and/or 6.3(a)(x), only the FHT Managers and the FH-REIT Trustee may rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement,

in each case, provided that prior consultation with the SIC has been undertaken and the SIC has granted its approval for, or stated that it has no objection to, such termination.

(c) **Consultation with Other Parties**

In the event any Party intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.

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## LETTER TO STAPLED SECURITYHOLDERS

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### (d) **Effect of Termination**

In the event of termination of the Implementation Agreement by any Party pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other liability on any Party. Each of the FH-REIT Trustee and/or the FHT Managers on the one hand, and the Offeror on the other, agrees that the only remedy it has under the Implementation Agreement for any breach or non-compliance by the FH-REIT Trustee and/or the FHT Managers or the Offeror (as the case may be) shall be the right to terminate the Implementation Agreement in the manner prescribed in the Implementation Agreement and there shall be no other liability on any Party.

### **6.6 Conduct of Business**

- (a) Between the Joint Announcement Date and the Relevant Date, each Party has agreed not to take or omit to take any action which is within its power or control that will result in the occurrence of a Prescribed Occurrence (as set out in Appendix K) in relation to any member of the FHT Group or the Offeror (as the case may be), other than in accordance with the Implementation Agreement.
- (b) During the period from the Joint Announcement Date to the Effective Date, save insofar as agreed in writing by the other Parties or as disclosed to the other Parties in accordance with the Implementation Agreement, the FH-REIT Trustee (to the extent applicable) and the FHT Managers will and will procure that the FHT Group (i) carry on their respective businesses only in the usual, regular and ordinary course in the same manner as previously conducted and in compliance in all respects with all applicable laws and regulations and, to the extent consistent therewith, use reasonable commercial efforts to preserve intact their current business organisations, keep available the services of their current officers and employees and preserve their relationships with lessees, tenants, lenders, regulators, property managers and others having business dealings with them; and (ii) take or omit to take certain actions relating to the conduct of business as specified in the Implementation Agreement.

### **6.7 Exclusivity**

During the period from the Joint Announcement Date up to (and including) the Effective Date or (if earlier) the date of the termination of the Implementation Agreement, the FHT Managers and FH-REIT Trustee will, subject to applicable laws and regulations:

- (a) not, and will procure that no member of the FHT Group (including their respective employees, officers, advisers and representatives) will, except with the prior written consent of the Offeror, directly or indirectly, (i) solicit, initiate, induce, encourage or entertain any approach, expression of interest, offer or proposal from; (ii) provide any information to or enter into any discussions or negotiations with; (iii) enter into any agreement, arrangement or understanding with; or (iv) announce or communicate any intention to do any of the foregoing to or with, any third party in connection with any Competing Proposal; and

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## LETTER TO STAPLED SECURITYHOLDERS

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- (b) notify the Offeror immediately should they become aware of any negotiations or discussions or of any approach or attempt to initiate any negotiations or discussions, or of any intention to make such an approach or attempt to initiate any negotiations or discussions, in respect of any Competing Proposal,

save that the restrictions in this Paragraph 6.7 shall not apply to (I) the making of normal presentations, by and on behalf of FHT, to brokers, portfolio investors and analysts in the ordinary and usual course in relation to its business generally; and (II) the provision of information by or on behalf of FHT to the SGX-ST or the SIC.

For the avoidance of doubt, nothing in this Paragraph 6.7 shall prohibit or restrict the FHT Managers and/or any member of the FHT Group from receiving and/or evaluating any unsolicited or uninitiated expression of interest, offer or proposal of a Competing Proposal, and in the event that an unsolicited or uninitiated expression of interest, offer or proposal of any Competing Proposal is received by the FHT Managers and/or any member of the FHT Group, the FHT Managers shall be entitled:

- (1) if required pursuant to the Listing Manual and/or the Code, to announce such expression of interest, offer or proposal;
- (2) to enter into discussions or negotiations or otherwise entertain such expression of interest, offer or proposal;
- (3) to make any recommendation or to refrain from making any recommendation to the Stapled Securityholders as the FHT Directors may deem fit in respect of such expression of interest, offer or proposal; and
- (4) generally to perform all such acts as may be necessary for the FHT Directors to comply with and discharge their fiduciary duties, or statutory, regulatory and/or legal obligations that they may be subject to under all applicable laws and regulations (including but not limited to their obligations under the Code),

provided that, in each instance, the FHT Managers have determined in good faith and acting reasonably that such action is required for the purposes of:

- (A) complying with the Listing Manual, the Code or any other laws, rules or regulations applicable to FHT; and/or
- (B) allowing the FHT Directors to comply with or discharge their fiduciary duties, or other legal or regulatory obligations to which they are subject under applicable laws and regulations.

### 6.8 Switch Option

Pursuant to the terms of the Implementation Agreement, the Offeror has the right at its discretion to elect at any time, and subject to prior consultation with the SIC:

- (a) in the event of a Competing Proposal or in the event that an intention to make a Competing Proposal is announced (whether or not such Competing Proposal is pre-conditional), the Offeror has the right at its discretion to elect to proceed by way of an Offer (in lieu of proceeding with the Acquisition by way of the Scheme) (the “**Switch**”

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## LETTER TO STAPLED SECURITYHOLDERS

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**Option**”), provided that the Offeror shall not be entitled to exercise the Switch Option in the event that its prior written consent was obtained in respect of such Competing Proposal;

- (b) in the event the Offeror elects to proceed by way of an Offer, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme or the Competing Proposal (whichever is the higher), including the same or a higher consideration than the Scheme Consideration, and conditional upon a level of acceptances set at only more than 50% of the Stapled Securities to which the Offer relates and not conditional on a higher level of acceptances; and
- (c) if the Switch Option is exercised, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others under the Implementation Agreement.

The Offeror reserves the right to exercise the Switch Option in the event of a Competing Proposal or an intention to make a Competing Proposal is announced (whether or not such Competing Proposal is pre-conditional).

### 6.9 Obligations in relation to Implementation

Pursuant to the terms of the Implementation Agreement, each of the Offeror, the FHT Managers and the FH-REIT Trustee must execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as reasonably practicable, including the specific obligations set out in the Implementation Agreement.

### 6.10 Waiver of Rights to a General Offer

In accordance with the SIC’s rulings as set out in Paragraph 8.2 of this Letter to Stapled Securityholders, Stapled Securityholders should note that by voting in favour of the Scheme Resolution, Stapled Securityholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Stapled Securities under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of FHT by way of the Scheme without having to make a general offer.

## 7. THE FHT TRUST DEEDS AMENDMENTS

Pursuant to the FHT Trust Deeds, the FHT Managers are seeking the approval of Stapled Securityholders by way of an Extraordinary Resolution at the FHT EGM for the FHT Trust Deeds Amendments, which will introduce provisions which are necessary for the implementation of the Scheme.

Pursuant to the FHT Trust Deeds Amendments:

- (a) Stapled Securityholders, the FH-REIT Trustee and the FHT Managers shall do all things and execute all deeds, instruments, transfers or other documents as the FH-REIT Trustee and/or the FHT Managers consider necessary or desirable to execute, implement and/or to give full effect to the terms of the Scheme and the transactions contemplated by it;

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## LETTER TO STAPLED SECURITYHOLDERS

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- (b) a Stapled Securityholder entitled to attend and vote at the Scheme Meeting is, unless the Court orders otherwise, entitled to appoint only one proxy to attend and vote at the Scheme Meeting;
- (c) each of the FH-REIT Trustee and/or the FHT Managers shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Scheme and the transactions contemplated by it; and
- (d) the Scheme, if the Scheme Resolution is approved at the Scheme Meeting and upon granting of the Scheme Court Order, shall come into effect on the Effective Date and shall be binding on the FH-REIT Trustee, the FHT Managers and all Stapled Securityholders.

Please refer to Appendix E of this Scheme Document which sets out the FHT Trust Deeds Amendments.

**For the avoidance of doubt, the Scheme Meeting will only be convened if the FHT Trust Deeds Amendments Resolution is approved at the FHT EGM.**

### **8. APPROVALS REQUIRED IN RESPECT OF THE SCHEME**

#### **8.1 FHT EGM, Scheme Meeting and Court Sanction**

The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of Stapled Securityholders by way of an Extraordinary Resolution at the FHT EGM for the FHT Trust Deeds Amendments Resolution;
- (b) the approval of a majority in number of Stapled Securityholders representing at least three-fourths (75%) in value of the Stapled Securities held by Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting for the Scheme Resolution; and
- (c) the Scheme Court Order being obtained.

**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 Offeror and the FHT Managers unless both the FHT Trust Deeds Amendments Resolution and the Scheme Resolution are approved at the FHT EGM and the Scheme Meeting respectively.**

**For the avoidance of doubt, the FHT Trust Deeds Amendments Resolution is not conditional on the Scheme Resolution being passed. In the event the FHT Trust Deeds Amendments Resolution is approved at the FHT EGM, the FHT Trust Deeds will be amended to include the FHT Trust Deeds Amendments, whether or not the Scheme Resolution is passed.**



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**In addition, the Scheme will only come into effect if all the other Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.**

When the Scheme, with or without modification, becomes effective, it will be binding on all Stapled Securityholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting.

### 8.2 SIC Rulings and Confirmations

Pursuant to the application made by the Offeror to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
  - (i) 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), abstain from voting on the Scheme;
  - (ii) the Scheme Document contains advice to the effect that by voting for the Scheme, the Stapled Securityholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of FHT without having to make a general offer for FHT;
  - (iii) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in FHT as of the latest practicable date, and their voting rights in the Offeror and FHT after the Scheme;
  - (iv) FHT appoints an independent financial adviser to advise the Stapled Securityholders on the Scheme;
  - (v) the Scheme is approved by a majority in number representing three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting;
  - (vi) the FHT Managers obtain the Scheme Court Order; and
  - (vii) the Scheme is completed within 6 months (unless extended with the SIC's consent) from the Joint Announcement Date;
- (b) it has no objections to the Scheme Conditions;
- (c) with respect to the Switch Option:
  - (i) the Offeror may exercise the Switch Option, subject to:
    - (A) the Offer being on the same or better terms as those which apply to the Scheme, including without limitation, the same or a higher consideration than the Scheme Consideration;



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## LETTER TO STAPLED SECURITYHOLDERS

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- (B) the acceptance condition to the Offer being set at only more than 50% of the maximum potential number of issued Stapled Securities (and not conditional upon a higher level of acceptances);
  - (C) consultation with the SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option; and
  - (D) disclosure in the Joint Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option in the event a Competing Proposal;
- (ii) the Scheme Conditions, to the extent applicable in the event of an Offer, may similarly be imposed as conditions precedent to the Offer becoming unconditional in all respects, subject to the Offeror consulting with the SIC and seeking the SIC's approval prior to invoking any such conditions precedent so as to cause the Offer to lapse; and
- (d) Mr Panote Sirivadhanabhakdi is exempted from making and assuming responsibility for any recommendations on the Scheme to the Stapled Securityholders. However, Mr Panote Sirivadhanabhakdi must still assume responsibility for the accuracy of facts stated or opinions expressed in documents issued by, or on behalf of, FHT to the Stapled Securityholders in connection with the Scheme.

### 9. DELISTING

Upon the Scheme becoming effective in accordance with its terms:

- (a) all Entitled Stapled Securityholders will receive S\$0.700 in cash for each Scheme Stapled Security held by them;
- (b) FHT will be a private trust, with the only stapled securityholders being the Excluded Stapled Securityholders (including the Offeror); and
- (c) FHT will, following settlement of the Scheme Consideration and subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

An application will be made to seek approval from the SGX-ST to delist and remove FHT from the Official List of the SGX-ST following the Scheme becoming effective in accordance with its terms.

**STAPLED SECURITYHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME RESOLUTION, FHT WILL, SUBJECT TO THE APPROVAL OF THE SGX-ST, BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.**

### 10. FEES

No fee is payable to the FHT Managers and/or the Offeror in connection with the Acquisition and the Scheme.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 11. FHT EGM

#### 11.1 Convening of the FHT EGM

As mentioned in Paragraph 8 above, the FHT EGM will be convened to seek the approval of Stapled Securityholders for the FHT Trust Deeds Amendments Resolution by way of an Extraordinary Resolution.

The FHT EGM will be convened and held on 12 September 2022 at 10:00 a.m. to seek the approval of Stapled Securityholders for the FHT Trust Deeds Amendments Resolution (with or without modifications) by way of an Extraordinary Resolution.

#### 11.2 Notice

The notice of the FHT EGM is set out in the “Notice of EGM” section to this Scheme Document. You are requested to take note of the date, time and place of the FHT EGM.

### 12. SCHEME MEETING

#### 12.1 Convening of the Scheme Meeting

Pursuant to an application by the FHT Managers and FH-REIT Trustee made under Order 32 of the Rules of Court, and the Scheme Meeting Court Order, the Court has ordered, amongst other things, that:

- (a) the FHT Managers and the FH-REIT Trustee be at liberty to convene the Scheme Meeting within three (3) months of the date of the Scheme Meeting Court Order, for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme;
- (b) the Scheme Meeting be convened in the manner set out in Appendix L to this Scheme Document or in such other manner as the Court deems fit;
- (c) in the event the Scheme is approved by a majority in number of the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting representing at least three-fourths (75%) in value of the Stapled Securities held by such Stapled Securityholders, the FHT Managers and the FH-REIT Trustee be at liberty to apply for the Court’s approval of the Scheme under Order 32 of the Rules of Court, with such modifications as are approved at the Scheme Meeting (if any); and
- (d) each of the FHT Managers and the FH-REIT Trustee be at liberty to apply for such further or other directions as may be necessary or desirable.

#### 12.2 Notice

The notice of the Scheme Meeting is set out in the “Notice of Scheme Meeting” section to this Scheme Document. You are requested to take note of the date, time and place of the Scheme Meeting.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 13. IMPLEMENTATION OF THE SCHEME

#### 13.1 Application to Court for Sanction

Following receipt of the approval for the Scheme by the requisite majority of Stapled Securityholders (as stated in Paragraph 8.1(b) above) at the Scheme Meeting, an application will be made to the Court by the FHT Managers for the Scheme Court Order.

#### 13.2 Procedure for Implementation

If the requisite majority of Stapled Securityholders approve the FHT Trust Deeds Amendments Resolution at the FHT EGM and the requisite majority of Stapled Securityholders approve the Scheme Resolution at the Scheme Meeting, and the Court sanctions the Scheme by granting the Scheme Court Order, the Offeror and the FHT Managers will (subject to the Scheme Conditions having been satisfied or, as the case may be, waived in accordance with the Implementation Agreement) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

- (a) the Scheme Stapled Securities will be transferred to the Offeror as follows:
  - (i) in the case of Entitled Stapled Securityholders (not being Depositors), the FHT Managers shall authorise any person to execute or effect on behalf of all such Entitled Stapled Securityholders an instrument or instruction of transfer of all the Scheme Stapled Securities held by such Entitled Stapled Securityholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Stapled Securityholder; and
  - (ii) in the case of the Entitled Stapled Securityholders (being Depositors), the FHT Managers shall instruct CDP, for and on behalf of such Entitled Stapled Securityholders, to debit, not later than seven (7) Business Days after the Effective Date, all of the Scheme Stapled Securities standing to the credit of the Securities Accounts of such Entitled Stapled Securityholders and credit all of such Scheme Stapled Securities to the Securities Accounts of the Offeror;
- (b) from the Effective Date, all existing confirmation notes relating to the Scheme Stapled Securities held by the Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Scheme Stapled Securities represented thereby;
- (c) the Entitled Stapled Securityholders (not being Depositors) are required to forward their existing confirmation notes relating to their Scheme Stapled Securities to the FHT Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 as soon as possible, but not later than seven (7) Business Days after the Effective Date, for cancellation; and
- (d) the Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Scheme Stapled Securities set out in Paragraph 13.2(a) above, make payment of the Scheme Consideration to the Entitled Stapled Securityholders in the manner set out in Paragraph 13.3 below.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 13.3 The Scheme Consideration

The Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Scheme Stapled Securities set out in Paragraph 13.2(a) above:

(a) **Entitled Stapled Securityholders whose Scheme Stapled Securities are not deposited with CDP**

Pay each Entitled Stapled Securityholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of each Entitled Stapled Securityholder by ordinary post to his/her/its address as appearing in the Register of Stapled Securityholders at the close of business on the Record Date, at the sole risk of such Entitled Stapled Securityholders, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Record Date, at the sole risk of such joint Entitled Stapled Securityholders.

(b) **Entitled Stapled Securityholders whose Scheme Stapled Securities are deposited with CDP**

Pay each Entitled Stapled Securityholder (being a Depositor) by making payment of the Scheme Consideration payable to such Entitled Stapled Securityholder to CDP. CDP shall:

- (i) in the case of an Entitled Stapled Securityholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Stapled Securityholder, to the designated bank account of such Entitled Stapled Securityholder; and
- (ii) in the case of an Entitled Stapled Securityholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Stapled Securityholder's Cash Ledger and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

## 14. VALUATION OF THE FHT PROPERTIES

### 14.1 Valuation

The FHT Managers have commissioned Savills Valuation and Professional Services (S) Pte Ltd, Savills (Malaysia) Sdn Bhd, Savills Japan Valuation G.K., Savills Valuations Pty Ltd and Savills Advisory Services Limited (collectively, the "**Valuers**") to conduct independent updated property valuations of the FHT Properties as at 31 May 2022 for the purposes of the Scheme.<sup>5</sup>

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<sup>5</sup> Each of the Valuers meets the minimum requirements for a property valuer as set out in the definition of "property valuer" under the Listing Manual.

## LETTER TO STAPLED SECURITYHOLDERS

Based on the valuation by the Valuers of the FHT Properties:

FHT Property	Valuer	Valuation as at 31 May 2022		Valuation Methodologies
		Local currency (million)	(\$ million) <sup>(1)(2)</sup>	
InterContinental Singapore	Savills Valuation and Professional Services (S) Pte Ltd	S\$509.0	509.0	Income Capitalisation Method; Discounted Cash Flow Analysis; and Direct Comparison Method
Fraser Suites Singapore	Savills Valuation and Professional Services (S) Pte Ltd	S\$294.0	294.0	Income Capitalisation Method; Discounted Cash Flow Analysis; and Direct Comparison Method
The Westin Kuala Lumpur	Savills (Malaysia) Sdn Bhd	MYR376.0	117.7	Income Approach (Profit Method); and Comparison Approach
ANA Crowne Plaza Kobe	Savills Japan Valuation G.K.	JPY16,200.0	175.0	Income Approach (comprising Direct Capitalisation Method and Discounted Cash Flow Method); and Cost Approach Method
Novotel Sydney Darling Square	Savills Valuations Pty Ltd	AUD109.0	107.2	Discounted Cash Flow Method; Income Capitalisation Method; and Direct Comparison Method
Fraser Suites Sydney	Savills Valuations Pty Ltd	AUD133.0	130.8	Discounted Cash Flow Method; Income Capitalisation Method; and Direct Comparison Method
Novotel Melbourne on Collins	Savills Valuations Pty Ltd	AUD235.0	231.1	Discounted Cash Flow Method; Income Capitalisation Method; and Direct Comparison Method
Park International London	Savills Advisory Services Limited	GBP39.8	68.7	Income Approach within a Discounted Cashflow Method; and Direct Comparison Method

## LETTER TO STAPLED SECURITYHOLDERS

FHT Property	Valuer	Valuation as at 31 May 2022		Valuation Methodologies
		Local currency (million)	(S\$ million) <sup>(1),(2)</sup>	
ibis Styles London Gloucester Road, London	Savills Advisory Services Limited	GBP19.4	33.5	Income Approach within a Discounted Cashflow Method; and Direct Comparison Method
Fraser Place Canary Wharf, London	Savills Advisory Services Limited	GBP37.8	65.3	Income Approach within a Discounted Cashflow Method; and Direct Comparison Method
Fraser Suites Queens Gate, London	Savills Advisory Services Limited	GBP56.1	96.9	Income Approach within a Discounted Cashflow Method; and Direct Comparison Method
Fraser Suites Glasgow	Savills Advisory Services Limited	GBP9.5	16.4	Income Approach within a Discounted Cashflow Method; and Direct Comparison Method
Fraser Suites Edinburgh	Savills Advisory Services Limited	GBP15.7	27.1	Income Approach within a Discounted Cashflow Method; and Direct Comparison Method
Maritim Dresden Hotel	Savills Advisory Services Limited	EUR59.0	86.8	Investment Method; and Direct Comparison Method

**Notes:**

(1) Translated at exchange rates as at 31 May 2022; MYR1.00 = S\$0.3130; JPY1.00 = S\$0.01080; AUD1.00 = S\$0.9834; GBP1.00 = S\$1.7265; EUR1.00 = S\$1.4705.

(2) Rounding differences noted.

Please refer to Appendix H to this Scheme Document for copies of the valuation certificates issued by the Valuers in respect of the FHT Properties.

Copies of the valuation reports issued by the Valuers in respect of the FHT Properties are available for inspection<sup>6</sup> at the registered office of the FHT Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours from the date of this Scheme Document up to the Effective Date.

<sup>6</sup> Prior appointment will be appreciated.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 14.2 Potential Tax Liability

Under Rule 26.3 of the Code, the FHT Managers are required, *inter alia*, to make an assessment of any potential tax liability which would arise if the FHT Properties were to be sold at the amount of the valuation. Based on the independent updated property valuations of the FHT Properties as at 31 May 2022, the potential tax liabilities that may be incurred by FHT on the hypothetical asset sale of the FHT Properties as at the Latest Practicable Date on an “as is” basis is approximately S\$28 million. The actual tax liabilities that may arise in connection with such hypothetical asset sale will be dependent on a number of factors, including but not limited to the value, the tax laws and regulations and interpretations or practice thereof applicable at the time of disposal, and the holding period of the interest in the FHT Properties that are subject to the disposal.

### 15. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS

A Stapled Securityholder who has Stapled Securities entered against its name in (a) the Register of Stapled Securityholders; or (b) the Depository Register as at the cut-off time, being 48 hours prior to the time of the FHT EGM and the time of the Scheme Meeting respectively (being the time at which the name of the Stapled Securityholder must appear in the Register of Stapled Securityholders or the Depository Register, as having Stapled Securities entered against its name in the said Registers), shall be entitled to attend, speak and vote, in person or by proxy, at the FHT EGM and the Scheme Meeting respectively.

#### 15.1 FHT EGM

A Stapled Securityholder (who is not a Relevant Intermediary) entitled to attend, speak and vote at the FHT EGM may appoint not more than two (2) proxies to attend, speak and vote at the FHT EGM in his/her/their stead. Where a Stapled Securityholder appoints two (2) proxies, the appointments shall be invalid unless he/she/they specifies the proportion of his/her/their Stapled Securities (expressed as a percentage of the whole) to be represented by each proxy.

A Stapled Securityholder who is a Relevant Intermediary entitled to attend, speak and vote at the FHT EGM is entitled to appoint more than two (2) proxies to attend, speak and vote in their stead, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder appoints more than two (2) proxies, the appointments shall be invalid unless the Stapled Securityholder specifies in the proxy form the number of Stapled Securities in relation to which each proxy has been appointed.

#### 15.2 Scheme Meeting

**A Stapled Securityholder (including a Relevant Intermediary) entitled to attend and vote at the Scheme Meeting is entitled to appoint only ONE proxy to vote at the Scheme Meeting in the manner as set out in Appendix L to this Scheme Document and may only cast all the votes he/she/it uses at the Scheme Meeting in the manner as set out in Appendix L to this Scheme Document. Accordingly, if you hold Stapled Securities through a Relevant Intermediary but do not want to be subject to the prescribed manner of voting as set out in Appendix L to this Scheme Document, you should deposit your Stapled Securities with CDP instead.**

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## LETTER TO STAPLED SECURITYHOLDERS

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Stapled Securityholders who are unable to attend the FHT EGM and/or the Scheme Meeting are requested to complete both the enclosed Proxy Form A (FHT EGM) and/or Proxy Form B (Scheme Meeting) in accordance with the instructions printed thereon and lodge them with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. in the following manner:

- (a) if submitted by post, be lodged at the office of Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com),

in either case, not less than 48 hours before the time fixed for each of the FHT EGM and the Scheme Meeting.

### 15.3 Information relating to SRS Investors

SRS Investors who wish to attend the FHT EGM and/or the Scheme Meeting are advised to consult their respective SRS Agent Banks for further information as soon as possible by 5.00 p.m. on 1 September 2022, being seven (7) Business Days before the date of the FHT EGM and the Scheme Meeting (12 September 2022), and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

## 16. INDEPENDENT FINANCIAL ADVISER TO THE FHT INDEPENDENT DIRECTORS AND THE FH-REIT TRUSTEE

### 16.1 Appointment of FHT IFA

Deloitte & Touche Corporate Finance Pte Ltd (the “**FHT IFA**”) has been appointed as the independent financial adviser pursuant to Rule 1309(2) of the Listing Manual as well as to advise the FHT Independent Directors and the FH-REIT Trustee on the terms of the Scheme, in compliance with the provisions of the Code.

Stapled Securityholders should consider carefully the recommendation of the FHT Independent Directors and the advice of the FHT IFA to the FHT Independent Directors and the FH-REIT Trustee before deciding whether or not to vote in favour of the Scheme Resolution.

The advice of the FHT IFA in relation to the Scheme, which is given pursuant to Rule 1309(2) of the Listing Manual, is set out in the FHT IFA Letter as set out in Appendix B to this Scheme Document.

### 16.2 FHT IFA Opinion on the Scheme

After having regard to the considerations set out in the FHT IFA Letter and based on the information available to the FHT IFA as at the Latest Practicable Date, the FHT IFA has given its advice in respect of the Scheme to the FHT Independent Directors and the FH-REIT Trustee (an extract of which is reproduced in italics below) and has advised the FHT Independent Directors to recommend that the Scheme Stapled Securityholders vote in favour of the Scheme Resolution.



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## LETTER TO STAPLED SECURITYHOLDERS

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Stapled Securityholders should read the following extract in conjunction with, and in the context of, the FHT IFA Letter in its entirety as set out in Appendix B to this Scheme Document.

*“In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the financial terms of the Scheme. The following factors should be read in connection with, and interpreted, in the full context of this Letter:*

### ***Evaluation of whether the Stapled Securities as implied by the Scheme Consideration are fairly valued***

#### *Market quotations and liquidity of the Stapled Securities*

- (1) The Past 12M ADT Volume for Stapled Securities, as a percentage of FHT’s free float, is below the mean and the median of the 30 STI companies, and falls within the range of measures for the 30 STI Companies; and*
- (2) The Past 12M ADT Value for the Stapled Securities, as a percentage of FHT’s market capitalisation, is below the range of measures for the 30 STI Companies.*

*The above analysis indicate that the historical market prices of the Stapled Securities are fairly illiquid, as such, we will consider the net asset value as the primary driver for FHT’s valuation.*

#### *Historical market performance and trading activity of Stapled Securities*

- (3) We note that the Scheme Consideration of S\$0.700 is within the range of the highest and lowest traded Stapled Security price of S\$0.825 and S\$0.315 respectively, in the five-year period prior to the LFTD and up to the LPD.*
- (4) We note that the Scheme Consideration of S\$0.700 represents a premium of 45.4%, 48.5%, 47.7%, 43.8%, 24.8% and 9.8% as compared to the VWAP of the Stapled Securities for the last one-month, three-month, six-month, twelve-month, three-year, five-year periods prior to and including the LFTD respectively and a premium of 22.8% and 24.0% respectively as compared to the last closing price of the Stapled Securities and VWAP on the LFTD.*
- (5) From the LFTD to the LPD, Stapled Securities traded between a low of S\$0.570 and a high of S\$0.710 with a VWAP of S\$0.667. We note that the Scheme Consideration of S\$0.700 represents a premium of 4.9% and 0.1% as compared to the VWAP of the Stapled Securities from the LFTD up to the LPD and on the LPD respectively.*

#### *Trailing latest P/NAV multiples of the Stapled Securities*

- (6) Based on the Latest Adjusted NAV per Stapled Security of S\$0.652, we note that P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is higher than the range of the trailing P/NAV multiples of the Stapled Securities in the six-month, one-year, three-year and five-year period prior to the LFTD. The P/NAV multiple represents a premium of 46.6%, 46.6%, 44.6% and 25.9% to the median P/NAV multiple of 0.73x, 0.73x, 0.74x and 0.85x respectively in the six-month, one-year, three-year and five-year periods prior to and including the LFTD. It is also at a premium of 23.0% to the P/NAV multiple of Stapled Securities of 0.87x as at LFTD.*

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## LETTER TO STAPLED SECURITYHOLDERS

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- (7) *The P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 represents a premium of 5.9% to the median P/NAV multiple of 1.01x from LFTD to LPD and is at the P/NAV multiple of Stapled Securities of 1.07x as at LPD.*

### Comparison with S-REITs

- (8) *We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is above the range and represents a premium of 18.9% to the median P/NAV multiple of 0.90x for the selected comparable S-REITs as at LPD.*

### Comparison with M-REITs

- (9) *We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is at a premium of 87.7% to the P/NAV multiple of 0.57x for the comparable YTL Hospitality REIT as at LPD.*

### Comparison with JP-REITs

- (10) *We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and represents a premium of 25.9% to the median P/NAV multiple of 0.85x for the selected comparable JP-REITs as at LPD.*

### Comparison with A-REITs

- (11) *We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and represents a premium of 8.1% to the median P/NAV multiple of 0.99x for the selected comparable A-REITs as at LPD.*

### Comparison with Selected Precedent Transactions in Singapore

- (12) *We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and at a premium of 3.9% to the median P/NAV multiple of 1.03x for the Selected Precedent Transactions.*

### Comparison with Selected Precedent Privatisations in Singapore

- (13) *We note that the premia of 45.4% and 48.5% as implied by the Scheme Consideration of S\$0.700 to the one-month and three-month VWAPs respectively are above the range of premia for the Selected Precedent Privatisation. The premia of 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 to the six-month and twelve-month VWAPs respectively are above the mean and median and within the range of premia for Selected Precedent Privatisation. In addition, we note that the premium of 22.8% in respect of the last closing price as at LFTD is below the mean and median and within the range of premia for the Selected Precedent Privatisation.*
- (14) *We note that the Scheme Consideration of S\$0.700 is at a premium of 7.4% to the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022, above the mean and median and within the range of premia to NAV for the Selected Precedent Privatisation.*

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## LETTER TO STAPLED SECURITYHOLDERS

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### Comparison with precedent completed S-REIT mergers

- (15) We note that the premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively are above the range of premia for the precedent completed S-REIT mergers. We note that the Scheme Consideration of S\$0.700 is at a premium of 7.4% to the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022, higher than the median of 7.0%, lower than the mean of 13.9% and within the range of premia to NAV for the precedent completed S-REIT mergers.
- (16) We further note that most of the precedent completed S-REIT mergers comprise of consideration in both cash and unit component, with the exception of the most recent merger of MNACT and MCT, whereby unitholders were provided with the option to receive the consideration in 100% cash. Thus, making the MNACT and MCT merger, a more comparable precedent transaction for the Acquisition. The premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 are higher than the premia of the MNACT and MCT merger of 7.6%, 14.4%, 17.5%, 17.8% and 17.3% to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively. We note that the Scheme Consideration premium of 7.4% to the Latest Adjusted NAV per Stapled Security is higher than the MNACT and MCT merger premium of 0.0%.
- (17) We also note that A-H Trust and Ascott REIT are both operating in the hospitality segment. Thus, making the A-H Trust and Ascott REIT merger, a more comparable precedent transaction for the Acquisition. The premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 are higher than the premia of the A-H Trust and Ascott REIT merger 11.5%, 13.8%, 18.9%, 24.0% and 31.8% to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively. We note that the Scheme Consideration premium of 7.4% to the Latest Adjusted NAV per Stapled Security is higher than the A-H Trust and Ascott REIT merger premium of 7.0%.

### Assessment of the independent valuation of FHT Properties

- (18) We have reviewed the valuation reports prepared by the Valuers as at 31 May 2022 and note that valuation methodology and assumptions applied in the 31 May 2022 valuation reports. We understand that in determining the fair market value of the FHT Properties, the independent valuers have considered and taken into account the most likely path of recovery of the FHT Properties in Singapore, Malaysia, Japan, Australia, United Kingdom and Germany.

### Comparison with research analyst target prices

- (19) We note that the Scheme Consideration of S\$0.700 is within the range and represents a premium of 27.3% to the median of the research analysts target prices from 1 January 2021 up to the JAD.

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## LETTER TO STAPLED SECURITYHOLDERS

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### *Evaluation of other relevant key considerations relating to the Acquisition*

(20) *We note the rationale for the Acquisition and the Scheme.*

(21) *We note that the total return analysis for Stapled Securityholders that invested since IPO. The Scheme Consideration implied 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.*

(22) *We note that the Scheme to privatise FHT arose from a strategic review to enhance and unlock value for Stapled Securityholders.*

*In assessing the fairness of the financial terms of the Scheme, we have relied on a range of methodologies.*

*Based upon our analysis and having considered carefully the information available to us at the Latest Practicable Date, we are of the opinion that the financial terms of the Scheme are **FAIR**.*

*We have considered as at the Latest Practicable Date, the Scheme Consideration:*

- (a) *represents a premium over the VWAPs of Stapled Securities prior to the LFTD as well as from the LFTD up to the LPD and is within the range of the highest and lowest Stapled Security Prices in the five-year period prior to the LFTD and up to the LPD;*
- (b) *implies a higher P/NAV multiple than the trailing P/NAV multiples of Stapled Securities in the five-year period prior to the LFTD and is higher than the range and median of the trailing P/NAV multiples of the Stapled Securities in the six-month, one-year, three-year and five-year period prior to the LFTD;*
- (c) *represents a premium over the median P/NAV multiple of selected comparable S-REITs as at the LPD;*
- (d) *represents a premium over the median P/NAV multiple of selected comparable YTL Hospitality REIT as at LPD;*
- (e) *represents a premium over the median P/NAV multiple of selected comparable JP-REITs as at the LPD;*
- (f) *represents a premium over the median P/NAV multiple of selected comparable A-REITs as at the LPD;*
- (g) *represents a premium of 3.9% to the median P/NAV multiple of 1.03x for the Selected Precedent Transactions;*
- (h) *implies premia of 45.4% and 48.5% to the one-month and three-month VWAPs respectively are above the range of premia for the Selected Precedent Privatisation, and premia of 47.7% and 43.8% to the six-month and twelve-month VWAPs respectively are above the mean and median and within the range of premia for the Selected Precedent Privatisation. The premium of 22.8% of the last closing price as at LFTD is below the mean and median and within the range of premia for the Selected Precedent Privatisation;*

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## LETTER TO STAPLED SECURITYHOLDERS

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- (i) implies premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% to the last closing price as at LFTD, one-month, three-month, six-month, twelve-month VWAPs respectively are above the premia of the comparable cash consideration merger of MNACT and MCT and the comparable hospitality merger of A-H Trust and Ascott REIT; and
- (j) represents a premium over the median of the latest research analysts target prices from 1 January 2021 up to the JAD.

We have considered all the factors as set out above in determining the Scheme from a financial point of view of being **FAIR**. We have considered the net asset value as the primary driver for FHT's valuation given that it is a REIT. The Latest Adjusted NAV is derived from valuations completed by the Valuers in their respective jurisdictions and we have also drawn upon factors including items (b), (c), (d), (e), (f), (g) as set out above. Accordingly, we have considered the fair value of the Stapled Securities to be between the P/NAV multiples of 1.00x to 1.07x (which implies a Stapled Security price of S\$0.652 to S\$0.700). The basis of this range is supported by the preceding statements in this paragraph.

Transactions that are deemed to be **FAIR** will also be deemed to be **REASONABLE** unless there are extraneous factors which may negatively impact our opinion. In assessing reasonableness, we have considered the rationale of the Acquisition and the Scheme, the total return analysis for the Stapled Securityholders who invested since IPO and the background and factors in relation to the Scheme. For this instance, there are no extraneous factors which are deemed to negatively impact our opinion.

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."

### 17. RECOMMENDATIONS BY FHT DIRECTORS

#### 17.1 Independence

##### Conflicted FHT Director exempted from making a recommendation on the Scheme

The SIC has ruled that Mr Panote Sirivadhanabhakdi, who is a FHT Director, is exempted from making and assuming responsibility for any recommendations on the Scheme to the Stapled Securityholders as he faces irreconcilable conflicts of interest, given that Mr Panote Sirivadhanabhakdi is also an Executive and Non-Independent Director and the Group Chief Executive Officer of FPL and a director of various subsidiaries of FPL, as well as a director of various entities within the TCC Group and holds 20% of the issued share capital of TCC.

Nonetheless, Mr Panote Sirivadhanabhakdi will, together with the other FHT Directors, being the FHT Independent Directors, still assume responsibility for the accuracy of the facts stated and the completeness of the information of the Scheme given by the FHT Managers to the Stapled Securityholders, including information contained in announcements and documents issued by or on behalf of FHT in connection with the Scheme.

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## LETTER TO STAPLED SECURITYHOLDERS

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### Independence of all other directors of the FHT Managers

Save for Mr Panote Sirivadhanabhakdi, all the other FHT Directors consider themselves independent for the purposes of making a recommendation on the Scheme to the Stapled Securityholders.

### **17.2 Recommendation on the FHT Trust Deeds Amendments and the Scheme**

Having regard to the above and the rationale for the FHT Trust Deeds Amendments as set out in Paragraph 7, 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.

Further, acting in accordance with their fiduciary duties and upon extensive evaluation, the FHT Independent Directors are proposing the Scheme for the consideration of the Stapled Securityholders. 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 (an extract of which is set out in Paragraph 16.2 above).

In light of the foregoing, the FHT Independent Directors recommend that Stapled Securityholders **VOTE IN FAVOUR** of the Scheme Resolution at the Scheme Meeting.

Stapled Securityholders are reminded that upon the Scheme becoming effective in accordance with its terms, it will be binding on all Stapled Securityholders, whether or not they attended or voted at the Scheme Meeting, and, if they attended and voted at the Scheme Meeting, whether or not they voted in favour of the Scheme Resolution.

Stapled Securityholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Stapled Securities will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. Stapled Securityholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

Stapled Securityholders should read and consider carefully this Scheme Document in its entirety, and in particular the advice of the FHT IFA set out in the FHT IFA Letter as set out in Appendix B to this Scheme Document, before deciding whether or not to vote in favour of the Scheme Resolution.

### **17.3 Additional Considerations for Stapled Securityholders**

The FHT Independent Directors advise Stapled Securityholders, in deciding whether or not to vote in favour of the Scheme Resolution, to carefully consider the advice of the FHT IFA and in particular, the various considerations highlighted by the FHT IFA in the FHT IFA Letter as set out in Appendix B to this Scheme Document.

Stapled Securityholders should note that the trading of the Stapled Securities is subject to, *inter alia*, the performance and prospects of FHT, prevailing economic conditions, economic outlook and stock market conditions and sentiments.



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## LETTER TO STAPLED SECURITYHOLDERS

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Stapled Securityholders should be aware that market, economic, financial, industry, monetary, regulatory and other conditions may change over a relatively short period of time. Stapled Securityholders may wish to take note of any announcements which may be released after the date of the FHT IFA Letter.

In giving the above recommendation, the FHT Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Stapled Securityholder.

As each Stapled Securityholder would have different investment objectives and profiles, the FHT Independent Directors recommend that Stapled Securityholders who may require advice in relation to their investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

### 18. VOTING ON THE FHT TRUST DEEDS AMENDMENTS RESOLUTION AND THE SCHEME RESOLUTION

#### 18.1 FHT Trust Deeds Amendments Resolution

The sole FHT Director who has direct interests in the Stapled Securities, as set out in Paragraph 5.4 of Appendix D to this Scheme Document, being Mr Law Song Keng, has informed the FHT Managers that he will **VOTE IN FAVOUR** of the FHT Trust Deeds Amendments Resolution at the FHT EGM.

Mr Panote Sirivadhanabhakdi, who has deemed interests in the Stapled Securities, as set out in Paragraph 5.4 of Appendix D to this Scheme Document, has informed the FHT Managers that the holder of such Stapled Securities, being TCC, will **VOTE IN FAVOUR** of the FHT Trust Deeds Amendments Resolution at the FHT EGM, in accordance with an irrevocable undertaking given by TCC to the Offeror.

#### 18.2 Scheme Resolution

In accordance with the SIC's rulings as set out in Paragraph 8.2, the Offeror Concert Party Group (including, as at the Latest Practicable Date, the list of persons set out in Paragraph 1 of Schedule 3 to the Offeror's Letter at Appendix C to this Scheme Document) 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 concert parties of the Offeror (including Mr Panote Sirivadhanabhakdi) are required to abstain from voting on the Scheme Resolution at the Scheme Meeting.

In addition, the FHT Managers will abstain from voting on the Scheme Resolution at the Scheme Meeting pursuant to Rule 748(5) of the Listing Manual.

Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Scheme Meeting in respect of the Scheme Resolution.

The sole FHT Independent Director who has direct interests in the Stapled Securities, as set out in Paragraph 5.4 of Appendix D to this Scheme Document, being Mr Law Song Keng, has informed the FHT Managers that he will **VOTE IN FAVOUR** of the Scheme Resolution at the Scheme Meeting.

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## LETTER TO STAPLED SECURITYHOLDERS

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### 19. CLOSURE OF BOOKS, SETTLEMENT AND REGISTRATION PROCEDURES AND OVERSEAS STAPLED SECURITYHOLDERS

Please refer to Appendix A to this Scheme Document for further details.

### 20. RESPONSIBILITY STATEMENT

The FHT Directors (including those who may have delegated detailed supervision of this Scheme Document) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Scheme Document (other than the information in Appendices B, C and H to this Scheme Document, and 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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading. The FHT Directors 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 FHT Directors 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 Scheme Document. The FHT Directors do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

In respect of the FHT IFA Letter, the sole responsibility of the FHT Directors has been to ensure that the facts stated with respect to the FHT Group Entities are fair and accurate.

### 21. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Appendices to this Scheme Document.

Yours faithfully

By Order of the Board of Directors

**Frasers Hospitality Asset Management Pte. Ltd.**

(Company Registration No: 201331351D)

As manager of Frasers Hospitality Real Estate Investment Trust

**Frasers Hospitality Trust Management Pte. Ltd.**

(Company Registration No: 201401270M)

As trustee-manager of Frasers Hospitality Business Trust



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## **APPENDIX A – ADDITIONAL INFORMATION ON PROCEDURE AND SETTLEMENT**

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### **ADDITIONAL INFORMATION ON PROCEDURE AND SETTLEMENT**

#### **1. CLOSURE OF BOOKS**

##### **1.1 Notice of Record Date**

Subject to the FHT Trust Deeds Amendments Resolution and the Scheme Resolution being passed and the sanction of the Scheme by the Court, notice of the Record Date will be given in due course for the purposes of determining the entitlements of the Entitled Stapled Securityholders to the Scheme Consideration under the Scheme.

**The Record Date is expected to be on 11 October 2022 at 5.00 p.m.. The FHT Managers will make a further announcement on the Record Date in due course.**

##### **1.2 Transfer of Stapled Securities after Record Date**

No transfer of the Stapled Securities where the confirmation notes relating thereto are not deposited with CDP may be effected after the Record Date, unless such transfer is made pursuant to the Scheme.

##### **1.3 Trading in Stapled Securities on the SGX-ST**

The Scheme is tentatively scheduled to become effective and binding on or about 12 October 2022 and accordingly (assuming the Scheme becomes effective and binding on 12 October 2022), FHT is expected to be delisted and removed from the Official List of the SGX-ST after the settlement of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Stapled Securities will cease to be traded on the SGX-ST on or about 7 October 2022 at 5.00 p.m., being two (2) Market Days before the expected Record Date on 11 October 2022 at 5.00 p.m..

Stapled Securityholders (not being Depositors) who wish to trade in their Stapled Securities on the SGX-ST are required to deposit with CDP their confirmation notes relating to their Stapled Securities, together with the duly executed instruments of transfer in favour of CDP, eight (8) Market Days prior to the tentative last day for trading of the Stapled Securities.

#### **2. SETTLEMENT AND REGISTRATION PROCEDURES**

Subject to the Scheme becoming effective, the following settlement and registration procedures will apply:

##### **(a) Stapled Securityholders whose Scheme Stapled Securities are not deposited with CDP**

Entitlements of Entitled Stapled Securityholders (not being Depositors) whose Scheme Stapled Securities are not deposited with CDP under the Scheme will be determined on the basis of their holdings of Scheme Stapled Securities appearing in the Register of Stapled Securityholders at 5.00 p.m. on the Record Date. Entitled Stapled Securityholders (not being Depositors) who have not already registered their holdings of the Scheme Stapled Securities are requested to take the necessary action to ensure that the Stapled Securities owned by them are registered in their names or in the names of their nominees by the Record Date.

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## APPENDIX A – ADDITIONAL INFORMATION ON PROCEDURE AND SETTLEMENT

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From the Effective Date, each existing confirmation note representing a former holding of Scheme Stapled Securities by the Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title to the Scheme Stapled Securities represented thereby.

Within seven (7) Business Days of the Effective Date, the Offeror shall make payment of the Scheme Consideration to each Entitled Stapled Securityholder (not being a Depositor) based on his holding of the Scheme Stapled Securities as at 5.00 p.m. on the Record Date.

### **(b) Stapled Securityholders (being Depositors) whose Stapled Securities are deposited with CDP**

Entitlements of Entitled Stapled Securityholders (being Depositors) under the Scheme will be determined on the basis of the number of Scheme Stapled Securities standing to the credit of their Securities Accounts at 5.00 p.m. on the Record Date. Stapled Securityholders who have not already done so are requested to take the necessary action to ensure that the Scheme Stapled Securities owned by them are credited to their Securities Accounts by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Scheme Stapled Securities standing to the credit of each relevant Securities Account of each Entitled Stapled Securityholder (being a Depositor) and credit all of such Scheme Stapled Securities to the Securities Accounts of the Offeror.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Scheme Stapled Securities standing to the credit of the Securities Account of the Entitled Stapled Securityholders (being Depositors) as at 5.00 p.m. on the Record Date, make payment of the Scheme Consideration of S\$0.700 in cash for each Scheme Stapled Security to the Entitled Stapled Securityholders.

## **3. OVERSEAS STAPLED SECURITYHOLDERS**

### **3.1 Overseas Stapled Securityholders**

The applicability of the Acquisition and the Scheme to Overseas Stapled Securityholders, whose addresses are outside Singapore, as shown on the Register of Stapled Securityholders, or as the case may be, in the records of CDP, may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Stapled Securityholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

**Overseas Stapled Securityholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.**

### **3.2 Copies of Scheme Document**

Where there are potential restrictions on sending this Scheme Document to any overseas jurisdiction, the Offeror and the FHT Managers reserve the right not to send such documents to Stapled Securityholders in such overseas jurisdiction.

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## APPENDIX A – ADDITIONAL INFORMATION ON PROCEDURE AND SETTLEMENT

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Electronic copies of this Scheme Document (enclosing the Notices and Proxy Forms) are 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). A Stapled Securityholder will need an internet browser and PDF reader to view these documents on the respective websites of the SGX-ST and FHT.

Stapled Securityholders may obtain copies of this Scheme Document by completing and returning the request form accompanying the Notices and Proxy Forms to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or via email at [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com), which should reach the Stapled Security Registrar by no later than 8 September 2022, at 10:00 a.m. (Singapore time). A printed copy of this Scheme Document will then be sent to the address in Singapore specified by the Stapled Securityholder at his/her/its own risk.

An Overseas Stapled Securityholder may write in to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or via email at [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com) to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his/her/its own risk, up to three (3) Market Days prior to the date of the FHT EGM and the Scheme Meeting.

It is the responsibility of any Overseas Stapled Securityholder who wishes to request for this Scheme Document and any related documents or participate to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents or participating in the Acquisition and the Scheme, the Overseas Stapled Securityholder represents and warrants to the Offeror and the FHT Managers that he/she/it is in full observance of the laws of the relevant jurisdiction in that connection, and that he/she/it is in full compliance with all necessary formalities or legal requirements.

For the avoidance of doubt, the Acquisition and the Scheme are being proposed to all Stapled Securityholders (including, in each case, Overseas Stapled Securityholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Acquisition and the Scheme are not being proposed in any jurisdiction in which the introduction or implementation of the Acquisition and the Scheme would not be in compliance with the laws of such jurisdiction.

**If any Overseas Stapled Securityholder is in any doubt about his/her/its position, he/she/it should consult his/her/its professional adviser in the relevant jurisdiction.**

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## **APPENDIX A – ADDITIONAL INFORMATION ON PROCEDURE AND SETTLEMENT**

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### **3.3 Notice**

The Offeror and the FHT Managers each reserves the right to notify any matter, including the fact that the Acquisition and the Scheme has been proposed, to any or all Stapled Securityholders (including Overseas Stapled Securityholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Stapled Securityholder (including any Overseas Stapled Securityholders) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as FHT remains listed on the SGX-ST, the FHT Managers will continue to notify all Stapled Securityholders (including Overseas Stapled Securityholders) of any matter relating to the Acquisition and the Scheme by announcement via the SGXNet.

**Notwithstanding that such Overseas Stapled Securityholder may not receive the notice of the FHT EGM or the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective.**

### **3.4 Foreign Jurisdiction**

It is the responsibility of each Overseas Stapled Securityholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. Each Overseas Stapled Securityholder represents and warrants to the Offeror, the FH-REIT Trustee and the FHT Managers that he/she is in full observance of the laws of the relevant jurisdiction in that connection, and that he/she is in full compliance with all necessary formalities or legal requirements. If any Overseas Stapled Securityholder is in any doubt about his/her position, he/she should consult his/her professional adviser in the relevant jurisdiction.

### **3.5 Tax**

Stapled Securityholders should consult their own tax advisors on the possible tax implications (if any) of the Acquisition and the Scheme or any other transactions contemplated by this Scheme Document. Depending on the individual circumstances of each Stapled Securityholder, including his/her tax residence and the size of his/her holdings in FHT, he/she may realise or be deemed under applicable tax laws, regulations and rules to realise a gain or loss arising from the Acquisition or the Scheme or any other transactions contemplated by this Scheme Document which is taxable or, as the case may be, not permitted to be deductible in any applicable jurisdiction.

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**APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT  
DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT  
OF THE SCHEME**

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**INDEPENDENT FINANCIAL ADVISER'S LETTER**

**DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD**  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 200200144N

**PRIVATE & CONFIDENTIAL**

19 August 2022

The Independent Directors  
Fraser Hospitality Asset Management Pte. Ltd. (the “**FH-REIT Manager**”)  
(as manager of Fraser Hospitality Real Estate Investment Trust (“**FH-REIT**”))  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

The Independent Directors  
Fraser Hospitality Trust Management Pte. Ltd. (the “**FH-BT Trustee-Manager**”)  
(as trustee-manager of Fraser Hospitality Business Trust (“**FH-BT**”))  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

Perpetual (Asia) Limited (the “**FH-REIT Trustee**”)  
(in its capacity as trustee of FH-REIT)  
16 Collyer Quay #07-01  
Singapore 049318

Dear Sir/Madam

**INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE PROPOSED PRIVATISATION  
OF FRASERS HOSPITALITY TRUST (“FHT”) BY FRASERS PROPERTY HOSPITALITY TRUST  
HOLDINGS PTE. LTD. (THE “OFFEROR”) BY WAY OF A TRUST SCHEME OF ARRANGEMENT**

*For the purpose of this letter (the “**Letter**”), capitalised terms not otherwise defined shall have the meaning given to them in the scheme document of Fraser Hospitality Trust dated 19 August 2022 (the “**Scheme Document**”) in relation to the above matters.*

**1. INTRODUCTION**

**1.1. Joint Announcement of the Acquisition and the Scheme**

On 13 June 2022, the respective boards of directors of the FHT Managers and the Offeror jointly announced the privatisation of FHT, which shall be effected through the acquisition by the Offeror of all the Scheme Stapled Securities by way of a trust scheme of arrangement in accordance with the Singapore Code on Take-overs and Mergers (the “**Code**”) and the FHT Trust Deeds.

A copy of the Joint Announcement is available on the SGX-ST website at <https://www.sgx.com/securities/company-announcements>.

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## **APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME**

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### **1.2. Scheme Consideration**

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 in cash per Scheme Stapled Security (the “**Scheme Consideration**”) to the Entitled Stapled Securityholders. Based on a total of 721,799,270 Scheme Stapled Securities in issue as at the Latest Practicable Date, the aggregate Scheme Consideration payable to the Entitled Stapled Securityholders is S\$505,259,489.

Details of the factors on how the Scheme Consideration was agreed upon are set out in Paragraph 1.4 of the Letter to Stapled Securityholders in the Scheme Document.

### **1.3. Summary of Approvals Sought**

#### **(a) FHT Trust Deeds Amendments Resolution**

The FHT Managers are convening the FHT EGM to seek the approval of Stapled Securityholders for the FHT Trust Deeds Amendments Resolution which will introduce provisions which are necessary for the implementation of the Scheme.

Please refer to Paragraph 7 of the Letter to Stapled Securityholders in the Scheme Document and Appendix E in the Scheme Document for further details on the FHT Trust Deeds Amendments.

#### **(b) Scheme Resolution**

In addition, subject to and contingent upon the passing of the FHT Trust Deeds Amendments Resolution at the FHT EGM, the FHT Managers are convening the Scheme Meeting to seek the approval of Stapled Securityholders for the Scheme Resolution.

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 convening of 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.

For the avoidance of doubt, the FHT Trust Deeds Amendments Resolution is not conditional on the Scheme Resolution being passed. In the event the FHT Trust Deeds Amendments are approved at the FHT EGM, the FHT Trust Deeds will be amended to include the FHT Trust Deeds Amendments, whether or not the Scheme Resolution is passed.

In addition, the Scheme will only come into effect if all the Scheme Conditions set out in Paragraph 6.3(a) of the Letter to Stapled Securityholders in the Scheme Document have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

### **1.4. Appointment of Independent Financial Adviser (“IFA”)**

Deloitte & Touche Corporate Finance Pte Ltd (“**Deloitte**”) has been appointed as the IFA pursuant to Rule 1309(2) of the SGX-ST Listing Manual as well as under the Code to advise the FHT Independent Directors and the FHT-REIT Trustee as to whether the financial terms of the Scheme are fair and reasonable and as to whether the FHT Independent Directors should recommend to Stapled Securityholders to vote in favour of or against the Scheme Resolution.

This Letter sets out our assessment of the financial terms of the Scheme and our recommendation to the FHT Independent Directors and the FHT-REIT Trustee. It will form part of the Scheme

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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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Document which will contain the recommendations of the FHT Independent Directors on the actions to be taken by the Stapled Securityholders.

### 2. TERMS OF REFERENCE

We have confined our evaluation and assessment to the financial terms of the Scheme and have not taken into account the commercial risks or commercial merits of the Scheme.

We have not been requested and we do not express any advice or give any opinion on the merits of the Scheme relative to any other alternative. We were not involved in the negotiations pertaining to the Scheme nor were we involved in the deliberations leading up to the decision to put forth the Scheme for the approval of the Stapled Securityholders.

The scope of our appointment does not require us to express, and we do not express any view on the future growth prospects, financial position or earnings potential of FHT, although we may draw upon the views of FHT Directors or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the FHT Directors. This Letter therefore does not reflect any projections on the future financial performance of FHT.

We have not been requested or authorised to solicit and we have not solicited any indications of interest from any third party with respect to the Stapled Securities. In that regard, we have not addressed the relative merits of the Scheme in comparison with any alternative transaction that FHT may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendations.

In formulating our opinion and recommendation, we have held discussions with the FHT Independent Directors and the management of the FHT Managers and have relied to a considerable extent on the information set out in the Scheme Document, other public information collated by us and the information, representations, opinions, facts and statements provided to us whether written or verbal by the FHT Managers and its professional advisers. We have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability of such information.

The management of the FHT Managers has confirmed to us that, having made all reasonable inquiries and to the best of their knowledge and belief, all material information relating to FHT, the Acquisition and the Scheme has been disclosed to us, that such information is true, complete and accurate in all material respects, and that there is no other material information or fact, the omission of which would cause any information disclosed to us to be inaccurate, incomplete or misleading in any material respect, in each case as at 4 August 2022 (the “**Latest Practicable Date**”) (except as disclosed in the Scheme Document where the Scheme Document expressly specifies a different date). The FHT Directors collectively and individually accept full responsibility for the accuracy of the information given in the Scheme Document (other than the sections specifically excluded in Paragraph 20 of the Letter to Stapled Securityholders in the Scheme Document). Accordingly, no



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## **APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME**

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representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

The information which we relied on is based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date and may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. The Stapled Securityholders should take note of any announcements relevant to their consideration of the Scheme which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of individual Stapled Securityholders. As each Stapled Securityholders may have different investment profiles and objectives, we advise the FHT Independent Directors to recommend that the Stapled Securityholders who may require specific advice in relation to their investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

FHT has been separately advised by its own professional advisers in the preparation of the Scheme Document. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Scheme Document. Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Scheme Document.

We hereby consent to a copy of this Letter to be reproduced in the Scheme Document or for the purpose of the Scheme. Save for such use, neither FHT, the FHT Directors nor the FHT-REIT Trustee may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of Deloitte in each specific case.

This Letter and our opinion is given pursuant to Listing Rule 1309(2) as well as addressed to the FHT Independent Directors and the FHT-REIT Trustee for their benefit and deliberation in respect of the Scheme under the Code. The recommendations made by the FHT Independent Directors to the Stapled Securityholders in relation to the Scheme shall remain the responsibility of the FHT Independent Directors. Our recommendation to the FHT Independent Directors and the FHT-REIT Trustee in relation to the Scheme should be considered in the context of the entirety of this Letter and the Scheme Document.

### **3. THE ACQUISITION AND THE SCHEME**

#### **3.1. The Acquisition and the Scheme**

The Scheme is proposed to be effected in accordance with the Code and the terms of the FHT Trust Deeds (to be amended and supplemented as described in Paragraph 7 of the Letter to Stapled Securityholders in the Scheme Document), subject to the terms and conditions of the Implementation Agreement.

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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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Under the Scheme, upon the Scheme becoming effective and binding in accordance with its terms:

- (a) all the Scheme Stapled Securities held by the Entitled Stapled Securityholders as at the Record Date, will be transferred to the Offeror fully paid, free from all Encumbrances and together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the FHT Managers on or after the Joint Announcement Date, except for the Permitted Distributions; and
- (b) in consideration for such transfer of the Scheme Stapled Securities, the Offeror agrees to pay or procure the payment of the Scheme Consideration to each Entitled Stapled Securityholder, in accordance with the terms and conditions of the Implementation Agreement.

The Scheme will be extended to all Scheme Stapled Securities outstanding as at the Record Date, including Scheme Stapled Securities unconditionally delivered pursuant to the valid vesting and release of any outstanding Awards granted pursuant to the RSSP. For the avoidance of doubt, any Stapled Securities to be delivered pursuant to the valid vesting and release of any outstanding Awards granted under the RSSP will be by way of transfer of the existing Stapled Securities held by the FH-REIT Manager, and no new Stapled Securities will be issued pursuant to the vesting and release of any outstanding Awards granted under the RSSP.

### 3.2. Permitted Distributions

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 up to the day immediately before the Effective Date, 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 “**Permitted Distributions**”).

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 SSW which was completed on 29 April 2022).

**The FHT Managers shall be entitled to announce, declare, make or pay the Permitted Distributions without any adjustment to the Scheme Consideration, and the Entitled Stapled Securityholders shall have the right to receive and retain the Permitted Distributions (if any) in addition to the Scheme Consideration.**

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 is announced, declared, made or paid by the FHT Managers on or after the Joint Announcement Date.

### 3.3. Scheme Consideration

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 in cash per Scheme Stapled Security (the “**Scheme Consideration**”) to the Entitled Stapled Securityholders. Based on a total of 721,799,270 Scheme Stapled Securities in issue as at the Latest Practicable Date, the aggregate Scheme Consideration payable to the Entitled Stapled Securityholders is S\$505,259,489.

Details of the factors on how the Scheme Consideration was agreed upon are set out in Paragraph 1.4 of the Letter to Stapled Securityholders in the Scheme Document.

## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

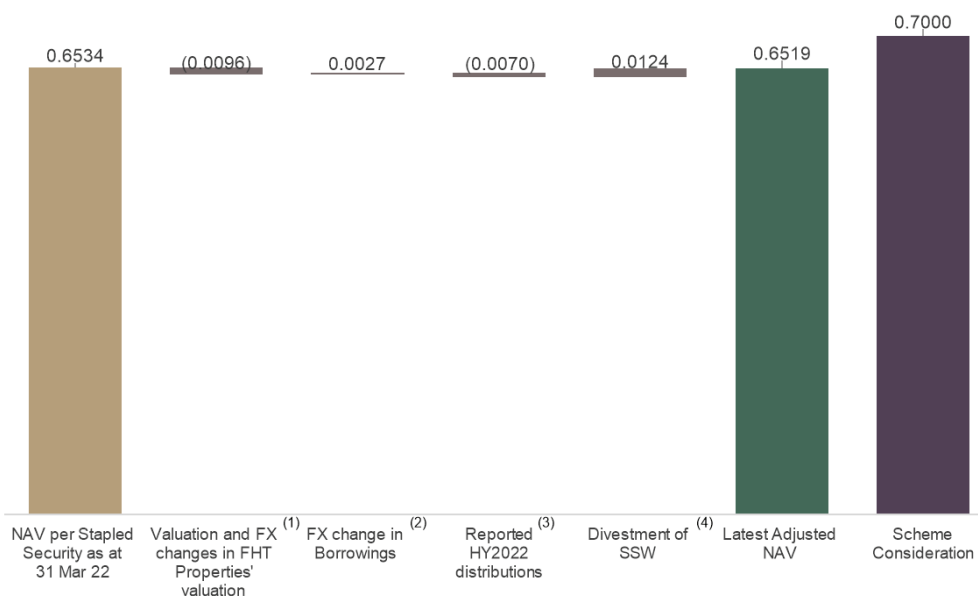
### 3.4. Adjusted NAV

The FHT Managers have commissioned the Valuers to undertake an independent valuation of the FHT Properties as at 31 May 2022 for the purposes of the Scheme. Although latest valuations of the FHT Properties have increased in their local operational currencies, upon conversion to S\$ based on the applicable FX rates as at 31 May 2022, the valuations reflect a decline of S\$10.0 million compared to the carrying value of the FHT Properties as at 31 March 2022.

Please refer to Paragraph 14 of the Letter to Stapled Securityholders in the Scheme Document for more details on the valuation of the FHT Properties conducted by the Valuers.

The latest valuations have also taken into account the possible recovery of the FHT Properties from COVID-19 based on certain assumptions.

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



#### Notes:

For the purposes of benchmarking and valuation in this Scheme Document, FHT's NAV per Stapled Security as of 31 March 2022 of S\$0.6534 has been adjusted to the latest adjusted NAV per Stapled Security of S\$0.6519 ("**Latest Adjusted NAV**"), which is derived from:

- (1) 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;
- (2) 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;
- (3) the exclusion of FHT's reported DPS for HY2022 of 0.7039 Singapore cents, which was paid out on 29 June 2022; and
- (4) the gain from the divestment of SSW, which was completed on 29 April 2022.

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## **APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME**

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### **3.5. Background to the Scheme**

The Scheme to privatise FHT arose from a strategic review to enhance and unlock value for Stapled Securityholders.

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

The COVID-19 pandemic had brought about significant uncertainties in the hospitality sector. Although borders have begun to gradually reopen and international travel is resuming, the timing and speed of recovery of FHT's portfolio to pre-COVID-19 levels remains uncertain due to the following reasons: (a) the current financial and operating performance of FHT's operational markets (as set out in Paragraph 2.1(b) of the Letter to Stapled Securityholders in the Scheme Document) has seen minimal growth since FHT's IPO in 2014 and remains significantly below pre COVID-19 levels; (b) the strength of the Singapore Dollar could offset any improvements in operational and financial performance and valuations of the FHT Properties in local currency terms; and (c) challenging macro-economic environment with record high levels of inflation, rising interest rates and ongoing geopolitical tensions may lead to more cautious discretionary spending amongst consumers.

Having considered this and following FHT's announcement on 8 April 2022, the FHT Independent Directors had, with the assistance of their financial adviser DBS, explored various possible strategic options to enhance and unlock value for the Stapled Securityholders (including but not limited to bona fide proposals from all parties). FHT sought to deliver a proposal which could optimise value and offer certainty to Stapled Securityholders.

The strategic options that were considered are as follows:

- (i) the continued pursuit of FHT's existing strategy;
- (ii) expansion of the existing FHT platform via acquisitions or mergers;
- (iii) the strategic sale of all or select assets; and
- (iv) the sale of the FHT platform to a third-party or the sponsor, FPL.

The key factors considered by the FHT Managers, together with DBS, in evaluating the viability of various strategic options and arriving at the proposed Scheme to privatise FHT include, amongst others:

- (i) the present state and possible trajectory for recovery in the hospitality industry;
- (ii) the current macroeconomic outlook;
- (iii) the current competitive positioning of FHT vis-à-vis its other listed hospitality S-REIT peers;
- (iv) its historical trading, financial and operational performance;
- (v) the presence of associated reversionary interests and master lease agreements with the FPL Group; and
- (vi) transactional certainty and ancillary transaction costs.

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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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The FHT Independent Directors are of the view that a merger with other REITs would lead to greater transaction uncertainty as approvals from both sets of unitholders are required. Even if a merger obtains the requisite approvals, there is no guarantee that the merged entity would be able to integrate successfully and perform well post-merger. A sale of all or select assets will consume more time and resources without certainty of a formal proposal and is subject to various issues such as the risk of cherry picking where parties only opt to acquire certain better-performing assets but not others. A sale of assets would also result in greater friction costs such as stamp duties which might have to be incurred and result in a smaller scale and size, negatively impacting the future growth of FHT.

Having considered the various strategic options and based on the factors above, the privatisation of FHT was considered by the FHT Independent Directors to be the most credible and favourable option for Stapled Securityholders as it provides Stapled Securityholders with an option to realise their investment in FHT at a premium to NAV with a higher degree of transaction certainty.

**(b) The Scheme represents a credible option for Stapled Securityholders to realise their investment with a high degree of certainty at an attractive valuation**

Following the announcement on 8 April 2022, the FHT Independent Directors initiated concurrent discussions with all parties (including FPL) on the various strategic options available to FHT.

In this regard, Mr Panote Sirivadhanabhakdi, who is a FHT Director and also an Executive and Non-Independent Director and the Group Chief Executive Officer of FPL and a director of various subsidiaries of FPL, as well as a director of various entities within the TCC Group and holds 20% of the issued share capital of TCC, recused himself from the discussions and negotiations in respect of the Scheme. Mr Panote Sirivadhanabhakdi will also abstain from making any recommendations and voting on the Scheme Resolution.

During these discussions, FPL had indicated to the FHT Independent Directors that hospitality remained as one of its core businesses and that FPL was prepared to discuss a privatisation of FHT with the FHT Independent Directors.

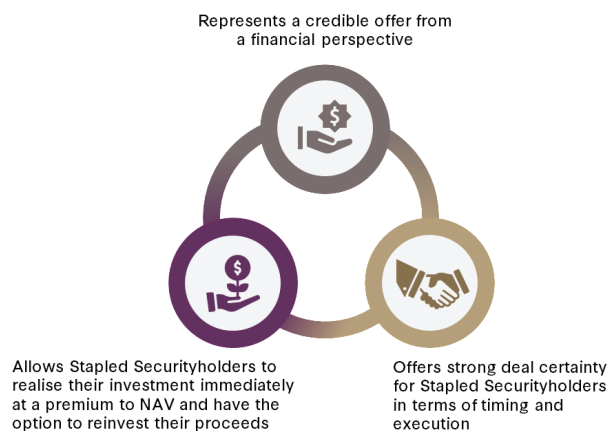
Having considered FPL's intentions, the FHT Independent Directors commenced extensive negotiations with FPL with the view to providing Stapled Securityholders with a proposal that would optimise certainty and value. At the conclusion of the negotiation process, the FHT Independent Directors concluded that the Scheme represents the best option for Stapled Securityholders for the following reasons:

- (i) the Scheme represents a credible offer from a financial perspective;
- (ii) the Scheme offers strong deal certainty for Stapled Securityholders in terms of timing and execution; and
- (iii) the Scheme allows Stapled Securityholders to realise their investment at an attractive valuation immediately at a premium to NAV and have the option to reinvest their proceeds.

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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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Stapled Securityholders should note that under the terms of the Implementation Agreement, the FHT Managers are restricted from, among others, soliciting or initiating competing proposals during the period of the Scheme. However, the FHT Managers are entitled to, among others, consider and evaluate unsolicited or uninitiated proposals received, provided that the FHT Managers have determined in good faith and acting reasonably that such action is required for the purposes of complying with the Listing Manual, the Code or any other laws, rules or regulations applicable to FHT and/or allowing the directors of the FHT Managers to comply with or discharge their fiduciary duties, or other legal or regulatory obligations to which they are subject under applicable laws and regulations.

### 3.6. Factors

The Scheme Consideration was agreed upon following extensive negotiations between the Offeror and the FHT Managers conducted on an arm's length basis, after taking into account multiple factors, including the following:

- (a) various pricing benchmarks used for evaluation (as set out in Paragraph 2.4 of the Letter to Stapled Securityholders in the Scheme Document ) including:
  - (i) premia over benchmark prices to precedent S-REIT privatisations;
  - (ii) average P/NAV of other listed Singapore hospitality trusts;
  - (iii) analyst consensus target price in 2022 prior to the Joint Announcement; and
  - (iv) the total returns to Stapled Securityholders who invested at FHT's IPO and subscribed for FHT's rights issue on 9 September 2016;
- (b) latest available independent valuations of the FHT Properties (as set out in Paragraph 14 of the Letter to Stapled Securityholders in the Scheme Document) which incorporate the likely trajectory of a recovery post-COVID-19 based on certain assumptions;
- (c) the latest available NAV adjusted for (i) latest available independent valuations of the FHT Properties (as set out in Paragraph 1.6 of the Letter to Stapled Securityholders in the Scheme Document), (ii) HY2022 distributions, and (iii) gain from the divestment of SSW;
- (d) the pre-COVID-19 valuations of the FHT Properties adjusted for FX movements (as set out in Paragraph 2.4(f) of the Letter to Stapled Securityholders in the Scheme Document);

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## **APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME**

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- (e) the latest available NAV adjusted for pre-COVID-19 valuations of the FHT Properties adjusted for FX movements (as set out in Paragraph 2.4(f) of the Letter to Stapled Securityholders in the Scheme Document);
- (f) FHT's current positioning amongst other S-REITs (as set out in Paragraph 2.3 of the Letter to Stapled Securityholders in the Scheme Document);
- (g) the uncertainties brought about by looming recessionary pressures stemming from inflation, increased interest rates and geopolitical instability against the potential benefits to be derived from a gradual post-COVID-19 recovery in the tourism and hospitality industries (as set out in Paragraph 2.2 of the Letter to Stapled Securityholders in the Scheme Document); and
- (h) the amount of Permitted Distributions (as defined in Paragraph 6.2 of the Letter to Stapled Securityholders in the Scheme Document) to be announced, declared, made or paid by the FHT Managers.

**The FHT Independent Directors, acting in accordance with their fiduciary duties and upon extensive evaluation, are now proposing the Scheme for the consideration of the Stapled Securityholders.**

#### **4. INFORMATION ON FHT AND THE FHT MANAGERS**

##### **4.1. FHT**

FHT is a global hotel and serviced residence trust that is listed on the SGX-ST, and is a stapled group comprising FH-REIT and FH-BT. FHT invests globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT's portfolio comprises 15 properties as at 30 September 2021, and post completion of the divestment of SSW on 29 April 2022, 14 quality assets in prime locations in nine (9) key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$2.0 billion.

As at the Latest Practicable Date, FHT has:

- (a) an aggregate of 1,926,073,869 Stapled Securities in issue; and
- (b) an aggregate of 2,011,137 outstanding Awards granted pursuant to the RSSP.

##### **4.2. The FHT-REIT Manager**

The FH-REIT Manager was incorporated in Singapore on 20 November 2013 and currently holds a capital markets services licence for real estate investment trust management pursuant to the SFA. FH-REIT is managed by the FH-REIT Manager, whose main responsibility is to manage FH-REIT's assets and liabilities for the benefit of Stapled Securityholders, through setting the strategic direction of FH-REIT and making recommendations to the FH-REIT Trustee on acquisitions, divestments and enhancement of the assets of FHT.

As at the Latest Practicable Date:

- (a) the FH-REIT Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-REIT Manager comprises the following individuals:
  - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);

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## **APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME**

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- (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
- (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
- (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
- (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

### **4.3. The FH-BT Trustee-Manager**

The FH-BT Trustee-Manager was incorporated in Singapore on 13 January 2014. FH-BT is managed by the FH-BT Trustee-Manager, which has the dual responsibilities of safeguarding the interests of the Stapled Securityholders and managing the business conducted by FH-BT. The FH-BT Trustee-Manager has general powers of management over the business and assets of FH-BT and its main responsibility is to manage FH-BT's assets and liabilities for the benefit of the Stapled Securityholders as a whole.

As at the Latest Practicable Date:

- (a) the FH-BT Trustee-Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-BT Trustee-Manager comprises the following individuals:
  - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);
  - (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
  - (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
  - (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
  - (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

## **5. INFORMATION ON THE OFFEROR AND FPL**

### **5.1. The Offeror**

The Offeror was incorporated in Singapore on 28 April 2006 and is a wholly-owned subsidiary of FPL. As at the Latest Practicable Date, the directors of the Offeror are:

- (a) Mr Chan Boon Kiong; and
- (b) Mr Chia Khong Shoong.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares.

As at the Latest Practicable Date, the Offeror holds 466,618,417 Stapled Securities, representing approximately 24.23% of the total number of issued Stapled Securities.

Schedule 1 to the Offeror's Letter at Appendix C of the Scheme Document sets out certain additional information on the Offeror.



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### 5.2. FPL

FPL is a multinational developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the FPL Group has total assets of approximately S\$40.7 billion as at 31 March 2022. FPL's multinational businesses operate across five (5) asset classes, namely, residential, retail, commercial & business parks, industrial & logistics and hospitality. The FPL Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa. FPL is also the sponsor of FHT.

As at the Latest Practicable Date, FPL holds, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 496,964,399 Stapled Securities, representing approximately 25.80% of the total number of issued Stapled Securities, as set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Offeror	466,618,417	24.23	-	-	466,618,417	24.23
Frasers Hospitality Pte. Ltd.	11,668,847	0.61	-	-	11,668,847	0.61
FH-REIT Manager	18,677,135	0.97	-	-	18,677,135	0.97
FPL <sup>(2)</sup>	-	-	496,964,399	25.80	496,964,399	25.80

Notes:

- (1) Rounded to the nearest two (2) decimal places, and computed based on a total of 1,926,073,869 Stapled Securities as at the Latest Practicable Date.
- (2) FPL holds a 100% direct interest in each of the FH-REIT Manager, Frasers Hospitality Pte. Ltd. ("**FHPL**") and the Offeror; and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. FPL therefore has a deemed interest in the Stapled Securities in FHT in which each of the FH-REIT Manager, FHPL and the Offeror has an interest, by virtue of Section 4 of the SFA.

Assuming there is no change in the total number of issued Stapled Securities up to the completion of the Scheme, after the completion of the Scheme:

- (a) FPL is expected to hold, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 1,218,763,669 Stapled Securities, representing approximately 63.28% of the total number of issued Stapled Securities; and
- (b) TCC will continue to hold an aggregate of 707,310,200 Stapled Securities, representing approximately 36.72% of the total number of issued Stapled Securities. In this regard, TCC has provided the Deed of Undertaking to the Offeror, pursuant to which TCC has undertaken and/or agreed, *inter alia*, that the Scheme will be in respect of the Scheme Stapled Securities only, and that the Stapled Securities held by TCC will not be acquired by the Offeror pursuant to the Scheme.

TCC is owned by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi (being the five children of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi) in equal proportions.

Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCC Assets Limited, which holds a majority interest in FPL. The Offeror is a wholly-owned subsidiary of FPL.

Schedule 2 to the Offeror's Letter at Appendix C of the Scheme Document sets out certain additional information on FPL.

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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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### 6. SIC RULINGS AND CONFIRMATIONS

Pursuant to the application made by the Offeror to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
  - (i) 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), abstain from voting on the Scheme;
  - (ii) the Scheme Document contains advice to the effect that by voting for the Scheme, the Stapled Securityholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of FHT without having to make a general offer for FHT;
  - (iii) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in FHT as of the latest practicable date, and their voting rights in the Offeror and FHT after the Scheme;
  - (iv) FHT appoints an independent financial adviser to advise the Stapled Securityholders on the Scheme;
  - (v) the Scheme is approved by a majority in number representing three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting;
  - (vi) the FHT Managers obtain the Scheme Court Order; and
  - (vii) the Scheme is completed within 6 months (unless extended with the SIC's consent) from the Joint Announcement Date;
- (b) it has no objections to the Scheme Conditions;
- (c) with respect to the Switch Option:
  - (i) the Offeror may exercise the Switch Option, subject to:
    - (A) the Offer being on the same or better terms as those which apply to the Scheme, including without limitation, the same or a higher consideration than the Scheme Consideration;
    - (B) the acceptance condition to the Offer being set at only more than 50% of the maximum potential number of issued Stapled Securities (and not conditional upon a higher level of acceptances);
    - (C) consultation with the SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option; and
    - (D) disclosure in the Joint Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option in the event a Competing Proposal;
  - (ii) the Scheme Conditions, to the extent applicable in the event of an Offer, may similarly be imposed as conditions precedent to the Offer becoming unconditional in all respects,

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subject to the Offeror consulting with the SIC and seeking the SIC's approval prior to invoking any such conditions precedent so as to cause the Offer to lapse; and

- (d) Mr Panote Sirivadhanabhakdi is exempted from making and assuming responsibility for any recommendations on the Scheme to the Stapled Securityholders. However, Mr Panote Sirivadhanabhakdi must still assume responsibility for the accuracy of facts stated or opinions expressed in documents issued by, or on behalf of, FHT to the Stapled Securityholders in connection with the Scheme.

### **7. DELISTING**

Upon the Scheme becoming effective in accordance with its terms:

- (a) all Entitled Stapled Securityholders will receive S\$0.700 in cash for each Scheme Stapled Security held by them;
- (b) FHT will be a private trust, with the only stapled securityholders being the Excluded Stapled Securityholders (including the Offeror); and
- (c) FHT will, following settlement of the Scheme Consideration and subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

An application will be made to seek approval from the SGX-ST to delist and remove FHT from the Official List of the SGX-ST following the Scheme becoming effective in accordance with its terms.

**STAPLED SECURITYHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME RESOLUTION, FHT WILL, SUBJECT TO THE APPROVAL OF THE SGX-ST, BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.**

### **8. RATIONALE FOR THE ACQUISITION AND THE SCHEME AND THE FUTURE INTENTIONS FOR FHT**

#### **8.1. Rationale for the Acquisition and the Scheme**

The rationale for the Acquisition and the Scheme are summarised as below. Please refer to Paragraph 2 of the Letter to Stapled Securityholders in the Scheme Document for more details on the rationale of the Acquisition and the Scheme.

- (a) Obstacles in growing DPS and NAV
- (i) Since its IPO, FHT has proactively pursued organic and inorganic strategies to grow
  - (ii) FHT's operating markets experienced muted growth
  - (iii) A strengthening S\$ has offset local currency revaluation gains
- (b) Uncertainty in recovery and outlook, amidst a gradual move towards an endemic phase, with looming recessionary pressures
- (i) Timing and speed of a full recovery from the impact of COVID-19 remain uncertain
  - (ii) Geopolitical tensions and looming recessionary pressures add further uncertainty to the recovery outlook
  - (iii) Further strengthening of S\$ could potentially limit any potential NAV and DPS growth from a COVID-19 recovery
- (c) FHT's small size has limited its ability to reap the benefits of a continued listing
- (i) Size matters and is essential in enabling liquidity and growth

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- (d) Financial evaluation of the Scheme
- (i) The Scheme Consideration will allow Stapled Securityholders to exit at an attractive P/NAV multiple as compared to various benchmarks
  - (ii) Scheme Consideration implies premia in excess of 40% against FHT’s historical VWAP
  - (iii) Premia over benchmark prices exceed average premia paid in precedent S-REIT privatisations over most corresponding benchmark periods
  - (iv) Total return analysis for Stapled Securityholders that invested since IPO
  - (v) The Scheme Consideration exceeds analyst consensus target prices
  - (vi) The Scheme Consideration takes into account pre-COVID-19 portfolio valuations

### 8.2. Offeror’s rationale for the Acquisition and future intentions for FHT

The Offeror’s rationale for the Acquisition and the future intentions for FHT are set out in Paragraph 3 of the Letter to Stapled Securityholders in the Scheme Document.

## 9. OUR ASSESSMENT OF THE FINANCIAL TERMS OF THE SCHEME

### General bases and assumptions

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 in cash per Scheme Stapled Security to the Entitled Stapled Securityholders.

We note the FHT Managers have commissioned the Valuers to undertake an independent valuation of the FHT Properties as at 31 May 2022, and for the purposes of benchmarking and valuation in the Scheme Document, FHT’s Net Asset Value (“NAV”) per Stapled Security as of 31 March 2022 of S\$0.653 has been adjusted to the latest adjusted NAV per Stapled Security of S\$0.652 (“**Latest Adjusted NAV**”), which is derived as follows:

<b>Latest Adjusted NAV</b>	
	<b>As at 31 May 2022</b>
NAV per Stapled Security (S\$)	0.653 <sup>(1)</sup>
Valuation and FX changes in FHT Properties’ valuation (S\$)	(0.009) <sup>(2)</sup>
FX change in Borrowings (S\$)	0.003 <sup>(3)</sup>
Reported HY2022 distributions (S\$)	(0.007) <sup>(4)</sup>
Divestment of Sofitel Sydney Wentworth (S\$)	0.012 <sup>(5)</sup>
<b>Latest Adjusted NAV per Stapled Security (S\$)</b>	<b>0.652</b>

<b>Implied value of Scheme Consideration</b>	
	<b>As at LPD</b>
<b>Latest Adjusted NAV per Stapled Security (S\$)</b>	<b>0.652</b>
Scheme Consideration	0.700
<b>Implied P/NAV</b>	<b>1.07x</b>

Notes:

- (1) the NAV per Stapled Security as at 31 March 2022;
- (2) 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;
- (3) 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;

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- (4) the exclusion of FHT's reported DPS for HY2022 of 0.704 Singapore cents, which was paid out on 29 June 2022; and
- (5) the gain from the divestment of SSW, which was completed on 29 April 2022.

On 8 April 2022, prior to the opening of the trading on that day, FHT announced that the FHT Managers are exploring a review of strategic options to enhance and unlock value for Stapled Securityholders ("**Strategic Review Announcement**"), as such we recognise that 7 April 2022 is the last full trading day (the "**Last Full Trading Day**" or "**LFTD**"), being the last undistributed trading date.

On 9 June 2022, FHT requested for a trading halt prior to the opening of the trading on that day. The duration of the trading halt was from 9 June 2022 to 13 June 2022. On 13 June 2022, the respective boards of directors of the FHT Managers and the Offeror jointly announced the Acquisition. 13 June 2022 is the joint announcement date (the "**Joint Announcement Date**" or "**JAD**") and 4 August 2022 is the latest practicable date (the "**Latest Practicable Date**" or "**LPD**").

We have confined our evaluation to the financial terms of the Scheme. In evaluating the financial terms of the Scheme, we have assessed the value of the Stapled Securities as implied by the Scheme Consideration. In addition, we have also taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

### Evaluation of whether the Stapled Securities as implied by the Scheme Consideration is fairly valued

- (1) Market quotations and liquidity of the Stapled Securities;
- (2) Historical market performance and trading activity of Stapled Securities;
- (3) Trailing latest P/NAV multiples of the Stapled Securities relative to the P/NAV multiple implied by the Scheme Consideration;
- (4) Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable SGX-ST listed REITs ("**S-REITs**");
- (5) Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable Malaysia listed REITs ("**M-REITs**");
- (6) Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable Japan listed REITs ("**JP-REITs**");
- (7) Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable Australia listed REITs ("**A-REITs**");
- (8) Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable United Kingdom listed REITs ("**UK-REITs**");
- (9) Comparison of the P/NAV multiple implied by the Scheme Consideration against selected precedent transactions in Singapore;
- (10) Comparison with selected precedent privatisations in Singapore;
- (11) Comparison with precedent completed S-REIT mergers;
- (12) Assessment of the independent valuation of FHT Properties;

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(13) Research analysts target prices for Stapled Securities;

### Evaluation of other relevant key considerations relating to the Acquisition

(14) The rationale for the Acquisition and the Scheme;

(15) Background and factors in relation to the Scheme; and

(16) Other selected considerations which have a significant bearing on our assessment.

### Summary analysis of the Scheme Consideration

**Figure 1: Summary Analysis Table**

	Mean <sup>(1)</sup>	Median <sup>(1)</sup>	Maximum <sup>(1)</sup>	Minimum <sup>(1)</sup>	Implied by the Acquisition <sup>(2)</sup>	Mean – Median Range <sup>(3)</sup>	Max – Min Range <sup>(3)</sup>
<b>Summary analysis of the Scheme Consideration</b>							
<b>Liquidity analysis</b>							
Past 12-month ADT volume over free float up to LFTD	0.37%	0.36%	0.89%	0.11%	0.11%		
Past 12-month ADT value over market cap. up to LFTD	0.22%	0.19%	0.63%	0.04%	0.03%		
<b>Historical trading range<sup>(4)</sup></b>							
Last closing price on LFTD <sup>(5)</sup>	0.570				0.700	Above	
LFTD: 7 April 2022	VWAP = 0.564		0.570	0.555	0.700	Above	Above
1-month (prior to & including LFTD)	VWAP = 0.482		0.575	0.420	0.700	Above	Above
3-month (prior to & including LFTD)	VWAP = 0.471		0.575	0.420	0.700	Above	Above
6-month (prior to & including LFTD)	VWAP = 0.474		0.575	0.420	0.700	Above	Above
12-month (prior to & including LFTD)	VWAP = 0.487		0.595	0.420	0.700	Above	Above
3-year (prior to & including LFTD)	VWAP = 0.561		0.770	0.315	0.700	Above	Within
5-year (prior to & including LFTD)	VWAP = 0.638		0.825	0.315	0.700	Above	Within
From LFTD to LPD	VWAP = 0.667		0.710	0.570	0.700	Above	Within
LPD: 4 August 2022	VWAP = 0.699		0.705	0.695	0.700	Above	Within
<b>Trailing P/NAV multiples</b>							
LFTD: 7 April 2022	0.87x				1.07x	Above	
6-month period up to the LFTD	0.73x	0.73x	0.88x	0.66x	1.07x	Above	Above
1-year period up to the LFTD	0.73x	0.73x	0.88x	0.63x	1.07x	Above	Above
3-year period up to the LFTD	0.75x	0.74x	0.95x	0.45x	1.07x	Above	Above
5-year period up to the LFTD	0.81x	0.85x	0.98x	0.45x	1.07x	Above	Above
From LFTD to LPD	1.01x	1.01x	1.07x	0.90x	1.07x	Above	Within
LPD: 4 August 2022	1.07x				1.07x	Above	
<b>Selected Comparable S-REITs</b>							
P/NAV as at LPD	0.88x	0.90x	0.98x	0.75x	1.07x	Above	Above
<b>Selected Comparable M-REITs</b>							

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	Mean <sup>(1)</sup>	Median <sup>(1)</sup>	Maximum <sup>(1)</sup>	Minimum <sup>(1)</sup>	Implied by the Acquisition <sup>(2)</sup>	Mean – Median Range <sup>(3)</sup>	Max – Min Range <sup>(3)</sup>
<b>Summary analysis of the Scheme Consideration</b>							
P/NAV as at LPD	NA	NA	NA	NA	1.07x		
<b>Selected Comparable JP-REITs</b>							
P/NAV as at LPD	0.86x	0.85x	1.23x	0.60x	1.07x	Above	Within
<b>Selected Comparable A-REITs</b>							
P/NAV as at LPD	0.99x	0.99x	1.14x	0.85x	1.07x	Above	Within
<b>Selected Precedent Transactions</b>							
Implied P/NAV	1.05x	1.03x	1.19x	0.95x	1.07x	Above	Within
<b>Selected Precedent Privatisations</b>							
Premium to last closing price on LFTD <sup>(5)</sup>	24.4%	25.7%	35.9%	5.0%	22.8%	Below	Within
Premium to 1-month VWAP	26.6%	28.9%	39.5%	2.7%	45.4%	Above	Above
Premium to 3-month VWAP	28.1%	32.3%	39.3%	0.5%	48.5%	Above	Above
Premium to 6-month VWAP	30.8%	35.4%	49.9%	(4.7%)	47.7%	Above	Within
Premium to 12-month VWAP	26.8%	30.3%	44.7%	(5.4%)	43.8%	Above	Within
Premium to NAV	4.5%	3.3%	19.4%	(5.4%)	7.4%	Above	Within
<b>Precedent completed S-REIT mergers</b>							
Premium to last closing price on LFTD <sup>(5)</sup>	3.9%	2.1%	11.5%	0.0%	22.8%	Above	Above
Premium to 1-month VWAP	6.5%	4.1%	14.4%	2.1%	45.4%	Above	Above
Premium to 3-month VWAP	8.0%	4.8%	18.9%	0.7%	48.5%	Above	Above
Premium to 6-month VWAP	9.6%	6.7%	24.0%	1.5%	47.7%	Above	Above
Premium to 12-month VWAP	13.6%	8.2%	31.8%	0.4%	43.8%	Above	Above
Premium to NAV	13.9%	7.0%	44.8%	(0.4%)	7.4%	Within	Within
<b>Research analysts target prices</b>							
Analyst target prices	0.568	0.550	0.700	0.500	0.700	Above	Within

Source: Bloomberg, company announcements on the respective exchanges, equity research analyst reports

**Legend:**  
**(Green): Favourable to Stapled Securityholders**  
**(Red): Unfavourable to Stapled Securityholders**

Notes:

- (1) Mean, median, maximum and minimum of the respective benchmarks.
- (2) Implied by the Acquisition based on the Scheme Consideration of S\$0.700 per Stapled Security and the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022.
- (3) Parameters implied by the Acquisition relative to the mean, median, maximum and minimum range of the respective benchmarks.
- (4) Mean-Median range for historical trading range of Stapled Securities reflects the VWAP for the respective periods. The VWAP is weighted based on the Stapled Securities traded and the corresponding transacted prices for market days in the reference periods.
- (5) This refers to the FHT last closing price on the LFTD of S\$0.570.

### Impact of COVID-19

The outbreak of the Novel Coronavirus (“**COVID-19**”), declared by the World Health Organisation (“**WHO**”) as a ‘Global Pandemic’ on 11 March 2020 (“**WHO Announcement Date**”), has impacted global financial markets and market activity in many sectors, including the real estate market. For the purposes of our analyses, we have evaluated the financial terms of the Acquisition by comparing the

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various metrics implied by the Scheme Consideration against historical benchmarks across a range of different reference time periods, including the one-month, three-month, six-month, one-year, three-year, five-year periods up to and including the respective reference dates. These different time intervals may reflect periods before, within or around and after the peak of the COVID-19 pandemic which may have some impact on the overall analysis. We have not made any adjustments to the underlying metrics and benchmarks to account for COVID-19.

### Evaluation of whether the Stapled Securities as implied by the Scheme Consideration is fairly valued

#### 9.1. Market quotations and liquidity of the Stapled Securities

We have evaluated the liquidity and free float of the Stapled Securities relative to the 30 STI Companies as at the LFTD in order to determine whether the historical market prices of the Stapled Securities provide a meaningful benchmark and reference point for a comparison with the Scheme Consideration.

The table below outlines the average daily trading volume for the past twelve-month (“**Past 12M ADT Volume**”) and the average daily trading value (“**Past 12M ADT Value**”) leading up to the LFTD of the Stapled Securities and of the 30 STI Companies:

**Figure 2: Liquidity analysis of the Stapled Securities and the 30 STI Companies**

No.	Company name	Market Cap. <sup>(1)</sup>	Free Float <sup>(1)</sup>	Free Float Shares <sup>(1)</sup>	Past 12M ADT Volume <sup>(2)</sup>	Past 12M ADT Value <sup>(3)</sup>	Past 12M ADT Volume/ Free Float <sup>(2)</sup>	Past 12M ADT Value/ Market Cap. <sup>(3)</sup>
		(\$m)	(%)	(m)	('000)	(\$'000)	(%)	(%)
1	DBS Group Holdings Ltd	90,919	70.31	1,809	4,139	131,660	0.23	0.14
2	Oversea-Chinese Banking Corp	55,069	85.17	3,826	6,184	74,217	0.16	0.13
3	United Overseas Bank Ltd	53,086	85.25	1,425	2,800	78,151	0.20	0.15
4	Singtel	43,911	47.69	7,872	29,490	72,057	0.37	0.16
5	Jardine Matheson Holdings Ltd	40,635	33.78	241	266	15,791	0.11	0.04
6	Wilmar International Limited	29,426	29.16	1,837	6,644	30,151	0.36	0.10
7	Capitaland Investment Limited	20,698	47.61	2,451	9,801	34,483	0.40	0.17
8	Thai Beverage Public Co Ltd	17,836	29.30	7,361	23,466	16,090	0.32	0.09
9	Singapore Airlines Ltd	16,024	66.65	1,978	7,511	38,306	0.38	0.24
10	Capitaland Integrated Comm Tr	14,966	76.62	5,074	20,133	42,303	0.40	0.28
11	Singapore Tech Engineering Ltd	12,628	49.07	1,530	4,677	18,096	0.31	0.14
12	Ascendas Real Estate Inv Trust	12,216	60.93	2,558	11,700	34,781	0.46	0.28
13	Keppel Corporation Limited	11,721	78.71	1,417	3,549	19,638	0.25	0.17
14	Hongkong Land Holdings Limited	11,693	49.53	1,156	2,300	11,623	0.20	0.10



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No.	Company name	Market Cap. <sup>(1)</sup>	Free Float <sup>(1)</sup>	Free Float Shares <sup>(1)</sup>	Past 12M ADT Volume <sup>(2)</sup>	Past 12M ADT Value <sup>(3)</sup>	Past 12M ADT Volume/ Free Float <sup>(2)</sup>	Past 12M ADT Value/ Market Cap. <sup>(3)</sup>
		(\$m)	(%)	(m)	('000)	(\$'000)	(%)	(%)
15	Singapore Exchange Limited	10,659	99.90	1,067	2,907	29,251	0.27	0.27
16	Jardine Cycle & Carriage Ltd	10,039	24.03	95	318	6,931	0.33	0.07
17	Genting Singapore Limited	9,839	47.08	5,683	25,484	20,467	0.45	0.21
18	Mapletree Logistics Trust	8,800	68.00	3,252	12,748	24,586	0.39	0.28
19	City Developments Ltd	7,446	56.65	514	2,299	16,546	0.45	0.22
20	Mapletree Industrial Trust	7,200	77.17	2,065	7,501	20,574	0.36	0.29
21	Mapletree Commercial Trust	6,281	60.70	2,017	12,000	23,674	0.59	0.38
22	Yangzijiang Shipbuilding Hldgs Ltd	6,222	70.13	2,745	24,525	34,857	0.89	0.56
23	UOL Group Limited	6,097	75.31	636	1,169	8,390	0.18	0.14
24	Frasers Logistics & Commercial Trust	5,352	70.72	2,610	8,948	13,127	0.34	0.25
25	Sembcorp Industries Ltd	5,123	50.51	902	4,498	9,842	0.50	0.19
26	Venture Corporation Limited	5,048	92.87	270	1,078	19,982	0.40	0.40
27	SATS Ltd.	4,791	59.68	670	2,171	8,785	0.32	0.18
28	DFI Retail Group Holdings Limited	4,033	22.25	301	872	2,916	0.29	0.07
29	Keppel DC REIT	3,881	79.49	1,365	6,253	15,285	0.46	0.39
30	ComfortDelGro Corporation Ltd	3,207	99.95	2,166	13,072	20,092	0.60	0.63
	<b>Mean</b>	<b>17,828</b>	<b>62.14</b>	<b>2,230</b>	<b>8,617</b>	<b>29,755</b>	<b>0.37</b>	<b>0.22</b>
	<b>Median</b>	<b>10,349</b>	<b>63.79</b>	<b>1,823</b>	<b>6,219</b>	<b>20,279</b>	<b>0.36</b>	<b>0.19</b>
	<b>Maximum</b>	<b>90,919</b>	<b>99.95</b>	<b>7,872</b>	<b>29,490</b>	<b>131,660</b>	<b>0.89</b>	<b>0.63</b>
	<b>Minimum</b>	<b>3,207</b>	<b>22.25</b>	<b>95</b>	<b>266</b>	<b>2,916</b>	<b>0.11</b>	<b>0.04</b>
	<b>FHT</b>	<b>1,098</b>	<b>37.42</b>	<b>721</b>	<b>778</b>	<b>379</b>	<b>0.11</b>	<b>0.03</b>

Source: Bloomberg

Notes:

- (1) All figures are as at the LFTD.
- (2) Average daily trading volume as a percentage of free float is computed taking the Past 12M ADT Volume up to the LFTD divided by free float number of shares.
- (3) Average daily trading value as a percentage of market capitalisation is computed taking the Past 12M ADT Value up to the LFTD divided by market capitalisation of the companies.

We note the following in respect of the liquidity of Stapled Securities:

- (i) The Past 12M ADT Volume for Stapled Securities, as a percentage of FHT's free float, is below the mean and the median of the 30 STI companies, and falls within the range of measures for the 30 STI Companies; and
- (ii) The Past 12M ADT Value for the Stapled Securities, as a percentage of FHT's market capitalisation, is below the range of measures for the 30 STI Companies.

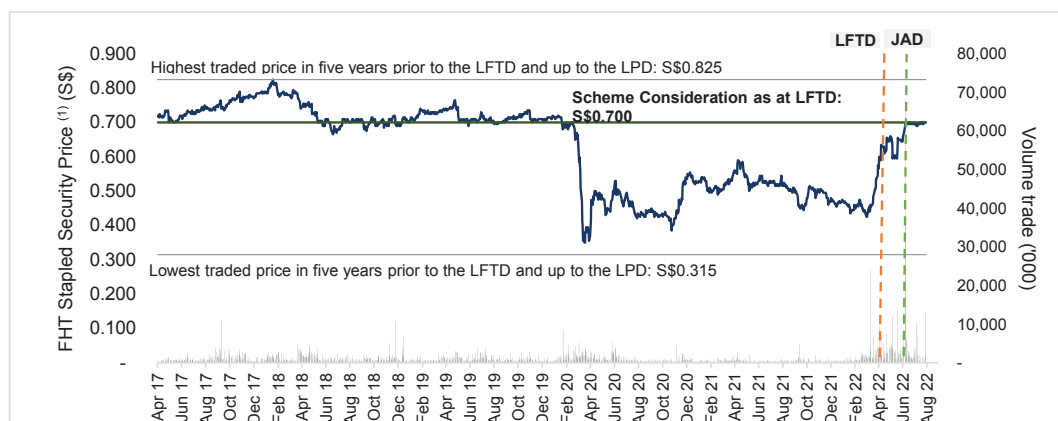
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The above analysis indicate that the historical market prices of the Stapled Securities are fairly illiquid, as such, we will consider the net asset value as the primary driver for FHT’s valuation.

### 9.2. Historical market performance and trading activity of Stapled Securities

We have compared the Scheme Consideration as at LFTD against the market prices and trading volumes for the Stapled Securities for the five-year period prior to the LFTD and up to the LPD in the chart below.

**Figure 3: Historical Stapled Security Price**



Source: Bloomberg

Note:

(1) “Stapled Security Price” refers to the closing price of the Stapled Securities on the relevant dates.

We note that the Scheme Consideration of S\$0.700 is within the range of the highest and lowest traded Stapled Security price of S\$0.825 and S\$0.315 respectively, in the five-year period prior to the LFTD and up to the LPD.

A summary of announcement relating to the Stapled Securities the five-year period prior to the LFTD up to the LPD are as follows:

**Figure 4: Selected FHT Announcements**

No.	Date	Details
1	28-Jul-22	Announcement of Business Updates for the Third Quarter ended 30 June 2022
2	15-Jun-22	Joint Announcement of Proposed Privatisation by way of a Trust Scheme of Arrangement Dealing Disclosures
3	13-Jun-22	Announcement of Request for Lifting of Trading Halt
4	13-Jun-22	Joint Announcement of Proposed Privatisation of Frasers Hospitality Trust by way of a Trust Scheme of Arrangement
5	09-Jun-22	Announcement Request for Trading Halt
6	24 May 22	Announcement of Further Update on Tax Matters in Malaysia
7	29-Apr-22	Announcement of Completion of Divestment of Amalgamated Freehold Interest
8	29-Apr-22	Announcement of Capital Distribution and Cash Dividend/Distribution of 0.7039 Singapore Cents per Stapled Security for the period from 1 October 2021 to 31 March 2022

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No.	Date	Details
9	29-Apr-22	Announcement of Second Quarter and/or Half Yearly Results ended 31 March 2022
10	08-Apr-22	Announcement of Response to Media Queries regarding a Strategic Option
11	28-Mar-22	Announcement of Completion of Acquisition of Reversionary Interest in Sofitel Sydney Wentworth
12	09-Mar-22	Announcement of Further Update on Tax Matters in Malaysia
13	27-Jan-22	Announcement of Business Updates for the First Quarter ended 31 December 2021
14	20-Dec-21	Announcement of Annual Report for the Full Year ended 30 September 2021
15	29-Oct-21	Announcement of Proposed Divestment of Sofitel Sydney Wentworth
16	29-Oct-21	Announcement of Capital Distribution and Cash Dividend/Distribution of 0.8041 Singapore Cents per Stapled Security for the period ended from 1 April 2021 to 30 September 2021
17	29-Oct-21	Notice of Valuation of Real Assets
18	29-Oct-21	Announcement of Full Yearly Results ended 30 September 2021
19	13-Sep-21	Announcement of RAM Ratings Reaffirms Ratings for FHT-Sponsored Medium Term Notes Series 2019-A
20	08-Sep-21	Announcement of Update on Tax Matters in Malaysia
21	29-Jul-21	Announcement of Business Updates for the Third Quarter ended 30 June 2021
22	06-Jul-21	Announcement of Half Yearly Results ended 31 March 2021
23	30-Apr-21	Announcement of Capital Distribution and Cash Dividend/Distribution of 0.1790 Singapore Cents per Stapled Security for the period ended from 1 October 2020 to 31 March 2021
24	30-Apr-21	Announcement of Financial Statements Results for the Second Quarter and/ or Half Year ended 31 March 2021
25	28-Jan-21	Announcement of Business Updates for the First Quarter ended 31 December 2020
26	21-Dec-20	Announcement of Annual Report for the Full Year ended 30 September 2020
27	04-Nov-20	Announcement of Payment of Management Fees by way of Issue of New Stapled Securities in Frasers Hospitality Trust
28	30-Oct-20	Announcement of Capital Distribution and Cash Dividend/Distribution of 1.0695 Singapore Cents per Stapled Security for the period from 1 April 2020 to 30 September 2020
29	30-Oct-20	Notice of Valuation of Real Assets
30	30-Oct-20	Announcement of Full Yearly Results ended 30 September 2020
31	16-Oct-20	Announcement of Profit Guidance on the Unaudited Financial Results for the Full Year ended 30 September 2020
32	05-Oct-20	Announcement of RAM Ratings Reaffirms Ratings for FHT-Sponsored Medium Term Notes Series 2019-A
33	06-Aug-20	Announcement of Business updates for the Third Quarter ended 30 June 2020
34	15-May-20	Announcement of RAM Ratings Maintains Ratings For FHT-Sponsored MTN Despite Temporary Suspension of The Westin KL
35	13-May-20	Announcement of Payment of Management Fees by way of issue of new Stapled Securities in Frasers Hospitality Trust
36	13-May-20	Announcement of Change to Half-Yearly Reporting of Financial Results

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No.	Date	Details
37	08-May-20	Announcement of Cash Dividend/ Distribution of 0.3287 Singapore Cents per Stapled Security for the period from 1 October 2019 to 31 March 2020
38	08-May-20	Announcement of Second Quarter and/ or Half Yearly Results ended 31 March 2020
39	27-Mar-20	Announcement of Update on the Impact of Covid-19 Outbreak
40	10-Mar-20	Announcement of Corporate Credit Rating Update
41	23-Jan-20	Announcement of First Quarter Results ended 31 December 2019
42	19-Dec-19	Announcement of Annual Report for the Full Year ended 30 September 2019
43	25-Nov-19	Announcement of Moody's Affirms Frasers Hospitality Trust's Baa2 Rating, With Change in Outlook to Negative
44	04-Nov-19	Announcement of Payment of Management Fees by way of issue of new Stapled Securities in Frasers Hospitality Trust
45	30-Oct-19	Announcement of Capital Distribution and Cash Dividend/Distribution of 2.1741 Singapore Cents per Stapled Security for the period from 1 April 2019 to 30 September 2019
46	30-Oct-19	Notice of Valuation of Real Assets
47	30-Oct-19	Announcement of Full Yearly Results ended 30 September 2019
48	30-Jul-19	Announcement of Third Quarter Results ended 30 June 2019
49	12-Jul-19	Announcement of RAM Rating Services Berhad Affirms Final Ratings for Medium Term Notes Series 2019-A
50	08-Jul-19	Announcement of Sofitel Sydney Wentworth
51	05-Jul-19	Announcement of Full Repayment of Term Loan Facility
52	04-Jun-19	Announcement of RAM Rating Services Berhad Assigns Preliminary Ratings to the Medium Term Notes Series 2019-A
53	06-May-19	Announcement of Payment of Management Fees by way of issue of new Stapled Securities in Frasers Hospitality Trust
54	30-Apr-19	Announcement of Capital Distribution and Cash Dividend/Distribution of 2.2388 Singapore Cents per Stapled Security for the period from 1 October 2018 to 31 March 2019
55	30-Apr-19	Announcement of Second Quarter and/ or Half Yearly Results ended 31 March 2019
56	30-Jan-19	Announcement of First Quarter Results ended 31 December 2018
57	27-Dec-18	Announcement of Annual Report for the Full Year ended 30 September 2018
58	31-Oct-18	Announcement of Payment of Management Fees by way of issue of new Stapled Securities in Frasers Hospitality Trust
59	26-Oct-18	Announcement of Capital Distribution and Cash Dividend/Distribution of 2.3380 Singapore Cents per Stapled Security for the period from 1 April 2018 to 30 September 2018
60	26-Oct-18	Notice of Valuation of Real Assets
61	26-Oct-18	Announcement of Full Yearly Results ended 30 September 2018
62	26-Jul-18	Announcement of Third Quarter Results ended 30 June 2018
63	24-Jul-18	Announcement of RAM Ratings Reaffirms Ratings of Frasers Hospitality Trust-sponsored Medium Term Notes
64	30-Apr-18	Announcement of Payment of Management Fees by way of Issue of New Stapled Securities in Frasers Hospitality Trust

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No.	Date	Details
65	26-Apr-18	Announcement of Capital Distribution and Cash Dividend/Distribution of 2.4233 Singapore Cents per Stapled Security for the period from 1 October 2017 to 31 March 2018
66	26-Apr-18	Announcement of Second Quarter and/ or Half Yearly Results ended 31 March 2018
67	14-Mar-18	Announcement of Partial Prepayment of Term Loan Facility
68	24-Jan-18	Announcement of Amendments to the Trust Deed
69	24-Jan-18	Announcement of First Quarter Results ended 31 December 2017
70	27-Dec-17	Announcement of Annual Report for the Full Year ended 30 September 2017
71	14-Nov-17	Announcement of Partial Prepayment of Term Loan Facility
72	08-Nov-17	Announcement of Issuance of S\$120 Million 3.08% Notes Due 2024 Under S\$1 Billion Multicurrency Debt Issuance Programme
73	01-Nov-17	Announcement of Payment of Management Fees by way of Issue of New Stapled Securities in Frasers Hospitality Trust
74	27-Oct-17	Announcement of Capital Distribution and Cash Dividend/Distribution of 2.5137 Singapore Cents per Stapled Security for the period from 1 April 2017 to 30 September 2017
75	27-Oct-17	Announcement of Full Yearly Results ended 30 September 2017
76	27-Oct-17	Notice of Valuation of Real Assets
77	15-Aug-17	Announcement of RAM Ratings Reaffirms Ratings of Frasers Hospitality Trust-Sponsored Medium Term Notes
78	27-Jul-17	Announcement of Third Quarter Results ended 30 June 2017
79	07-Jul-17	Announcement of Prepayment Of S\$115.0 Million 3-Year Term Loan Facility
80	06-Jul-17	Announcement of Issuance Of S\$120M 2.63% Notes Due 2022 Under S\$1B Multicurrency Debt Issuance Programme
81	03-Jul-17	Announcement of Further Use of Proceeds raised from the Underwritten and Renounceable Rights Issue launched on 9 September 2016
82	05-May-17	Announcement of Revised Set of the Financial Results Presentation for the Second Quarter and/ or Half Yearly Results ended 31 March 2017
83	04-May-17	Announcement of Payment of Management Fees by way of issue of New Stapled Securities in Frasers Hospitality Trust
84	28-Apr-17	Announcement of Capital and Cash Dividend/Distribution of 2.5321 Singapore Cents per Stapled Security for the period from 1 October 2016 to 31 March 2017
85	28-Apr-17	Announcement of Second Quarter and/ or Half Yearly Results ended 31 March 2017
86	08-Mar-17	Announcement of RAM Ratings Assigns Rating to Additional Class C Junior MTNs
87	02-Mar-17	Announcement of Asset Enhancement Initiatives for Retail Component of ANA Crowne Plaza Kobe
88	30-Oct-17	Announcement of Proposed Issuance Of S\$120M 3.08% Notes Due 2024 Under S\$1B Multicurrency Debt Issuance Programme
89	27-Jun-17	Announcement of Proposed Issuance Of S\$120M 2.63% Notes Due 2022 Under S\$1B Multicurrency Debt Issuance Programme

Source: Company announcements on SGX-ST

We have tabulated below a comparison of the Scheme Consideration with the price performance of the Stapled Securities for a range of reference periods:

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**Figure 5: Comparison of VWAPs of the Stapled Securities against the Scheme Consideration**

Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP (S\$) <sup>(1)</sup>	Premium of Scheme Consideration over VWAP <sup>(2)(4)</sup>
Prior to Last Full Trading Day				
Last closing price on LFTD <sup>(3)</sup>	0.570	0.570	0.570	22.8%
LFTD	0.570	0.555	0.564	24.0%
Last 1-month	0.575	0.420	0.482	45.4%
Last 3-month	0.575	0.420	0.471	48.5%
Last 6-month	0.575	0.420	0.474	47.7%
Last 12-month	0.595	0.420	0.487	43.8%
Last 3-year	0.770	0.315	0.561	24.8%
Last 5-year	0.825	0.315	0.638	9.8%
After the Last Full Trading Day				
From LFTD to LPD	0.710	0.570	0.667	4.9%
LPD	0.705	0.695	0.699	0.1%

Source: Bloomberg

Notes:

- (1) Historical pricing and volume are adjusted to reflect (stock splits/considerations, stock dividend/bonus, and right offerings/entitlement).
- (2) The premium of Scheme Consideration as compared to the VWAP of the Stapled Securities is calculated using the following formula: [(Scheme Consideration / VWAP of the Stapled Securities for the relevant period) – 1]. For example, the premium of Scheme Consideration as compared to the last closing price on LFTD of the Stapled Securities is calculated by [(0.700/0.570)-1] = 0.228 (22.8%).
- (3) This refers to FHT last closing price on the LFTD of S\$0.570.
- (4) Rounding differences noted.

(i) Period up to and including the LFTD (7 April 2022):

We note that the Scheme Consideration of S\$0.700 represents a premium of 45.4%, 48.5%, 47.7%, 43.8%, 24.8% and 9.8% as compared to the VWAP of the Stapled Securities for the last one-month, three-month, six-month, twelve-month, three-year, five-year periods prior to and including the LFTD respectively and a premium of 22.8% and 24.0% respectively as compared to the last closing price of the Stapled Securities and VWAP on the LFTD.

(ii) Period from the LFTD up to the LPD (8 April 2022 to (4 August 2022):

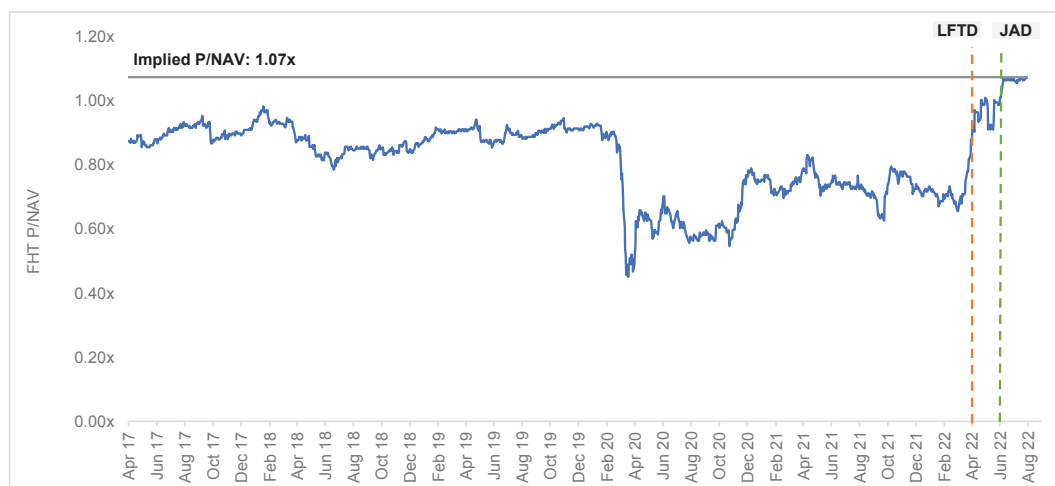
From the LFTD to the LPD, Stapled Securities traded between a low of S\$0.570 and a high of S\$0.710 with a VWAP of S\$0.667. We note that the Scheme Consideration of S\$0.700 represents a premium of 4.9% and 0.1% as compared to the VWAP of the Stapled Securities from the LFTD up to the LPD and on the LPD respectively.

**9.3. Trailing latest P/NAV multiples of the Stapled Securities relative to the P/NAV multiple implied by the Scheme Consideration**

We have compared the Scheme Consideration with the Latest Adjusted NAV per Stapled Security as at LFTD, and the P/NAV multiples of the Stapled Securities over the five-year period prior to the LFTD and up to the LPD.

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**Figure 6: Trailing Latest P/NAV multiples of the Stapled Securities over the five-year period prior to the LFTD and up to the LPD**



Source: Bloomberg, company announcements on SGX-ST

**Figure 7: P/NAV multiples of the Stapled Securities for selected periods**

Reference period	From	To	P/NAV <sup>(1)</sup>			
			Mean	Median	Maximum	Minimum
Prior to Last Full Trading Day						
<b>LFTD</b>		07-Apr-22		0.87x		
<b>Last 6-month</b>	08-Oct-21	07-Apr-22	0.73x	0.73x	0.88x	0.66x
<b>Last 1-year</b>	08-Apr-21	07-Apr-22	0.73x	0.73x	0.88x	0.63x
<b>Last 3-year</b>	08-Apr-19	07-Apr-22	0.75x	0.74x	0.95x	0.45x
<b>Last 5-year</b>	08-Apr-17	07-Apr-22	0.81x	0.85x	0.98x	0.45x
After the Last Full Trading Day						
<b>From LFTD to LPD</b>	08-Apr-22	04-Aug-22	1.01x	1.01x	1.07x	0.90x
<b>LPD</b>		04-Aug-22		1.07x		
<b>P/NAV implied by the Scheme Consideration<sup>(2)</sup></b>				<b>1.07x</b>		

Source: Bloomberg, company announcements on SGX-ST

Notes:

- (1) The historical P/NAV ratio was calculated based on the ratio of the market capitalisation to the NAV (adjusted for non-controlling interest and perpetual securities) recorded in the latest published financial statements as of the relevant dates.
  - (2) Based on the Scheme Consideration of S\$0.700 per Stapled Security divided by the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022.
- (i) Periods up to and including the LFTD (7 April 2022):  
Based on the Latest Adjusted NAV per Stapled Security of S\$0.652, we note that P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is higher than the range of the trailing P/NAV multiples of the Stapled Securities in the six-month, one-year, three-year and five-year period prior to the LFTD. The P/NAV multiple represents a premium of 46.6%, 46.6%, 44.6% and 25.9% to the median P/NAV multiple of 0.73x, 0.73x, 0.74x and 0.85x respectively in the six-month, one-year, three-year and five-year periods prior to and including

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the LFTD. It is also at a premium of 23.0% to the P/NAV multiple of Stapled Securities of 0.87x as at LFTD.

- (ii) As at LPD (4 August 2022):  
The P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 represents a premium of 5.9% to the median P/NAV multiple of 1.01x from LFTD to LPD and is at the P/NAV multiple of Stapled Securities of 1.07x as at LPD.

#### 9.4. Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable S-REITs

We have evaluated selected comparable S-REITs which invest mainly in hospitality real estate investments and which are considered to be broadly comparable to FHT to provide an indication of the current market expectations with respect to the valuation of such trusts as implied by their respective closing market prices as at the LPD.

We highlight that the selected comparable S-REITs may not be directly comparable to FHT in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, client base and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have compared the Scheme Consideration with the selected comparable S-REITs using their P/NAV multiples as at the LPD as the key valuation metrics, based upon their respective closing prices and their latest publicly available financial results as at the relevant dates.

We note that FHT Properties in the Singapore contribute to 41.0% of the FHT Property valuation as at 31 May 2022.

**Figure 8: Description of Selected Comparable S-REITs**

Company name	Description
Ascott Residence Trust	Ascott Residence Trust ("ART") is one of the leading hospitality trusts in Asia Pacific with an asset value of S\$7.7 billion as at 31 December 2021. ART invests primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.
CDL Hospitality Trusts	CDL Hospitality Trusts ("CDLHT") is one of Asia's leading hospitality trusts with assets under management of about S\$3.0 billion as at 31 March 2022. CDLHT's principal investment strategy is to invest in a diversified portfolio of income-producing real estate or development projects, which is primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally.
Far East Hospitality Trust	Far East Hospitality Trust ("FEHT") is a Singapore-based diversified hospitality trust, with a portfolio of 12 properties (comprising 9 hotels and 3 serviced residences) valued at approximately S\$2.3 billion as at 31 March 2022. FEHT's principal investment strategy is to invest on a long-term basis, in a diversified portfolio of income-producing real estate, used primarily for hospitality and/or hospitality-related purposes, as well as real estate-related assets.

Source: Bloomberg, company websites

**Figure 9: Selected Comparable S-REITs**

Company name	Market Capitalisation as at LPD <sup>(1)</sup> (S\$ million)	P/NAV as at LPD <sup>(2)</sup>
Ascott Residence Trust	3,846	0.90x
CDL Hospitality Trusts	1,594	0.98x
Far East Hospitality Trust	1,271	0.75x



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Company name	Market Capitalisation as at LPD <sup>(1)</sup> (S\$ million)	P/NAV as at LPD <sup>(2)</sup>
<b>Mean</b>		0.88x
<b>Median</b>		0.90x
<b>Maximum</b>		0.98x
<b>Minimum</b>		0.75x
<b>P/NAV implied by the Scheme Consideration<sup>(3)</sup></b>		
		1.07x
<b>Premium to Median</b>		
		18.9%

Source: Bloomberg, company announcements on SGX-ST

Notes:

- (1) Market capitalisation as at LPD (4 August 2022).
- (2) The P/NAV ratio was calculated based on the ratio of the market capitalisation to the NAV of the relevant S-REITs (including non-controlling interests and perpetual securities) recorded in the latest published financial statements as of the relevant dates.
- (3) Based on the Scheme Consideration of S\$0.700 per Stapled Security divided by the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022.

We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is above the range and represents a premium of 18.9% to the median P/NAV multiple of 0.90x for the selected comparable S-REITs as at LPD.

### 9.5. Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable M-REITs

We have evaluated selected comparable M-REITs which invest mainly in hospitality real estate investments in Malaysia and which are considered to be broadly comparable to FHT to provide an indication of the current market expectations with respect to the valuation of such trusts as implied by their respective closing market prices as at the LPD.

We highlight that the selected comparable M-REITs may not be directly comparable to FHT in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, client base and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have compared the Scheme Consideration with the selected comparable M-REITs using their P/NAV multiples as at the LPD as the key valuation metrics, based upon their respective closing prices and their latest publicly available financial results as at the relevant dates.

We note that FHT Properties in the Malaysia contribute to 6.0% of the FHT Property valuation as at 31 May 2022.

#### Figure 10: Description of Selected Comparable M-REITs

Company name	Description
YTL Hospitality REIT	YTL Hospitality REIT (“YTLH”) is a Malaysia-based hospitality REIT, with an asset value of MYR4.6 billion as at 31 March 2022. YTLH invests primarily in income generating hospitality assets ranging from business to luxury hotels in Malaysia, Japan and Australia. As at 31 March 2022, YTLH portfolio consists of 10 hotels in Malaysia, 2 hotels in Japan and 3 hotels in Australia.
Sunway REIT	Sunway REIT (“SUNREIT”) is a Malaysia-based diversified REIT, with a portfolio of 18 assets, valued at MYR8.9 billion as at 31 March 2022. SUNREIT’s portfolio consist of 4 retail malls, 6 hotels, 5 offices and 3 other types of properties. SUNREIT invests primarily in income generating assets in integrated townships in Greater Kuala Lumpur, Penang and Perak.

Source: Bloomberg, company websites

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**Figure 11: Selected Comparable M-REITs**

Company name	Market Capitalisation as at LPD <sup>(1)</sup> (MYR million)	P/NAV as at LPD <sup>(3)</sup>
YTL Hospitality REIT	1,628	0.57x
Sunway REIT <sup>(2)</sup>	5,240	1.02x <sup>(2)</sup>
<b>Mean</b>		NA
<b>Median</b>		NA
<b>Maximum</b>		NA
<b>Minimum</b>		NA
<b>P/NAV implied by the Scheme Consideration<sup>(4)</sup></b>		1.07x
<b>Premium to Median</b>		NA

Source: Bloomberg, company announcements on Bursa Malaysia  
Notes:

- (1) Market capitalisation as at LPD (4 August 2022).
- (2) SUNREIT is a diversified REIT with investments in retail malls, hotels, offices and other types of properties, as such we have excluded SUNREIT from the analysis of the selected comparable M-REITs.
- (3) The P/NAV ratio was calculated based on the ratio of the market capitalisation to the NAV of the relevant M-REITs (including non-controlling interests and perpetual securities) recorded in the latest published financial statements as of the relevant dates.
- (4) Based on the Scheme Consideration of S\$0.700 per Stapled Security divided by the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022.

We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is at a premium of 87.7% to the P/NAV multiple of 0.57x for the comparable YTL Hospitality REIT as at LPD.

### 9.6. Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable JP-REITs

We have evaluated selected comparable JP-REITs which invest mainly in hospitality real estate investments in Japan and which are considered to be broadly comparable to FHT to provide an indication of the current market expectations with respect to the valuation of such trusts as implied by their respective closing market prices as at the LPD.

We highlight that the selected comparable JP-REITs may not be directly comparable to FHT in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, client base and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have compared the Scheme Consideration with the selected comparable JP-REITs using their P/NAV multiples as at the LPD as the key valuation metrics, based upon their respective closing prices and their latest publicly available financial results as at the relevant dates.

We note that FHT Properties in the Japan contribute to 8.9% of the FHT Property valuation as at 31 May 2022.

**Figure 12: Description of Selected Comparable JP-REITs**

Company name	Description
Hoshino Resorts REIT, Inc.	Hoshino Resorts REIT ("HRR") is one of the hospitality REITs listed on Tokyo Stock Exchange with an asset value of JPY178.4 billion as at 30 April 2022. HRR's portfolio consists of 65 income

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Company name	Description
	generating hospitality assets, ranging from ryokan (Japanese-style inn) to luxury hotel with international brand.
Ichigo Hotel REIT Investment Corporation	Ichigo Hotel REIT Investment Corporation (“IHR”) is one of the hospitality REITs listed on Tokyo Stock Exchange with a portfolio of 23 hotels ranging from capsule to high end hotels across Japan valued at JPY53.2 billion as at 31 January 2022.
Japan Hotel REIT Investment Corporation	Japan Hotel REIT Investment Corporation (“JHR”) is one of the hospitality REITs listed on Tokyo Stock Exchange. As at 31 December 2021, JHR’s portfolio comprises 41 hotels across Japan ranging from budget to luxury hotels operating under both local and international brands with an asset value of JPY485.5 billion.
MORI TRUST Hotel Reit, Inc.	MORI TRUST Hotel Reit, Inc. (“MORI”) is one of the hospitality REITs listed on Tokyo Stock Exchange. As at 28 February 2022, MORI has a portfolio of 5 luxury hotels in Tokyo, Kanagawa and Osaka valued at JPY123.4 billion, where 4 hotels are operating under international brands.
Ooedo Onsen Reit Investment Corporation	Ooedo Onsen Reit Investment Corporation (“ONEDO”) is one of the hospitality REITs listed on Tokyo Stock Exchange. ONEDO has a portfolio of 13 onsen and spa-related facilities located across Japan with a total value of JPY 37.6 billion as at 13 January 2022.
Invincible Investment Corporation	Invincible Investment Corporation (“IIC”) is one of the Hospitality REITS listed on Tokyo Stock Exchange. IIC’s portfolio consists of 86 hotels, 41 residential properties and 1 retail outlet with a total value of JPY 491.3 billion as at 24 February 2022. IIC has 126 properties located across Japan and 2 properties located in Cayman Islands.

Source: Bloomberg, company websites

**Figure 13: Selected Comparable JP-REITs**

Company name	Market Capitalisation as at LPD <sup>(1)</sup> (JPY million)	P/NAV as at LPD <sup>(2)</sup>
Hoshino Resorts REIT, Inc.	163,557	1.23x
Ichigo Hotel REIT Investment Corporation	23,891	0.72x
Japan Hotel REIT Investment Corporation	310,457	0.89x
MORI TRUST Hotel Reit, Inc.	64,050	0.93x
Ooedo Onsen Reit Investment Corporation	15,839	0.60x
Invincible Investment Corporation	258,811	0.81x
<b>Mean</b>		0.86x
<b>Median</b>		0.85x
<b>Maximum</b>		1.23x
<b>Minimum</b>		0.60x
<b>P/NAV implied by the Scheme Consideration<sup>(3)</sup></b>		1.07x
<b>Premium to Median</b>		25.9%

Source: Bloomberg, company announcements on TSE

Notes:

- (1) Market capitalisation as at LPD (4 August 2022).
- (2) The P/NAV ratio was calculated based on the ratio of the market capitalisation to the NAV (adjusted for the latest appraised values) of the relevant JP-REITs (including non-controlling interests and perpetual securities) recorded in the latest published financial statements as of the relevant dates.
- (3) Based on the Scheme Consideration of S\$0.700 per Stapled Security divided by the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022.

We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and represents a premium of 25.9% to the median P/NAV multiple of 0.85x for the selected comparable JP-REITs as at LPD.

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### 9.7. Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable A-REITs

We have evaluated selected comparable A-REITs which invest mainly in hospitality real estate investments in Australia and which are considered to be broadly comparable to FHT to provide an indication of the current market expectations with respect to the valuation of such trusts as implied by their respective closing market prices as at the LPD.

We highlight that the selected comparable A-REITs may not be directly comparable to FHT in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, client base and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have compared the Scheme Consideration with the selected comparable A-REITs using their P/NAV multiples as at the LPD as the key valuation metrics, based upon their respective closing prices and their latest publicly available financial results as at the relevant dates.

We note that FHT Properties in the Australia contribute to 23.9% of the FHT Property valuation as at 31 May 2022.

**Figure 14: Description of Selected Comparable A-REITs**

Company name	Description
Aspen Group Ltd	Aspen Group Ltd ("ASPEN") is an Australia-based property group providing accommodation in the residential, retirement and short stay sectors. ASPEN has 21 properties, with a portfolio value of c. AUD316mn as at 31 December 2021. ASPEN invests primarily in income generating properties across Australia.
Hotel Property Investments Ltd	Hotel Property Investments ("HPI") is an Australia-based REIT with 56 properties amounting to a portfolio value of c. AUD1.2 billion as of 31 December 2021. HPI primarily invests in income generating hospitality assets ranging from hotels, pubs and motels located throughout Queensland, South Australia, New South Wales and Victoria in Australia.

Source: Bloomberg, company websites

**Figure 15: Selected Comparable A-REITs**

Company name	Market Capitalisation as at LPD <sup>(1)</sup> (AUD million)	P/NAV as at LPD <sup>(2)</sup>
Aspen Group Ltd	239	1.14x
Hotel Property Investments Ltd	623	0.85x
<b>Mean</b>		0.99x
<b>Median</b>		0.99x
<b>Maximum</b>		1.14x
<b>Minimum</b>		0.85x
<b>P/NAV implied by the Scheme Consideration<sup>(3)</sup></b>		1.07x
<b>Premium to Median</b>		8.1%

Source: Bloomberg, company announcements on ASX

Notes:

(1) Market capitalisation as at LPD (4 August 2022).

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- (2) The P/NAV ratio was calculated based on the ratio of the market capitalisation to the NAV of the relevant A-REITs (including non-controlling interests and perpetual securities) recorded in the latest published financial statements as of the relevant dates.
- (3) Based on the Scheme Consideration of S\$0.700 per Stapled Security divided by the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022.

We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and represents a premium of 8.1% to the median P/NAV multiple of 0.99x for the selected comparable A-REITs as at LPD.

### 9.8. Comparison of the P/NAV multiple implied by the Scheme Consideration with selected comparable UK-REITs

We have evaluated business trust and/or REITs in the United Kingdom to identify comparable UK-REITs which invest mainly in hospitality real estate investments in the United Kingdom. We note that there are limited to no comparable hospitality comps in the United Kingdom.

We note that FHT Properties in the United Kingdom contribute to 15.7% of the FHT Property valuation as at 31 May 2022.

### 9.9. Comparison of the P/NAV multiple implied by the Scheme Consideration against selected precedent transactions in Singapore

We have considered precedent transactions announced since 1 January 2014 up to LPD involving business trusts and/or REITs listed on SGX-ST. We have excluded mergers and/or transactions wherein the offer included a non-cash consideration, as the offer value and/or level of discount/premium agreed in such transactions would have significantly different considerations and hence would not be an appropriate comparable. Hence, for the purposes of our analysis, we have only considered precedent transactions involving acquisitions of business trusts and/or real estate investment trusts listed on SGX-ST wherein the offer price was paid to unitholders in cash ("**Selected Precedent Transactions**").

We note that the transactions set out in this table may not be directly comparable to FHT in terms of, *inter alia*, their business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria.

We further note that there may be commercial and financial merits specific to each of the transactions noted, including the offeror's intention for the target, the potential synergy that the offeror can derive from the target, the presence of competing bids, prevailing market conditions and sentiment, the attractiveness and profitability of the target's business and assets and existing and desired level of control in the target. As a result, any comparisons to be drawn can serve only as an illustrative guide.

**Figure 16: Selected Precedent Transactions Table**

Ann. Date	Company name	Price offered (S\$)	NAV/unit (S\$)	P/NAV
14-Dec-20 <sup>(1)</sup>	Soilbuild Business Space REIT	0.538	0.546	0.99x
29-Jun-20 <sup>(2)</sup>	Accordia Golf Trust	0.758	0.701	1.08x
15-Nov-17 <sup>(3)</sup>	RHT Health Trust	0.825	0.775	1.06x
28-Jun-17 <sup>(4)</sup>	Croesus Retail Trust	1.170	0.980	1.19x
22-Oct-15 <sup>(5)</sup>	Saizen Trust	1.162	1.160	1.00x
04-Nov-14 <sup>(6)</sup>	Forterra Trust <sup>(6)</sup>	2.250 <sup>(6)</sup>	3.880 <sup>(6)</sup>	0.58x <sup>(6)</sup>
14-Mar-14 <sup>(7)</sup>	Perennial CRT	0.700	0.740	0.95x

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Ann. Date	Company name	Price offered (\$)	NAV/unit (\$)	P/NAV
	<b>Mean</b>			1.05x
	<b>Median</b>			1.03x
	<b>Maximum</b>			1.19x
	<b>Minimum</b>			0.95x
	<b>FHT</b>	<b>0.700</b>	0.652	1.07x
	<b>Premium to Median</b>			3.9%

Source: Bloomberg, company announcements on SGX-ST  
Notes:

- (1) On 14 December 2020, the respective boards of directors of SB REIT Management Pte. Ltd. and Clay Holdings III Limited jointly announced the proposed acquisition of all the Soilbuild Business Space REIT (“SB”) units held by the SB unitholders by Clay Holdings III Limited by way of a trust scheme of arrangement. The P/NAV implied by the offer price is based on the adjusted scheme consideration of S\$0.538 for each SB unit and SB’s NAV per unit of S\$0.546 as at 31 December 2020.
- (2) On 29 June 2020, Accordia Golf Trust Management Pte. Ltd entered into a conditional agreement with Accordia Golf Co., Ltd., pursuant to which Accordia Golf Trust Management Pte. Ltd agreed to divest to Accordia Golf Trust (“AGT”) interests in all of its 88 golf courses located in Japan for a purchase consideration of JPY65,200 million (approximately S\$848.4 million). The P/NAV implied by the offer price is based on the implied value of S\$0.758 for each AGT unit and AGT’s adjusted NAV per unit of S\$0.701 as at 31 March 2020.
- (3) On 15 November 2017, RHT Health Trust Manager Pte. Ltd. announced that it has received a proposal from Fortis Healthcare Limited (“Fortis”) to acquire all of the sale securities held by RHT Health Trust (“RHT”)’s Singapore incorporated wholly-owned subsidiaries, Fortis Global Healthcare Infrastructure Pte. Ltd. (“FGHIPL”) and RHT Health Trust Services Pte. Ltd. (“RHSP”). The P/NAV implied by the offer price is based on the implied value of S\$0.825 for each RHT unit and RHT’s adjusted NAV per unit of S\$0.775 as at 31 March 2018.
- (4) On 28 June 2017, Croesus Retail Asset Management Pte. Ltd. and Cyrus BidCo Pte. Ltd. (The Blackstone Group L.P.) jointly announced the proposed acquisition of all the issued units in Croesus Retail Trust (“CRT”) by Cyrus BidCo Pte. Ltd. by way of trust scheme of arrangement. The P/NAV implied by the offer price is based on the implied value of S\$1.170 for each CRT unit and CRT’s adjusted NAV per unit of S\$0.980 as at 30 June 2017.
- (5) On 22 October 2015, Saizen Real Estate Investment Trust (“Saizen”) received an offer from Triangle TMK for the acquisition of Saizen’s entire portfolio of real estate assets in Japan. The P/NAV implied by the offer price is based on the implied net offer price of S\$1.162 per unit and Saizen’s adjusted NAV per unit of S\$1.160 as at 30 June 2015.
- (6) On 4 November 2014, Credit Suisse (Singapore) Limited announced the mandatory conditional offer, for and on behalf of New Precise Holdings Limited, the intention to acquire all the issued units in Forterra Trust (“Forterra”). The P/NAV implied by the offer price is based on the offer price of S\$2.250 per unit and Forterra’s adjusted NAV per unit of S\$3.880 per unit as at 30 September 2014. Accordingly, the implied P/NAV of Forterra is 0.58x, indicating a 42.0% discount of offer price over NAV. We have excluded Forterra from the analysis as it is a statistical outlier.
- (7) On 14 March 2014, DBS Bank Ltd. and Standard Chartered Bank announced the pre-conditional offer, for and on behalf of the Perennial Real Estate Holdings Limited (“PREHL”), that subject to the satisfaction of certain pre-conditions, the intention to acquire all the issued units of Perennial China Retail Trust (“PCRT”). The P/NAV implied by the offer price is based on the offer price of S\$0.700 per unit and PCRT’s adjusted NAV per unit of S\$0.740 as at 30 September 2014.

We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and at a premium of 3.9% to the median P/NAV multiple of 1.03x for the Selected Precedent Transactions.

### 9.10. Comparison with selected precedent privatisations in Singapore

We have compared the financial terms of the Scheme Consideration with those of selected successful transactions announced since 1 January 2014 up to the LFTD involving business trusts and/or REITs listed on SGX-ST, carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, by way of a scheme of arrangement under Section 210 of the Companies

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Act or general takeover offers under the Takeover Code where the offeror has stated its intentions to delist the listed company from the SGX-ST (the “**Selected Precedent Privatisation**”).

This analysis serves as a general indication of the relevant premium or discount that offerors paid to acquire the targets without regards to the specific industry characteristics or other considerations. The comparison sets out the premium or discount by each respective offer price to the VWAPs over the last closing price, the one-month, three-month, six-month and twelve-month periods prior to the announcement of the Selected Precedent Privatisation.

We note that the Selected Precedent Privatisations set out in this table may not be directly comparable to FHT in terms of, *inter alia*, their business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria.

We further note that there may be commercial and financial merits specific to each of the transactions noted. The premium that an offeror will pay in respect of any particular takeover depends on various factors including, *inter alia*, the offeror’s intention for the target, the potential synergy that the offeror can derive from the target, the presence of competing bids, prevailing market conditions and sentiment, the attractiveness and profitability of the target’s business and assets and existing and desired level of control in the target. As a result, any comparisons to be drawn can serve only as an illustrative guide.

**Figure 17: Selected Precedent Privatisation Table**

Ann. Date	Company name	Price offered (S\$)	Premium/(discount) of offer price over the					NAV	
			Last closing price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP		
14-Dec-20 <sup>(1)</sup>	Soilbuild Business Space REIT	0.538	25.1%	31.6%	31.9%	49.9%	26.3%	(1.5%)	
29-Jun-20 <sup>(2)</sup>	Accordia Golf Trust	0.758	26.3%	26.1%	32.7%	36.3%	44.7%	8.1%	
15-Nov-17 <sup>(3)</sup>	RHT Health Trust	0.825	5.0%	2.7%	0.5%	(4.7%)	(5.4%)	6.5%	
28-Jun-17 <sup>(4)</sup>	Croesus Retail Trust	1.170	24.5%	25.8%	31.5%	34.5%	37.6%	19.4%	
22-Oct-15 <sup>(5)</sup>	Saizen Trust	1.162	35.9%	39.5%	39.3%	36.7%	34.3%	0.2%	
04-Nov-14 <sup>(6)</sup>	Forterra Trust <sup>(6)</sup>	2.250 <sup>(6)</sup>	32.4% <sup>(6)</sup>	51.1% <sup>(6)</sup>	49.7% <sup>(6)</sup>	39.8% <sup>(6)</sup>	25.1% <sup>(6)</sup>	(42.0%) <sup>(6)</sup>	
14-Mar-14 <sup>(7)</sup>	Perennial CRT	0.700	29.6%	34.0%	33.0%	32.2%	23.2%	(5.4%)	
<b>Mean</b>			24.4%	26.6%	28.1%	30.8%	26.8%	4.5%	
<b>Median</b>			25.7%	28.9%	32.3%	35.4%	30.3%	3.3%	
<b>Maximum</b>			35.9%	39.5%	39.3%	49.9%	44.7%	19.4%	
<b>Minimum</b>			5.0%	2.7%	0.5%	(4.7%)	(5.4%)	(5.4%)	
<b>FHT</b>			<b>0.700</b>	<b>22.8%</b>	<b>45.4%</b>	<b>48.5%</b>	<b>47.7%</b>	<b>43.8%</b>	<b>7.4%</b>

Source: Bloomberg, company announcements on SGX-ST

Notes:

- (1) On 14 December 2020, the respective boards of directors of SB REIT Management Pte. Ltd. and Clay Holdings III Limited jointly announced the proposed acquisition of all the Soilbuild Business Space REIT (“**SB**”) units held by the SB unitholders by Clay Holdings III Limited by way of a trust scheme of arrangement. Discount implied by the offer price is based on the adjusted scheme consideration of S\$0.538 for each SB unit and SB’s NAV per unit of S\$0.546 as at 31 December 2020.
- (2) On 29 June 2020, Accordia Golf Trust Management Pte. Ltd entered into a conditional agreement with Accordia Golf Co., Ltd., pursuant to which Accordia Golf Trust Management Pte. Ltd agreed to divest to Accordia Golf Trust (“**AGT**”)



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interests in all of its 88 golf courses located in Japan for a purchase consideration of JPY65,200 million (approximately S\$848.4 million). Premium implied by the offer price is based on the implied value of S\$0.758 for each AGT unit and AGT's adjusted NAV per unit of S\$0.701 as at 31 March 2020.

- (3) On 15 November 2017, RHT Health Trust Manager Pte. Ltd. announced that it has received a proposal from Fortis Healthcare Limited ("**Fortis**") to acquire all of the sale securities held by RHT Health Trust ("**RHT**")'s Singapore incorporated wholly-owned subsidiaries, Fortis Global Healthcare Infrastructure Pte. Ltd. ("**FGHIPL**") and RHT Health Trust Services Pte. Ltd. ("**RHSPL**"). Premium implied by the offer price is based on the implied value of S\$0.825 for each RHT unit and RHT's adjusted NAV per unit of S\$0.775 as at 31 March 2018.
- (4) On 28 June 2017, Croesus Retail Asset Management Pte. Ltd. and Cyrus BidCo Pte. Ltd. (The Blackstone Group L.P.) jointly announced the proposed acquisition of all the issued units in Croesus Retail Trust ("**CRT**") by Cyrus BidCo Pte. Ltd. by way of trust scheme of arrangement. Premium implied by the offer price is based on the implied value of S\$1.170 for each CRT unit and CRT's adjusted NAV per unit of S\$0.980 as at 30 June 2017.
- (5) On 22 October 2015, Saizen Real Estate Investment Trust ("**Saizen**") received an offer from Triangle TMK for the acquisition of Saizen's entire portfolio of real estate assets in Japan. Premium implied by the offer price is based on the implied net offer price of S\$1.162 per unit and Saizen's adjusted NAV per unit of S\$1.160 as at 30 June 2015.
- (6) On 4 November 2014, Credit Suisse (Singapore) Limited announced the mandatory conditional offer, for and on behalf of New Precise Holdings Limited, the intention to acquire all the issued units in Forterra Trust ("**Forterra**"). Discount implied by the offer price is based on the offer price of S\$2.250 per unit and Forterra's adjusted NAV per unit of S\$3.880 per unit as at 30 September 2014. Accordingly, the implied P/NAV of Forterra is 0.58x, indicating a 42.0% discount of offer price over NAV. As such, we have excluded Forterra from the analysis as it is a statistical outlier.
- (7) On 14 March 2014, DBS Bank Ltd. and Standard Chartered Bank announced the pre-conditional offer, for and on behalf of the Perennial Real Estate Holdings Limited ("**PREHL**"), that subject to the satisfaction of certain pre-conditions, the intention to acquire all the issued units of Perennial China Retail Trust ("**PCRT**"). Discount implied by the offer price is based on the offer price of S\$0.700 per unit and PCRT's adjusted NAV per unit of S\$0.740 as at 30 September 2014.
  - (i) We note that the premia of 45.4% and 48.5% as implied by the Scheme Consideration of S\$0.700 to the one-month and three-month VWAPs respectively are above the range of premia for the Selected Precedent Privatisation. The premia of 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 to the six-month and twelve-month VWAPs respectively are above the mean and median and within the range of premia for Selected Precedent Privatisation. In addition, we note that the premium of 22.8% in respect of the last closing price as at LFTD is below the mean and median and within the range of premia for the Selected Precedent Privatisation.
  - (ii) We note that the Scheme Consideration of S\$0.700 is at a premium of 7.4% to the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022, above the mean and median and within the range of premia to NAV for the Selected Precedent Privatisation.

### 9.11. Comparison with precedent completed S-REIT mergers

We have compiled details of selected completed S-REIT mergers in the five-year period preceding the LFTD in the tables below.

We note that the S-REITs set out in this table may not be directly comparable to either FHT in terms of, *inter alia*, their business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria.

We note further that there may be commercial and financial merits specific to each of the transactions noted. The premium that an offeror will pay in respect of any particular takeover depends on various factors including, *inter alia*, the offeror's intention for the target, the potential synergy that the offeror can derive from the target, the presence of competing bids, prevailing market conditions and sentiment, the attractiveness and profitability of the target's business and assets and existing and desired level of control in the target. As a result, any comparisons to be drawn can serve only as an illustrative guide.



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**Figure 18: Comparison of offer price over the respective VWAPs of the selected precedent completed S-REIT mergers**

Ann. Date	Target	Acquirer	Cash component	Unit component	Premium/(discount) of offer price over the						
					Last closing price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP	NAV	
31-Dec-21 <sup>(1)</sup>	MNACT	MCT	Option 1: 0% Option 2: 16% Option 3: 100%	Option 1: 100% Option 2: 84% Option 3: 0%	7.6%	14.4%	17.5%	17.8%	17.3%	0.0%	
15-Oct-21 <sup>(2)</sup>	ALOG	ESR-REIT	10%	90%	3.7%	4.5%	6.2%	10.7%	24.4%	44.8%	
22-Jan-20 <sup>(3)</sup>	CCT	CMT	12%	88%	0.0%	4.1%	4.8%	3.2%	5.2%	16.7%	
02-Dec-19 <sup>(4)</sup>	FCOT	FLT	9%	91%	0.6%	3.6%	3.1%	3.5%	8.2%	3.1%	
03-Jul-19 <sup>(5)</sup>	A-H Trust	Ascott REIT	5%	95%	11.5%	13.8%	18.9%	24.0%	31.8%	7.0%	
08-Apr-19 <sup>(6)</sup>	OUE H-Trust	OUE-CT	5%	95%	1.6%	3.0%	4.5%	6.7%	0.4%	(0.4%)	
18-May-18 <sup>(7)</sup>	VIT	ESR-REIT	10%	90%	2.1%	2.1%	0.7%	1.5%	8.0%	26.3%	
<b>Mean</b>					3.9%	6.5%	8.0%	9.6%	13.6%	13.9%	
<b>Median</b>					2.1%	4.1%	4.8%	6.7%	8.2%	7.0%	
<b>Maximum</b>					11.5%	14.4%	18.9%	24.0%	31.8%	44.8%	
<b>Minimum</b>					0.0%	2.1%	0.7%	1.5%	0.4%	(0.4%)	
<b>FHT</b>		<b>FPL</b>		<b>100%</b>	<b>0%</b>	<b>22.8%</b>	<b>45.4%</b>	<b>48.5%</b>	<b>47.7%</b>	<b>43.8%</b>	<b>7.4%</b>

Source: Bloomberg, company announcements on SGX-ST

Notes:

- (1) On 31 December 2021, Mapletree Commercial Trust (“MCT”) and Mapletree North Asia Commercial Trust (“MNACT”) jointly announced the proposed merger of MCT and MNACT by way of a trust scheme of arrangement. Premium implied by the offer price is based on MNACT’s NAV per unit of S\$1.1949 as at 30 September 2021 and the scheme consideration of S\$1.1949 for each MNACT unit.
- (2) On 15 October 2021, ESR-REIT and ARA LOGOS Logistics Trust (“ALOG”) jointly announced the proposed merger of ESR-REIT and ALOG by way of a trust scheme of arrangement. Premium implied by the revised offer price is based on ALOG’s NAV per unit of S\$0.670 as at 31 December 2021 and the scheme consideration of S\$0.970 for each ALOG unit.
- (3) On 22 January 2020, CapitaLand Mall Trust (“CMT”) and CapitaLand Commercial Trust (“CCT”) jointly announced the proposed merger of CMT and CCT by way of a trust scheme of arrangement. Premium implied by the offer price is based on CCT’s NAV per unit as at 31 December 2019 of S\$1.82 and the scheme consideration of S\$2.1238 for each CCT unit.
- (4) On 2 December 2019, Frasers Logistics and Industrial Trust (“FLT”) and Frasers Commercial Trust (“FCOT”) jointly announced the proposed merger of FLT and FCOT by way of a trust scheme of arrangement. Premium implied by the offer price is based on the FCOT’s NAV per unit as at 30 September 2019 of S\$1.629 and the scheme consideration of S\$1.680 per FCOT unit.
- (5) On 3 July 2019, Ascott Residence Trust (“Ascott REIT”) and Ascendas Hospitality Trust (“A-H Trust”) jointly announced the proposed merger of Ascott REIT and A-H Trust by way of a trust scheme of arrangement. Premium implied by the offer price is based on A-H Trust’s NAV per unit as at 31 March 2019 of S\$1.016 and the scheme consideration of S\$1.0868 per A-H Trust unit.
- (6) On 8 April 2019, OUE Commercial REIT (“OUE-CT”) and OUE Hospitality Trust (“OUE H-Trust”) jointly announced the proposed merger of OUE-CT and OUE H-Trust by way of a trust scheme of arrangement. Premium implied by the offer price is based on OUE H-Trust’s NAV per unit as at 31 December 2018 of S\$0.75 and the scheme consideration of S\$0.747 per OUE H-Trust unit.

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- (7) On 18 May 2018, ESR-REIT and Viva Industrial Trust (“VIT”) jointly announced the proposed merger of ESR and VIT by way of a trust scheme of arrangement. Premium implied by the offer price is based on VIT’s NAV per unit as at 31 March 2018 of S\$0.760 and the scheme consideration of S\$0.960 per VIT unit.
- (i) We note that the premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively are above the range of premia for the precedent completed S-REIT mergers. We note that the Scheme Consideration of S\$0.700 is at a premium of 7.4% to the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022, higher than the median of 7.0%, lower than the mean of 13.9% and within the range of premia to NAV for the precedent completed S-REIT mergers.
- (ii) We further note that most of the precedent completed S-REIT mergers comprise of consideration in both cash and unit component, with the exception of the most recent merger of MNACT and MCT, whereby unitholders were provided with the option to receive the consideration in 100% cash. Thus, making the MNACT and MCT merger, a more comparable precedent transaction for the Acquisition. The premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 are higher than the premia of the MNACT and MCT merger of 7.6%, 14.4%, 17.5%, 17.8% and 17.3% to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively. We note that the Scheme Consideration premium of 7.4% to the Latest Adjusted NAV per Stapled Security is higher than the MNACT and MCT merger premium of 0.0%.
- (iii) We also note that A-H Trust and Ascott REIT are both operating in the hospitality segment. Thus, making the A-H Trust and Ascott REIT merger, a more comparable precedent transaction for the Acquisition. The premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 are higher than the premia of the A-H Trust and Ascott REIT merger 11.5%, 13.8%, 18.9%, 24.0% and 31.8% to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively. We note that the Scheme Consideration premium of 7.4% to the Latest Adjusted NAV per Stapled Security is higher than the A-H Trust and Ascott REIT merger premium of 7.0%.

### 9.12. Assessment of the independent valuation of FHT Properties

The FHT Managers have commissioned Savills Valuation and Professional Services (S) Pte Ltd, Savills (Malaysia) Sdn Bhd, Savills Japan Valuation G.K., Savills Valuations Pty Ltd and Savills Advisory Services Limited (collectively, the “Valuers”) to conduct independent updated property valuations of the FHT Properties as at 31 May 2022 for the purposes of the Scheme.

The details of the property valuations are as follows:

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**Figure 19: FHT Properties' valuation as at 31 May 2022**

FHT Property	Valuer	Valuation Methodologies	Valuation standard	Valuation as at 31 May 2022	
				Local currency ('000)	S\$ <sup>(1)(2)</sup> ('000)
InterContinental Singapore	Savills Valuation and Professional Services (S) Pte Ltd	<ul style="list-style-type: none"> <li>• Income Capitalisation Method</li> <li>• Discounted Cash Flow Analysis</li> <li>• Direct Comparison Method</li> </ul>	<ul style="list-style-type: none"> <li>• Royal Institution of Chartered Surveyors ("RICS") Standards and Guidelines</li> <li>• International Valuation Standards Council ("IVSC")</li> <li>• Singapore Institute of Surveyors and Valuers Standards and Guidelines ("SISV")</li> </ul>	S\$509,000	509,000
Fraser Suites Singapore	Savills Valuation and Professional Services (S) Pte Ltd	<ul style="list-style-type: none"> <li>• Income Capitalisation Method</li> <li>• Discounted Cash Flow Analysis</li> <li>• Direct Comparison Method</li> </ul>	<ul style="list-style-type: none"> <li>• RICS Standards and Guidelines</li> <li>• IVSC</li> <li>• SISV</li> </ul>	S\$294,000	294,000
The Westin Kuala Lumpur	Savills (Malaysia) Sdn Bhd	<ul style="list-style-type: none"> <li>• Income Approach (Profit Method)</li> <li>• Comparison Approach</li> </ul>	<ul style="list-style-type: none"> <li>• Malaysian Valuation Standards</li> </ul>	MYR376,000	117,688
ANA Crowne Plaza Kobe	Savills Japan Valuation G.K.	<ul style="list-style-type: none"> <li>• Income Approach Method (comprising of Direct Capitalization Method and Discounted Cash flow Method)</li> <li>• Cost Approach Method</li> </ul>	<ul style="list-style-type: none"> <li>• Japanese Real Estate Appraisal Standards</li> <li>• RICS Standards and Guidelines</li> <li>• IVSC</li> </ul>	JPY16,200,000	174,960
Novotel Sydney Darling Square	Savills Valuation Pty Ltd	<ul style="list-style-type: none"> <li>• Discounted Cash Flow Method</li> <li>• Income Capitalisation Method</li> <li>• Direct Comparison Method</li> </ul>	<ul style="list-style-type: none"> <li>• Australia Property Institute's Current Valuation Standard and Guidance</li> <li>• RICS Standards and Guidelines</li> <li>• IVSC</li> </ul>	AUD109,000	107,191
Fraser Suites Sydney	Savills Valuation Pty Ltd	<ul style="list-style-type: none"> <li>• Discounted Cash Flow Method</li> <li>• Income Capitalisation Method</li> <li>• Direct Comparison Method</li> </ul>	<ul style="list-style-type: none"> <li>• Australia Property Institute's Current Valuation Standard and Guidance</li> <li>• RICS Standards and Guidelines</li> <li>• IVSC</li> </ul>	AUD133,000	130,792
Novotel Melbourne on Collins	Savills Valuation Pty Ltd	<ul style="list-style-type: none"> <li>• Discounted Cash Flow Method</li> <li>• Income Capitalisation Method</li> <li>• Direct Comparison Method</li> </ul>	<ul style="list-style-type: none"> <li>• Australia Property Institute's Current Valuation Standard and Guidance</li> <li>• RICS Standards and Guidelines</li> <li>• IVSC</li> </ul>	AUD235,000	231,099
Park International London	Savills Advisory Services Limited	<ul style="list-style-type: none"> <li>• Income approach within a Discounted Cash Flow Method</li> <li>• Direct Comparison Method</li> </ul>	<ul style="list-style-type: none"> <li>• RICS Standards and Guidelines</li> <li>• IVSC</li> </ul>	GBP39,800	68,715

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FHT Property	Valuer	Valuation Methodologies	Valuation standard	Valuation as at 31 May 2022	
				Local currency ('000)	S\$ <sup>(1)(2)</sup> ('000)
ibis Styles London Gloucester Road, London	Savills Advisory Services Limited	• Income Approach within a Discounted Cash Flow Method • Direct Comparison Method	• RICS Standards and Guidelines • IVSC	GBP19,400	33,494
Fraser Place Canary Wharf, London	Savills Advisory Services Limited	• Income Approach within a Discounted Cash Flow Method • Direct Comparison Method	• RICS Standards and Guidelines • IVSC	GBP37,800	65,262
Fraser Suites Queens Gate, London	Savills Advisory Services Limited	• Income Approach within a Discounted Cash Flow Method • Direct Comparison Method	• RICS Standards and Guidelines • IVSC	GBP56,100	96,857
Fraser Suites Glasgow	Savills Advisory Services Limited	• Income Approach within a Discounted Cash Flow Method • Direct Comparison Method	• RICS Standards and Guidelines • IVSC	GBP9,500	16,402
Fraser Suites Edinburgh	Savills Advisory Services Limited	• Income Approach within a Discounted Cash Flow Method • Direct Comparison Method	• RICS Standards and Guidelines • IVSC	GBP15,700	27,106
Maritim Dresden Hotel	Savills Advisory Services Limited	• Investment Method • Direct Comparison Method	• RICS Standards and Guidelines • IVSC	EUR59,000	86,760
<b>Total</b>					1,959,326

Source: Valuers' valuation reports

Notes:

(1) Translated at exchange rates as at 31 May 2022; MYR1.00 = S\$0.3130; JPY1.00 = S\$0.01080; AUD1.00 = S\$0.9834; GBP1.00 = S\$1.7265; EUR1.0 = S\$1.4705.

(2) Rounding differences noted.

Please refer to Appendix H of the Scheme Document for copies of the valuation certificates issued by the Valuers in respect of the FHT Properties.

We have reviewed the valuation reports prepared by the Valuers as at 31 May 2022 and note that valuation methodology and assumptions applied in the 31 May 2022 valuation reports. We understand that in determining the fair market value of the FHT Properties, the independent valuers have considered and taken into account the most likely path of recovery of the FHT Properties in Singapore, Malaysia, Japan, Australia, United Kingdom and Germany.

With reference to Paragraph 14.1 of the Letter to Stapled Securityholders in the Scheme Document, we note that each of the Valuers meets the minimum requirements for a property valuer as set out in the definition of "property valuers" under the Listing Manual.

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### 9.13. Research analysts target prices for Stapled Securities

In our analysis, we have also reviewed the latest publicly available price targets for Stapled Securities by equity research analysts from 1 January 2021 up to the JAD, which are by no means exhaustive. We wish to highlight that the price targets for Stapled Securities in the reports represent the views of the research analyst based on the circumstances prevailing at the date of the publication of the respective research analyst reports, which may change over time as a result of changes in market conditions or developments in FHT between JAD and LPD. As a result, any comparisons drawn can serve only as an illustrative guide.

**Figure 20: Stapled Securities research analysts target prices up to the JAD**

Research analysts	Date	Recommendation	Target price (S\$)
Maybank	30-May-22	Hold	0.550
Maybank	03-May-22	Hold	0.550
DBS Bank	25-Mar-22	Buy	0.650
Maybank	27-Jan-22	Hold	0.500
DBS Bank	06-Dec-21	Buy	0.650
Maybank	01-Nov-21	Hold	0.500
Maybank	03-May-21	Hold	0.500
DBS Bank	03-May-21	Buy	0.650
UOB Kay Hian	01-Apr-21	Buy	0.550
UOB Kay Hian	22-Mar-21	Buy	0.550
Maybank	17-Mar-21	Hold	0.500
DBS Bank	10-Mar-21	Buy	0.700
UOB Kay Hian	03-Mar-21	Buy	0.550
UOB Kay Hian	05-Jan-21	Buy	0.550
<b>Mean</b>			0.568
<b>Median</b>			0.550
<b>Maximum</b>			0.700
<b>Minimum</b>			0.500
<b>FHT Scheme Consideration</b>			0.700
<b>Premium to Median</b>			27.3%

Source: Equity research analyst reports

We note that the Scheme Consideration of S\$0.700 is within the range and represents a premium of 27.3% to the median of the research analysts target prices from 1 January 2021 up to the JAD.

### Evaluation of other relevant key considerations relating to the Acquisition

#### 9.14. Rationale for the Acquisition and the Scheme

With reference to Paragraph 2 of the Letter to Stapled Securityholders in the Scheme Document, we note the key considerations rationale for the Acquisition and the Scheme.

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### **9.15. Total return analysis for Stapled Securityholders that invested since IPO**

With reference to Paragraph 2.4 (d) of the Letter to Stapled Securityholders in the Scheme Document, we note that the Scheme Consideration 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.

### **9.16. Other selected considerations which have a significant bearing on our assessment**

#### **Background to the Scheme**

With reference to Paragraph 1.3 of the Letter to Stapled Securityholders in the Scheme Document, we note that the Scheme to privatise FHT arose from a strategic review to enhance and unlock value for Stapled Securityholders. Key considerations include:

- (a) The Scheme to privatise FHT is the outcome of a robust strategic review conducted by the FHT Independent Directors
- (b) The Scheme represents a credible option for Stapled Securityholders to realise their investment with a high degree of certainty at an attractive valuation

The Scheme Consideration was agreed upon following extensive negotiations between the Offeror and the FHT Managers conducted on an arm's length basis, after taking into account multiple factors, detailed in Paragraph 1.4 of the Letter to Stapled Securityholders in the Scheme Document.

## **10. OUR RECOMMENDATION**

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the financial terms of the Scheme. The following factors should be read in connection with, and interpreted, in the full context of this Letter:

#### **Evaluation of whether the Stapled Securities as implied by the Scheme Consideration are fairly valued**

##### Market quotations and liquidity of the Stapled Securities

- (1) The Past 12M ADT Volume for Stapled Securities, as a percentage of FHT's free float, is below the mean and the median of the 30 STI companies, and falls within the range of measures for the 30 STI Companies; and
- (2) The Past 12M ADT Value for the Stapled Securities, as a percentage of FHT's market capitalisation, is below the range of measures for the 30 STI Companies.

The above analysis indicate that the historical market prices of the Stapled Securities are fairly illiquid, as such, we will consider the net asset value as the primary driver for FHT's valuation.

##### Historical market performance and trading activity of Stapled Securities

- (3) We note that the Scheme Consideration of S\$0.700 is within the range of the highest and lowest traded Stapled Security price of S\$0.825 and S\$0.315 respectively, in the five-year period prior to the LFTD and up to the LPD.
- (4) We note that the Scheme Consideration of S\$0.700 represents a premium of 45.4%, 48.5%, 47.7%, 43.8%, 24.8% and 9.8% as compared to the VWAP of the Stapled Securities for the last one-month, three-month, six-month, twelve-month, three-year, five-year periods prior to and including the LFTD respectively and a premium of 22.8% and 24.0% respectively as compared to the last closing price of the Stapled Securities and VWAP on the LFTD.

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- (5) From the LFTD to the LPD, Stapled Securities traded between a low of S\$0.570 and a high of S\$0.710 with a VWAP of S\$0.667. We note that the Scheme Consideration of S\$0.700 represents a premium of 4.9% and 0.1% as compared to the VWAP of the Stapled Securities from the LFTD up to the LPD and on the LPD respectively.

### Trailing latest P/NAV multiples of the Stapled Securities

- (6) Based on the Latest Adjusted NAV per Stapled Security of S\$0.652, we note that P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is higher than the range of the trailing P/NAV multiples of the Stapled Securities in the six-month, one-year, three-year and five-year period prior to the LFTD. The P/NAV multiple represents a premium of 46.6%, 46.6%, 44.6% and 25.9% to the median P/NAV multiple of 0.73x, 0.73x, 0.74x and 0.85x respectively in the six-month, one-year, three-year and five-year periods prior to and including the LFTD. It is also at a premium of 23.0% to the P/NAV multiple of Stapled Securities of 0.87x as at LFTD.
- (7) The P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 represents a premium of 5.9% to the median P/NAV multiple of 1.01x from LFTD to LPD and is at the P/NAV multiple of Stapled Securities of 1.07x as at LPD.

### Comparison with S-REITs

- (8) We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is above the range and represents a premium of 18.9% to the median P/NAV multiple of 0.90x for the selected comparable S-REITs as at LPD.

### Comparison with M-REITs

- (9) We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is at a premium of 87.7% to the P/NAV multiple of 0.57x for the comparable YTL Hospitality REIT as at LPD.

### Comparison with JP-REITs

- (10) We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and represents a premium of 25.9% to the median P/NAV multiple of 0.85x for the selected comparable JP-REITs as at LPD.

### Comparison with A-REITs

- (11) We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and represents a premium of 8.1% to the median P/NAV multiple of 0.99x for the selected comparable A-REITs as at LPD.

### Comparison with Selected Precedent Transactions in Singapore

- (12) We note that the P/NAV multiple of 1.07x implied by the Scheme Consideration of S\$0.700 is within the range and at a premium of 3.9% to the median P/NAV multiple of 1.03x for the Selected Precedent Transactions.

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### Comparison with Selected Precedent Privatisations in Singapore

- (13) We note that the premia of 45.4% and 48.5% as implied by the Scheme Consideration of S\$0.700 to the one-month and three-month VWAPs respectively are above the range of premia for the Selected Precedent Privatisation. The premia of 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 to the six-month and twelve-month VWAPs respectively are above the mean and median and within the range of premia for Selected Precedent Privatisation. In addition, we note that the premium of 22.8% in respect of the last closing price as at LFTD is below the mean and median and within the range of premia for the Selected Precedent Privatisation.
- (14) We note that the Scheme Consideration of S\$0.700 is at a premium of 7.4% to the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022, above the mean and median and within the range of premia to NAV for the Selected Precedent Privatisation.

### Comparison with precedent completed S-REIT mergers

- (15) We note that the premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively are above the range of premia for the precedent completed S-REIT mergers. We note that the Scheme Consideration of S\$0.700 is at a premium of 7.4% to the Latest Adjusted NAV per Stapled Security of S\$0.652 as at 31 May 2022, higher than the median of 7.0%, lower than the mean of 13.9% and within the range of premia to NAV for the precedent completed S-REIT mergers.
- (16) We further note that most of the precedent completed S-REIT mergers comprise of consideration in both cash and unit component, with the exception of the most recent merger of MNACT and MCT, whereby unitholders were provided with the option to receive the consideration in 100% cash. Thus, making the MNACT and MCT merger, a more comparable precedent transaction for the Acquisition. The premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 are higher than the premia of the MNACT and MCT merger of 7.6%, 14.4%, 17.5%, 17.8% and 17.3% to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively. We note that the Scheme Consideration premium of 7.4% to the Latest Adjusted NAV per Stapled Security is higher than the MNACT and MCT merger premium of 0.0%.
- (17) We also note that A-H Trust and Ascott REIT are both operating in the hospitality segment. Thus, making the A-H Trust and Ascott REIT merger, a more comparable precedent transaction for the Acquisition. The premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% as implied by the Scheme Consideration of S\$0.700 are higher than the premia of the A-H Trust and Ascott REIT merger 11.5%, 13.8%, 18.9%, 24.0% and 31.8% to the last closing price, one-month, three-month, six-month, twelve-month VWAPs respectively. We note that the Scheme Consideration premium of 7.4% to the Latest Adjusted NAV per Stapled Security is higher than the A-H Trust and Ascott REIT merger premium of 7.0%.

### Assessment of the independent valuation of FHT Properties

- (18) We have reviewed the valuation reports prepared by the Valuers as at 31 May 2022 and note that valuation methodology and assumptions applied in the 31 May 2022 valuation reports.



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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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We understand that in determining the fair market value of the FHT Properties, the independent valuers have considered and taken into account the most likely path of recovery of the FHT Properties in Singapore, Malaysia, Japan, Australia, United Kingdom and Germany.

### Comparison with research analyst target prices

- (19) We note that the Scheme Consideration of S\$0.700 is within the range and represents a premium of 27.3% to the median of the research analysts target prices from 1 January 2021 up to the JAD.

### **Evaluation of other relevant key considerations relating to the Acquisition**

- (20) We note the rationale for the Acquisition and the Scheme.
- (21) We note that the total return analysis for Stapled Securityholders that invested since IPO. The Scheme Consideration implied 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.
- (22) We note that the Scheme to privatise FHT arose from a strategic review to enhance and unlock value for Stapled Securityholders.

In assessing the fairness of the financial terms of the Scheme, we have relied on a range of methodologies.

Based upon our analysis and having considered carefully the information available to us at the Latest Practicable Date, we are of the opinion that the financial terms of the Scheme are **FAIR**.

We have considered as at the Latest Practicable Date, the Scheme Consideration:

- (a) represents a premium over the VWAPs of Stapled Securities prior to the LFTD as well as from the LFTD up to the LPD and is within the range of the highest and lowest Stapled Security Prices in the five-year period prior to the LFTD and up to the LPD;
- (b) implies a higher P/NAV multiple than the trailing P/NAV multiples of Stapled Securities in the five-year period prior to the LFTD and is higher than the range and median of the trailing P/NAV multiples of the Stapled Securities in the six-month, one-year, three-year and five-year period prior to the LFTD;
- (c) represents a premium over the median P/NAV multiple of selected comparable S-REITs as at the LPD;
- (d) represents a premium over the median P/NAV multiple of selected comparable YTL Hospitality REIT as at LPD;
- (e) represents a premium over the median P/NAV multiple of selected comparable JP-REITs as at the LPD;
- (f) represents a premium over the median P/NAV multiple of selected comparable A-REITs as at the LPD;

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## APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT DIRECTORS AND TO THE FH-REIT TRUSTEE IN RESPECT OF THE SCHEME

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- (g) represents a premium of 3.9% to the median P/NAV multiple of 1.03x for the Selected Precedent Transactions;
- (h) implies premia of 45.4% and 48.5% to the one-month and three-month VWAPs respectively are above the range of premia for the Selected Precedent Privatisation, and premia of 47.7% and 43.8% to the six-month and twelve-month VWAPs respectively are above the mean and median and within the range of premia for the Selected Precedent Privatisation. The premium of 22.8% of the last closing price as at LFTD is below the mean and median and within the range of premia for the Selected Precedent Privatisation;
- (i) implies premia of 22.8%, 45.4%, 48.5%, 47.7% and 43.8% to the last closing price as at LFTD, one-month, three-month, six-month, twelve-month VWAPs respectively are above the premia of the comparable cash consideration merger of MNACT and MCT and the comparable hospitality merger of A-H Trust and Ascott REIT; and
- (j) represents a premium over the median of the latest research analysts target prices from 1 January 2021 up to the JAD.

We have considered all the factors as set out above in determining the Scheme from a financial point of view of being **FAIR**. We have considered the net asset value as the primary driver for FHT's valuation given that it is a REIT. The Latest Adjusted NAV is derived from valuations completed by the Valuers in their respective jurisdictions and we have also drawn upon factors including items (b), (c), (d), (e), (f), (g) as set out above. Accordingly, we have considered the fair value of the Stapled Securities to be between the P/NAV multiples of 1.00x to 1.07x (which implies a Stapled Security price of S\$0.652 to S\$0.700). The basis of this range is supported by the preceding statements in this paragraph.

Transactions that are deemed to be **FAIR** will also be deemed to be **REASONABLE** unless there are extraneous factors which may negatively impact our opinion. In assessing reasonableness, we have considered the rationale of the Acquisition and the Scheme, the total return analysis for the Stapled Securityholders who invested since IPO and the background and factors in relation to the Scheme. For this instance, there are no extraneous factors which are deemed to negatively impact our opinion.

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.

In arriving at our recommendation, we wish to emphasise that we have relied on information provided to us in accordance with our Terms of Reference in Paragraph 2 of this Letter. In addition, the FHT Independent Directors and the FHT-REIT Trustee should note that we have arrived at our conclusion based upon information made available to us up to and including the Latest Practicable Date.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Stapled Securityholder. As each Stapled Securityholder has different investment objectives and profile, we would advise that individual Stapled Securityholder who require specific advice in relation to their investment objectives

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**APPENDIX B – LETTER FROM THE FHT IFA TO THE FHT INDEPENDENT  
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or portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Stapled Securityholder should note that the trading of the Stapled Securities is subject to, *inter alia*, the performance and prospects of FHT, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the Scheme does not and cannot take into account future trading activities or patterns or price levels that may be established for the Stapled Securities after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Scheme.

The FHT Independent Directors and the FHT-REIT Trustee should note that trading in the Stapled Securities is subject to possible market fluctuations and, accordingly, our advice on the Scheme cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Stapled Securities as these are governed by factors beyond the ambit of our review and would not fall within the terms of reference in connection with the Scheme.

Our recommendations are addressed to the FHT Independent Directors and the FHT-REIT Trustee for their benefit in connection with and for the purposes of their consideration of the Scheme and shall not be used and/or relied on by any other person for any purpose at any time and in any manner other than the Scheme. Any recommendations made by the FHT Independent Directors in respect of the Scheme shall remain their responsibility.

Our recommendations are governed by the laws of Singapore, and are strictly limited to the matters stated in this letter and do not apply by implication to any other matter.

Yours faithfully

For and on behalf of  
**Deloitte & Touche Corporate Finance Pte Ltd**

Koh Soon Bee

Executive Director

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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**FRASERS PROPERTY HOSPITALITY TRUST HOLDINGS PTE. LTD.**  
(Company Registration No: 200606150R)  
(Incorporated in Singapore)

19 August 2022

To: Stapled Securityholders of Frasers Hospitality Trust

Dear Sir/Madam

### **PROPOSED PRIVATISATION OF FRASERS HOSPITALITY TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT**

#### **1. INTRODUCTION**

##### **1.1 The Scheme**

On 13 June 2022 (the “**Joint Announcement Date**”), the respective boards of directors of Frasers Property Hospitality Trust Holdings Pte. Ltd. (the “**Offeror**”), Frasers Hospitality Asset Management Pte. Ltd., as manager of Frasers Hospitality Real Estate Investment Trust (“**FH-REIT**”, and the manager of FH-REIT, the “**FH-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 “**FH-BT Trustee-Manager**”, and together with the FH-REIT Manager, the “**FHT Managers**”), jointly announced (the “**Joint Announcement**”) the proposed privatisation of Frasers Hospitality Trust (“**FHT**”), which shall be effected through the acquisition (the “**Acquisition**”) by the Offeror of all the issued stapled securities (the “**Stapled Securities**”) of FHT held by the stapled securityholders of FHT (the “**Stapled Securityholders**”) (other than the Stapled Securities held by (a) TCC Group Investments Limited (“**TCC**”) and (b) Frasers Property Limited (“**FPL**”) and/or its subsidiaries (including the Offeror) (collectively, the “**Excluded Stapled Securityholders**”) (the “**Scheme Stapled Securities**”, and their holders, the “**Scheme Stapled Securityholders**”) by way of a trust scheme of arrangement (the “**Scheme**”) in accordance with the Singapore Code on Take-overs and Mergers (the “**Code**”) and the FHT Trust Deeds.

##### **1.2 Implementation Agreement**

In connection with the Acquisition and the Scheme, the FHT Managers, Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT) (the “**FH-REIT Trustee**”) and the Offeror (the “**Parties**”, and each, a “**Party**”) entered into an implementation agreement dated 13 June 2022 setting out the terms and conditions on which the Parties will implement the Scheme (the “**Implementation Agreement**”).

##### **1.3 Scheme Document**

This letter from the Offeror (this “**Letter**”) to the Stapled Securityholders should be read and construed together with, and in the context of, the scheme document dated 19 August 2022 (the “**Scheme Document**”) issued by the FHT Managers to the Stapled Securityholders containing details of the Scheme. Unless otherwise stated, terms used but not defined in this Letter shall have the same meanings as defined in the Scheme Document.

**If you are in doubt about this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 2. THE ACQUISITION AND THE SCHEME

#### 2.1 The Scheme

The Scheme is proposed to be effected in accordance with the Code and the terms of the FHT Trust Deeds (to be amended and supplemented as described in paragraph 7 of the Letter to Stapled Securityholders and Appendix E to the Scheme Document), subject to the terms and conditions of the Implementation Agreement.

Under the Scheme, upon the Scheme becoming effective and binding in accordance with its terms:

- (a) all of the Scheme Stapled Securities held by the Entitled Stapled Securityholders as at the Record Date, will be transferred to the Offeror:
  - (i) fully paid;
  - (ii) free from any liens, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other third party rights and security interests or an agreement, arrangement or obligation to create any of the foregoing; and
  - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the FHT Managers on or after the Joint Announcement Date, except for the Permitted Distributions (as defined in paragraph 2.3 below); and
- (b) in consideration for such transfer of the Scheme Stapled Securities, the Offeror agrees to pay or procure the payment of the Scheme Consideration (as defined in paragraph 2.2 below) to each Entitled Stapled Securityholder, in accordance with the terms and conditions of the Implementation Agreement.

The Scheme will be extended to all Scheme Stapled Securities outstanding as at the Record Date, including Scheme Stapled Securities unconditionally delivered pursuant to the valid vesting and release of any outstanding awards (“**Awards**”) granted pursuant to the FHT Managers’ Restricted Stapled Security Plan (“**RSSP**”). For the avoidance of doubt, any Stapled Securities to be delivered pursuant to the valid vesting and release of any outstanding Awards granted under the RSSP will be by way of transfer of the existing Stapled Securities held by the FH-REIT Manager, and no new Stapled Securities will be issued pursuant to the vesting and release of any outstanding Awards granted under the RSSP.

#### 2.2 Scheme Consideration

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 in cash per Scheme Stapled Security (the “**Scheme Consideration**”) to the Entitled Stapled Securityholders.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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Based on a total of 721,799,270 Scheme Stapled Securities in issue as at the Latest Practicable Date, the aggregate Scheme Consideration payable to the Entitled Stapled Securityholders is S\$505,259,489.

Details of the factors on how the Scheme Consideration was agreed upon are set out in paragraph 4 below.

### 2.3 Permitted Distributions

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 up to the day immediately before the Effective Date, 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 FHT and its subsidiaries (the “**FHT Group**”) preceding the Effective Date up to the day immediately before the Effective Date (the “**Permitted Distributions**”).

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 Sofitel Sydney Wentworth (“**SSW**”) which was completed on 29 April 2022).

**The FHT Managers shall be entitled to announce, declare, make or pay the Permitted Distributions without any adjustment to the Scheme Consideration, and the Entitled Stapled Securityholders shall have the right to receive and retain the Permitted Distributions (if any) in addition to the Scheme Consideration.**

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 is announced, declared, made or paid by the FHT Managers on or after the Joint Announcement Date.

### 2.4 Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions precedent (the “**Scheme Conditions**”) by 31 December 2022 or such other date as the Parties may agree in writing (the “**Long-Stop Date**”). Additional information on the Scheme Conditions is set out in paragraph 6.3(a) of the Letter to Stapled Securityholders in the Scheme Document.

### 2.5 Effect of Termination

In the event of termination of the Implementation Agreement by any Party pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other liability on any Party. Each of the FH-REIT Trustee and/or the FHT Managers on the one hand, and the Offeror on the other, agrees that the only remedy it has under the Implementation Agreement for any breach or non-compliance by the FH-REIT Trustee and/or the FHT Managers or the Offeror (as the case may be) shall be the right to terminate the Implementation Agreement in the manner prescribed in the Implementation Agreement and there shall be no other liability on any Party.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 2.6 Switch Option

Pursuant to the terms of the Implementation Agreement, the Offeror has the right at its discretion to elect at any time, and subject to prior consultation with the Securities Industry Council of Singapore (the “**SIC**”):

- (a) in the event of a Competing Proposal or in the event that an intention to make a Competing Proposal is announced (whether or not such Competing Proposal is pre-conditional), the Offeror has the right at its discretion to elect to proceed by way of a voluntary offer for the Scheme Stapled Securities (the “**Offer**”) (in lieu of proceeding with the Acquisition by way of the Scheme) (the “**Switch Option**”), provided that the Offeror shall not be entitled to exercise the Switch Option in the event that its prior written consent was obtained in respect of such Competing Proposal;
- (b) in the event the Offeror elects to proceed by way of an Offer, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme or the Competing Proposal (whichever is the higher), including the same or a higher consideration than the Scheme Consideration, and conditional upon a level of acceptances set at only more than 50% of the Stapled Securities to which the Offer relates and not conditional on a higher level of acceptances; and
- (c) if the Switch Option is exercised, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others under the Implementation Agreement.

The Offeror reserves the right to exercise the Switch Option in the event of a Competing Proposal or an intention to make a Competing Proposal is announced (whether or not such Competing Proposal is pre-conditional).

### 3. DELISTING

Upon the Scheme becoming effective in accordance with its terms:

- (a) all Entitled Stapled Securityholders will receive S\$0.700 in cash for each Scheme Stapled Security held by them;
- (b) FHT will be a private trust, with the only Stapled Securityholders being the Excluded Stapled Securityholders (including the Offeror); and
- (c) FHT will, following settlement of the Scheme Consideration and subject to the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), be delisted and removed from the Official List of the SGX-ST.

An application will be made to seek approval from the SGX-ST to delist and remove FHT from the Official List of the SGX-ST following the Scheme becoming effective in accordance with its terms.



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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 4. RATIONALE FOR THE ACQUISITION

The long-term strategy of FPL and its subsidiaries (the “**FPL Group**”) is centred on leveraging its synergistic multi-asset class capabilities to create value. Hospitality remains one of the FPL Group’s core businesses. The FPL Group takes a long-term view of the returns from its investments. While the FPL Group is cognisant of the prevailing factors which may negatively impact the recovery trajectory of the hospitality sector, the FPL Group remains cautiously optimistic about the long-term growth potential of the hospitality sector.

The Acquisition, which is initiated and led by FHT following the decisions of the boards of the FHT Managers that FHT’s privatisation by the FPL Group will be the best course of action to optimise value for Stapled Securityholders, will allow the FPL Group to increase its investment in hospitality assets at locations that the FPL Group is already familiar with. As with all assets in the FPL Group’s investment portfolio, the FPL Group will leverage its deep understanding of FHT’s assets and adopt a rigorous and disciplined approach to drive performance.

The arm’s length Scheme Consideration was arrived at after taking into consideration the financial and business effects of the Acquisition on the FPL Group, both over the short and long term, in addition to a number of FHT financial reference points. The Scheme Consideration:

- (a) represents a 7.1% premium to FHT’s net asset value (“**NAV**”) per Stapled Security;
- (b) represents an implied price to NAV (“**P/NAV**”) of 1.07x which exceeds the average of precedent Singapore REIT (“**S-REIT**”) privatisations of 1.04x;
- (c) represents a 22.8%, 48.5% and 43.8% premium to the last-transacted, three (3)-month and 12-month volume weighted average price (“**VWAP**”) prior to the Last Undisturbed Trading Date as compared to precedent S-REIT privatisations’ average premia to 12-month VWAP of 33.3%;
- (d) represents implied total returns of 22.7% since the initial public offering (“**IPO**”) of FHT after adjusting for FHT’s rights issue on 9 September 2016 (implying a greater total return for Stapled Securityholders than two (2) out of three (3) of FHT’s peers over the same period);
- (e) represents a 16.7% premium to the latest analyst consensus target price prior to the Joint Announcement of S\$0.60; and
- (f) is in line with the pre-COVID-19 NAV per Stapled Security after adjusting for changes in balance sheet and foreign exchange movements.



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### 5. THE OFFEROR’S FUTURE INTENTIONS FOR FHT

Following the completion of the Acquisition and the Scheme, the Offeror intends to undertake a review of the FHT Group’s businesses and operations, which may include the reorganisation or restructuring of certain of its assets over time. Save as disclosed above, the Offeror has no current intention to (a) introduce any major changes to the business of the FHT Group; (b) re-deploy the fixed assets of the FHT Group; or (c) discontinue the employment of the existing employees of the FHT Managers or the FHT Group, in each case, other than in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the completion of the Acquisition and the Scheme.

Nonetheless, the Offeror retains the flexibility to, at any time, consider any options or opportunities which may present themselves, and which it regards to be in the best interests of FHT and/or the FHT Group.

### 6. INFORMATION ON FHT AND THE FHT MANAGERS

#### 6.1 FHT

FHT is a global hotel and serviced residence trust that is listed on the SGX-ST, and is a stapled group comprising FH-REIT and FH-BT. FHT invests globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT’s portfolio comprises 15 properties as at 30 September 2021, and post completion of the divestment of SSW on 29 April 2022, 14 quality assets in prime locations in nine (9) key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$2.0 billion.

As at the Latest Practicable Date, FHT has:

- (a) an aggregate of 1,926,073,869 Stapled Securities in issue; and
- (b) an aggregate of 2,011,137 outstanding Awards granted pursuant to the RSSP.

#### 6.2 The FH-REIT Manager

The FH-REIT Manager was incorporated in Singapore on 20 November 2013 and currently holds a capital markets services licence for real estate investment trust management pursuant to the Securities and Futures Act 2001 of Singapore (“SFA”). FH-REIT is managed by the FH-REIT Manager, whose main responsibility is to manage FH-REIT’s assets and liabilities for the benefit of Stapled Securityholders, through setting the strategic direction of FH-REIT and making recommendations to the FH-REIT Trustee on acquisitions, divestments and enhancement of the assets of FHT.

As at the Latest Practicable Date:

- (a) the FH-REIT Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-REIT Manager comprises the following individuals:
  - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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- (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
- (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
- (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
- (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

### 6.3 The FH-BT Trustee-Manager

The FH-BT Trustee-Manager was incorporated in Singapore on 13 January 2014. FH-BT is managed by the FH-BT Trustee-Manager, which has the dual responsibilities of safeguarding the interests of the Stapled Securityholders and managing the business conducted by FH-BT. The FH-BT Trustee-Manager has general powers of management over the business and assets of FH-BT and its main responsibility is to manage FH-BT’s assets and liabilities for the benefit of the Stapled Securityholders as a whole.

As at the Latest Practicable Date:

- (a) the FH-BT Trustee-Manager is a wholly-owned subsidiary of FPL; and
- (b) the board of directors of the FH-BT Trustee-Manager comprises the following individuals:
  - (i) Mr Law Song Keng (Chairman, Non-Executive and Independent Director);
  - (ii) Mr Chua Phuay Hee (Non-Executive and Independent Director);
  - (iii) Mr Liew Choon Wei (Non-Executive and Independent Director);
  - (iv) Dr David Wong See Hong (Non-Executive and Independent Director); and
  - (v) Mr Panote Sirivadhanabhakdi (Non-Executive and Non-Independent Director).

### 6.4 Material Changes in the Financial Position of FHT

As at the Latest Practicable Date, save for the information of FHT which is publicly available (including, without limitation, announcements which are released by the FHT Managers on SGXNET) and save as disclosed in the Scheme Document, there has not been, to the knowledge of the Offeror, any material change in the financial position or prospects of the FHT Group since 30 September 2021, being the date of the last balance sheet laid before the Stapled Securityholders in a general meeting.

### 6.5 Transfer Restrictions

The FHT Trust Deeds do not contain any restriction on the right to transfer the Scheme Stapled Securities in connection with the Acquisition and the Scheme.

## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

### 7. INFORMATION ON THE OFFEROR AND FPL

#### 7.1 The Offeror

The Offeror was incorporated in Singapore on 28 April 2006 and is a wholly-owned subsidiary of FPL. As at the Latest Practicable Date, the directors of the Offeror are:

- (a) Mr Chan Boon Kiong; and
- (b) Mr Chia Khong Shoong.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares.

As at the Latest Practicable Date, the Offeror holds 466,618,417 Stapled Securities, representing approximately 24.23% of the total number of issued Stapled Securities.

Schedule 1 to this Letter sets out certain additional information on the Offeror.

#### 7.2 FPL

FPL is a multinational developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the FPL Group has total assets of approximately S\$40.7 billion as at 31 March 2022. FPL’s multinational businesses operate across five (5) asset classes, namely, residential, retail, commercial & business parks, industrial & logistics and hospitality. The FPL Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa. FPL is also the sponsor of FHT.

As at the Latest Practicable Date, FPL holds, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 496,964,399 Stapled Securities, representing approximately 25.80% of the total number of issued Stapled Securities, as set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Offeror	466,618,417	24.23	–	–	466,618,417	24.23
Frasers Hospitality Pte. Ltd.	11,668,847	0.61	–	–	11,668,847	0.61
FH-REIT Manager	18,677,135	0.97	–	–	18,677,135	0.97
FPL <sup>(2)</sup>	–	–	496,964,399	25.80	496,964,399	25.80

#### Notes:

- (1) Rounded to the nearest two (2) decimal places, and computed based on a total of 1,926,073,869 Stapled Securities as at the Latest Practicable Date.
- (2) FPL holds a 100% direct interest in each of the FH-REIT Manager, Frasers Hospitality Pte. Ltd. (“**FHPL**”) and the Offeror; and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. FPL therefore has a deemed interest in the Stapled Securities in FHT in which each of the FH-REIT Manager, FHPL and the Offeror has an interest, by virtue of Section 4 of the SFA.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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Assuming there is no change in the total number of issued Stapled Securities up to the completion of the Scheme, after the completion of the Scheme:

- (a) FPL is expected to hold, through its wholly-owned subsidiaries (including the Offeror), an aggregate of 1,218,763,669 Stapled Securities, representing approximately 63.28% of the total number of issued Stapled Securities; and
- (b) TCC will continue to hold an aggregate of 707,310,200 Stapled Securities, representing approximately 36.72% of the total number of issued Stapled Securities. In this regard, TCC has provided the Deed of Undertaking to the Offeror, pursuant to which TCC has undertaken and/or agreed, *inter alia*, that the Scheme will be in respect of the Scheme Stapled Securities only, and that the Stapled Securities held by TCC will not be acquired by the Offeror pursuant to the Scheme.

TCC is owned by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi (being the five children of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi) in equal proportions.

Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCC Assets Limited, which holds a majority interest in FPL. The Offeror is a wholly-owned subsidiary of FPL.

Schedule 2 to this Letter sets out certain additional information on FPL.

### 8. IRREVOCABLE UNDERTAKING

#### 8.1 Deed of Undertaking

TCC, which is the legal and beneficial owner of 707,310,200 Stapled Securities (representing approximately 36.72% of the total number of issued Stapled Securities) (the “**Relevant TCC Stapled Securities**”) as at the Latest Practicable Date, has given an irrevocable undertaking (the “**Deed of Undertaking**”) to the Offeror, pursuant to which TCC has undertaken and/or agreed, *inter alia*:

- (a) that the Scheme will be in respect of the Scheme Stapled Securities only, and that the Relevant TCC Stapled Securities will not be acquired by the Offeror pursuant to the Scheme;
- (b) to vote, or procure the voting of, all of the Relevant TCC Stapled Securities in favour of the FHT Trust Deeds Amendments Resolution at any meeting of the Stapled Securityholders to be convened to approve the FHT Trust Deeds Amendments Resolution and at any adjournment thereof; and
- (c) not to, *inter alia*, sell, transfer, give or otherwise dispose of all or any of the Relevant TCC Stapled Securities or any interest therein.

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## **APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS**

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### **8.2 Termination**

The Deed of Undertaking will terminate on the earliest of any of the following dates:

- (a) in the event the Implementation Agreement lapses or is terminated for any reason (other than a breach by TCC of its obligations set forth in the Deed of Undertaking) without the Scheme becoming effective, the date the Implementation Agreement lapses or is terminated;
- (b) if the Scheme does not become effective by the Long-Stop Date, the Long-Stop Date; and
- (c) the date the Scheme becomes effective in accordance with its terms.

### **9. NO SPECIAL ARRANGEMENTS**

#### **9.1 No Agreement having any Connection with or Dependence on the Scheme**

Save for (a) the Implementation Agreement, (b) the Deed of Undertaking, and (c) the financing agreements in relation to the financing of the Acquisition and the Scheme, as at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) the Offeror or any person acting in concert with it in connection with the Scheme, and (ii) any of the current or recent directors of the FHT Managers or any of the current or recent Stapled Securityholders or any other person that has any connection with, or is dependent on or is conditional upon, the outcome of the Scheme or is otherwise connected with the Scheme.

#### **9.2 Transfer of Scheme Stapled Securities**

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Scheme Stapled Securities acquired by the Offeror pursuant to the Scheme will be transferred to any other person.

#### **9.3 No Payment or Benefit to Directors of the FHT Managers**

As at the Latest Practicable Date, and save as disclosed in the Scheme Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the FHT Managers or any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the FHT Managers as compensation for loss of office or otherwise in connection with the Scheme.

#### **9.4 Directors’ Service Contracts**

As at the Latest Practicable Date, there are no agreements, arrangements or understandings between (a) the Offeror or any person acting in concert with it in connection with the Scheme, and (b) any of the directors of the Offeror, whereby the emoluments received or to be received by the directors of the Offeror will be varied or affected by the Scheme.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 10. DISCLOSURE OF INTERESTS

10.1 Save as disclosed in Schedule 3 to this Letter, as at the Latest Practicable Date, based on the latest information available to the Offeror, none of the Offeror and persons acting in concert with the Offeror in connection with the Acquisition (collectively, the “**Offeror Concert Party Group**”):

- (a) owns, controls or has agreed to acquire any (i) Stapled Securities, (ii) securities which carry voting rights in FHT, or (iii) convertible securities, warrants, options or derivatives in respect of such Stapled Securities or securities which carry voting rights in FHT (collectively, the “**FHT Securities**”); or
- (b) has dealt for value during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date (the “**Relevant Period**”) in any FHT Securities.

Upon the Scheme becoming effective in accordance with its terms:

- (i) the Offeror will remain a wholly-owned subsidiary of FPL; and
- (ii) assuming there is no change in the total number of issued Stapled Securities up to the completion of the Scheme:
  - (A) FPL is expected to hold and control, through its wholly-owned subsidiaries (including the Offeror), all of the voting rights in an aggregate of 1,218,763,669 Stapled Securities, representing approximately 63.28% of the total number of issued Stapled Securities; and
  - (B) TCC will continue to hold and control all of the voting rights in an aggregate of 707,310,200 Stapled Securities, representing approximately 36.72% of the total number of issued Stapled Securities.

### 10.2 Disclosures relating to Other Arrangements in FHT Securities

#### (a) Undertakings to vote in favour of or against the Scheme

Save for the Deed of Undertaking, as at the Latest Practicable Date, no member of the Offeror Concert Party Group has received any irrevocable commitment or undertaking from any party to vote and/or procure the voting of Stapled Securities to approve the Scheme and/or any other matter necessary to implement the Scheme.

#### (b) Arrangements of the kind referred to in Note 7 on Rule 12 of the Code

Save for the Deed of Undertaking, as at the Latest Practicable Date, no member of the Offeror Concert Party Group has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the FHT Securities which may be an inducement to deal or refrain from dealing in the FHT Securities.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### (c) No security interest over or borrowing/lending of FHT Securities

As at the Latest Practicable Date, based on the latest information available to the Offeror, no member of the Offeror Concert Party Group has (i) granted a security interest over any FHT Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any FHT Securities (excluding borrowed FHT Securities which have been on-lent or sold), or (iii) lent any FHT Securities to another person.

### 11. FINANCIAL ADVISERS TO THE OFFEROR AND CONFIRMATION OF FINANCIAL RESOURCES

11.1 Merrill Lynch (Singapore) Pte. Ltd. (“**BofA Securities**”) is the lead financial adviser to the Offeror in respect of the Acquisition and the Scheme (the “**Offeror Lead Financial Adviser**”).

11.2 Oversea-Chinese Banking Corporation Limited is the financial adviser to the Offeror in respect of the Acquisition and the Scheme (the “**Offeror Financial Adviser**”, and together with the Offeror Lead Financial Adviser, the “**Offeror Financial Advisers**”).

11.3 BofA Securities, the Offeror Lead Financial Adviser, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Scheme Stapled Securities to be acquired by the Offeror pursuant to the Scheme.

### 12. CONSENT

Each of the Offeror Financial Advisers has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Letter.

### 13. SETTLEMENT AND REGISTRATION PROCEDURES

Please refer to Appendix A to the Scheme Document for details on the settlement and registration procedures.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 14. MARKET QUOTATIONS FOR FHT SECURITIES

#### 14.1 Transacted Prices

The highest, lowest (on the daily closing prices for the monthly market data) and last closing prices and transacted volume of the Stapled Securities on the SGX-ST on a monthly basis from December 2021 (being six (6) calendar months preceding the Joint Announcement Date) to the Latest Practicable Date, as reported by Bloomberg L.P., are set out below:

Monthly Trades	Highest Closing Price (S\$)	Lowest Closing Price (S\$)	Last Closing Price (S\$)	Transacted Volume of the Stapled Securities ('000)
1 August 2022 to the Latest Practicable Date	0.700	0.700	0.700	15,748
July 2022	0.700	0.690	0.695	41,202
June 2022	0.700	0.645	0.700	152,122
May 2022	0.660	0.595	0.650	75,677
April 2022	0.655	0.535	0.645	65,764
March 2022	0.535	0.425	0.535	66,198
February 2022	0.475	0.440	0.440	20,353
January 2022	0.475	0.435	0.445	10,685
December 2021	0.480	0.455	0.465	7,246

#### 14.2 Highest and Lowest Prices

During the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date, the highest closing price was S\$0.700 per Stapled Security, transacted on 14 June 2022, 21 June 2022, 23 June 2022, 24 June 2022, 30 June 2022, 6 July 2022, 19 July 2022, 21 July 2022, 22 July 2022, 25 July 2022, 28 July 2022, 1 August 2022, 2 August 2022, 3 August 2022 and 4 August 2022 and the lowest closing price was S\$0.425 per Stapled Security, transacted on 7 March 2022 and 8 March 2022.

#### 14.3 Closing Prices

The closing price on:

- (a) 8 June 2022, being the last full trading day immediately prior to the Joint Announcement Date, was S\$0.660 per Stapled Security; and
- (b) the Latest Practicable Date, was S\$0.700 per Stapled Security.



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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 15. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection<sup>1</sup> by Stapled Securityholders during normal business hours at the registered office of the Offeror from the date of this Letter up until the Effective Date:

- (a) the Implementation Agreement;
- (b) the Deed of Undertaking;
- (c) the letters of consent referred to in paragraph 12 above;
- (d) the audited financial statements of the Offeror for the financial year ended 30 September 2019 (“**FY2019**”), the financial year ended 30 September 2020 (“**FY2020**”) and the financial year ended 30 September 2021 (“**FY2021**”);
- (e) the annual reports of FPL for FY2019, FY2020 and FY2021; and
- (f) the unaudited consolidated financial statements of the FPL Group for the six (6) months ended 31 March 2022 (“**1H2022**”) as announced on 12 May 2022 (the “**FPL 1H2022 Results**”).

### 16. RESPONSIBILITY STATEMENT

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

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

Yours faithfully  
For and on behalf of  
**Frasers Property Hospitality Trust Holdings Pte. Ltd.**  
(Company Registration No.: 200606150R)

Chia Khong Shoong  
Director  
19 August 2022

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<sup>1</sup> Prior appointment will be appreciated.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### SCHEDULE 1 ADDITIONAL INFORMATION ON THE OFFEROR

#### 1. DIRECTORS OF THE OFFEROR

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Chan Boon Kiong	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Chief Operating Officer of Frasers Hospitality
Mr Chia Khong Shoong	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Group Chief Corporate Officer of FPL

#### 2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958.

#### 3. PRINCIPAL ACTIVITY OF THE OFFEROR

The principal activity of the Offeror is that of an investment holding company.

#### 4. FINANCIAL INFORMATION

##### 4.1 Summary of Financial Information of the Offeror

A summary of the financial information relating to the Offeror for FY2019, FY2020 and FY2021 is set out below. The summary of the financial information should be read together with the audited financial statements of the Offeror for FY2019, FY2020 and FY2021 (copies of which are available for inspection as set out in paragraph 15 of this Letter).

##### Income Statements of the Offeror

A summary of the audited income statements of the Offeror for FY2019, FY2020 and FY2021 is set out below:

	FY2021 (Audited)	FY2020 (Audited)	FY2019 (Audited)
Revenue (S\$'000)	5,826	11,306	19,698
Exceptional Items (S\$'000)	(20,874)	–	–
Net (Loss)/Profit Before Tax (S\$'000)	(25,723)	(1,814)	7,113
Net (Loss)/Profit After Tax (S\$'000)	(25,723)	(1,810)	7,113
Minority Interests (S\$'000)	–	–	–
Net Earnings Per Share (S\$)	(257)	(18)	71
Net Dividends Per Share (S\$)	–	–	–

## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

### Balance Sheet of the Offeror

The audited balance sheet of the Offeror as at 30 September 2021 is summarised below:

	<b>FY2021 S\$'000 (Audited)</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Associate	302,510
Total non-current asset	302,510
<b>Current assets</b>	
Other receivables	24
Total current assets	24
<b>Total assets</b>	<b>302,534</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Capital and reserves</b>	
Share capital	100
Accumulated losses	(41,913)
Total equity	(41,813)
<b>Current liabilities</b>	
Trade and other payables	344,340
Income tax payable	7
Total current liabilities	344,347
<b>Total equity and liabilities</b>	<b>302,534</b>

### 5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for (a) the Scheme (and the financing thereof), (b) a loan from its related company, (c) intercompany amounts owing between the Offeror and its immediate holding company, and (d) any publicly available information on the Offeror, there have been no known material changes in the financial position of the Offeror subsequent to 30 September 2021, being the date of its last published audited accounts.

### 6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror are disclosed in Note 4 of the audited financial statements of the Offeror for FY2021, a copy of which is available for inspection as set out in paragraph 15 of this Letter.

### 7. CHANGES TO ACCOUNTING POLICIES

To the best of the knowledge of the directors of the Offeror and based on publicly available information as at the Latest Practicable Date, there are no changes in the accounting policies of the Offeror which will cause the figures disclosed in paragraph 4 of Schedule 1 not to be comparable to a material extent.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### SCHEDULE 2 ADDITIONAL INFORMATION ON FPL

#### 1. DIRECTORS OF FPL

The names, addresses and descriptions of the directors of FPL as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Charoen Sirivadhanabhakdi	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Non-Independent Chairman
Khunying Wanna Sirivadhanabhakdi	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Non-Independent Vice Chairman
Mr Mak Ming Ying Charles	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Lead Independent Director
Mr Chan Heng Wing	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Eng Heng Nee Philip	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Tan Pheng Hock	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Wee Joo Yeow	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Weerawong Chittmittrapap	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Chotiphat Bijananda	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Non-Independent Director
Mr Sithichai Chaikriangkrai	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Non-Executive and Non-Independent Director
Mr Panote Sirivadhanabhakdi	438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958	Group Chief Executive Officer and Executive and Non-Independent Director

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 2. REGISTERED OFFICE OF FPL

The registered office of FPL is at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958.

### 3. PRINCIPAL ACTIVITIES OF FPL

FPL is a multinational developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the FPL Group has total assets of approximately S\$40.7 billion as at 31 March 2022. FPL’s multinational businesses operate across five (5) asset classes, namely, residential, retail, commercial & business parks, industrial & logistics and hospitality. The FPL Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa. FPL is also the sponsor of FHT.

### 4. SUMMARY OF FINANCIAL INFORMATION OF FPL

A summary of the financial information relating to the FPL Group for FY2019, FY2020, FY2021 and 1H2022 is set out below. The summary of the financial information should be read together with the annual reports and the audited consolidated financial statements of the FPL Group for FY2019, FY2020 and FY2021 and the FPL 1H2022 Results (copies of which are available for inspection as set out in paragraph 15 of this Letter).

#### Consolidated Income Statements of the FPL Group

A summary of the audited consolidated income statements of the FPL Group for FY2019, FY2020 and FY2021 and the unaudited consolidated income statement of the FPL Group for 1H2022 is set out below:

	1H2022 (Unaudited)	FY2021 (Audited)	FY2020 (Audited)	FY2019 (Audited)
Revenue (S\$'000)	1,683,560	3,763,751	3,597,007	3,791,943
Exceptional Items (S\$'000)	4,488	34,498	(160,338)	(114,811)
Net Profit Before Tax (S\$'000)	534,773	2,027,422	804,923	1,353,127
Net Profit After Tax (S\$'000)	480,950	1,566,630	518,792	1,066,992
Minority Interests (S\$'000)	322,793	733,537	330,667	506,693
Earnings Per Share <sup>(1)</sup> (Singapore cents)	3.31	22.60	3.80	15.90
Dividends Per Share (Singapore cents)	— <sup>(2)</sup>	2.00	1.50	6.00

#### Notes:

(1) Earnings per share is calculated by dividing the FPL Group’s attributable profit (after adjusting for distributions to perpetual securities holders of S\$28,536,000, S\$57,994,000, S\$76,478,000 and S\$95,206,000 for 1H2022, FY2021, FY2020 and FY2019 respectively) by the weighted average number of ordinary shares in the capital of FPL in issue during the financial period/year.

(2) FPL did not declare or recommend any dividend for the six (6) months ended 31 March 2022.

## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

### Consolidated Balance Sheet of the FPL Group

The audited consolidated balance sheet of the FPL Group as at 30 September 2021 and the unaudited consolidated balance sheet of the FPL Group as at 31 March 2022 are summarised below:

	<b>1H2022</b> <b>S\$'000</b> <b>(Unaudited)</b>	<b>FY2021</b> <b>S\$'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	24,162,686	24,613,811
Investments in joint ventures	1,808,784	1,339,695
Investments in associates	1,260,248	1,325,889
Total non-current assets	31,188,699	31,464,952
<b>Current assets</b>		
Properties held for sale	4,343,848	4,153,131
Cash and cash equivalents	3,910,882	3,776,700
Total current assets	9,474,389	8,791,979
<b>Total assets</b>	<b>40,663,088</b>	<b>40,256,931</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	2,987,858	2,974,980
Retained earnings	6,841,329	6,713,710
Other reserves	91,211	(144,540)
Equity attributable to owners of the company	9,920,398	9,544,150
Total equity	18,944,057	18,330,515
<b>Current liabilities</b>		
Loans and borrowings	4,832,317	4,849,333
Trade and other payables	1,580,113	1,790,290
Provision for taxation	469,253	502,199
Total current liabilities	7,098,015	7,274,247
<b>Non-current liabilities</b>		
Loans and borrowings	12,256,794	12,433,808
Other payables	520,874	232,122
Deferred tax liabilities	974,112	964,000
Total non-current liabilities	14,621,016	14,652,169
<b>Total equity and liabilities</b>	<b>40,663,088</b>	<b>40,256,931</b>

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## **APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS**

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### **5. MATERIAL CHANGES IN FINANCIAL POSITION**

As at the Latest Practicable Date, save for (a) the Scheme (and the financing thereof), and (b) any publicly available information on the FPL Group (including the FPL 1H2022 Results), there have been no known material changes in the financial position of FPL subsequent to 30 September 2021, being the date of its last published audited accounts.

### **6. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the FPL Group are disclosed in Note 2 of the audited consolidated financial statements of the FPL Group for FY2021, a copy of which is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com) and for inspection as set out in paragraph 15 of this Letter.

### **7. CHANGES TO ACCOUNTING POLICIES**

To the best of the knowledge of the directors of the Offeror and based on publicly available information as at the Latest Practicable Date, there are no changes in the accounting policies of FPL which will cause the figures disclosed in paragraph 4 of Schedule 2 not to be comparable to a material extent.

## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

### Schedule 3 Holdings and Dealings in FHT Securities

#### 1. Holdings in FHT Securities

As at the Latest Practicable Date, based on the latest information available to the Offeror, the interests in the Stapled Securities held by the Offeror Concert Party Group are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Offeror	466,618,417	24.23	–	–	466,618,417	24.23
Fraser's Hospitality Pte. Ltd.	11,668,847	0.61	–	–	11,668,847	0.61
FPL <sup>(2)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
InterBev Investment Limited <sup>(3)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
International Beverage Holdings Limited <sup>(4)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
Thai Beverage Public Company Limited <sup>(5)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
Siriwana Co., Ltd. <sup>(6)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
Shiny Treasure Holdings Limited <sup>(7)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
TCC Assets Limited <sup>(8)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
Charoen Sirivadhanabhakdi <sup>(9)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
Khunying Wanna Sirivadhanabhakdi <sup>(9)</sup>	–	–	496,964,399	25.80	496,964,399	25.80
Chan Heng Wing	31,000	n.m. <sup>(10)</sup>	–	–	31,000	n.m. <sup>(10)</sup>
Eng Heng Nee Philip	396,000	0.02	–	–	396,000	0.02
Wee Joo Yeow	528,000	0.03	–	–	528,000	0.03



**APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS**

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
TCC	707,310,200	36.72	–	–	707,310,200	36.72
Panote Sirivadhanabhakdi <sup>(11)</sup>	–	–	707,310,200	36.72	707,310,200	36.72
Atinant Bijananda <sup>(11)</sup>	–	–	707,310,200	36.72	707,310,200	36.72
Thapana Sirivadhanabhakdi <sup>(11)</sup>	–	–	707,310,200	36.72	707,310,200	36.72
Wallapa Traisorat <sup>(11)</sup>	–	–	707,310,200	36.72	707,310,200	36.72
Thapanee Techajareonvikul <sup>(11)</sup>	–	–	707,310,200	36.72	707,310,200	36.72
Chotiphat Bijananda <sup>(12)</sup>	–	–	707,310,200	36.72	707,310,200	36.72
Chia Khong Shoong <sup>(13)</sup>	–	–	264,000	0.01	264,000	0.01
Goh Yong Chian	200,000	0.01	–	–	200,000	0.01
Lam Juck Ngai	30,000	n.m. <sup>(10)</sup>	–	–	30,000	n.m. <sup>(10)</sup>
Chin Yoke Choong	356,400	0.02	–	–	356,400	0.02
Ho Chee Hwee Simon	274,000	0.01	–	–	274,000	0.01
Lai Siok Fung Dawn	675,000	0.04	–	–	675,000	0.04
Ho Wanxin Hazel	65,000	n.m. <sup>(10)</sup>	–	–	65,000	n.m. <sup>(10)</sup>
Ho Jian-An Bryan	135,000	0.01	–	–	135,000	0.01
Soh Onn Cheng Margaret Jane <sup>(14)</sup>	–	–	2,000	n.m. <sup>(10)</sup>	2,000	n.m. <sup>(10)</sup>
Tan Leng Kiat	3,000	n.m. <sup>(10)</sup>	–	–	3,000	n.m. <sup>(10)</sup>
Tan Kee Yong	95,000	n.m. <sup>(10)</sup>	–	–	95,000	n.m. <sup>(10)</sup>
Yong Nyuk Lan	40,000	n.m. <sup>(10)</sup>	–	–	40,000	n.m. <sup>(10)</sup>
Alan Tang Yew Kuen	6,300	n.m. <sup>(10)</sup>	–	–	6,300	n.m. <sup>(10)</sup>

**APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS**

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Surapong Pornsirikul	701,135	0.04	–	–	701,135	0.04
Koh Poh Tiong	145,200	0.01	–	–	145,200	0.01
Lee Choon Li	79,200	n.m. <sup>(10)</sup>	–	–	79,200	n.m. <sup>(10)</sup>
Wong Mun Peng Alison	50,000	n.m. <sup>(10)</sup>	–	–	50,000	n.m. <sup>(10)</sup>
Soon Su Lin	30,000	n.m. <sup>(10)</sup>	–	–	30,000	n.m. <sup>(10)</sup>
Lim Hua Tiong	50,000	n.m. <sup>(10)</sup>	–	–	50,000	n.m. <sup>(10)</sup>
Kevin Ng	38,000	n.m. <sup>(10)</sup>	–	–	38,000	n.m. <sup>(10)</sup>
Edmond Neo Kim Soon	50,000	n.m. <sup>(10)</sup>	–	–	50,000	n.m. <sup>(10)</sup>
Teo Hong Keng	20,000	n.m. <sup>(10)</sup>	–	–	20,000	n.m. <sup>(10)</sup>
Polapatr Suvarnazorn	43,100	n.m. <sup>(10)</sup>	–	–	43,100	n.m. <sup>(10)</sup>
Vivat Tejapaibul	1,400,000	0.07	–	–	1,400,000	0.07
Law Song Keng	549,900	0.03	–	–	549,900	0.03
Lim Puay Lee Karen <sup>(15)</sup>	–	–	284,100	0.01	284,100	0.01
Tham Chi Choon Alvin	45,000	n.m. <sup>(10)</sup>	–	–	45,000	n.m. <sup>(10)</sup>
Lim Phay Tiang	11,000	n.m. <sup>(10)</sup>	–	–	11,000	n.m. <sup>(10)</sup>
Leo Mun Wai	10,000	n.m. <sup>(10)</sup>	–	–	10,000	n.m. <sup>(10)</sup>
Tan Sok Hong	6,000	n.m. <sup>(10)</sup>	–	–	6,000	n.m. <sup>(10)</sup>
Lorraine Shiow	198,000	0.01	–	–	198,000	0.01
Lai Teck Poh	149,000	0.01	–	–	149,000	0.01

## APPENDIX C – OFFEROR'S LETTER TO STAPLED SECURITYHOLDERS

### Notes:

- (1) Rounded to the nearest two decimal places, and computed based on a total of 1,926,073,869 Stapled Securities as at the Latest Practicable Date.
- (2) FPL holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. FPL therefore has a deemed interest in the Stapled Securities in FHT in which each of the FH-REIT Manager, FHPL and the Offeror has an interest, by virtue of Section 4 of the SFA.
- (3) InterBev Investment Limited ("**IBIL**") holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. IBIL therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (4) International Beverage Holdings Limited ("**IBHL**") holds a 100% direct interest in FPL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. IBHL therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (5) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in IBHL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. ThaiBev therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (6) Siriwana Co., Ltd. ("**Siriwana**") holds, directly and indirectly, a majority interest in ThaiBev, which holds a 100% direct interest in IBHL, which holds a 100% direct interest in IBIL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. Siriwana therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (7) Shiny Treasure Holdings Limited ("**Shiny Treasure**") holds a greater than 20% interest in Siriwana, which holds, directly and indirectly, a majority interest in ThaiBev, which holds a 100% direct interest in IBHL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. Shiny Treasure therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (8) TCC Assets Limited ("**TCCA**") holds a majority interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. TCCA therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (9) Each of Charoen Sirivadhanabhakdi and Khunyong Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCCA, which holds a majority interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. Each of Charoen Sirivadhanabhakdi and Khunyong Wanna Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (10) "n.m." means not meaningful.
- (11) Each of Panote Sirivadhanabhakdi, Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat and Thapanee Techajareonvikul holds 20% of the issued share capital of TCC. TCC holds Stapled Securities in FHT. Each of Panote Sirivadhanabhakdi, Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat and Thapanee Techajareonvikul therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.
- (12) Chotiphat Bijananda is the spouse of Atinant Bijananda, who holds 20% of the issued share capital of TCC. Chotiphat Bijananda therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.
- (13) Chia Khong Shoong holds 264,000 Stapled Securities through a nominee account and therefore has a deemed interest in such Stapled Securities by virtue of Section 4 of the SFA.
- (14) Soh Onn Cheng Margaret Jane holds 2,000 Stapled Securities through a nominee account and therefore has a deemed interest in such Stapled Securities by virtue of Section 4 of the SFA.
- (15) Lim Puay Lee Karen holds 284,100 Stapled Securities through a nominee account and therefore has a deemed interest in such Stapled Securities by virtue of Section 4 of the SFA.

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## APPENDIX C – OFFEROR’S LETTER TO STAPLED SECURITYHOLDERS

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### 2. Dealings in FHT Securities

Based on the latest information available to the Offeror, the details of dealings in the Stapled Securities during the Relevant Period by the Offeror Concert Party Group are set out below:

Name	Transaction Date	Transaction Type	Number of Stapled Securities	Transaction Price per Stapled Security (\$)	Percentage of total number of Stapled Securities <sup>(1)</sup>
Wong Mun Peng Alison	6 May 2022	Sale	20,000	0.665	n.m. <sup>(2)</sup>

**Notes:**

(1) Computed based on a total of 1,926,073,869 Stapled Securities as at the Latest Practicable Date.

(2) “n.m.” means not meaningful.

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## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

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### GENERAL INFORMATION RELATING TO FHT

#### 1. DIRECTORS

The names, addresses and designations of the FHT Directors as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Designation</b>
Mr Law Song Keng	c/o 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958	Chairman, Non-Executive and Independent Director
Mr Chua Phuay Hee	c/o 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Liew Choon Wei	c/o 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Dr David Wong See Hong	c/o 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958	Non-Executive and Independent Director
Mr Panote Sirivadhanabhakdi	c/o 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958	Non-Executive and Non-Independent Director

#### 2. PRINCIPAL ACTIVITIES

FHT is a global hotel and serviced residence trust that is listed on the SGX-ST, and is a stapled group comprising FH-REIT and FH-BT. FHT invests globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT's portfolio comprises 15 properties as at 30 September 2021, and post completion of the divestment of SSW on 29 April 2022, 14 quality assets in prime locations in nine (9) key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$2.0 billion.

#### 3. STAPLED SECURITIES

##### 3.1 Stapled Securities

As at the Latest Practicable Date, FHT has 1,926,073,869 Stapled Securities in issue.

##### 3.2 Rights of Stapled Securityholders in respect of Capital, Distributions and Voting

Selected texts of the FHT Trust Deeds relating to the rights of Stapled Securityholders in respect of capital, distributions and voting have been extracted and reproduced in Appendix F to this Scheme Document.

##### 3.3 Convertible Instruments

As at the Latest Practicable Date, there are no outstanding FHT Convertible Securities.

## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

### 4. FINANCIAL INFORMATION

#### 4.1 Consolidated Statement of Total Return

Set out below is FHT’s consolidated financial information as at and for the financial years ended 30 September 2019 (“FY2019”), 30 September 2020 (“FY2020”) and 30 September 2021 (“FY2021”) and the six (6) months ended 31 March 2022 (“HY2022”). The selected consolidated financial data in the table below are derived from, and should be read in conjunction with, FHT’s audited consolidated financial statements for FY2019, FY2020 and FY2021 as well as the FHT Unaudited HY2022 Financial Statements, including the notes thereto. The audited consolidated financial statements of FHT for FY2021, including the notes thereto, are set out in **Appendix G** to this Scheme Document.

	HY2022 (S\$'000)	FY2021 (S\$'000)	FY2020 (S\$'000)	FY2019 (S\$'000)
Master lease rental	35,700	64,648	67,083	115,220
Room revenue	2,248	5,166	13,466	26,352
Food & beverage revenue	974	3,556	3,785	5,944
Other income	5,181	12,162	4,239	2,289
<b>Revenue</b>	<b>44,103</b>	<b>85,532</b>	<b>88,573</b>	<b>149,805</b>
Property tax	(3,177)	(8,421)	(8,676)	(10,642)
Property insurance	(804)	(1,730)	(1,443)	(1,241)
Property management fees	(1,733)	(2,208)	(3,138)	(5,448)
Other property expenses	(1,159)	(2,391)	(2,583)	(2,616)
Impairment loss on trade receivables	(1,071)	(4,137)	(1,690)	–
Operations and maintenance expenses	(1,482)	(3,623)	(4,204)	(6,401)
Energy and utilities expenses	(261)	(541)	(664)	(779)
Hotel management fee	(249)	(722)	(594)	(974)
Staff costs	(2,022)	(3,532)	(3,994)	(6,760)
Marketing expenses	(297)	(289)	(1,204)	(2,479)
Administrative expenses	(186)	(312)	(552)	(799)
<b>Property operating expenses</b>	<b>(12,441)</b>	<b>(27,906)</b>	<b>(28,742)</b>	<b>(38,139)</b>
<b>Net property income</b>	<b>31,662</b>	<b>57,626</b>	<b>59,831</b>	<b>111,666</b>
Depreciation	(2,137)	(3,929)	(3,921)	(3,815)
REIT Manager’s management fees	(2,466)	(4,521)	(5,466)	(7,369)
Trustee-Manager’s management fees	(30)	(80)	(54)	(48)
Other management fees	(1,834)	(3,668)	(3,569)	(4,603)
Trustees’ fees	(244)	(493)	(495)	(496)

## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

	HY2022 (S\$'000)	FY2021 (S\$'000)	FY2020 (S\$'000)	FY2019 (S\$'000)
Other trust expenses	(1,017)	(2,799)	(3,268)	(3,246)
Other income	–	–	–	11
Finance income	43	210	329	332
Amortisation of debt upfront costs	(545)	(952)	(824)	(1,107)
Finance costs	(10,000)	(20,415)	(19,750)	(20,503)
<b>Total return before foreign exchange differences, fair value changes and tax</b>	<b>13,432</b>	<b>20,979</b>	<b>22,813</b>	<b>70,822</b>
Foreign exchange gain/(loss), net	347	(26)	(165)	(265)
Net change in fair value of investment properties	–	(4,574)	(136,777)	(15,574)
Revaluation of property, plant and equipment	–	8,444	(9,208)	–
Net change in fair value of derivative financial instruments	(3,012)	(77)	(328)	(114)
Realised gain/(loss) on derivative financial instruments, net	3	(16)	256	842
<b>Total return/(Loss) for the period before tax</b>	<b>10,770</b>	<b>24,730</b>	<b>(123,409)</b>	<b>55,711</b>
Taxation	(1,390)	(8,422)	9,981	(3,954)
<b>Total return/(Loss) for the period after tax</b>	<b>9,380</b>	<b>16,308</b>	<b>(113,428)</b>	<b>51,757</b>
Net effect of non-tax deductible/ (non-taxable) and other Adjustments	5,684	7,450	147,797	36,619
<b>Income available for distribution</b>	<b>15,064</b>	<b>23,758</b>	<b>34,369</b>	<b>88,376</b>
<b>Income available for distribution-attributable to:</b>				
– Stapled Securityholders	15,064	21,039	29,907	83,926
– Perpetual Securities holders	–	2,719	4,462	4,450
<b>Distribution to Stapled Securityholders</b>	<b>13,558</b>	<b>18,935</b>	<b>26,916</b>	<b>83,926</b>



## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

### 4.2 Distribution per Stapled Security

Set out below is also a summary of the distribution per Stapled Security declared in respect of each of HY2022, FY2021, FY2020 and FY2019. This information was extracted from the audited consolidated financial statements of FHT for FY2021, FY2020, FY2019, and the FHT Unaudited HY2022 Financial Statements.

	HY2022	FY2021	FY2020	FY2020	FY2019	FY2019	
	6 months ended 31 March 2022	6 months ended 30 September 2021	6 months ended 31 March 2021	6 months ended 30 September 2020	6 months ended 31 March 2020	6 months ended 30 September 2019	6 months ended 31 March 2019
Distribution per Stapled Security (cents)	0.7039	0.8041	0.1790	1.0695	0.3287	2.1741	2.2388

### 4.3 Consolidated Statement of Financial Position

Set out below is FHT's consolidated statement of financial position as at (a) 31 March 2022 and (b) 30 September 2021. The selected consolidated financial data in the table below are derived from, and should be read in conjunction with, FHT's audited consolidated financial statements for FY2021 as well as the FHT Unaudited HY2022 Financial Statements, including the notes thereto.

	As at 31 March 2022 (S\$'000)	As at 30 September 2021 (S\$'000)
<b>Non-current assets</b>		
Investment properties	1,740,583	2,024,826
Property, plant and equipment	232,014	226,703
Derivative financial instruments	16,827	3,568
Deferred tax assets	1,675	1,621
	<b>1,991,099</b>	<b>2,256,718</b>
<b>Current assets</b>		
Investment property held for divestment	284,365	–
Inventories	19	12
Prepayments	4,046	2,000
Trade and other receivables	5,199	12,266
Derivative financial instruments	1,105	–
Cash and cash equivalents	66,524	78,187
	<b>361,258</b>	<b>92,465</b>
<b>Total Assets</b>	<b>2,352,357</b>	<b>2,349,183</b>

## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

	As at 31 March 2022 (S\$'000)	As at 30 September 2021 (S\$'000)
<b>Current liabilities</b>		
Trade and other payables	17,414	18,395
Derivative financial instruments	4,634	2,310
Borrowings	280,903	202,507
Income tax payables	1,243	1,408
	<b>304,194</b>	<b>224,620</b>
<b>Net current assets/(liabilities)</b>	<b>57,064</b>	<b>(132,155)</b>
<b>Non-current liabilities</b>		
Rental deposits	23,213	23,698
Other payables	271	302
Lease liabilities	3,250	3,085
Deferred income	7,015	6,959
Derivative financial instruments	–	9,519
Borrowings	710,242	786,000
Deferred tax liabilities	45,602	46,506
	<b>789,593</b>	<b>876,069</b>
<b>Total liabilities</b>	<b>1,093,787</b>	<b>1,100,689</b>
<b>Net assets</b>	<b>1,258,570</b>	<b>1,248,494</b>
<b>Represented by:</b>		
Stapled Securities in issue and to be issued	1,539,879	1,539,879
Issue costs	(25,764)	(25,764)
Revenue reserves	(130,358)	(124,250)
Hedging reserve	5,642	(9,509)
Foreign currency translation reserve	(130,829)	(131,862)
	<b>1,258,570</b>	<b>1,248,494</b>

Copies of FHT's audited consolidated financial statements for FY2019, FY2020, FY2021 as well as the FHT Unaudited HY2022 Financial Statements are available for inspection<sup>1</sup> at the registered office of the FHT Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours from the date of this Scheme Document up to the Effective Date.

<sup>1</sup> Prior appointment will be appreciated

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## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

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### 4.4 Material Changes in Financial Position

FHT had, on 28 October 2021, entered into a transaction with an unrelated third-party acquirer for the divestment of the amalgamated freehold interest of SSW, which divestment was completed on 29 April 2022. Stapled Securityholders are advised to refer to the announcement in relation to the divestment of SSW released by the FHT Managers on SGXNet on 29 October 2021, which sets out for illustrative purposes the pro forma financial effects of the divestment of SSW on the NAV per Stapled Security, DPS and gearing.

Save as disclosed in this Scheme Document, the FHT Unaudited HY2022 Financial Statements and any other information on the FHT Group which is publicly available (including without limitation, the announcements released by the FHT Managers, on behalf of FHT, on the SGXNet), there have been no material changes in the financial position of FHT since 30 September 2021, being the date of the last published audited consolidated financial statements of FHT.

### 4.5 Significant Accounting Policies

The significant accounting policies for the FHT Group are set out in the notes to the audited consolidated financial statements of FHT for FY2021, which are set out in **Appendix G** to this Scheme Document, and the FHT Unaudited HY2022 Financial Statements. Save as disclosed in the notes to the audited consolidated financial statements of FHT for FY2021 and the FHT Unaudited HY2022 Financial Statements, there are no significant accounting policies or any matter from the notes of the financial statements of the FHT Group which are of any major relevance for the interpretation of the financial statements of the FHT Group.

### 4.6 Changes in Accounting Policies

As at the Latest Practicable Date, there are no changes in the accounting policies of the FHT Group which will cause the figures disclosed in Paragraph 4 of this Appendix D not to be comparable to a material extent.

## 5. DISCLOSURE OF INTERESTS

### 5.1 Interests of FHT Group Entities in Offeror Shares and Offeror Convertible Securities

As at the Latest Practicable Date, none of the FHT Group Entities owns, controls or has agreed to acquire any Offeror Shares or any Offeror Convertible Securities.

### 5.2 Interests of FHT Managers in Offeror Shares and Offeror Convertible Securities

As at the Latest Practicable Date, the FHT Managers do not have any direct or indirect interests in the Offeror Shares or the Offeror Convertible Securities.

### 5.3 Interests of FHT Directors in Offeror Shares and Offeror Convertible Securities

As at the Latest Practicable Date, none of the FHT Directors has any direct or indirect interests in the Offeror Shares or the Offeror Convertible Securities.

## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

### 5.4 Interests of FHT Directors in Stapled Securities and FHT Convertible Securities

As at the Latest Practicable Date, based on the Register of Directors' stapled securityholdings maintained by the FHT Managers, the interests in Stapled Securities held by the FHT Directors are set out below.

Directors	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Security	% <sup>(1)</sup>
Law Song Keng	549,900	0.03	–	–
Panote Sirivadhanabhakdi <sup>(2)</sup>	–	–	707,310,200	36.72

**Notes:**

- (1) All references to percentage securityholding of the issued Stapled Securities are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,926,073,869 Stapled Securities in issue. Percentages are rounded to the nearest two (2) decimal places.
- (2) Panote Sirivadhanabhakdi holds 20% of the issued share capital of TCC. TCC holds Stapled Securities in FHT. Panote Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.

Save as disclosed in this Scheme Document, none of the FHT Directors has any direct or indirect interests in the Stapled Securities and FHT Convertible Securities.

### 5.5 Interests of Substantial Stapled Securityholders in Stapled Securities

Based on the information available to the FHT Managers, as at the Latest Practicable Date, the interests of the substantial stapled securityholders of FHT in the Stapled Securities are set out below.

Substantial Stapled Securityholders	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Frasers Property Hospitality Trust Holdings Pte. Ltd.	466,618,417	24.23	–	–
Frasers Property Limited <sup>(2)</sup>	–	–	496,964,399	25.80
InterBev Investment Limited <sup>(3)</sup>	–	–	496,964,399	25.80
International Beverage Holdings Limited <sup>(4)</sup>	–	–	496,964,399	25.80
Thai Beverage Public Company Limited <sup>(5)</sup>	–	–	496,964,399	25.80
Siriwana Co., Ltd. <sup>(6)</sup>	–	–	496,964,399	25.80
Shiny Treasure Holdings Limited <sup>(7)</sup>	–	–	496,964,399	25.80
TCC Assets Limited <sup>(8)</sup>	–	–	496,964,399	25.80
Charoen Sirivadhanabhakdi <sup>(9)</sup>	–	–	496,964,399	25.80

## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

Substantial Stapled Securityholders	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
Khunying Wanna Sirivadhanabhakdi <sup>(10)</sup>	–	–	496,964,399	25.80
TCC Group Investments Limited	707,310,200	36.72	–	–
Atinant Bijananda <sup>(11)</sup>	–	–	707,310,200	36.72
Thapana Sirivadhanabhakdi <sup>(11)</sup>	–	–	707,310,200	36.72
Wallapa Traisorat <sup>(11)</sup>	–	–	707,310,200	36.72
Thapanee Techajareonvikul <sup>(11)</sup>	–	–	707,310,200	36.72
Panote Sirivadhanabhakdi <sup>(11)</sup>	–	–	707,310,200	36.72
Chotiphat Bijananda <sup>(12)</sup>	–	–	707,310,200	36.72

**Notes:**

- (1) All references to percentage securityholding of the issued Stapled Securities are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,926,073,869 Stapled Securities in issue. Percentages are rounded to the nearest two (2) decimal places.
- (2) FPL holds a 100% direct interest in each of the FH-REIT Manager, Frasers Hospitality Pte. Ltd. (“**FHPL**”) and the Offeror; and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. FPL therefore has a deemed interest in the Stapled Securities in FHT in which each of the FH-REIT Manager, FHPL and the Offeror has an interest, by virtue of Section 4 of the SFA.
- (3) InterBev Investment Limited (“**IBIL**”) holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. IBIL therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (4) International Beverage Holdings Limited (“**IBHL**”) holds a 100% direct interest in IBIL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. IBHL therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (5) Thai Beverage Public Company Limited (“**ThaiBev**”) holds a 100% direct interest in IBHL, which holds a 100% direct interest in IBIL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. ThaiBev therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (6) Siriwana Co., Ltd. (“**Siriwana**”) holds, directly and indirectly, a majority interest in ThaiBev, which holds a 100% direct interest in IBHL, which holds a 100% direct interest in IBIL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. Siriwana therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (7) Shiny Treasure Holdings Limited (“**Shiny Treasure**”) holds a greater than 20% interest in Siriwana, which holds, directly and indirectly, a majority interest in ThaiBev, which holds a 100% direct interest in IBHL, which holds a 100% direct interest in IBIL, which holds a greater than 20% interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. Shiny Treasure therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (8) TCC Assets Limited (“**TCCA**”) holds a majority interest in FPL, which holds a 100% direct interest in each of the FH-REIT Manager, FHPL and the Offeror, each of which holds Stapled Securities. TCCA therefore has a deemed interest in the Stapled Securities in which FPL has an interest, by virtue of Section 4 of the SFA.
- (9) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA. TCCA holds a majority interest in FPL. FPL holds a 100% direct interest in the FH-REIT Manager, FHPL and the Offeror, and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. Charoen Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which FPL has an interest, by virtue of Section 4 of the SFA.

## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

- (10) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA. TCCA holds a majority interest in FPL. FPL holds a 100% direct interest in the FH-REIT Manager, FHPL and the Offeror, and each of the FH-REIT Manager, FHPL and the Offeror holds Stapled Securities in FHT. Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (11) Each of Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi holds 20% of the issued share capital of TCC, and TCC holds Stapled Securities in FHT. Each of Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.
- (12) Chotiphat Bijananda is the spouse of Atinant Bijananda, who holds 20% of the issued share capital of TCC. Chotiphat Bijananda therefore has a deemed interest in the Stapled Securities in FHT in which TCC has an interest, by virtue of Section 4 of the SFA.

### 5.6 Interests of FHT Managers in Stapled Securities and FHT Convertible Securities

As at the Latest Practicable Date, the interests of the FHT Managers in the Stapled Securities are as follows:

	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% <sup>(1)</sup>	No. of Stapled Securities	% <sup>(1)</sup>
FH-REIT Manager	18,677,135	0.97	–	–
FH-BT Trustee-Manager	–	–	–	–

**Note:**

- (1) All references to percentage securityholding of the issued Stapled Securities are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,926,073,869 Stapled Securities in issue. Percentages are rounded to the nearest two (2) decimal places.

Save as disclosed in this Scheme Document, the FHT Managers do not have any direct or indirect interests in the Stapled Securities and FHT Convertible Securities.

## 6. DEALINGS DISCLOSURE

### 6.1 Dealings in Offeror Shares and Offeror Convertible Securities by the FHT Group Entities

None of the FHT Group Entities has dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

### 6.2 Dealings in Offeror Shares and Offeror Convertible Securities by the FHT Managers

The FHT Managers have not dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

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## **APPENDIX D – GENERAL INFORMATION RELATING TO FHT**

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### **6.3 Dealings in Offeror Shares and Offeror Convertible Securities by the FHT Directors**

None of the FHT Directors has dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

### **6.4 Dealings in Stapled Securities and FHT Convertible Securities by the FHT Directors**

None of the FHT Directors has dealt for value in the Stapled Securities and FHT Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

### **6.5 Dealings in Stapled Securities and FHT Convertible Securities by the FHT Managers**

The FHT Managers have not dealt for value in the Stapled Securities and FHT Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

## **7. INTERESTS OF THE FHT IFA**

### **7.1 Interests of the FHT IFA in Stapled Securities and FHT Convertible Securities**

As at the Latest Practicable Date, none of the FHT IFA, its related corporations or funds whose investments are managed by the FHT IFA or its related corporations on a discretionary basis, owns or controls any Stapled Securities and FHT Convertible Securities.

### **7.2 Dealings in Stapled Securities and FHT Convertible Securities by the FHT IFA**

None of the FHT IFA, its related corporations or funds whose investments are managed by the FHT IFA or its related corporations on a discretionary basis has dealt for value in the Stapled Securities and FHT Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

## **8. ARRANGEMENTS AFFECTING FHT DIRECTORS**

### **8.1 No Payment or Benefit to FHT Directors**

As at the Latest Practicable Date, and save as disclosed in this Scheme Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any FHT Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the FHT Managers as compensation for loss of office or otherwise in connection with the Scheme.

### **8.2 No Agreement Conditional upon Outcome of the Scheme**

As at the Latest Practicable Date, and save as disclosed in this Scheme Document, there is no agreement, arrangement or understanding made between any of the FHT Directors and any other person in connection with or conditional upon the outcome of the Scheme.

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## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

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### 8.3 No Material Personal Interest in Material Contracts

As at the Latest Practicable Date, and save as disclosed in this Scheme Document, there are no material contracts entered into by the Offeror in which any FHT Director has a material personal interest, whether direct or indirect.

### 9. MATERIAL LITIGATION

As announced by the FHT Managers, the DGIR of IRBM revoked its private ruling that interest payments made from NVSB to FHT Malaysia would be exempt from Malaysia withholding tax (the “**DGIR Letter**”). Consequently, IRBM may require, amongst others, withholding tax on future interest payments as well as past interest payments made by NVSB to FHT Malaysia.

NVSB has successfully filed an application for leave to commence judicial review proceedings in relation to the decision set out in the DGIR Letter, and such proceedings are ongoing. Stapled Securityholders are advised to refer to the announcements dated 8 September 2021, 9 March 2022 and 24 May 2022 for further details on this matter.

As at the Latest Practicable Date, save as disclosed in this Scheme Document and in the announcements released by the FHT Managers, on behalf of FHT, on SGXNet:

- (a) none of the FHT Group Entities is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially or adversely affect the financial position of the FHT Group Entities taken as a whole; and
- (b) the FHT Directors are not aware of any proceedings pending or threatened against any of the FHT Group Entities or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the FHT Group Entities taken as a whole.

### 10. GENERAL DISCLOSURE

#### 10.1 Audited Consolidated Financial Statements for FY2021, FY2020 and FY2019, and the FHT Unaudited HY2022 Financial Statements

The audited consolidated financial statements of FHT for FY2021, FY2020 and FY2019 are set out in the FHT FY2021 Annual Report, FHT FY2020 Annual Report and FHT FY2019 Annual Report respectively, and together with the FHT Unaudited HY2022 Financial Statements are available for inspection<sup>2</sup> at the registered office of the 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours from the date of this Scheme Document up to the Effective Date. The audited consolidated financial statements of FHT for FY2021, including the notes thereto, are set out in **Appendix G** to this Scheme Document.

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<sup>2</sup> Prior appointment will be appreciated



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## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

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### 10.2 FHT Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the FHT Directors or proposed directors with any FHT Group Entity which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

### 10.3 Material Contracts with Interested Persons

As at the Latest Practicable Date, save as disclosed in the audited consolidated financial statements of FHT for FY2019, FY2020 and FY2021, the FHT Unaudited HY2022 Financial Statements, the annual reports of FHT for FY2019, FY2020 and FY2021, and any other information on the FHT Group which is publicly available (including without limitation, the announcements released by the FHT Managers on the SGXNet) as to material contracts with interested persons (within the meaning of Note 1 to Rule 23.12 of the Code) which are not in the ordinary course of business, none of the FHT Group Entities has entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Joint Announcement Date and ending on the Latest Practicable Date.

### 10.4 Costs and Expenses

In the event that the Scheme does not become effective and binding for any reason, the expenses and costs incurred by the FHT Managers in connection with the Scheme will be paid out of the assets of FHT.

## 11. CONSENTS

### 11.1 GENERAL

The FHT Financial Advisers, Allen & Gledhill LLP and Dentons Rodyk & Davidson LLP have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

### 11.2 FHT IFA

The FHT IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the FHT IFA Letter as set out in Appendix B to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

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## APPENDIX D – GENERAL INFORMATION RELATING TO FHT

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### 11.3 Valuers

Each of the Valuers has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the valuation certificates set out in Appendix H to this Scheme Document, the references to the valuation date(s), valuation(s), valuation report(s) and valuation methodology of the relevant FHT Properties and all references to its name and its valuation certificates, in the form and context in which it appears in this Scheme Document.

### 12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection<sup>3</sup> by Stapled Securityholders at the registered office of the FHT Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, from the date of this Scheme Document up to the Effective Date:

- (a) the FHT Trust Deeds;
- (b) the annual reports of FHT for FY2019, FY2020 and FY2021;
- (c) the FHT Unaudited HY2022 Financial Statements;
- (d) the FHT IFA Letter;
- (e) the Implementation Agreement;
- (f) the valuation reports by the Valuers; and
- (g) the letters of consent referred to in Paragraph 11 of Appendix D to this Scheme Document.

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<sup>3</sup> Prior appointment will be appreciated

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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### A. FH-REIT TRUST DEED

The Manager and the Trustee agree, subject to the provisions of this Fifth Supplemental Deed, that the FH-REIT Trust Deed shall be amended with effect on and from the Effective Date as follows:

1. That the following provision is inserted as Clause 24A in the FH-REIT Trust Deed immediately after Clause 24 of the FH-REIT Trust Deed:

**“24A Scheme**

**24A.1 Definitions**

**For the purposes of Clause 24A:**

**“Court”** means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

**“Offeror”** means any incorporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Units by way of a Scheme;

**“Scheme”** means an arrangement under which an Offeror acquires all of the Units, which is subject to the Scheme Resolution being approved at a Scheme Meeting and by an order of the Court;

**“Scheme Meeting”** means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolution;

**“Scheme Resolution”** means a resolution passed by a majority in number of the Holders (the **“Headcount Condition”**) representing at least three-fourths (75.0%) in value (the **“Value Condition”**) of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme; and

**“Trust Deeds Amendments Resolution”** means a resolution passed by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager to approve the amendments to this Deed necessary for the implementation of the Scheme.

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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### 24A.2 Implementation of Scheme

On and with effect from the time at which the Trust Deeds Amendments Resolution has been duly passed:

24A.2.1 each Holder, the Trustee and the Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee and/or Manager consider are necessary or desirable to execute, implement and/or give full effect to the terms of the Scheme and the transactions contemplated by it and any other matters reasonably incidental thereto;

24A.2.2 notwithstanding anything in this Deed, for the purposes of determining whether the Value Condition is satisfied, unless the Court orders otherwise:

(a) a Holder entitled to attend and vote at the Scheme Meeting and who is not a Relevant Intermediary:

(1) is entitled to appoint only one proxy to attend and vote at the Scheme Meeting; and

(2) may only cast all the votes it uses at the Scheme Meeting (whether in person or by proxy) in one way, and may only:

(aa) cast all its votes “for” the Scheme;

(bb) cast all its votes “against” the Scheme; or

(cc) abstain from voting; and

(b) a Holder who is entitled to attend and vote at the Scheme Meeting and is a Relevant Intermediary entitled to attend and vote at the Scheme Meeting, is entitled to appoint only one proxy to attend and vote at the Scheme Meeting but need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Unit. For each vote, a Relevant Intermediary may:

(1) vote “for” the Scheme;

(2) vote “against” the Scheme; and/or

(3) abstain from voting; and

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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- 24A.2.3 notwithstanding anything in this Deed, for the purposes of determining whether the Headcount Condition is satisfied, unless the Court orders otherwise;
- (a) each Holder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Holders present and voting at the Scheme Meeting;
  - (b) where the Chairman has been appointed as the proxy of more than one Holder to vote at the Scheme Meeting, the votes of the Chairman shall be counted as the votes of the number of appointing Holders; and
  - (c) a Relevant Intermediary that casts votes both for and against the Scheme shall be treated as follows:
    - (i) the Relevant Intermediary shall be treated as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
    - (ii) the Relevant Intermediary shall be treated as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
    - (iii) the Relevant Intermediaries shall be treated as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme;
- 24A.2.4 without limiting the Trustee's and the Manager's other powers under this Clause 24A, each of the Trustee and/or the Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Scheme and the transactions contemplated by it and any other matters reasonably incidental thereto; and
- 24A.2.5 a Scheme, in respect of which a Scheme Resolution has been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall:
- (a) bind the Trustee and the Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolution at the Scheme Meeting; and
  - (b) to the extent of any inconsistency, override the other provisions of this Deed."

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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2. that paragraph 26 of Schedule 1 of the FH-REIT Trust Deed be amended by inserting the following underlined text and to also reflect the deletion as indicated by the text in strikethrough:

“26. ~~Notwithstanding anything in this Deed, where~~ Where a Holder is a Relevant Intermediary, the Holder may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote every meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units (or, in the event the Trust is part of a Stapled Group, a different Stapled Security or Stapled Securities) held by it (which number of Units (or, in the event the Trust is part of a Stapled Group, Stapled Securities) shall be specified).”

### B. FH-BT TRUST DEED

The Trustee-Manager agrees, subject to the provisions of this Fourth Supplemental Deed, that the Deed shall be amended with effect on and from the Effective Date as follows:

1. That the following provision is inserted as Clause 22A in the FH-BT Trust Deed immediately after Clause 22 of the FH-BT Trust Deed:

**“22A Scheme**

**22A.1 Definitions**

**For the purposes of Clause 22A:**

**“Court”** means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

**“Offeror”** means any incorporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Units by way of a Scheme;

**“Scheme”** means an arrangement under which an Offeror acquires all of the Units, which is subject to the Scheme Resolution being approved at a Scheme Meeting and by an order of the Court;

**“Scheme Meeting”** means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolution;

**“Scheme Resolution”** means a resolution passed by a majority in number of the Holders (the **“Headcount Condition”**) representing at least three-fourths (75.0%) in value (the **“Value Condition”**) of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme; and

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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**“Trust Deeds Amendments Resolution”** means a resolution passed by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Trustee-Manager to approve the amendments to this Deed necessary for the implementation of the Scheme.

### 22A.2 Implementation of Scheme

On and with effect from the time at which the Trust Deeds Amendments Resolution has been duly passed:

22A.2.1 each Holder and the Trustee-Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee-Manager considers are necessary or desirable to execute, implement and/or give full effect to the terms of the Scheme and the transactions contemplated by it and any other matters reasonably incidental thereto;

22A.2.2 notwithstanding anything in this Deed, for the purposes of determining whether the Value Condition is satisfied, unless the Court orders otherwise:

- (c) a Holder entitled to attend and vote at the Scheme Meeting and who is not a Relevant Intermediary:
  - (1) is entitled to appoint only one proxy to attend and vote at the Scheme Meeting; and
  - (2) may only cast all the votes it uses at the Scheme Meeting (whether in person or by proxy) in one way, and may only:
    - (aa) cast all its votes “for” the Scheme;
    - (bb) cast all its votes “against” the Scheme; or
    - (cc) abstain from voting; and
- (d) a Holder who is entitled to attend and vote at the Scheme Meeting and is a Relevant Intermediary entitled to attend and vote at the Scheme Meeting, is entitled to appoint only one proxy to attend and vote at the Scheme Meeting but need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Unit. For each vote, a Relevant Intermediary may:
  - (1) vote “for” the Scheme;
  - (2) vote “against” the Scheme; and/or
  - (3) abstain from voting; and



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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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- 22A.2.3 notwithstanding anything in this Deed, for the purposes of determining whether the Headcount Condition is satisfied, unless the Court orders otherwise;
- (d) each Holder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Holders present and voting at the Scheme Meeting;
  - (e) where the Chairman has been appointed as the proxy of more than one Holder to vote at the Scheme Meeting, the votes of the Chairman shall be counted as the votes of the number of appointing Holders; and
  - (f) a Relevant Intermediary that casts votes both for and against the Scheme shall be treated as follows:
    - (i) the Relevant Intermediary shall be treated as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
    - (ii) the Relevant Intermediary shall be treated as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
    - (iii) the Relevant Intermediaries shall be treated as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme;
- 22A.2.4 without limiting the Trustee-Manager's other powers under this Clause 22A, the Trustee-Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Scheme and the transactions contemplated by it and any other matters reasonably incidental thereto; and
- 22A.2.5 a Scheme, in respect of which a Scheme Resolution has been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall:
- (c) bind the Trustee-Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolution at the Scheme Meeting; and
  - (d) to the extent of any inconsistency, override the other provisions of this Deed.”

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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### C. STAPLING DEED

The REIT Manager, the REIT Trustee and the Trustee-Manager agree, subject to the provisions of this Second Supplemental Deed, that the Deed shall be amended with effect on and from the Effective Date as follows:

1. That Clause 10.2 of the Stapling Deed be amended to reflect the deletion as indicated by the deleted text below and the addition indicated by the underlined text below:

#### “10.2 Delisting of Frasers Hospitality Trust

Notwithstanding anything in the Listing Rules and the listing rules of any other relevant Recognised Stock Exchange, the REIT Manager and/or Trustee-Manager may only make an application to de-list Frasers Hospitality Trust after it has been Listed if (a) the FH-REIT Unitholders and the FH-BT Unitholders by a resolution passed by a vote representing 80.0%–75.0% or more of the total number of votes cast for and against such a resolution at a meeting of Depositors duly convened and held in accordance with the provisions contained in Schedule 1 of the FH-REIT Trust Deed and the FH-BT Trust Deed (as the case may be), decide that Frasers Hospitality Trust is to be de-listed or (b) the FH-REIT Unitholders and the FH-BT Unitholders approve the passing of the Scheme Resolution (as defined in Clause 10A) at the Scheme Meeting (as defined in Clause 10A).”

2. That the following provision is inserted as Clause 10A in the Stapling Deed immediately after Clause 10 of the Stapling Deed:

#### “10A Scheme

##### 10A.1 Definitions

##### **For the purposes of Clause 10A:**

“**Court**” means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

“**Offeror**” means any incorporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Stapled Securities by way of a Scheme;

“**Scheme**” means an arrangement under which an Offeror acquires all of the Stapled Securities, which is subject to the Scheme Resolution being approved at a Scheme Meeting and by an order of the Court;

“**Scheme Meeting**” means the general meeting(s) (or any adjourned meeting(s)) of the Holders duly convened and held in accordance with the provisions contained in the FH-REIT Trust Deed and the FH-BT Trust Deed (as the case may be) for the purpose of, *inter alia*, considering and voting on the Scheme Resolution;

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## APPENDIX E – FHT TRUST DEEDS AMENDMENTS

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“**Scheme Resolution**” means a resolution passed by a majority in number of the Holders representing at least three-fourths (75.0%) in value of the Stapled Securities held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme; and

“**Trust Deeds Amendments Resolution**” means a resolution passed by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the REIT Manager and the Trustee-Manager to approve the amendments to this Deed necessary for the implementation of the Scheme.

### 10A.2 Implementation of Scheme

On and with effect from the time at which the Trust Deeds Amendments Resolution has been duly passed:

- 10A.2.1 each Holder, the REIT Manager, the REIT Trustee and the Trustee-Manager shall do all things and execute all deeds, instruments, transfers or other documents as the REIT Manager, the REIT Trustee and the Trustee-Manager consider are necessary or desirable to execute, implement and/or give full effect to the terms of the Scheme and the transactions contemplated by it and any other matters reasonably incidental thereto;
- 10A.2.2 without limiting the REIT Manager’s, REIT Trustee’s and the Trustee-Manager’s other powers under this Clause 10A, each of the REIT Manager, REIT Trustee and Trustee-Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Scheme and the transactions contemplated by it and any other matters reasonably incidental thereto; and
- 10A.2.3 a Scheme, in respect of which a Scheme Resolution has been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall:
- (e) bind the REIT Manager, the REIT Trustee, the Trustee-Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolution at the Scheme Meeting; and
  - (f) to the extent of any inconsistency, override the other provisions of this Deed.”

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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*All capitalised terms used in the following extracts shall have the same meanings given to them in the FHT Trust Deeds, copies of which are available for inspection during normal business hours at the registered office of the FHT Managers from the date of this Scheme Document up until the Effective Date.*

**The rights of Stapled Securityholders in respect of capital, distribution and voting as extracted and reproduced from the FHT Trust Deeds are set out below:**

### **A. THE RIGHTS OF STAPLED SECURITY HOLDERS IN RESPECT OF CAPITAL**

#### **(a) FH-REIT TRUST DEED**

### **2. PROVISIONS AS TO UNITS, HOLDERS AND STATEMENTS OF HOLDINGS**

#### **2.1 No Certificates**

**2.1.1** No certificate shall be issued to Holders by either the Manager or the Trustee in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust, and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

**2.1.2** For so long as the Trust is Listed on the SGX-ST, the Manager or the agent appointed by the Manager shall issue to the Depository not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

#### **2.2 Form of Statements of Holdings**

**2.2.1** In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.

**2.2.2** For so long as the Trust is Listed and Units are registered in the name of the Depository, the Manager shall reasonably procure that the Depository shall issue to each Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts.

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### 2.3 Sub-division and Consolidation of Units

The Manager may at any time, with the approval of the Trustee and on prior written notice given by the Manager to each Holder or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly. The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee or the Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor's Securities Account to reflect the new number of Units or where so permitted by the Relevant Laws, Regulations and Guidelines, the new number of Stapled Securities held by each Depositor as a result of such sub-division or consolidation. For the avoidance of doubt, for so long as Units are Stapled with another Security or other Securities, the Stapled Securities shall be subdivided or consolidated in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Manager and the Trustee for the purpose of Stapling Units to any other Security or Securities.

The Manager shall require each Holder (who shall be bound accordingly) to deliver up his confirmation note or notes (if any) for endorsement or enfacement with the number of Units or Stapled Securities thereby represented as a result of such sub-division or consolidation, or (in the case of a sub-division only) send or cause to be sent to each Holder at his risk, a confirmation note representing the number of additional Units or Stapled Securities to which he has become entitled by reason of the sub-division.

### 2.4 Terms and Conditions of Trust Deed, Supplemental Deeds and Stapling Deed to Bind Holders

**2.4.1** The terms and conditions of this Deed and any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the Trustee or (as the case may be) the Manager to do.

**2.4.2** For so long as the Trust and FH-BT are part of a Stapled Group and the Units are stapled with the FH-BT Units, the terms and conditions of the Stapling Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if the Stapling Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as the Stapling Deed and any supplemental deed (including any amending and restating deed) may require the Trustee or (as the case may be) the Manager to do.

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### 2.5 Availability of Trust Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered office of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person in accordance with the Relevant Laws, Regulations and Guidelines and on application at a charge not exceeding S\$10 per copy document.

### 2.6 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person entitled to be recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

### 2.7 Rights attached to Units

The rights attached to Units issued upon special conditions shall be clearly defined in this Deed. Without prejudice to any special right previously conferred on the Holders of any existing Units or Class of Units but subject to the Relevant Laws, Regulations and Guidelines and this Deed, any Units may be issued by the Manager and any such Units may be issued with such preferred, deferred, subordinated or other special rights or restrictions, whether with regard to distributions, voting or otherwise as the Manager may determine.

### 2.8 Variation of Rights

**2.8.1** Whenever the Units of the Trust are divided into different Classes of Units, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference Units, other than redeemable preference Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the Holders of three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of the Holders of the Units of the Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including, but not limited to the provisions of Schedule 1) shall mutatis mutandis apply, except that the necessary quorum shall be two persons holding or representing by proxy at least one-third of the issued Units of the Class and that any Holder of Units of the Class present in person or by proxy may demand a poll and that every such Holder shall on a poll have one vote for every Unit of the Class held by him, provided that in the event there is only one Holder in respect of the Units of that Class, the necessary quorum shall be that sole Holder and PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from the holders of three-quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid

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and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.8 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any Class as if each group of Units of the Class differently treated formed a separate Class the special rights whereof are to be varied.

**2.8.2** The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

**2.8.3** For the avoidance of doubt, notwithstanding that any Class of Units are Stapled with another Security or other Securities, any variation of the rights attached to such Class of Units shall be carried out in accordance with this Clause 2.8.

### **2.9 Rights of Manager in Respect of Units Not Registered**

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue. Nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

### **2.10 Restrictions on Directions**

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) and if such directions are given, the Manager and/or the Trustee shall be entitled to disregard such instructions if it would require the Manager or Trustee to do or omit from doing anything which may result in:

**2.10.1** the Trust, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange on or after the Listing Date or such other Relevant Laws, Regulations and Guidelines; or

**2.10.2** the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; PROVIDED THAT nothing in this Clause 2.10.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.

### **2.11 Provisions as to Units, Holders and Statements of Holdings where the Trust is part of the Stapled Group**

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to references to holders of Stapled Securities and Stapled Securities respectively, and reference to this Deed shall be read to include the Stapling Deed.



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### 3. Registration of Holders

#### 3.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the Trustee or the Registrar in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee or the Registrar shall record the Depository as the registered Holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee or the Registrar shall record each Holder as the registered Holder of Units held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

- 3.1.1 the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);
- 3.1.2 the number of Units held by each Holder;
- 3.1.3 the Class of Units held by each Holder;
- 3.1.4 the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;
- 3.1.5 the date on which any transfer is registered and the name and address of the transferee; and
- 3.1.6 where applicable, the date on which any person ceases or ceased to be a Holder of Units.

Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

#### 3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

#### 3.3 Listed Units

For so long as the Trust is Listed on the SGX-ST, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect. For so long as the Trust is Listed on the SGX-ST, the Manager shall have entered into the Depository Services Terms and Conditions for the



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Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1 to 3.1.6 in relation to each Depositor. Each Depositor named in the Depository Register shall, for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register, and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units. The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager, the Trustee and the Depository, that the Depository Register is incorrect.

### 3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified by such Holder to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly.

### 3.5 Inspection of Register

**3.5.1** The Trustee shall give the Manager and its representatives, or procure that the Manager and its representatives are given, access to the Register and all subsidiary documents and records relating thereto at all reasonable times during Business Hours and allow them to, or procure that they are allowed to, inspect and to take copies of the same with or without notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required to produce the Register to a court of competent jurisdiction or otherwise as required by law) or to make any entries therein or alterations thereto. Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT, if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system, the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

**3.5.2** If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto. Thereafter, the Trustee shall not retain any copies of the aforesaid documents and records unless required by law.

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### 3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee may from time to time determine, PROVIDED THAT it shall not be closed for more than 30 days in any one Year.

### 3.7 Transfer of Units

**3.7.1** For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Depositors credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

**3.7.2** For so long as the Trust is Unlisted and is not part of a Stapled Group, every Holder, Joint-All Holder (with the concurrence of all the other Joint-All Holders) and Joint-Alternate Holder shall be entitled to transfer all or any of the Units held by him as follows:

- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve). The instrument of transfer need not be a deed;
- (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 to 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof;

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- (iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and
- (iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.

- 3.7.3** Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units.
- 3.7.4** For so long as the Trust is Unlisted, the Manager shall notify the Trustee of the date of each transfer of Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.
- 3.7.5** For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded by the Manager to, and retained by, the Trustee.
- 3.7.6** For so long as the Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.
- 3.7.7** So long as the Trust is not part of a Stapled Group, no transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.
- 3.7.8** The Trustee shall have the power to rectify the Register if it appears to the Trustee that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) is wrongly entered or omitted.
- 3.7.9** Subject to compliance with procedures provided in this Clause 3.7, there shall be no restriction in this Deed on the transfer of fully paid Units except where required by law or by the Relevant Laws, Regulations and Guidelines.

### **3.8 Death of Holders**

The executors or administrators of a deceased Holder (not being a Joint Holder) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In the case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be

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liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

### 3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation, subject to Clause 3.13, shall be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

### 3.10 Minors

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units, PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other Joint-All Holder or Joint-All Holders who has or have attained the age of 18 years.

### 3.11 Transmission

**3.11.1** Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire to be recognised as Holder or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

**3.11.2** Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

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**3.11.3** The Manager may retain any moneys payable in respect of any Unit which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

### **3.12 Payment of Fee**

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee, must be paid before the registration of any transfer.

### **3.13 Removal from Register**

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue. For the avoidance of doubt, such transfer in favour of the Manager shall be in its capacity as manager of the Trust.

### **3.14 Registrar**

The Trustee may, with the approval of the Manager, at any time or from time to time appoint an agent on its behalf to, inter alia, keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

## **5. Issue of Units**

### **5.1 General**

**5.1.1** Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Manager may think fit PROVIDED THAT, in connection with the initial Listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager) and for so long as the Trust is Listed, the Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a

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conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

- 5.1.2** The Manager may by deed supplemental hereto with the Trustee issue Classes of Units under such terms and conditions as may be contained therein.
- 5.1.3** Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued preference Units shall not exceed the total number of ordinary Units issued at any time. Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.
- 5.1.4** The Manager has power to issue further preference capital ranking equally with, or in priority to, preference Units already issued.
- 5.1.5** The Trust may be Listed on the SGX-ST pursuant to Clause 9 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.
- 5.1.6** Subject to Clause 5.1.8, for so long as the Trust is Listed, the Manager may issue Units provided that the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.
- 5.1.7** Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Manager and the Trustee for the purpose of Stapling Units to any other Security or Securities.



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**5.1.8** Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of Holders in proportion, as far as circumstances admit, to the number of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Manager may dispose of those Units in a manner as it thinks most beneficial to the Trust. The Manager may likewise dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Manager, be conveniently offered under this provision.

### **5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price**

**5.2.1** Prior to the Listing Date, the Manager may, subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit (“Issue Price”) and on such terms and conditions as the Manager may determine in its absolute discretion.

**5.2.2** The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as they may agree. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed between the Manager and the Trustee, subject to any Relevant Laws, Regulations and Guidelines.

**5.2.3** Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price under an initial public offering of Units to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with the Listing Rules and any Relevant Laws, Regulations and Guidelines.

**5.2.4** The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

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### 5.3 Issue Price of Units when the Trust is Listed

**5.3.1** Subject to Clauses 5.3.2, 5.3.3 and 15.1.4(iii) and to any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit and the basis for determining the market price shall be announced on the SGXNet for so long as the Trust is Listed on the SGX-ST.

**5.3.2** Subject to Clause 5.3.3, for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders provided that the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including, but not limited to, the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders, the Issue Price for any reinvestment of distribution arrangement, the Issue Price for any Units which are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust and the Issue Price for a conversion of instruments which may be convertible into Units. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

**5.3.3** Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.



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### 5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted

Where the Units and/or the Trust become Unlisted after the Listing Date, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

### 5.5 Units Issued on Unpaid or Partly Paid Basis

**5.5.1** Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

**5.5.2** In the event that the Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

#### **5.5.3** Calls on Units

- (i) The Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.
- (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Manager may determine.
- (iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Manager may determine but the Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- (iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (v) The Manager may on the issue of Units differentiate between the Holders as to the amount of calls to be paid and the times of payment.

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- (vi) The Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

### 5.5.4 Forfeiture and Lien

- (i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.
- (ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Manager may accept a surrender of any Unit liable to be forfeited hereunder.
- (iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Manager thinks fit. The Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.
- (v) A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Manager may determine) from the date of forfeiture or surrender until payment and the Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.

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- (vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distribution from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the Holder or deceased Holder. The Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.
- (vii) The Trust may sell in such manner as the Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.
- (viii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.
- (ix) A statutory declaration in writing that the declarant is a director or secretary of the Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

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### 5.6 Units Issued to Persons Resident Outside Singapore

Subject to any Relevant Laws, Regulations and Guidelines, if a Unit is to be issued to a person resident outside Singapore, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore. In relation to any rights issue or (as the case may be) any preferential offering, the Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue or preferential offering to those Holders whose addresses are outside Singapore, after having regard to the relevant considerations including whether the Manager considers such election to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In the case of a rights issue, the provisional allocations of Units of such Holders may be offered for sale by the Manager (as the nominee and authorised agent of each such relevant Holder) in such manner and at such price as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders PROVIDED THAT, where the proceeds payable to any single Holder is less than S\$10, the Manager shall be entitled to retain such proceeds as part of the Deposited Property.

### 5.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Units, where (i) payment of the Issue Price payable in respect of any Unit agreed to be issued by the Manager has not been received by the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree) or (ii) the Issue Price paid in respect of any Unit is returned to the Holder, such Unit may, in its absolute discretion, at that time or any time thereafter be cancelled by the Manager by giving notice to that effect to the applicant and such Unit shall thereupon be deemed never to have been issued or agreed to be issued (as the case may be) and the applicant therefor shall have no right or claim in respect thereof against the Manager or the Trustee, PROVIDED THAT:

- 5.7.1 no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;
- 5.7.2 the Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as they may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant; and
- 5.7.3 the Manager may, but shall not be bound to, require the applicant to pay to the Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

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### 5.8 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

### 5.9 Selling Price of Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

### 5.10 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

### 5.11 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed; but nothing in this Clause 5.11 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

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### 5.12 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

- 5.12.1** any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- 5.12.2** the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- 5.12.3** any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;
- 5.12.4** any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- 5.12.5** any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;
- 5.12.6** in relation to any general meeting of the Holders, any 72 hour period before such general meeting or any adjournment thereof; or
- 5.12.7** when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.12 shall exist upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee. In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX- ST or the relevant Recognised Stock Exchange.

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### 5.13 Issue of Instruments Convertible into Units

The Manager may issue instruments which may be convertible into Units (including but not limited to any options, Securities, warrants, debentures or other instruments that might or would require Units to be issued) for consideration or for no consideration and on such terms of offer and issue as the Manager may determine, subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines relating to the offer or issue of instruments which may be convertible into Units.

### 5.14 Issue of Units Stapled to Other Securities

**5.14.1** Subject to Clause 5.1 and the Relevant Laws, Regulations and Guidelines, the Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Manager may determine in its absolute discretion.

**5.14.2** For the purposes of this Clause 5.14, the Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities.

**5.14.3** For so long as the Stapled Group is Unlisted, the Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager, the Trustee and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.

**5.14.4** In the event that the Stapled Group is Listed, the Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose "Market Price" shall mean the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Stapled Securities are Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day.



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### 7. Repurchase and Redemption of Units by Manager

#### 7.1 Repurchase and Redemption Restrictions when the Trust is Unlisted

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.1.

#### 7.2 Repurchase and Redemption Restrictions when the Trust is Listed

##### 7.2.1 General

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.2. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix). The Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.12.

##### 7.2.2 Holders' Approval

For so long as the Trust is Listed on the SGX-ST, the Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the “**Unit Buyback Mandate**”), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

##### 7.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buyback Mandate is limited to that number of Units representing not more than 10.0% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.



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### 7.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. “**Relevant Period**” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is held or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,

whichever is earlier.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

### 7.3 Repurchase Price

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be:

- 7.3.1** in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Manager’s offer to repurchase or cause the redemption of Units is accepted; and
- 7.3.2** in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Manager’s offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.12.

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### 7.4 Repurchase or Redemption Options of Manager

In the event the Manager decides to make any offer to repurchase or redeem Units, the Manager shall have the following options:

- 7.4.1 to effect a repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);
- 7.4.2 to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or
- 7.4.3 PROVIDED THAT there is sufficient Cash in the Trust, and subject to compliance with the Relevant Laws, Regulations and Guidelines, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units. The Trustee shall only comply if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other Liabilities, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed. Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other Liabilities if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient Cash to redeem the Units pursuant to this Clause 7.4.3.

### 7.5 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

### 7.6 Repurchased Units are Cancelled

Units which are repurchased shall be cancelled and shall not thereafter be reissued or dealt with in any manner subject to the requirements of the Relevant Laws, Regulations and Guidelines. For the avoidance of doubt, this Clause 7.6 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units. On the cancellation of any Unit under this Clause 7.6, the rights and privileges attached to that Unit shall expire.

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### 7.7 Manner of Repurchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may:

- 7.7.1 repurchase or acquire Units on a securities exchange (“**Market Purchase**”); or
- 7.7.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an “off-market” acquisition of the Units on an “equal access scheme” (as defined below) (“**Off-Market Purchase**”),

(each a form of “**Unit Buy-back**”), and to deal with any of the Units so purchased or acquired in accordance with this Clause 7.

For the purpose of this Clause 7, an “**equal access scheme**” is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
  - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;
  - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and
  - (c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

### 7.8 Procedure for Repurchase of Units via a Market Purchase

For so long as the Trust is Listed, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

- 7.8.1 specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- 7.8.2 determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion);
- 7.8.3 specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- 7.8.4 specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust’s financial position.

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The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.8.1 to 7.8.4.

**7.8.5** The authority for a Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

### **7.9 Procedure for Repurchase of Units via an Off-Market Purchase**

**7.9.1** For so long as the Trust is Listed, where Units are repurchased via an Off-Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.9.1(i) to 7.9.1(iv).

The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (a) specifying a particular sum; or
- (b) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

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- 7.9.2** For so long as the Trust is Listed, in the event that the Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will repurchase, in accordance with this Clause 7 and the Relevant Laws, Regulations and Guidelines, such number of Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

### **7.10 Reporting Requirements**

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager shall:

- 7.10.1** notify the SGX-ST (in the form of an announcement on the SGXNet) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and
- 7.10.2** make an announcement on the SGXNet at the same time it notifies the SGX-ST of any purchase of Units pursuant to any Unit Buy-back Mandate, that the board of directors of the Manager is satisfied on reasonable grounds that, immediately after the purchase of Units, the Manager will be able to fulfil, from the Deposited Property, the Liabilities as these liabilities fall due.

### **(b) FH-BT TRUST DEED**

#### **2. Provisions as to Units, Holders and Statements of Holding**

##### **2.1 No Certificates**

- 2.1.1** No certificate shall be issued to Holders by the Trustee-Manager in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.
- 2.1.2** For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager or the Registrar shall issue to the Depository, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

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### 2.2 Form of Statements of Holdings

- 2.2.1** In the event the Trust is or becomes Unlisted, the Trustee-Manager or the Registrar shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Trustee-Manager or the Registrar shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be determined by the Trustee-Manager) a statement of holdings (the “Statement of Holdings”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be determined by the Trustee-Manager.
- 2.2.2** For so long as the Trust is Listed and Units are registered in the name of the Depository, the Trustee-Manager shall reasonably procure that the Depository shall, issue to each Depositor the relevant contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided in the Depository’s terms and conditions for operation of Securities Accounts.

### 2.3 Sub-division and Consolidation of Units

- 2.3.1** The Trustee-Manager may, at any time and on giving prior written notice (such notice period shall be determined by the Trustee-Manager in its absolute discretion) to each Holder or (as the case may be) to each Depositor by the Trustee-Manager delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Unit shall be subdivided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly.
- 2.3.2** The Trustee-Manager shall require each Holder (who shall be bound accordingly) to deliver up his confirmation note or notes (if any) for endorsement or enfacement with the number of Stapled Securities thereby represented as a result of such subdivision or consolidation, or (in the case of a sub-division only) send or cause to be sent to each Holder at his risk, a confirmation note representing the number of additional Stapled Securities to which he has become entitled by reason of the sub-division.
- 2.3.3** The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor’s Securities Account to reflect the new number of Units or where so permitted by the Relevant Laws, Regulations and Guidelines, the new number of Stapled Securities held by each Depositor as a result of such sub-division or consolidation.
- 2.3.4** For the avoidance of doubt, for so long as Units are Stapled with another Security or other Securities, the Stapled Securities shall be sub-divided or consolidated in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Trustee-Manager for the purpose of Stapling Units to any other Security or Securities.

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### **2.4 Terms and Conditions of Trust Deed, Supplemental Deeds and Stapling Deed to Bind Holders**

**2.4.1** The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the Trustee-Manager to do.

**2.4.2** For so long as the Trust and FH-REIT are part of a Stapled Group and the Units are stapled with FH-REIT Units, the terms and conditions of the Stapling Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if the Stapling Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as the Stapling Deed and any supplemental deed (including any amending and restating deed) may require the Trustee-Manager to do.

### **2.5 Availability of Trust Deed**

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered office of the Trustee-Manager at all times during usual Business Hours and shall be supplied by the Trustee-Manager to any person in accordance with the Relevant Laws, Regulations and Guidelines on application at a charge not exceeding S\$10 per copy document.

### **2.6 Rights attached to Units**

The rights attached to Units issued upon special conditions shall be clearly defined in this Deed. Without prejudice to any special right previously conferred on the Holders of any existing Units or Class of Units but subject to the Relevant Laws, Regulations and Guidelines and this Deed, any Units may be issued by the Trustee-Manager and any such Units may be issued with such preferred, deferred, subordinated or other special rights or such restrictions, whether with regard to distributions, voting or otherwise as the Trustee-Manager may determine.

### **2.7 Variation of Rights**

**2.7.1** Whenever the Units of the Trust are divided into different Classes of Units, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference Units, other than redeemable preference Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the Holders of three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of the Holders of the Units of that Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a



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winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including but not limited to the provisions of Schedule 1) shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons holding or representing by proxy at least one-third of the issued Units of the Class and that any Holder of Units of the Class present in person or by proxy may demand a poll and that every such Holder shall on a poll have one vote for every Unit of the Class held by him, provided that in the event there is only one Holder in respect of the Units of that Class, the necessary quorum shall be that sole Holder and PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from Holders of three-quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to only some of the Units of any Class as if each group of Units of the Class differently treated formed a separate Class the special rights whereof are to be varied.

**2.7.2** The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed.

**2.7.3** For the avoidance of doubt, notwithstanding that any Class of Units are Stapled with another Security or other Securities, any variation of the rights attached to such Class of Units shall be carried out in accordance with this Clause 2.7.

### **2.8 Units to be Held Free from Equities**

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person entitled to be recognised by the Trustee-Manager as having any right, title or interest in or to the Units registered in his name and the Trustee-Manager may recognise such Holder or (as the case may be) such Depositor as the absolute owner thereof and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

### **2.9 Restrictions on Directions**

The Holders shall not give any directions to the Trustee-Manager (whether at a meeting of Holders convened pursuant to Clause 28 or otherwise) if it would require the Trustee-Manager to do or omit from doing anything which may result in:

**2.9.1** the Trust or the Trustee-Manager ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, on or after the Listing Date or such other Relevant Laws, Regulations and Guidelines; or



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**2.9.2** the exercise of any discretion expressly conferred on the Trustee-Manager by this Deed or the determination of any matter which under this Deed requires the agreement of the Trustee-Manager, PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.

### **2.10 Provisions as to Units, Holders and Statements of Holdings where Trust is part of the Stapled Group**

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply, with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to the holders of Stapled Securities and Stapled Securities respectively and reference to this Deed shall be read to include the Stapling Deed.

## **3. Registration of Holders**

### **3.1 Register of Holders**

**3.1.1** The Trustee-Manager shall exercise Due Care in procuring an up-to-date Register to be kept in Singapore in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee-Manager or the Registrar shall record the Depository as the registered Holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee-Manager shall record each Holder as the registered Holder of Units held by such Holder. The Trustee-Manager shall be entitled to appoint the Registrar to keep and maintain the Register.

**3.1.2** There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee-Manager or the Registrar receives the following relevant information:

- (i) the names and addresses of the Holders (and, in the case where the registered Holder is the Depository, the name and address of the Depository);
- (ii) the Class of Units held by each Holder;
- (iii) the number of Units held by each Holder;
- (iv) the date on which every such person entered in respect of the Units standing in his name became a Holder and, where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;
- (v) the date on which any transfer is registered and the name and address of the transferee; and
- (vi) where applicable, the date on which any person ceases or ceased to be a Holder of Units.

**3.1.3** Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

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### 3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves to the satisfaction of the Trustee-Manager that the Register is incorrect.

### 3.3 Listed Units

**3.3.1** For so long as the Trust is Listed on the SGX-ST, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Trustee-Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Trustee-Manager and the Depository mutually agree that the Register is incorrect.

**3.3.2** For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clauses 3.1.2(i) to 3.1.2(vi) in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units.

**3.3.3** The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves to the satisfaction of the Trustee-Manager and the Depository, that the Depository Register is incorrect.

### 3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified by such Holder to the Trustee-Manager, whether in writing or in such other manner as the Trustee-Manager may approve, who, on being satisfied with the change in name or address and that all formalities as may be required by the Trustee-Manager have been complied with, shall alter or cause to be altered the Register accordingly.

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### 3.5 Inspection of Register

Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee-Manager may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT, if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system, the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

### 3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee-Manager may from time to time determine PROVIDED THAT it shall not be closed for more than 30 days in any one year.

### 3.7 Transfer of Units

**3.7.1** For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units credited into Securities Accounts and to pay out of the Trust Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Trustee-Manager and/or the Depository shall be borne by the transferor. There are no restrictions as to the number of Units which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered on the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1, shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

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- 3.7.2** For so long as the Trust is Unlisted, and is not part of a Stapled Group, every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:
- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Trustee-Manager may from time to time approve). The instrument of transfer need not be a deed;
  - (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and, subject to the provisions of Clauses 3.7 to 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof;
  - (iii) all charges in relation to such transfer as may be imposed by the Trustee-Manager shall be borne by the Holder who is the transferor; and
  - (iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.
- 3.7.3** Every instrument of transfer must be duly stamped (if required by law) and left with the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the Trustee-Manager may require to prove the title of the transferor or his right to transfer the Units.
- 3.7.4** For so long as the Trust is Unlisted, the Trustee-Manager shall alter or cause to be altered the Register to record the date of each transfer of Units and the name and address of the transferee.
- 3.7.5** For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded to, and retained by the Trustee-Manager.
- 3.7.6** For so long as the Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the Trustee-Manager may from time to time determine), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee-Manager for its own account for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee-Manager, be paid before the registration of any transfer.
- 3.7.7** So long as the Trust is not part of a Stapled Group, no transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.
- 3.7.8** The Trustee-Manager shall have the power to rectify the Register if it appears to the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) is wrongly entered or omitted.
- 3.7.9** Subject to compliance with procedures provided in this Clause 3.7, there shall be no restriction in this Deed on the transfer of fully paid Units except where required by law or by the Relevant Laws, Regulations and Guidelines.

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### 3.8 Death of Holders

The executors or administrators of a deceased Holder (not being a Joint Holder) shall be the only persons recognised by the Trustee-Manager as having title to the Units. In the case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Trustee-Manager may require, shall be the only person or persons recognised by the Trustee-Manager as having any title to or interest in the Units PROVIDED THAT where the sole survivor is a Minor, the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

### 3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation, subject to Clause 3.13, shall be the only person recognised by the Trustee-Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Trustee-Manager of such succession, be the only person recognised by the Trustee-Manager as having title to the Units.

### 3.10 Minors

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder PROVIDED THAT at least one of the other Joint Holders is a person who has attained the age of 18 years. In the event that one of the Joint Holders is a Minor, the Trustee-Manager need only act on the instructions given by the other Joint Holder or Joint Holders who has or have attained the age of 18 years.

### 3.11 Transmission

**3.11.1** Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Trustee-Manager notice in writing of his desire to be recognised as Holder or transfer such Unit to some other person. The Trustee-Manager shall upon the receipt by it of any such notice alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

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**3.11.2** Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

**3.11.3** The Trustee-Manager may retain any moneys payable in respect of any Unit which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

### **3.12 Payment of Fee**

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee-Manager may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee-Manager may from time to time determine) together with a sum sufficient in the opinion of the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee-Manager, must be paid before the registration of any transfer.

### **3.13 Removal from Register**

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Trustee-Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Trustee-Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue. For the avoidance of doubt, such transfer in favour of the Trustee-Manager shall be in its capacity as trustee-manager of the Trust.

### **3.14 Registrar**

The Trustee-Manager may, at any time or from time to time, appoint an agent on its behalf to, *inter alia*, keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Trustee-Manager and the Registrar) shall be payable out of the Trust Property.

## **5. Issue of Units, Preference Units and Instruments Convertible into Units**

### **5.1 Issue of Units**

**5.1.1** Notwithstanding anything to the contrary in this Deed, no Units may be issued and no offer, agreement or option which would or might require Units to be issued may be made or granted without prior approval of the Holders in general meeting by passing an Ordinary Resolution in accordance with Section 36 of the Business Trusts Act but subject thereto and to other requirements of the Relevant Laws, Requirements and Guidelines, the Trustee-Manager may issue new Units (whether on an initial issue of Units, a Rights Issue, an issue of new Units

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otherwise than by way of a Rights Issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Trustee-Manager may think fit.

- 5.1.2** In connection with the initial Listing of the Trust on the SGX-ST, the Trustee-Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Trustee-Manager) and for so long as the Trust is Listed, the Trustee-Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a Rights Issue, an issue of new Units otherwise than by way of a Rights Issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Trustee-Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Trust Property.
- 5.1.3** Issues of Units shall only be made on a Business Day unless and to the extent that the Trustee-Manager otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.
- 5.1.4** The Trustee-Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein.
- 5.1.5** Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of ordinary Units at any time. Preference Holders shall have the same rights as ordinary Holders as regards receiving notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purposes of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the Preference Units for more than six months is in arrear.
- 5.1.6** The Trustee-Manager has the power to issue further preference capital ranking equally with, or in priority to, Preference Units already issued.
- 5.1.7** The Trust may be Listed on the SGX-ST pursuant to Clause 8 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.
- 5.1.8** If the Trust is Listed on the SGX-ST, or any other Recognised Stock Exchange, then the Trustee-Manager shall not thereafter issue any further Units in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and any Relevant Laws,



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Regulations and Guidelines, except where such Units are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and any Relevant Laws, Regulations and Guidelines or otherwise as required or permitted by the SGX-ST, the relevant Recognised Stock Exchange or any relevant authorities.

- 5.1.9** Subject to Clause 5.1.11, for so long as the Trust is Listed, the Trustee-Manager may issue Units provided that the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Business Trusts Act or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a Rights Issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a Rights Issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Business Trusts Act or any other Relevant Laws, Regulations and Guidelines.
- 5.1.10** Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Trustee-Manager for the purpose of Stapling Units to any other Security or Securities.
- 5.1.11** Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of the meetings of Holders in proportion, as far as the circumstances admit, to the number of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Trustee-Manager may dispose of those Units in such manner as it thinks most beneficial to the Trust. The Trustee-Manager may likewise so dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Trustee-Manager, be conveniently offered under this Clause 5.1.11.

### **5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price**

- 5.2.1** Prior to the Listing Date, the Trustee-Manager may, subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit (“Issue Price”) and on such terms and conditions as the Trustee-Manager may determine in its absolute discretion.
- 5.2.2** The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Trustee-Manager, or within such range to be determined by the Trustee-Manager, on or before the Listing Date for such Units, PROVIDED THAT the Trustee-Manager may delegate the right to make



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such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Trustee-Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as they may agree. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed by the Trustee-Manager, subject to any Relevant Laws, Regulations and Guidelines.

- 5.2.3** The Trustee-Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

### **5.3 Issue Price of Units when the Trust is Listed**

- 5.3.1** Subject to Clauses 5.1.1, 5.3.2, 5.3.3, Section 36 of the Business Trusts Act and any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose “Market Price” shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Trustee-Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Trustee-Manager (after consultation with a Stockbroker approved by the Trustee-Manager), as being the fair market price of a Unit and the basis for determining the market price will be announced on the SGXNet for so long as the Trust is Listed on the SGX-ST.

- 5.3.2** Subject to Clause 5.3.3, for so long as the Trust is Listed, the Trustee-Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders provided that, in determining the Issue Price, including, but not limited to:

- (i) the Issue Price for a Rights Issue on a pro-rata basis to all existing Holders;
- (ii) the Issue Price of a Unit issued other than by way of a Rights Issue offered on a pro-rata basis to all existing Holders;
- (iii) the Issue Price for any reinvestment of distribution arrangement;

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- (iv) the Issue Price for any Units which are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust; and
- (v) the Issue Price for a conversion of instruments which may be convertible into Units,

the Trustee-Manager complies with the Listing Rules or if applicable, the listing rules of the relevant Recognised Stock Exchange and any other Relevant Laws, Regulations and Guidelines in determining the Issue Price. If the Issue Price determined by the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or if applicable, the listing rules of the relevant Recognised Stock Exchange and any other Relevant Laws, Regulations and Guidelines.

- 5.3.3** Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Trustee-Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

### **5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted**

Where the Units and/or the Trust become Unlisted after the Listing Date, the Trustee-Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Trustee-Manager for its own benefit and the amount of the adjustment shall be retained as part of the Trust Property.

### **5.5 Units Issued on Unpaid or Partly Paid Basis**

- 5.5.1** Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

- 5.5.2** In the event that the Trustee-Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

**5.5.3** Calls on Units

- (i) The Trustee-Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.
- (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Trustee-Manager may determine.

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- (iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Trustee-Manager may determine but the Trustee-Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- (iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (v) The Trustee-Manager may on the issue of Units differentiate between the holders as to the amount of calls to be paid and the times of payment.
- (vi) The Trustee-Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Trustee-Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

### 5.5.4 Forfeiture and Lien

- (i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Trustee-Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.
- (ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Trustee-Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Trustee-Manager may accept a surrender of any Unit liable to be forfeited hereunder.

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- (iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Trustee-Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Trustee-Manager thinks fit. The Trustee-Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.
- (v) A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Trustee-Manager may determine) from the date of forfeiture or surrender until payment and the Trustee-Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.
- (vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distributions from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the Holder or deceased Holder. The Trustee-Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.
- (vii) The Trust may sell in such manner as the Trustee-Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.
- (viii) The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Trustee-Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.
- (ix) A statutory declaration in writing that the declarant is a director or secretary of the Trustee-Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a

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Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Trustee-Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

### 5.6 Units Issued to Persons Resident Outside Singapore

- 5.6.1** Subject to any Relevant Laws, Regulations and Guidelines, if a Unit is to be issued to a person resident outside Singapore, the Trustee-Manager shall be entitled to charge for its own account an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred by the Trustee-Manager over the amount of expenses which would have been incurred if such person had been resident in Singapore.
- 5.6.2** In relation to any Rights Issue or (as the case may be) any preferential offering, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Units under the Rights Issue or preferential offering to those Holders whose addresses are outside Singapore, after having regard to the relevant considerations including whether the Trustee-Manager considers such election to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In the case of a Rights Issue, the provisional allocations of Units of such Holders may be offered for sale by the Trustee-Manager as the nominee and authorised agent of each such relevant Holder in such manner and at such price as the Trustee-Manager may determine. Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant Holders whose rights or entitlements have been thus sold, PROVIDED THAT where the proceeds payable to any single Holder is less than S\$10, the Trustee-Manager shall be entitled to retain such proceeds as part of the Trust Property.

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### 5.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Units, where (i) payment of the Issue Price payable in respect of any Unit agreed to be issued by the Trustee-Manager has not been received by the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Trustee-Manager may determine) or (ii) the Issue Price paid in respect of any Unit is returned to the Holder, such Unit may, in the absolute discretion of the Trustee-Manager, at that time or any time thereafter be cancelled by the Trustee-Manager by giving notice to that effect to the applicant and such Unit shall thereupon be deemed never to have been issued or agreed to be issued (as the case may be) and the applicant therefor shall have no right or claim in respect thereof against the Trustee-Manager, PROVIDED THAT:

- 5.7.1 no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;
- 5.7.2 the Trustee-Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant;
- 5.7.3 the Trustee-Manager may, but shall not be bound to, require the applicant to pay to the Trustee-Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Trustee-Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

### 5.8 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Trustee-Manager.

### 5.9 Selling Price of Trustee-Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Trustee-Manager is or is deemed to be the Holder may be sold or offered for sale by the Trustee-Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Trustee-Manager for its own benefit and the amount of the adjustment shall be retained as part of the Trust Property.

### 5.10 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Trustee-Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Trustee-Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Trustee-Manager may think fit (PROVIDED THAT no such discount shall

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exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Trustee-Manager. Besides the number of Units purchased, the bases on which the Trustee-Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Trustee-Manager for the Trust.

### 5.11 Suspension of Issue

The Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

- 5.11.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- 5.11.2 the existence of any state of affairs which, in the opinion of the Trustee-Manager, might seriously prejudice the interests of the Holders as a whole or of the Trust Property;
- 5.11.3 any breakdown in the means of communication normally employed in determining the price of any Trust Assets or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when, for any reason, the prices of Trust Assets cannot be promptly and accurately ascertained;
- 5.11.4 any period when remittance of money which will or may be involved in the realisation of Trust Assets or in the payment for Trust Assets cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;
- 5.11.5 in relation to any general meeting of the Holders, any 72 hour period before such general meeting or any adjournment thereof; or
- 5.11.6 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;
- 5.11.7 when the business operations of the Trustee-Manager in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.11 shall exist upon the declaration in writing thereof by the Trustee-Manager. In the event of any suspension while the Trust is Listed, the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.



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### 5.12 Issue of Instruments Convertible into Units

The Trustee-Manager may issue instruments which may be convertible into Units (including but not limited to any options, Securities, warrants, debentures or other instruments that might or would require Units to be issued) for consideration or for no consideration and on such terms of offer and issue as the Trustee-Manager may determine, subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines relating to the offer or issue of instruments which may be convertible into Units.

### 5.13 Issue of Preference Units

**5.13.1** Preference Units may be issued subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines, as well as any limitation as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of ordinary Units issued at any time.

**5.13.2** Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.

**5.13.3** The Trustee-Manager has the power to issue further preference capital ranking equally with, or in priority to, Preference Units already issued.

**5.13.4** The Trustee-Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein.

### 5.14 Issue of Units Stapled to Other Securities

**5.14.1** Subject to Clause 5.1 and the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Trustee-Manager may determine in its absolute discretion.

**5.14.2** For the purposes of this Clause 5.14, the Trustee-Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager for the purpose of issuing Units Stapled with any other Security or Securities.



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**5.14.3** For so long as the Stapled Group is Unlisted, the Trustee-Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.

**5.14.4** In the event that the Stapled Group is Listed, the Trustee-Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose “Market Price” shall mean the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Stapled Securities are Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day.

### **6. Repurchase and Redemption of Units by the Trustee-Manager**

#### **6.1 Repurchase and Redemption Restrictions when the Trust is Unlisted**

When the Trust is Unlisted, the Trustee-Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Relevant Laws, Regulations and Guidelines and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Trustee-Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted, and upon acceptance of such an offer, the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 6.3.

#### **6.2 Repurchase and Redemption Restrictions when the Trust is Listed**

##### **6.2.1 General**

The Trustee-Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Trustee-Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 6.3.2. In the event the Trustee-Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines or any applicable laws and regulations (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange). The Trustee-Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange) suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

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### 6.2.2 Holders' Approval

For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Trustee-Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the “**Unit Buy-back Mandate**”), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

### 6.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buyback Mandate is limited to that number of Units representing not more than 10.0% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

### 6.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. “Relevant Period” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is held or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or
  - (ii) the date on which the repurchases of Units by the Trustee-Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,
- whichever is earlier.

For the avoidance of doubt, the authority conferred on the Trustee-Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

## 6.3 Repurchase Price

For the purposes of Clauses 6.1 and 6.2, the Repurchase Price shall be:

- 6.3.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Trustee-Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Trustee-Manager's offer to repurchase or cause the redemption of Units is accepted; and
- 6.3.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Trustee-Manager's offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Trustee-Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

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The Repurchase Charge shall be retained by the Trustee-Manager for its own benefit and the adjustment shall be retained as part of the Trust Property. The Trustee-Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Trustee-Manager from them respectively. The bases on which the Trustee-Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Trustee-Manager. The Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11.

### **6.4 Solvency Statement**

The Trustee-Manager may repurchase Units out of the assets of the Trust by paying a sum sufficient to satisfy the Repurchase Price, provided that the Board makes a written statement, in accordance with a resolution of the Board and signed by not less than two directors, that the Board is satisfied on reasonable grounds that, immediately after the repurchase of Units, the Trustee-Manager will be able to fulfil from the Trust Property, the liabilities of the Trust as these liabilities fall due, in accordance with the requirements of the Relevant Laws, Regulations and Guidelines.

### **6.5 Amendments to Register**

Where all the Units or a specified number of Units held by a Holder have been purchased by the Trustee-Manager, the Trustee-Manager shall amend, or procure the amendment of the Register, in respect of such number of Units.

### **6.6 Repurchased Units are Cancelled**

Units which are repurchased shall be cancelled and shall not thereafter be reissued or dealt with in any manner subject to the requirements of the Relevant Laws, Regulations and Guidelines. For the avoidance of doubt, this Clause 6.6 shall not limit or restrict the right of the Trustee-Manager to cause the creation and/or issue of further or other Units. On the cancellation of any Unit under this Clause 6.6, the rights and privileges attached to that Unit shall expire.

### **6.7 Source of Funds**

The Trustee-Manager may not repurchase Units of the Trust for a consideration other than in cash. The Trustee-Manager may utilise the Trust's internal sources of funds or external borrowings or a combination of both to finance the Trustee-Manager's repurchase of Units on behalf of the Trust pursuant to any Unit Buy-back Mandate, subject always to the requirements of the Relevant Laws, Regulations and Guidelines.

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### 6.8 Manner of Repurchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager may:

- 6.8.1 repurchase or acquire Units on a securities exchange (“**Market Purchase**”); or
- 6.8.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an “off-market” acquisition of the Units on an “**equal access scheme**” (as defined below) (“**Off-Market Purchase**”),

(each a form of “**Unit Buy-back**”), and to deal with any of the Units so purchased or acquired in accordance with this Clause 6.

For the purposes of this Clause 6, an “**equal access scheme**” is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
  - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;
  - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and
  - (c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

### 6.9 Procedure for Repurchase of Units via a Market Purchase

6.9.1 For so long as the Trust is Listed, where Units are repurchased via a Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise a Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust’s financial position.

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**6.9.2** The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 6.9.1(i) to 6.9.1(iii);

**6.9.3** The authority for a Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

### **6.10 Procedure for Repurchase of Units via an Off-Market Purchase**

**6.10.1** For so long as the Trust is Listed, where Units are repurchased via an Off-Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

**6.10.2** The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 6.10.1(i) to 6.10.1(iii).

**6.10.3** The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

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**6.10.4** For so long as the Trust is Listed, in the event that the Trustee-Manager decides to make any offer to purchase Units via an Off-Market Purchase, the Trustee-Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Trustee-Manager will repurchase, in accordance with this Clause 6 and the Relevant Laws, Regulations and Guidelines, such number of Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

### **6.11 Reporting Requirements**

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall:

**6.11.1** notify the SGX-ST (in the form of an announcement on the SGXNet) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and

**6.11.2** make an announcement on the SGXNet at the same time it notifies the SGX-ST of any purchases of Units pursuant to any Unit Buy-back Mandate, that the directors of the Trustee-Manager are satisfied on reasonable grounds that, immediately after the purchase of Units, the Trustee-Manager will be able to fulfil, from the Trust Property, the Liabilities as these liabilities fall due.

### **(c) STAPLING DEED**

#### **3. Provisions as to Stapled Securities, Holders and Statements of Holdings**

##### **3.1 Securities to be Stapled**

**3.1.1** On and from the Stapling Commencement Date:

- (i) each FH-BT Unit and each FH-REIT Unit must be Stapled to one another;
- (ii) the REIT Manager must not issue a FH-REIT Unit unless a FH-BT Unit is issued by the Trustee-Manager at the same time and to the same person;
- (iii) the Trustee-Manager must not issue a FH-BT Unit unless a FH-REIT Unit is issued by the REIT Manager at the same time and to the same person;
- (iv) the REIT Manager must not issue any right or option to acquire a FH-REIT Unit unless the Trustee-Manager issues a corresponding right or option to acquire a FH-BT Unit;
- (v) the Trustee-Manager must not issue any right or option to acquire a FH-BT Unit unless the REIT Manager issues a corresponding right or option to acquire a FH-REIT Unit;

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- (vi) the REIT Manager may not without prior consent of the Trustee-Manager issue any FH-REIT Unit of any class other than the Class existing at the Stapling Commencement Date or any right or option to acquire any such FH-REIT Unit;
- (vii) the Trustee-Manager may not without prior consent of the REIT Manager issue any FH-BT Unit of any class other than the Class existing at the Stapling Commencement Date or any right or option to acquire any such FH-BT Unit; and
- (viii) (for so long as the Stapled Securities are stapled and as the REIT Manager shall not issue a FH-REIT Unit unless a FH-BT Unit is issued, or as the case may be, the Trustee-Manager shall not issue a FH-BT Unit unless a FH-REIT Unit is issued) the REIT Manager in consideration of the Trustee-Manager issuing FH-BT Units to the REIT Manager as payment of the fees of the REIT Manager, shall issue FH-REIT Units to the Trustee-Manager as payment of the fees of the Trustee-Manager.

Each FH-BT Unit must be stapled to a FH-REIT Unit immediately upon the issue of the FH-BT Unit or the FH-REIT Unit as the case may be.

### 3.2 Dealings in Securities

**3.2.1** On and from the Stapling Commencement Date, the REIT Manager and the Trustee-Manager must not:

- (i) do any act, matter or thing (including registering any issue or transfer of any Stapled Security or Unit); or
- (ii) refrain from doing any act, matter or thing, if to do so or refrain from doing so (as the case may be) would result directly or indirectly in any Unit no longer being Stapled as a Stapled Security, other than in accordance with Clause 11.

**3.2.2** On and from the Stapling Commencement Date, the REIT Manager must not:

- (i) offer any FH-REIT Units for issue, subscription or sale unless an offer is made by the Trustee-Manager at the same time and to the same person for the same number of FH-BT Units for issue, subscription or sale;
- (ii) offer any FH-REIT Units for issue, subscription or sale unless the terms of that offer require each offeree to subscribe for or buy (as the case may be) the same number of FH-BT Units;
- (iii) issue or sell any FH-REIT Units to any person unless the same number of FH-BT Units are also issued or sold (as the case may be) by the Trustee-Manager to the same person at the same time;
- (iv) consolidate, sub-divide, cancel, buy-back, redeem or repurchase any FH-REIT Units unless at the same time there is a corresponding consolidation, sub-division, cancellation, buy-back or redemption or repurchase by the Trustee-Manager of FH-BT Units;



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- (v) register any transfer of FH-REIT Units to any person unless the transfer of the same number of FH-BT Units to the same person is also registered at the same time;
- (vi) accept an application for a FH-REIT Unit if the applicant does not at the same time apply for a FH-BT Unit or if a FH-BT Unit will not be issued to the applicant at the same time as the issue of the FH-REIT Unit to the applicant;
- (vii) permit a re-investment by a Holder in a FH-REIT Unit unless at the same time the Holder acquires a FH-BT Unit. The REIT Manager and the Trustee-Manager may make provisions governing the amount of the reinvested distributions to be used to subscribe for each FH-REIT Unit or FH-BT Unit comprising the Stapled Security having regard to the issue price of the FH-REIT Unit or FH-BT Unit; and
- (viii) perform any restructure or reorganisation of FH-REIT Unit, including but not limited to the consolidation or subdivision of FH-REIT Unit or other similar or analogous corporate action in respect of FH-REIT or FH-REIT Units unless the Trustee-Manager takes the corresponding action in relation to FH-BT or FH-BT Units at the same time.

**3.2.3** On and from the Stapling Commencement Date, the Trustee-Manager must not:

- (i) offer any FH-BT Units for issue, subscription or sale unless an offer is made by the REIT Manager at the same time and to the same person for the same number of FH-REIT Units for issue, subscription or sale;
- (ii) offer any FH-BT Units for issue, subscription or sale unless the terms of that offer require each offeree to subscribe for or buy (as the case may be) the same number of FH-REIT Units;
- (iii) issue or sell any FH-BT Units to any person unless the same number of FH-REIT Units are also issued or sold (as the case may be) by the REIT Manager to the same person at the same time;
- (iv) consolidate, sub-divide, cancel, buy-back, redeem or repurchase any FH-BT Units unless at the same time there is a corresponding consolidation, sub-division, cancellation, buy-back or redemption or repurchase by the REIT Manager of FH-REIT Units;
- (v) register any transfer of FH-BT Units to any person unless the transfer of the same number of FH-REIT Units to the same person is also registered at the same time;
- (vi) accept an application for a FH-BT Unit if the applicant does not at the same time apply for a FH-REIT Unit or if a FH-REIT Unit will not be issued to the applicant at the same time as the issue of the FH-BT Unit to the applicant;
- (vii) permit a re-investment by a Holder in a FH-BT Unit unless at the same time the Holder acquires a FH-REIT Unit. The REIT Manager and the Trustee-Manager may make provisions governing the amount of the re-invested distributions to be used to subscribe for each FH-REIT Unit or FH-BT Unit comprising the Stapled Security having regard to the issue price of the FH-REIT Unit or FH-BT Unit; and



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(viii) perform any restructure or reorganisation of FH-BT Unit, including but not limited to the consolidation or subdivision of FH-BT Unit or other similar or analogous corporate action in respect of FH-BT or FH-BT Units unless the REIT Manager takes the corresponding action in relation to FH-REIT or FH-REIT Units at the same time.

**3.2.4** The REIT Trustee, the REIT Manager and the Trustee-Manager are not obliged to effect a consolidation, sub-division, buy-back, cancellation, redemption, transfer or issue or other corporate action in a manner inconsistent with any constitutional, contractual or fiduciary obligation or law by which they are bound, or if they do not have any necessary consent or approval.

**3.2.5** If a Unit is to be sold pursuant to forfeiture as a consequence of non-payment of a call, the party which issued the Unit will, to the maximum extent permitted by the Relevant Laws, Regulations and Guidelines and the Listing Rules, ensure that the other Unit to which it is Stapled is also sold so that the Unit is sold as part of a Stapled Security.

### **3.3 Quotation as Stapled Securities**

Unless and until the Stapled Securities are Unstapled in accordance with this Deed, the REIT Manager and the Trustee-Manager must both use reasonable endeavours to ensure that each Stapled Security listed for quotation on SGX-ST continues to be so listed for quotation and quoted as a Stapled Security.

### **3.4 No Certificates**

**3.4.1** No certificate shall be issued to Holders by the REIT Manager, the REIT Trustee or the Trustee-Manager in respect of any Unit or Stapled Security (whether Listed or Unlisted) issued to Holders. For so long as Frasers Hospitality Trust is Listed on the SGX-ST, the REIT Manager, the REIT Trustee and the Trustee-Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the depository for the Stapled Securities, and all Stapled Securities issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

**3.4.2** For so long as Frasers Hospitality Trust is Listed on the SGX-ST, the REIT Manager and the Trustee-Manager, or the agent appointed by them, shall issue to the Depository not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that the Stapled Securities are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such a confirmation note shall be deemed to be a certificate evidencing title to the Stapled Securities issued.

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### 3.5 Form of Statements of Holdings

- 3.5.1** In the event Frasers Hospitality Trust is or becomes Unlisted, the REIT Manager and the Trustee-Manager or their appointed agents shall issue to each Holder not more than one month after the allotment of Stapled Securities to such Holder a confirmation note confirming such allotment. The REIT Manager and the Trustee-Manager or their appointed agents shall, for so long as Frasers Hospitality Trust is Unlisted, jointly issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Stapled Securities held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Stapled Securities and shall be in such form as may from time to time be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager.
- 3.5.2** For so long as Frasers Hospitality Trust is Listed on the SGX-ST and the Stapled Securities are registered in the name of the Depository, the REIT Manager and the Trustee-Manager shall reasonably procure that the Depository shall, at such intervals, and as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts, issue to each Depositor such contract statements, confirmation notes, statements of accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts.

### 3.6 Sub-division and Consolidation of Stapled Securities

- 3.6.1** The REIT Manager (with the approval of the REIT Trustee) and the Trustee-Manager may, at any time and on giving prior written notice (such notice period to be determined by the REIT Manager and the Trustee-Manager in their absolute discretion) to each Holder or (as the case may be) to each Depositor by the REIT Manager or the REIT Trustee and/or Trustee-Manager delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Stapled Security shall be sub-divided into Stapled Securities or consolidated with other Stapled Securities and the Holders shall be bound accordingly.
- 3.6.2** The Register shall be altered accordingly to reflect the new number of Stapled Securities held by each Holder as a result of such sub-division or consolidation and where applicable, the REIT Trustee and/or the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor’s Securities Account to reflect the new number of Stapled Securities held by such Depositor as a result of such sub-division or consolidation.

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### 3.7 Terms and Conditions of This Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder or (as the case may be) each Depositor and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder or (as the case may be) each Depositor to observe and be bound by all the provisions hereof and an authorisation of the REIT Trustee, the REIT Manager and the Trustee-Manager by each Holder or (as the case may be) each Depositor to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the REIT Trustee, the REIT Manager or (as the case may be) the Trustee-Manager to do.

### 3.8 Availability of This Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered offices of the REIT Manager and the Trustee-Manager at all times during usual Business Hours and shall be supplied by the REIT Manager or (as the case may be) the Trustee-Manager to any person in accordance with any Relevant Laws, Regulations and Guidelines on application at a charge not exceeding S\$10 per copy document.

### 3.9 Stapled Securities to be Held Free from Equities

A Holder entered in the Register as the registered holder of Stapled Securities or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Stapled Securities registered to him, shall be the only person recognised by the REIT Trustee, the REIT Manager and/or the Trustee-Manager as having any right, title or interest in or to the Stapled Securities registered in his name and the REIT Trustee, the REIT Manager and/or the Trustee-Manager may recognise such Holder or (as the case may be) such Depositor as the absolute owner thereof and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Stapled Security. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

### 3.10 Restrictions on Directions

The Holders shall not give any directions to the REIT Trustee, the REIT Manager or the Trustee-Manager (whether at a meeting of FH-REIT Unitholders or FH-BT Unitholders duly convened or otherwise) if it would require the REIT Trustee, the REIT Manager or the Trustee-Manager to do or omit from doing anything which may result in:

**3.10.1** FH-REIT, FH-BT or Frasers Hospitality Trust ceasing to comply with the Relevant Laws, Regulations and Guidelines or any other applicable laws and regulations; or

**3.10.2** the exercise of any discretion expressly conferred on the REIT Trustee, the REIT Manager and/or the Trustee-Manager by this Deed or the determination of any matter which under this Deed requires the agreement of REIT Trustee, the REIT Manager and/or the Trustee-Manager, PROVIDED THAT nothing in this Clause 3.10.2 shall limit the right of a Holder or (as the case may be) a Depositor to require the due administration of FH-REIT, FH-BT or Frasers Hospitality Trust in accordance with this Deed.

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### 4. Issue of Stapled Securities

#### 4.1 General

**4.1.1** Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the REIT Manager and the Trustee-Manager shall have the joint exclusive right to issue Stapled Securities (whether on an initial issue of Stapled Securities, a rights issue, an issue of new Stapled Securities otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Stapled Securities pursuant to a conversion of any Securities) and any Stapled Securities may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the REIT Manager and the Trustee-Manager may think fit.

**4.1.2** The REIT Manager and the Trustee-Manager shall not be bound to accept an application for Stapled Securities so as to give rise to a holding of fewer than 1,000 Stapled Securities (or such other number of Stapled Securities as may be determined by the REIT Manager and the Trustee-Manager) and for so long as Frasers Hospitality Trust is Listed, the REIT Manager and the Trustee-Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Stapled Security shall be issued (whether on an initial issue of Stapled Securities, a rights issue, an issue of new Stapled Securities otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Stapled Securities pursuant to a conversion of any Securities) and if any fractions of a Stapled Security arise, the REIT Manager and the Trustee-Manager shall, in respect of each Holder's entitlement to Stapled Securities, truncate but not round off to the nearest whole Stapled Security and any balance arising from such truncation shall be retained as part of the Deposited Property of FH-REIT and/or FH-BT.

Issues of Stapled Securities shall only be made on a Business Day unless and to the extent that the REIT Manager (with the prior consent of the REIT Trustee) and the Trustee-Manager otherwise prescribe. Issues of Stapled Securities for cash shall be made at a price hereinafter prescribed.

**4.1.3** The REIT Manager and the Trustee-Manager may by deed supplemental hereto entered into with the REIT Trustee issue Classes of Stapled Securities under such terms and conditions as may be contained therein.

**4.1.4** The Stapled Securities may be Listed on the SGX-ST pursuant to Clause 10 and, if so Listed, the Stapled Securities shall be traded on the SGX-ST and settled through the Depository. Stapled Securities already in issue may be transferred or otherwise dealt with through Securities Accounts into which Stapled Securities are credited in accordance with Clause 9.7.

**4.1.5** For so long as Frasers Hospitality Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities provided that the REIT Manager and the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, or any other Relevant Laws, Regulations and Guidelines in, among others, determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing

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Holders, the Issue Price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the REIT Manager and the Trustee-Manager is at a discount to the Market Price (as defined under Clause 4.3.1), the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, or any other Relevant Laws, Regulations and Guidelines.

- 4.1.6** If the Stapled Securities are Listed on the SGX-ST or any other Recognised Stock Exchange, then the REIT Manager and the Trustee-Manager shall not thereafter issue any further Stapled Securities in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange, except where such Stapled Securities are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange or otherwise as required or permitted by the SGX-ST or the relevant Recognised Stock Exchange.

### **4.2 Issue Price of Stapled Securities Prior to the Listing Date and the Initial Offering Price**

- 4.2.1** Prior to the Listing Date, the REIT Manager and the Trustee-Manager may, subject to Clause 4.1 and any Relevant Laws, Regulations and Guidelines, issue Stapled Securities at any time to any person at any issue price per Stapled Security (“**Issue Price**”) and on such terms and conditions as the REIT Manager and the Trustee-Manager may determine in their absolute discretion.
- 4.2.2** The issue of Stapled Securities for the purpose of an initial public offering of Stapled Securities shall be at an Issue Price to be determined by the REIT Manager and the Trustee-Manager, or within such range to be determined by the REIT Manager and the Trustee-Manager, on or before the Listing Date for such Stapled Securities, PROVIDED THAT the REIT Manager and the Trustee-Manager may delegate the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the REIT Manager and the Trustee-Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as they may agree. The manner of and amount payable and any applicable refund on an application for Stapled Securities during the initial public offering will be stated in the relevant Prospectus. Any such offer of Stapled Securities for the purpose of an initial public offering may remain open for a period as may be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager, subject to any Relevant Laws, Rules and Regulations.
- 4.2.3** Subject to Clause 4.2.2, the REIT Manager and the Trustee-Manager may extend a discount to the Issue Price per Stapled Security under an initial public offering of Stapled Securities, to any applicant who successfully applies to purchase more than such number of Stapled Securities (as determined by the REIT Manager and the Trustee-Manager in their absolute discretion) in a single application, subject to compliance with any applicable law or regulation and the Listing Rules.

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**4.2.4** The REIT Manager and the Trustee-Manager may issue Stapled Securities at the Issue Price determined in accordance with Clause 4.2.2 to the vendor of any Authorised Investments to be purchased by Frasers Hospitality Trust in conjunction with an initial public offering of Stapled Securities, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by Frasers Hospitality Trust for such Authorised Investments.

### **4.3 Issue Price of Stapled Securities when Frasers Hospitality Trust is Listed**

**4.3.1** Subject to Clauses 4.3.2 and 4.3.3 and any Relevant Laws, Regulations and Guidelines, for so long as Frasers Hospitality Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the FH-REIT Unitholders and the FH-BT Unitholders. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which Frasers Hospitality Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the REIT Manager and the Trustee-Manager believe that the calculation in Clause 4.3.1(i) does not provide a fair reflection of the market price of a Stapled Security, an amount as determined between the REIT Manager, the Trustee-Manager and the REIT Trustee (after consultation with a Stockbroker approved by the REIT Trustee), as being the fair market price of a Stapled Security and the basis for determining the market price will be announced on the SGXNet for so long as the Frasers Hospitality Trust is Listed on the SGX-ST.

**4.3.2** Subject to Clause 4.3.3 and any Relevant Laws, Regulations and Guidelines, for so long as Frasers Hospitality Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities at an Issue Price other than calculated in accordance with Clause 4.3.1 without the prior approval of the Holders in a meeting of Holders in the following circumstances:

- (i) the Issue Price for a rights issue on a pro-rata basis to all existing Holders or (as the case may be) Depositors;
- (ii) the Issue Price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders or (as the case may be) Depositors;
- (iii) the Issue Price for any reinvestment of distribution arrangement;
- (iv) the Issue Price for any Stapled Securities which are issued as full or partial consideration for the acquisition of an Authorised Investment by FH-REIT or FH-BT;
- (v) the Issue Price for a conversion of instruments which may be convertible into Stapled Securities.



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If the Issue Price determined by the REIT Manager and the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or the Relevant Laws, Regulations and Guidelines.

- 4.3.3** Where Stapled Securities are issued as full or partial consideration for the acquisition of an Authorised Investment by FH-REIT or FH-BT in conjunction with an issue of Stapled Securities to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other authorised investments in conjunction with the said Authorised Investment, the REIT Manager and the Trustee-Manager shall have the discretion to determine that the Issue Price of a Stapled Security so issued as full or partial consideration shall be the same as the Issue Price for the Stapled Securities issued in conjunction to raise cash for the aforesaid purposes.

### **4.4 Issue Price of Stapled Securities where Frasers Hospitality Trust is Delisted**

Where Frasers Hospitality Trust becomes Unlisted after the Listing Date, the REIT Manager and Trustee-Manager may issue Stapled Securities at an Issue Price equal to the Current Stapled Security Value on the date of the issue of the Stapled Securities plus, if so determined by the REIT Manager and Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the REIT Manager and Trustee-Manager for their own benefit and the amount of the adjustment shall be retained as part of the Deposited Property of FH-REIT and/or FH-BT as agreed between the REIT Manager and Trustee-Manager.

### **4.5 Stapled Securities Issued on Unpaid or Partly Paid Basis**

- 4.5.1** Capital paid on Stapled Securities in advance of calls shall not, while carrying interest, confer a right to participate in distributions.
- 4.5.2** In the event that the REIT Manager and the Trustee-Manager issue Stapled Securities on an unpaid or partly paid basis to any person, the provisions of Clauses 4.5.3 and 4.5.4 shall apply.
- 4.5.3** Calls on Stapled Securities
- (i) The REIT Manager and the Trustee-Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Stapled Securities but subject always to the terms of issue of such Stapled Securities. A call may be made payable by instalments.
  - (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to Frasers Hospitality Trust at the time or times and place so specified the amount called on his Stapled Securities. The Joint Holders of a Stapled Security shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the REIT Manager and the Trustee-Manager may determine.

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- (iii) If a sum called in respect of a Stapled Security is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the REIT Manager and the Trustee-Manager may determine but the REIT Manager and the Trustee-Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- (iv) Any sum which by the terms of issue of a Stapled Security becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (v) The REIT Manager and the Trustee-Manager may on the issue of Stapled Securities differentiate between the Holders as to the amount of calls to be paid and the times of payment.
- (vi) The REIT Manager and the Trustee-Manager may if they think fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Stapled Securities held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Stapled Securities in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) Frasers Hospitality Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the REIT Manager and the Trustee-Manager may agree. Capital paid on Stapled Securities in advance of calls shall not, while carrying interest, confer a right to participate in profits.

### 4.5.4 Forfeiture and Lien

- (i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the REIT Manager and the Trustee-Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by Frasers Hospitality Trust by reason of such non-payment.
- (ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Stapled Securities on which the call has been made will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid are not complied with, any Stapled Security in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the REIT Manager and the Trustee-Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Stapled Security and not actually paid before forfeiture. The REIT Manager and the Trustee-Manager may accept a surrender of any Stapled Security liable to be forfeited hereunder.



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- (iv) A Stapled Security so forfeited shall become the property of Frasers Hospitality Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the REIT Manager and the Trustee-Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the REIT Manager and the Trustee-Manager think fit. The REIT Manager and the Trustee-Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Stapled Security to any such other person as aforesaid.
- (v) A Holder or Depositor whose Stapled Securities have been forfeited or surrendered shall cease to be a holder in respect of the Stapled Securities but shall notwithstanding the forfeiture or surrender remain liable to pay to Frasers Hospitality Trust all moneys which at the date of forfeiture or surrender were presently payable by him to Frasers Hospitality Trust in respect of the Stapled Securities with interest thereon at 8.0% per annum (or such lower rate as the REIT Manager and the Trustee-Manager may determine) from the date of forfeiture or surrender until payment and the REIT Manager and the Trustee-Manager may at their absolute discretion enforce payment without any allowance for the value of the Stapled Securities at that time of forfeiture or surrender or waive payment in whole or in part.
- (vi) Frasers Hospitality Trust shall have a first and paramount lien on every Stapled Security (not being a fully paid Stapled Security) and distributions from time to time declared in respect of such Stapled Securities provided that such lien shall be restricted to unpaid calls and instalments upon the specific Stapled Securities in respect of which such moneys are due and unpaid, and to such amounts as Frasers Hospitality Trust may be called upon by law to pay in respect of the Stapled Securities of the holder or deceased holder. The REIT Manager and the Trustee-Manager may waive any lien which has arisen and may resolve that any Stapled Security shall for some limited period be exempt wholly or partially from the provisions of this Clause 4.5.4.
- (vii) Frasers Hospitality Trust may sell in such manner as the REIT Manager and the Trustee-Manager think fit any Stapled Security on which Frasers Hospitality Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Stapled Security or the person entitled thereto by reason of his death or bankruptcy.
- (viii) The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Stapled Securities at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the REIT Manager and the Trustee-Manager may authorise some person to transfer or effect the transfer of the Stapled Securities sold to the purchaser.

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- (ix) A statutory declaration in writing that the declarant is a director or secretary of the REIT Manager or the Trustee-Manager and that a Stapled Security has been duly forfeited or sold to satisfy a lien of Frasers Hospitality Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Stapled Security. Such declaration and the receipt of Frasers Hospitality Trust for the consideration (if any) given for the Stapled Security on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Stapled Security and the Stapled Security shall be registered in the name of the person to whom the Stapled Security is sold, re-allotted or disposed of or, where such person is a Depositor, the REIT Manager and the Trustee-Manager shall procure that his name be entered in the Depository Register in respect of the Stapled Security so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Stapled Security be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Stapled Security.

### 4.6 Stapled Securities Issued to Persons Resident Outside Singapore

- 4.6.1** Subject to any Relevant Laws, Regulations and Guidelines, if a Stapled Security is to be issued to a person resident outside Singapore, the REIT Manager and the Trustee-Manager shall be entitled to charge for their own accounts an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.
- 4.6.2** In relation to any rights issue or (as the case may be) any preferential offering, the REIT Manager and the Trustee-Manager may in their absolute discretion elect not to extend an offer of Stapled Securities under the rights issue or preferential offering to those Holders or (as the case may be) those Depositors, whose addresses are outside Singapore. In the case of a rights issue, the provisional allocations of Stapled Securities of such Holders or Depositors may be offered for sale by the REIT Manager and the Trustee-Manager (as the nominee and authorised agent of each such relevant Holder or Depositor) in such manner and at such price as the REIT Manager and the Trustee-Manager may determine. Where necessary, the REIT Trustee and the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders or Depositors PROVIDED THAT, where the proceeds payable to any single Holder or Depositor is less than S\$10, the REIT Manager and the Trustee-Manager shall be entitled to retain such proceeds as part of the Deposited Property of FH-REIT and/or FH-BT.

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### 4.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Stapled Securities, where (i) payment of the Issue Price payable in respect of any Stapled Security agreed to be issued by the REIT Manager and the Trustee-Manager has not been received before the seventh Business Day after the date on which the Stapled Security was agreed to be issued (or such other date as the REIT Manager and the Trustee-Manager may agree) or (ii) the Issue Price paid in respect of any Stapled Security is returned to the Holder, such Stapled Security may, in the absolute discretion of the REIT Manager and the Trustee-Manager, at that time or any time thereafter be cancelled by the REIT Manager and the Trustee-Manager by giving notice to that effect and such Stapled Security shall thereupon be deemed never to have been issued or agreed to be issued and the applicant therefor shall have no right or claim in respect thereof against the REIT Manager and the Trustee-Manager or the REIT Trustee, PROVIDED THAT:

- (i) no previous valuations of Frasers Hospitality Trust, FH-REIT or FH-BT shall be reopened or invalidated as a result of the cancellation of such Stapled Securities;
- (ii) the REIT Manager and the Trustee-Manager shall be entitled to charge the applicant (and retain for their own accounts) a cancellation fee of such amount as they may from time to time determine to represent the administrative costs involved in processing the application for such Stapled Securities from such applicant; and
- (iii) the REIT Manager and the Trustee-Manager may, but shall not be bound to, require the applicant to pay to the REIT Manager and the Trustee-Manager for the account of Frasers Hospitality Trust in respect of each Stapled Security so cancelled the amount (if any) by which the Issue Price of each such Stapled Security exceeds the Repurchase Price which would have applied in relation to each such Stapled Security if the REIT Manager and the Trustee-Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

### 4.8 Updating of Securities Account

For so long as Frasers Hospitality Trust is Listed on the SGX-ST, the REIT Manager and the Trustee-Manager shall cause the Depository to effect the book entry of Stapled Securities issued to a Depositor into such Depositor's Securities Account no later than the tenth Business Day after the date on which those Stapled Securities are agreed to be issued by the REIT Manager and the Trustee-Manager.

### 4.9 Suspension of Issue

The REIT Manager, the REIT Trustee or the Trustee-Manager may, with the prior written approval of the other parties and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while Frasers Hospitality Trust is Listed), suspend the issue of Stapled Securities during any of the following events:

- 4.9.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

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- 4.9.2** the existence of any state of affairs which, in the opinion of the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property of FH-REIT and/or FH-BT;
- 4.9.3** any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;
- 4.9.4** any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee, be carried out at normal rates of exchange;
- 4.9.5** any period where the issuance of Stapled Securities is suspended pursuant to any order or direction issued by the Authority or other relevant regulatory authorities;
- in relation to any general meeting of the FH-REIT Unitholders or the FH-BT Unitholders, any 48 hour period before such general meeting or any adjournment thereof; or
- 4.9.6** when the business operations of the REIT Manager, the Trustee-Manager or the REIT Trustee in relation to the operation of FH-REIT or (as the case may be) FH-BT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 4.9 shall exist upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee. In the event of any suspension while Frasers Hospitality Trust is Listed, the REIT Manager and the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

### **7. Allocation of Issue Price**

#### **7.1 Parties to Agree Price**

- 7.1.1** The REIT Manager and the Trustee-Manager must agree from time to time the proportion of the Issue Price, the Repurchase Price or buy-back price of a Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of each Unit comprising the Stapled Security.

The allocation of this amount is to be determined by agreement between the REIT Manager and the Trustee-Manager before the issue, redemption or buy-back of the Stapled Security.

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**7.1.2** Where a right or option to acquire any Stapled Security is issued after the Stapling Commencement Date, the allocation of the issue price of the Stapled Security is to be determined by agreement between the REIT Manager and the Trustee-Manager prior to the issue of the right or option, at the absolute discretion of the REIT Manager and the Trustee-Manager and no FH-REIT Unitholder or FH-BT Unitholder shall have any right of action against either the REIT Manager or the Trustee-Manager in relation to such allocation.

**7.1.3** The proportion determined under Clauses 7.1.1 and 7.1.2 must be consistent for each Stapled Security issued, redeemed or bought-back to or from each Holder at the same time.

### **7.2 Accountant to Resolve Dispute**

**7.2.1** If the REIT Manager and the Trustee-Manager are unable to reach agreement under Clause 7.1 within 14 Business Days after either party notifies the other that an agreement must be reached (or longer period if the parties agree in writing), either party may serve notice on the other (“Referral Notice”) that it wishes to refer the matter to a suitably experienced independent accountant for determination.

**7.2.2** The parties shall agree on the identity of the accountant to determine the matter. In the absence of such agreement within 14 Business Days of the Referral Notice, the matter shall be referred to an accountant appointed by the President of the Institute of Certified Public Accountants of Singapore.

**7.2.3** The parties shall exchange written statements and supporting documentation 14 Business Days after the appointment of the accountant, and each side shall simultaneously send a copy of its written statement and supporting documentation to the accountant.

**7.2.4** The accountant shall make his decision on the matter on the basis of the parties’ written statements and supporting documentation only and there shall be no oral hearing. The accountant shall issue his decision in writing within 14 Business Days of receiving the parties’ written statements and supporting documentation.

**7.2.5** The accountant shall act as an expert and not as an arbitrator.

**7.2.6** The accountant’s decision is, in the absence of manifest error, final and binding on the parties.

**7.2.7** The accountant’s charges shall be borne equally by the parties.

## **8. Repurchase and Redemption of Stapled Securities**

### **8.1 Repurchase and Redemption Restrictions when Frasers Hospitality Trust is Unlisted**

When Frasers Hospitality Trust is Unlisted, the REIT Manager and the Trustee-Manager may, but are not obliged to, repurchase or cause the redemption of Stapled Securities more than once a year in accordance with the Relevant Laws, Regulations and Guidelines and a Holder has no right to request for the repurchase or redemption of Stapled Securities more than once a year. Where the REIT Manager and the Trustee-Manager offer to repurchase or cause the redemption of Units issued when Frasers Hospitality Trust is Unlisted and, upon acceptance of such an offer, the REIT Manager and the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 8.3.1.

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### 8.2 Repurchase and Redemption Restrictions when Frasers Hospitality Trust is Listed

The REIT Manager and the Trustee-Manager are not obliged to repurchase or cause the redemption of Stapled Securities so long as Frasers Hospitality Trust is Listed. Where the REIT Manager and the Trustee-Manager offer to repurchase or cause the redemption of Stapled Securities issued when Frasers Hospitality Trust is Listed and, upon acceptance of such an offer, the REIT Manager and the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 8.3.2. In the event the REIT Manager and the Trustee-Manager decide to repurchase or cause the redemption of Stapled Securities, such repurchase or redemption must comply with the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Relevant Laws, Regulations and Guidelines. The REIT Manager and the Trustee-Manager may, subject to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Relevant Laws, Regulations and Guidelines, suspend the repurchase or redemption of Stapled Securities for any period when the issue of Stapled Securities is suspended pursuant to Clause 4.9.

### 8.3 Repurchase Price

For the purposes of Clauses 8.1 and 8.2, the Repurchase Price shall be:

- 8.3.1** in respect of the repurchase or redemption of Stapled Securities prior to the Listing Date, an amount determined by the REIT Manager and the Trustee-Manager in their absolute discretion. Such amount may be less than, equal to or more than the Current Stapled Security Value of the relevant Stapled Securities on the day the REIT Manager's and the Trustee-Manager's offer to repurchase or cause the redemption of Stapled Securities is accepted; and
- 8.3.2** in respect of the repurchase or redemption of Stapled Securities after the Listing Date (whether or not Frasers Hospitality Trust is Listed or has been Unlisted at the time the Manager's offer to repurchase or redeem Units is made), the Current Stapled Security Value of the relevant Stapled Securities on the day the request is accepted by the REIT Manager and the Trustee-Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the REIT Manager and the Trustee-Manager for their own benefit and the adjustment shall be retained as part of the Deposited Property of FH-REIT and/or FH-BT. The REIT Manager and the Trustee-Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Stapled Securities to be repurchased by the REIT Manager and the Trustee-Manager from them respectively. The bases on which the REIT Manager and the Trustee-Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Stapled Securities and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the REIT Manager and the Trustee-Manager. The REIT Manager and the Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Stapled Securities during any period when the issue of Stapled Securities is suspended pursuant to Clause 4.9.



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### 9. Registration of Holders

#### 9.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the REIT Trustee and the Trustee-Manager or their agents in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether Frasers Hospitality Trust is Listed or Unlisted. For so long as Frasers Hospitality Trust is Listed on the SGX-ST, the REIT Trustee and the Trustee-Manager shall record the Depository as the registered holder of all Stapled Securities in issue in the Register. In the event that Frasers Hospitality Trust is Unlisted, the REIT Trustee and the Trustee-Manager shall record each Holder as the registered holder of Stapled Securities held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the REIT Trustee and the Trustee-Manager or the persons appointed pursuant to Clause 9.15 as their agents to keep and maintain the Register receives the following relevant information:

- 9.1.1 the names and addresses of the Holders (and in the case where the registered
- 9.1.2 Holder is the Depository, the name and address of the Depository);
- 9.1.3 the Class of Stapled Securities held by each Holder;
- 9.1.4 the number of Stapled Securities held by each Holder;
- 9.1.5 the date on which every such person entered in respect of the Stapled Securities standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;
- 9.1.6 the date on which any transfer is registered and the name and address of the transferee; and
- 9.1.7 where applicable, the date on which a Holder ceased to be a Holder of Stapled Securities.

Stapled Securities may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

The REIT Trustee and/or the Trustee-Manager shall have the power to rectify the Register if it appears to the REIT Trustee and/or the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in this Clause 9.1) is wrongly entered or omitted.

#### 9.2 Unlisted Stapled Securities

For so long as Frasers Hospitality Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the REIT Trustee, the REIT Manager and the Trustee-Manager, that the Register is incorrect.

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### 9.3 Listed Stapled Securities

**9.3.1** For so long as Frasers Hospitality Trust is Listed on the SGX-ST, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by the Depository and each Holder (other than the Depository) and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the REIT Manager and the Trustee-Manager to the Depository or (as the case may be) the Holder under Clause 3.4, the entries in the Register shall prevail unless the REIT Trustee, the REIT Manager, the Trustee-Manager and the Depository mutually agree that the Register is incorrect.

**9.3.2** For so long as Frasers Hospitality Trust is Listed on the SGX-ST, the REIT Manager, the REIT Trustee and the Trustee-Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Stapled Securities credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clauses 9.1.1 to 9.1.6 in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Stapled Securities are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Stapled Securities entered against such Depositor's name in the Depository Register and the REIT Trustee, the REIT Manager and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Stapled Securities.

**9.3.3** The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the REIT Trustee, the REIT Manager, the Trustee-Manager and the Depository that the Depository Register is incorrect.

### 9.4 Change of Name or Address

For so long as Frasers Hospitality Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified by such Holder to the REIT Manager and the Trustee-Manager in writing or in such other manner as the REIT Manager and the Trustee-Manager may approve. If the REIT Manager and the Trustee-Manager is satisfied with the change in name or address and that all formalities as may be required by the REIT Manager and Trustee-Manager have been complied with, the REIT Manager and the Trustee-Manager shall alter or cause to be altered the Register accordingly.



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### 9.5 Inspection of Register

Except when the Register is closed in accordance with Clause 9.6, the Register shall during Business Hours (subject to such reasonable restrictions as the REIT Trustee and Trustee-Manager may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder or (as the case may be) any Depositor, without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 9.5 may be satisfied by the production of legible evidence of the contents of the Register.

### 9.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the REIT Trustee and Trustee-Manager may from time to time determine PROVIDED THAT it shall not be closed for more than 30 days in any one year.

### 9.7 Transfer of Stapled Securities

**9.7.1** For so long as Frasers Hospitality Trust is Listed on the SGX-ST, transfers of Stapled Securities between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Stapled Securities that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 9.2 to 9.6 shall not apply. The REIT Manager and the Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Stapled Securities within the Depository and maintain records of Stapled Securities of Holders credited into Securities Accounts and to pay out of the Deposited Property of FH-REIT and/or FH-BT all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Stapled Securities on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Stapled Securities on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the REIT Manager and Trustee-Manager and/or the Depository shall be borne by the Holder or (as the case may be) the Depositor who is the transferor. There are no restrictions as to the number of Stapled Securities which may be transferred by a transferor to a transferee. For so long as Frasers Hospitality Trust is Listed, in the case of a transfer of Stapled Securities credited from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Stapled Securities transferred until the relevant Stapled Securities have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered on the Depository Register. If the Stapled Securities are Listed on any other Recognised Stock Exchange, the transfer of Stapled Securities shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Stapled Security other than a transfer made in accordance with this Clause 9.7.1, shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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- 9.7.2** For so long as Frasers Hospitality Trust is Unlisted, every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:
- (i) a transfer of Stapled Securities shall be effected by an instrument of transfer in writing in common form (or in such other form as the REIT Trustee, the REIT Manager and the Trustee-Manager may from time to time approve);
  - (ii) every instrument of transfer relating to Stapled Securities must be signed by the transferor and the transferee and, subject to the provisions of Clause 9.7, the transferor shall be deemed to remain the Holder of the Stapled Securities transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;
  - (iii) all charges in relation to such transfer as may be imposed by the REIT Trustee and the Trustee-Manager shall be borne by the Holder who is the transferor; and
  - (iv) there are no restrictions as to the number of Stapled Securities which may be transferred.
- 9.7.3** Every instrument of transfer referred to in Clause 9.7.2 must be duly stamped (if required by law) and left with the REIT Manager and the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the REIT Manager and Trustee-Manager may require to prove the title of the transferor or his right to transfer the Stapled Securities.
- 9.7.4** For so long as Frasers Hospitality Trust is Unlisted, the REIT Trustee, upon notification by the REIT Manager, shall alter or cause to be altered the Register to record the date of each transfer effected in respect of Stapled Securities and the name and address of the transferee with the Trustee-Manager.
- 9.7.5** For so long as Frasers Hospitality Trust is Unlisted, all instruments of transfer which are registered in respect of Stapled Securities shall be retained by the REIT Trustee and Trustee-Manager.
- 9.7.6** For so long as Frasers Hospitality Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the REIT Trustee, the REIT Manager and Trustee-Manager may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the REIT Trustee and the Trustee-Manager for the registration of any transfer by an instrument of transfer of Stapled Securities. Such fee must, if required by the REIT Trustee and the Trustee-Manager, be paid before the registration of any transfer.
- 9.7.7** No transfer or purported transfer of a Stapled Security other than a transfer made in accordance with this Clause 9.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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**9.7.8** For so long as Frasers Hospitality Trust is Unlisted and while Stapling applies, subject to the Relevant Laws, Regulations and Guidelines, the REIT Trustee and/or the Trustee-Manager must not register any transfer of Stapled Securities unless it is a single instrument of transfer of Stapled Securities and any provision of this Clause 9.7 referring to a transfer of Stapled Securities will be deemed to be a reference to such a transfer.

### **9.8 Death of Holders**

The heirs, executors or administrators of a deceased Holder or Depositor of Stapled Securities (not being a Joint Holder or Joint Depositor) shall be the only persons recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities. In the case of the death of any one of the Joint Holders or Joint Depositors of Stapled Securities and subject to any Relevant Laws, Regulations and Guidelines, the survivor(s), upon producing such evidence of death as the REIT Trustee, the REIT Manager and the Trustee-Manager may require, shall be the only person or persons recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having any title to or interest in the Stapled Securities PROVIDED THAT where the sole survivor is a Minor, the REIT Trustee, the REIT Manager and the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, the Minor Joint Holder or Minor Joint Depositor or the Minor Joint Holder's or Minor Joint Depositor's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

### **9.9 Body Corporate**

A body corporate may be registered as a Holder or as one of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, be the only person recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities of such corporate Holder. The registration of a body corporate as a Depositor or a Joint Depositor shall be in accordance with the Depository's terms and conditions for the holding and operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the REIT Trustee, the REIT Manager and the Trustee-Manager of such succession, be the only person recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities.

### **9.10 Minors**

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder PROVIDED THAT each of the other Joint Holders is a person who has attained the age of 18 years. In the event that one of the Joint Holders is a Minor, the REIT Trustee, the REIT Manager and the Trustee-Manager need only act on the instructions given by the other Joint Holder or Joint Holders who has or have attained the age of 18 years.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 9.11 Transmission

- 9.11.1** Any person becoming entitled to a Stapled Security in consequence of the death or bankruptcy of any sole Holder or (as the case may be) Depositor or of being the survivor of Joint Holders or (as the case may be) Joint Depositors may (subject as hereinafter provided), upon producing such evidence as to his title as the REIT Trustee, the REIT Manager and the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Stapled Security upon giving to the REIT Manager and the Trustee-Manager notice in writing of his desire to be recognised as Holder or transfer such Stapled Security to some other person. The Trustee-Manager, upon receipt of any such notice, and the REIT Trustee, upon the REIT Manager's notification, shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder or (as the case may be) the Depositor.
- 9.11.2** Any person becoming entitled to a Stapled Security in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Stapled Security but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meetings of FH-REIT Unitholders or FH-BT Unitholders until he shall have been registered as the Holder of such Stapled Security in the Register or (as the case may be) the Depositor of such Stapled Security in the Depository Register.
- 9.11.3** The REIT Manager and Trustee-Manager may retain any moneys payable in respect of any Stapled Security which any person is, under the provisions as to the transmission of Stapled Securities hereinbefore contained, entitled to be registered as the Holder of or which any person under those provisions is entitled to the transfer of until such person shall be registered as the Holder of such Stapled Security or shall duly transfer the same.

### 9.12 Payment of Fee

In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Stapled Security, the REIT Trustee and the Trustee-Manager may require from the person applying for such registration a fee of S\$10 (or such other amount as the REIT Manager, the REIT Trustee and the Trustee-Manager may from time to time agree) together with a sum sufficient in the opinion of the REIT Trustee and the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the REIT Trustee and the Trustee-Manager, must be paid before the registration of any transfer.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 9.13 Removal from Register

For so long as Frasers Hospitality Trust is Unlisted, upon the registration of a transfer of Stapled Securities in favour of the REIT Manager and the Trustee-Manager, the name of the Holder shall be removed from the Register in respect of such Stapled Securities but the names of the REIT Manager and the Trustee-Manager need not be entered in the Register as the Holder of such Stapled Securities. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Stapled Securities or as withdrawing the same from issue.

### 9.14 Registers must be consistent

The REIT Trustee and the Trustee-Manager must ensure that the FH-REIT and FH-BT registers of Holders, if kept separately, are entirely consistent with one another.

### 9.15 Registrar

The REIT Trustee may, with the approval of the REIT Manager, and the Trustee-Manager may at any time or from time to time appoint agents on their behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the REIT Trustee, the REIT Manager, the Trustee-Manager and the Registrar) shall be payable out of the Deposited Property of FH-REIT and/or FH-BT.

## 11. Unstapling

### 11.1 Procedure for Unstapling

**11.1.1** From the Stapling Commencement Date all Units will remain Stapled for so long as the Stapled Securities remain in issue, until:

- (i) otherwise determined by Extraordinary Resolutions of the FH-REIT Unitholders and the FH-BT Unitholders, and with prior approval from the SGX-ST for such Unstapling;
- (ii) Stapling becomes unlawful or prohibited by the Listing Rules and all other applicable laws, regulations and guidelines, and with notification provided to the SGX-ST prior to such Unstapling; or
- (iii) the date on which either FH-REIT or (as the case may be) FH-BT is terminated or (as the case may be) wound up.

**11.1.2** On and from the occurrence of an event described in Clause 11.1.1;

- (i) the REIT Manager and the Trustee-Manager must procure that the FH-REIT Units and the FH-BT Units are Unstapled; and
- (ii) except in relation to the ongoing obligations in Clause 5.1.4 and Clause 11.2 and covenants in Clauses 15, 16 and 17, this Deed ceases to be of any force or effect.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.2 Consequences of Unstapling

If, as a consequence of Unstapling, the FH-REIT Units and the FH-BT Units are no longer Stapled, the REIT Trustee and the Trustee-Manager must promptly:

- 11.2.1 repay any outstanding amount under any loan (including any interest thereon) given to it by the other party prior to Unstapling, unless the other party otherwise agrees;
- 11.2.2 pay any outstanding amounts (including any interest thereon) which it is responsible for under Clause 6.1.2 (unless the other party otherwise agrees); and
- 11.2.3 obtain a release of the other party from any guarantee or other security given by that party to any person in respect of any liability of that party.

### B. THE RIGHTS OF STAPLED SECURITY HOLDERS IN RESPECT OF DISTRIBUTIONS

#### (a) FH-REIT TRUST DEED

#### 11. Distributions

##### 11.1 Distribution of Income

For so long as the Trust is Unlisted, subject to the Relevant Rules, Laws, Regulations and Guidelines and this Clause 11, the Manager may at its discretion declare distributions of Income.

For so long as the Trust is Listed, subject to this Clause 11 and the Relevant Laws, Regulations and Guidelines, the Manager shall make regular distributions of all (or such lower percentage as determined by the Manager in its absolute discretion) of its Distributable Income to Holders at quarterly, half-yearly or yearly intervals or at such other intervals as the Manager shall decide in its absolute discretion.

##### 11.2 Manager to Collect

The Manager must collect and pay to the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

##### 11.3 Determination of Income and Reserves

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital, the Manager may apply it to any item in the balance sheet of the Trust including, without limitation, Holders' funds and Investments. This Clause 11.3 applies to distributions and to books of account.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.4 Frequency of Distribution of Income

For so long as the Trust is Unlisted, the Manager shall have the discretion to determine the frequency of each distribution of Income.

For so long as the Trust is Listed, the Manager will endeavour to ensure that for each Financial Year there is at least one distribution and the last distribution covers the period up to the last day of the Financial Year. For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder's Distribution Entitlement, in accordance with the provisions of this Clause 11.

### 11.5 Distribution Entitlement

**11.5.1** “**Distribution Amount**” for a Distribution Period ending other than on the last day of a Financial Year is to be determined in accordance with the following formula:

$$DA = (P \text{ of } IDI) + C$$

Where:

“**DA**” is the Distribution Amount for that Distribution Period;

“**P**” is the percentage as determined by the Manager;

“**IDI**” is the Interim Distributable Income for that Distribution Period determined by the Manager (based on the interim unaudited financial statements of the Trust for that Distribution Period) as representing the consolidated net profit of the Trust and the Special Purpose Vehicles for that Distribution Period, after provision for tax, and as adjusted to eliminate the effects of Adjustments; and

“**C**” is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account.

**11.5.2** The “**Distribution Amount**” for a Distribution Period ending on the last day of a Financial Year is to be determined in accordance with the following formula:

$$DA = (P \text{ of } DI) + C - D$$

Where:

“**DA**” is the Distribution Amount for that Distribution Period;

“**DI**” is the amount (if any) of the Distributable Income for that Financial Year;

“**P**” is the percentage as determined by the Manager;

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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**11.5.3** Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

Where:

“DE” is the Distribution Entitlement;

“DA” is the Distribution Amount;

“UH” is the number of Units held by the Holder, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount; and

“UI” is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distribution Amount.

### 11.6 Distribution of Entitlement

**11.6.1** The Trustee must in respect of each Distribution Period pay to each Holder, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.

**11.6.2** For the purpose of identifying the persons who are entitled to the Distribution Entitlement for a Distribution Period, the persons who are Holders on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in their respective Distribution Entitlements for that Distribution Period.

**11.6.3** The Manager and the Trustee must deduct from each Holder's Distribution Entitlement all amounts which:

- (i) are necessary to avoid distributing a fraction of a cent;
- (ii) the Manager determines not to be practical to distribute on a Distribution Date;
- (iii) equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such Holder or the amount of the distribution otherwise distributable to such Holder;
- (iv) are required to be deducted by law, the Tax Ruling or this Deed; or
- (v) are payable by the Holder to the Trustee or the Manager.

**11.6.4** The Manager must direct the Trustee as to how any sum so retained is to be applied and/or paid.



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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.7 Holder Notification

Each Holder must as and when required by the Manager, provide such information as to his place of residence or any other information relevant for taxation purposes as the Manager may from time to time determine.

### 11.8 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder of:

**11.8.1** the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital (which shall be determined by the Manager in its absolute discretion); and

**11.8.2** any amounts deducted under Clauses 11.6.3(iii) and 11.6.3(iv).

### 11.9 Tax Declaration Forms and Tax Distribution Vouchers

**11.9.1** The Manager shall, where necessary, in respect of each Distribution Period before the Distribution Amounts are paid out, send to each Holder, a tax declaration form for the purpose of each Holder declaring his tax status. The Manager and the Trustee may rely on any representation made by a Holder as to his tax status made on each relevant tax declaration form returned to the Manager (or its agent) or the Trustee to determine whether or not to deduct Tax from the Distribution Amount. If a Holder fails to make any such declaration in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of Tax from the Distribution Amount due to that Holder.

**11.9.2** On a distribution having been made, the Trustee shall, where necessary, issue to each Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the IRAS. In the case of any distribution made or on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any tax payable by the Trustee on income and gains attributable to the Holders.

### 11.10 Categories and Sources of Income

**11.10.1** For any category or source of income the Manager may keep separate accounts and allocate the income from any category or source to any Holder.

**11.10.2** The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.10.1 before the distribution of any other amount.

### 11.11 Distribution Policy

The Manager and the Trustee acknowledge that subject to Clause 11.1, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders, from time to time in writing that Holders, may, on terms as permitted by the Property Funds Appendix, the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and all other Relevant Laws, Regulations and Guidelines and as specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Units are Listed and Clause 5.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.

### 11.13 Capitalisation of Undistributed Distribution Amount

Prior to the Listing Date, the Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.4 and in lieu of such distribution capitalise the undistributed Distribution Amount.

### 11.14 Distribution of Capital and Unrealised Gains

Subject to the Relevant Laws, Regulations and Guidelines, the Manager may with the consent of the Trustee (which consent shall not be unreasonably withheld) cause the distribution of:

**11.14.1** an amount which represents part of the capital of the Trust and which the Manager reasonably determines to be in excess of the financial needs of the Trust; or

**11.14.2** an amount which represents part or all of the unrealised gains (including any revaluation gains) due to the increase in the capital value of the Real Estate held by the Trust; or

**11.14.3** any other amount which the Manager deems appropriate.

## 12. Place and Conditions of Payment

### 12.1 Place and Conditions of Payment

Any moneys payable by the Trustee to any Holder on the relevant Record Date under the provisions of this Deed shall be paid in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant (if applicable) sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named in the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where the Trustee receives the necessary authority in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor. Any moneys payable by the Trustee to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Manager and the Trustee) and by the Trustee causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne out of the Deposited Property.

### 12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of such payment or any documents signed by it in connection therewith.

Neither the Manager nor the Trustee shall be liable to account to a Holder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

### 12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors, for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities, shall be a good discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

### 12.4 Unclaimed Moneys

**12.4.1** Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "**Unclaimed Moneys Account**") from which the Trustee may, from time to time, make payments to a Holder claiming any such moneys.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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**12.4.2** Subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property for such payment.

**12.4.3** Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 26, the Trustee shall cause such sums which are returned by the Depository to the Trustee (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property for such payment.

**(b) FH-BT TRUST DEED**

**11. Distributions**

**11.1 Distribution to Holders**

Subject to this Clause 11 and the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may, at its sole discretion, make distributions to Holders at half-yearly intervals or at such other intervals as the Trustee-Manager shall decide in its absolute discretion. The Trustee-Manager shall further procure that any Special Purpose Vehicle owned by the Trust will similarly distribute all (or such lower percentage as determined by the Trustee-Manager in its absolute discretion) of their respective income and gains that are legally available for distribution.

**11.2 Determination of Distributable Amount and Reserves**

The Trustee-Manager (acting after consultation with the Auditors) may from time to time at its absolute discretion:

**11.2.1** set aside out of the profits of the Trust and to carry to reserve such sums and make such provisions as it thinks fit;

**11.2.2** determine the amount available for distribution; and

**11.2.3** capitalise any sum for the time being standing in the reserves or otherwise available for distribution.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.3 Frequency of Distribution of Income

For each Distribution Period the Trustee-Manager will calculate and distribute each Holder's Distribution Entitlement in accordance with the provisions of this Clause 11.

### 11.4 Distribution Entitlement

11.4.1 "Distributable Amount" for a Distribution Period is to be determined in accordance with the following formula:

$$DA = E + C$$

Where:

"DA" is the Distributable Amount;

"E" is any amount which the Trustee-Manager has determined is to be distributed after any reserve determined pursuant to Clause 11.2; and

"C" is any additional amount (including capital), which may be a negative amount, which the Trustee-Manager has determined is to be distributed after any reserve determined pursuant to Clause 11.2 or if thought fit by the Trustee-Manager, to be transferred to or from an undistributed income reserve account.

11.4.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

where:

"DE" is the Distribution Entitlement;

"DA" is the Distributable Amount;

"UH" is the number of Units held by the Holder at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distributable Amount; and

"UI" is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.5 Distribution of Entitlement

**11.5.1** Upon declaration by the Trustee-Manager of a distribution, each Holder shall be entitled to receive and the Trustee-Manager shall pay, the Holder's Distribution Entitlement on or before the Distribution Date for the Distribution Period.

**11.5.2** The persons who are Holders on the Record Date for a Distribution Period are entitled to their respective Distribution Entitlements for that Distribution Period.

**11.5.3** The Trustee-Manager may deduct from each Holder's Distribution Entitlement all amounts which:

- (i) are necessary to avoid distributing a fraction of a cent;
- (ii) the Trustee-Manager determines not to be practical to distribute on a Distribution Date;
- (iii) equal any amount of Tax which has been paid or which the Trustee-Manager determines is or may be payable by the Trustee-Manager in respect of the portion of the income of the Trust attributable to such Holder, or the amount of the distribution otherwise distributable to such Holder;
- (iv) are required to be deducted by law, the Tax Ruling or this Deed; or
- (v) are payable by the Holder to the Trustee-Manager.

**11.5.4** The Trustee-Manager may in its absolute discretion determine how any sum so retained is to be applied and/or paid.

### 11.6 Holder Notification

Each Holder must as and when required by the Trustee-Manager, provide such information as to his place of residence or any other information relevant for taxation.

### 11.7 Categories and Sources of Income

**11.7.1** Subject to Clause 11.4.2, for any category or source of income the Trustee-Manager may keep separate accounts and allocate the income from any category or source to any Holder.

**11.7.2** The Trustee-Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.7.1 before the distribution of any other amount.

### 11.8 Distribution Policy

The Trustee-Manager acknowledges that subject to Clause 11.1, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 11.9 Distribution Reinvestment Arrangements

Subject to and in accordance with Relevant Laws, Regulations and Guidelines, the Trustee-Manager may advise Holders from time to time in writing that Holders may, on terms specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units subject to Clause 5.1 and PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Trust is Listed and Clause 5.2 or 5.4 if the Trust is Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Trustee-Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Trustee-Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.

### 11.10 Capitalisation of Undistributed Distributable Amount

Prior to the Listing Date, the Trustee-Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.3 and in lieu of such distribution capitalise the undistributed Distributable Amount.

### 11.11 Distribution of Capital and Unrealised Gains

Subject to the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may at its discretion cause the distribution of an amount which represents:

11.11.1 part of the capital of the Trust and which the Trustee-Manager reasonably determines to be in excess of the financial needs of the Trust; or

11.11.2 part or all of the unrealised gains (including any revaluation gains).

## 12. Place and Conditions of Payment

### 12.1 Place and Conditions of Payment

12.1.1 Any moneys payable by the Trustee-Manager to any Holder on the relevant Record Date under the provisions of this Deed shall be paid, in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named on the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee-Manager. Where the Trustee-Manager receives the necessary authority in such form as the Trustee-Manager shall consider sufficient, it shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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**12.1.2** Any moneys payable by the Trustee-Manager to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Trustee-Manager) and the Trustee-Manager causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Trustee-Manager and the Depository. Payment of the moneys by the Trustee-Manager to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee-Manager. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed may be paid out of the Trust Property.

**12.1.3** No amount payable to any Holder or Depositor shall bear interest.

### **12.2 Deductions**

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any taxes charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Trustee-Manager for which the Trustee-Manager may be made liable in respect of or in connection therewith.

The Trustee-Manager shall not be liable to account to a Holder for any payment made or suffered to be made by the Trustee-Manager in good faith and in the absence of fraud, gross negligence, wilful default or a breach of trust or lack of Due Care to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

### **12.3 Receipt of Holders**

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities shall be a good discharge to the Trustee-Manager, and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.



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### 12.4 Unclaimed Moneys

- 12.4.1** Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the “**Unclaimed Moneys Account**”) from which the Trustee-Manager may, from time to time, make payments to a Holder claiming any such moneys.
- 12.4.2** Subject to Clause 24, the Trustee-Manager may, at its absolute discretion and if practicable, cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property for such payment.
- 12.4.3** Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 24, the Trustee-Manager may, at its absolute discretion and if practicable, cause such sums which are returned by the Depository to the Trustee-Manager (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property for such payment.

### C. THE RIGHTS OF STAPLED SECURITY HOLDERS IN RESPECT OF VOTING

#### (a) FH-REIT TRUST DEED

### 13. Voting Rights in Respect of the Deposited Property

#### 13.1 Manager’s Right to Determine How Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 10.4 relating to Special Purpose Vehicles and Treasury Companies owned by the Trustee, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain.

The Trustee shall, upon written request by and at the expense of the Manager from time to time, execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorney or proxies as the Manager may reasonably require, in such name or names as the Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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The Manager shall be entitled to exercise the said rights in what the Manager may consider to be the best interests of the Holders, but neither the Manager nor the Trustee shall be under any liability or responsibility in respect of the management of the Investment in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Manager whether in person or by proxy, and neither the Trustee nor the Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee or the Manager or by the holder of such proxy or power of attorney under this Deed; and the Trustee shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted to be taken by the Manager or by any such proxy or attorney.

The Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give the Trustee and any Holder reasonable access to such record and allow the Trustee and any Holder to inspect such record but neither the Trustee nor any Holder shall be entitled to remove the same or to make any entries therein or alterations thereto, PROVIDED ALWAYS THAT if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

### 13.2 Construction of Voting Rights

The phrase “**rights of voting**” or the word “**vote**” used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

### 30. Meetings of Holders

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### Schedule 1

#### MEETINGS OF HOLDERS

1. A general meeting to be called the “Annual General Meeting” shall, in addition to any other meeting of Holders, be held once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting, but so long as the Trust holds its first Annual General Meeting within 18 months of its constitution, the Trust need not hold it in the year of its constitution or in the following year. Save as set out above and in Clause 21, all Annual General Meetings may be held at such time and place as may be determined by the Trustee and the Manager. All other general meetings shall be called Extraordinary General Meetings.
2. The Trustee or the Manager (and the Manager shall at the request in writing of not less than 50 Holders or Holders representing not less than 10.0% of the issued Units of the Trust) may at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto. Any such meeting convened shall be held in Singapore.
3. Prior to the Listing Date or (in the event that the Trust is part of a Stapled Group) the listing of the Stapled Group, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest.
4. After the Listing Date or (as the case may be) the listing of the Stapled Group, the Manager or (being a Holder), the controlling shareholders (as defined in the Listing Rules) of the Manager and any Associate thereof shall be entitled to receive notice of and attend at any such meeting but shall subject to paragraph 5(ii) of this Schedule, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the relevant controlling shareholders of the Manager or any Associate has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules and/or the listing rules of other relevant Recognised Stock Exchange) and interested party transactions (as defined in the Property Funds Appendix) and accordingly for the purposes of the following provisions of this Schedule, Units or (as the case may be) Stapled Securities held or deemed to be held by the Manager or any Associate shall not be regarded as being in issue under such circumstances. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting.
5. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:
  - (i) Extraordinary Resolution to:
    - (a) sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;
    - (b) sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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Performance Fee), the Acquisition Fee, the Divestment Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;

- (c) remove the Auditors and appoint other Auditors in their place as provided in Clause 22.3 of this Deed;
  - (d) remove the Trustee as provided in Clause 23.3.4 of this Deed;
  - (e) direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act (relating to the winding up of the Trust); and
  - (f) delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed; and
- (ii) a resolution duly proposed and passed as such by a simple majority of Holders present and voting at a general meeting, with no Holder being disenfranchised, to remove the Manager as provided in Clause 24.1.4 of this Deed,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 5(i) and (ii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the Securities and Futures Act, the Code or the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange.

- 5.2 Subject to paragraph 5.2 below, at least 2 days' notice (in the case of Holders' meetings prior to the Listing Date) or 14 days' notice (in the case of Holders' meetings after the Listing Date or (as the case may be) the listing of the Stapled Group) to pass an Ordinary Resolution) or 21 days' notice (in the case of Holders' meetings after the Listing Date to pass an Extraordinary Resolution) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed, and each such notice shall where required by any Relevant Laws, Regulations and Guidelines be given by advertisement in the daily press and in writing to each stock exchange on which the Trust or the Stapled Group is listed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses.
- 5.2 Notwithstanding the provisions of paragraph 5.1 above, a meeting of Holders convened by the Trustee for the purposes of the winding up of the Trust pursuant to the Securities and Futures Act shall comply with the relevant requirements of the Securities and Futures Act.
6. The quorum shall be not less than two Holders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units or (as the case may be) Stapled Securities for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

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7. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units or (as the case may be) Stapled Securities held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.
8. A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairman.
9. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
10. At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing Relevant Laws, Regulations and Guidelines, be decided on a poll. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid. Every Holder shall, notwithstanding any provision to the contrary in this Deed, have a right to attend any general meeting of the Holders and to speak and vote on any resolution before the meeting in accordance with this Schedule.
11. A poll shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was conducted.
12. A poll shall be taken at such time and place as the Chairman directs.
13. On a poll every Holder who is present in person or by proxy shall have one vote for every Unit or (as the case may be) Stapled Securities of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.
14. In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.
15. On a poll votes may be given either personally or by proxy.
16. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 72 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.

18. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.
19. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (as the case may be) Stapled Securities in respect of which the proxy is given Provided That no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.
20. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
21. A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.
22. For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 72 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 72 hours before the time of such meeting as certified by the Depository to the Manager.

An Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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23. A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
24. For the purposes of determining the number of Units held in respect of Units, or (as the case may be) the number of Stapled Securities held in respect of Stapled Securities, registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (as the case may be) Stapled Securities, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 72 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.
25. Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (as the case may be) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 8 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 26.
26. Notwithstanding anything in this Deed, where a Holder is a Relevant Intermediary, the Holder may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units (or, in the event the Trust is part of a Stapled Group, a different Stapled Security or Stapled Securities) held by it (which number of Units (or, in the event the Trust is part of a Stapled Group, Stapled Securities) shall be specified).



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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### (b) FH-BT TRUST DEED

#### 13. Voting Rights in Respect of the Trust Property

##### 13.1 Trustee-Manager's Right to Determine How Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 9.5 relating to Special Purpose Vehicles and Treasury Companies owned by the Trustee-Manager, all rights of voting conferred by any of the Trust Property shall be exercised in such manner as the Trustee-Manager may in writing direct and the Trustee-Manager may refrain at its own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain.

The Trustee-Manager shall, from time to time, execute and deliver such powers of attorney or proxies, in such name or names as the Trustee-Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Trust Property.

The Trustee-Manager shall be entitled to exercise the said rights in what the Trustee-Manager may consider to be the best interests of the Holders, but the Trustee-Manager shall not be under any liability or responsibility in respect of the management of the Trust Asset in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Trustee-Manager whether in person or by proxy save for when the Trustee-Manager is fraudulent, grossly negligent, in wilful default, in breach of trust or fails to exercise Due Care, and neither the Trustee-Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee-Manager or by the holder of such proxy or power of attorney under this Deed save for when the Trustee-Manager is fraudulent, grossly negligent, in wilful default, in breach of trust or fails to exercise Due Care; and the Trustee-Manager shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted to be taken by any such proxy or attorney save for when the Trustee-Manager is fraudulent, grossly negligent, in wilful default, in breach of trust or fails to exercise Due Care.

The Trustee-Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give any Holder reasonable access to such record and allow any Holder to inspect such record but no Holder shall be entitled to remove the same or to make any entries therein or alterations thereto, PROVIDED ALWAYS THAT if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

##### 13.2 Construction of Voting Rights

The phrase "rights of voting" or the word "vote" used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Trust Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

#### 28. Meetings of Holders

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.



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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### Schedule 1

#### MEETING OF HOLDERS

#### 1. General Meetings

##### 1.1 Annual general meetings

An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting and, for so long as the Trust is Listed on the SGX-ST and/or any other Recognised Stock Exchange, within such period as may be prescribed by the Listing Rules and/or the listing rules of such other Recognised Stock Exchange) and place as may be determined by the Trustee-Manager, save as provided in paragraph 1.1.1 below. All other general meetings shall be called Extraordinary General Meetings.

**1.1.1** The Annual General Meeting of the Trust to be held in the calendar year of 2016 shall be exempted from the requirement in Section 53(1) of the Business trusts Act and paragraph 1.1 of Schedule 1 to the Deed above to be held once in every year, but shall be held on a date which is no later than 31 January 2017.

##### 1.2 Extraordinary general meetings

The Trustee-Manager may whenever it thinks fit, and shall on requisition in accordance with the Relevant Laws, Regulations and Guidelines, proceed with proper expedition to convene an Extraordinary General Meeting.

##### 1.3 Requisition and calling of general meetings

Requisition of general meetings and calling of general meetings shall be in accordance with the Business Trusts Act and any other Relevant Laws, Regulations and Guidelines.

#### 2. Notice of General Meeting

**2.1** Subject to the Business Trusts Act and for so long as the Trust is Listed, the Listing Rules as well, notice of every general meeting shall be given to the Holders in the manner provided in this Deed. The period of notice shall be determined in accordance with the Business Trusts Act and for so long as the Trust is Listed, the Listing Rules as well, PROVIDED THAT the period of notice prescribed under the Business Trusts Act and the Listing Rules (as the case may be) shall not be inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given. Where there is an inconsistency between the Business Trusts Act and the Listing Rules on the period of notice required, the period of notice required for the purposes of this Deed shall be the longer of the periods of notice prescribed by the Business Trusts Act and the Listing Rules. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses.

**2.2** The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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**2.3** Notwithstanding the preceding sub-paragraphs of this paragraph 2 but subject to the Relevant Laws, Regulations and Guidelines, any notice or other document required to be served upon or sent to all the Holders for the time being shall be deemed to have been duly served or sent if published in any one leading English-language daily newspaper in Singapore and any one leading Chinese-language daily newspaper in Singapore. Any notice or document so served or sent shall be deemed to have been so served or sent on the date of such publication and, if the publication in the two newspapers does not appear on the same day, on the date of the later publication.

### **3. Proceedings at Meetings**

#### **3.1 Chairman of meetings**

The chairman or deputy chairman of the Board or if the chairman or deputy chairman is not present or there is no chairman or deputy chairman present, a person nominated in writing by the Trustee-Manager shall preside as chairman (“**Chairman**”) at a general meeting. If the chairman or deputy chairman is not present within fifteen minutes after the time appointed for holding the general meeting, or in the case where there is no chairman or deputy chairman present and there is no person nominated in writing by the Trustee-Manager or such nominated person is not present, the Holders present shall choose one of their number to be Chairman.

#### **3.2 Holders’ rights at meetings**

Every Holder shall, notwithstanding any provision to the contrary in this Deed, have a right to attend any general meeting of the Holders and to speak and vote on any resolution before the meeting in accordance with paragraphs 3.5 and 3.6 of this Schedule.

#### **3.3 Quorum**

No business other than the appointment of a Chairman shall be transacted at any general meeting unless the quorum is present at the commencement of business. The quorum shall be not less than two Holders present in person or by proxy of one-tenth in value of all the Units for the time being in issue, PROVIDED THAT (i) a proxy representing more than one Holder shall only count as one Holder for the purpose of determining the quorum; and (ii) where a Holder is represented by more than one proxy such proxies shall count as only one Holder for the purpose of determining the quorum.

#### **3.4 Adjournment of meetings**

**3.4.1** If within half an hour from the time appointed for a meeting (or such longer interval as the Chairman may think fit to allow) a quorum is not present, the general meeting, if convened on the requisition of Holders, shall be dissolved. In any other case it shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman.

**3.4.2** Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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- 3.4.3** The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

### **3.5 Voting**

- 3.5.1** At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing Relevant Laws, Regulations and Guidelines, be decided on a poll.

- 3.5.2** A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

- 3.5.3** A poll shall be taken at such time and place as the Chairman directs.

### **3.6 Votes of Holders**

- 3.6.1** Subject to the Business Trusts Act, each Unit shall confer the right to poll at any meeting to one vote, and one vote only. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.

- 3.6.2** On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. On a poll votes may be given either personally or by proxy. A person entitled to more than one vote need not use all his votes or cast them the same way.

- 3.6.3** In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.

- 3.6.4** Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Holder on the ground (however formulated) of mental disorder, the Trustee-Manager may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Trustee-Manager may require, permit such receiver or other person on behalf of such Holder to vote in person or by proxy at any meeting or to exercise any other right conferred by holding of Units in relation to meetings.

- 3.6.5** No Holder shall, unless the Trustee-Manager otherwise determines, be entitled in respect of Units held by him to vote at a meeting either personally or by proxy or to exercise any other right conferred by holding of Units in relation to meetings if any call or other sum presently payable by him to the Trust in respect of such Units remains unpaid.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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**3.6.6** For the purposes of determining the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (in the event the Trust is part of a Stapled Group) Stapled Securities, the Trustee-Manager shall be entitled and bound to accept as accurate the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 72 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee-Manager, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. The Trustee-Manager shall not under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

### **4. Proxies**

- 4.1** An instrument of proxy may be in the usual common form or in any other form which the Trustee-Manager shall approve.
- 4.2** The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorized.
- 4.3** The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Trustee-Manager not less than 72 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.
- 4.4** The instrument appointing a proxy to vote at a meeting of the Holders shall be deemed to confer authority to demand or join in demanding a poll. A demand by a person as proxy for a Holder shall, for the purpose of paragraph 3.5, be deemed to be the same as a demand by the Holder.
- 4.5** A Holder who is not a Relevant Intermediary may appoint not more than two proxies to attend and vote at the same meeting.
- 4.6** A Holder who is a Relevant Intermediary may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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- 4.7** In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities concerned to be represented by each proxy shall be specified in the form of proxy, provided that each proxy must be appointed to exercise the rights attached to different Units or (in the event the Trust is part of a Stapled Group) different Stapled Securities held by it (which number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities, shall be specified).
- 4.8** If the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:
- 4.8.1** to reject any instrument of proxy lodged if the Depositor is not shown to have any Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against his name in the Depository Register as at 72 hours before the time of the relevant meeting as certified by the Depository to the Trust; and
- 4.8.2** to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant meeting as certified by the Depository to the Trust, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Trustee-Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **5. Minutes of Proceedings**

- 5.1** The Trustee-Manager shall exercise Due Care to ensure that it will comply with all provisions of Relevant Laws, Regulations and Guidelines in relation to records of proceedings of meetings.
- 5.2** Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee-Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

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## APPENDIX F – EXTRACTS FROM THE FHT TRUST DEEDS

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### 6. Resolutions

- 6.1** An Ordinary Resolution means a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing, as described in paragraph 6.3 below.
- 6.2** An Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing, as described in paragraph 6.3 below.
- 6.3** A resolution in writing signed by or on behalf of the relevant percentage, as required for the passing of an Ordinary Resolution or Extraordinary Resolution (as the case may be), of the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as an Ordinary Resolution or Extraordinary Resolution (as the case may be) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned. The expressions “**in writing**” and “**signed**” include approval by any such Holder by telefax or any form of electronic communication approved by the Trustee-Manager.
- 6.4** An Extraordinary Resolution or an Ordinary Resolution, as the case may be, shall be binding on all Holders or, where applicable, the holders of the Stapled Securities, whether or not present at the relevant meeting and each of the Holders or, where applicable, the holders of the Stapled Securities and the Trustee-Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

### 7. Corporate Representatives

- 7.1** A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- 7.2** Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 3.1 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 7.2.

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### **Report of the Trustee of Fraser's Hospitality Real Estate Investment Trust**

For the year ended 30 September 2021

Perpetual (Asia) Limited (the "REIT Trustee") is under a duty to take into custody and hold the assets of Fraser's Hospitality Real Estate Investment Trust ("FH-REIT") held by it or through its subsidiaries (collectively the "FH-REIT Group") in trust for the holders ("Stapled Securityholders") of units in FH-REIT. In accordance with the Securities and Futures Act (Chapter 289) of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "Regulations"), the REIT Trustee shall monitor the activities of Fraser's Hospitality Asset Management Pte. Ltd. (the "REIT Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Amended and Restated Trust Deed ("Trust Deed") dated 20 June 2014 as amended or supplemented from time to time between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Stapled Securityholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed FH-REIT during the financial year covered by these financial statements set out on pages 168 to 272, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the REIT Trustee,  
Perpetual (Asia) Limited

Sin Li Choo  
Director

Singapore  
22 November 2021



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### **Statement by the Manager of Fraser's Hospitality Real Estate Investment Trust**

For the year ended 30 September 2021

In the opinion of the directors of Fraser's Hospitality Asset Management Pte. Ltd., the financial statements of FH-REIT and its subsidiaries (collectively "FH-REIT Group"), and Fraser's Hospitality Trust ("FHT"), comprising the FH-REIT Group and Fraser's Hospitality Business Trust ("FH-BT") and its subsidiaries (collectively, the "FH-BT Group") set out on pages 168 to 272, comprising the Statements of Financial Position and Portfolio Statements as at 30 September 2021, the Statements of Total Return, Distribution Statements, Statements of Changes in Stapled Securityholders' Funds and Statements of Cash Flows for the financial year then ended, and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio position of FH-REIT Group and FHT as at 30 September 2021, the total return, changes in Stapled Securityholders' funds, distributable income and cash flows of the FH-REIT Group and FHT for the financial year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed dated 20 June 2014 (as amended) between the REIT Manager and the REIT Trustee, and the stapling deed of Fraser's Hospitality Trust between the REIT Trustee, the REIT Manager and Fraser's Hospitality Trust Management Pte. Ltd. (the "Trustee-Manager") dated 20 June 2014. At the date of this statement, there are reasonable grounds to believe that the FH-REIT Group and FHT will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Board of Directors of the REIT Manager,  
Fraser's Hospitality Asset Management Pte. Ltd.

Law Song Keng  
Director

Panote Sirivadhanabhakdi  
Director

Singapore  
22 November 2021

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### Report of the Trustee-Manager of Frasers Hospitality Business Trust

For the year ended 30 September 2021

The directors of Frasers Hospitality Trust Management Pte. Ltd., the trustee-manager of Frasers Hospitality Business Trust (“FH-BT”) and its subsidiaries (collectively, the “FH-BT Group”), (the “Trustee-Manager”), are pleased to present their report to the Stapled Securityholders of Frasers Hospitality Trust (the “Trust” or “FHT”) for the financial year ended 30 September 2021, together with the audited financial statements of FH-BT Group for the financial year ended on that date.

#### DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are:

Mr Law Song Keng (Chairman)  
Mr Chua Phuay Hee  
Mr Liew Choon Wei  
Dr David Wong See Hong  
Mr Panote Sirivadhanabhakdi

#### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE STAPLED SECURITIES AND DEBENTURES

Neither at the end of nor at any time during the financial year ended 30 September 2021 was the Trustee-Manager a party to any arrangement whose objective is to enable any or all directors of the Trustee-Manager to acquire benefits by means of the acquisition of Stapled Securities, or debentures, of FH-BT.

#### DIRECTORS’ INTEREST IN STAPLED SECURITIES OR DEBENTURES OF FHT

According to the register kept by the Trustee-Manager for the purpose of Section 76 of the Business Trusts Act, Chapter 31A of Singapore (the “BTA”), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in Stapled Securities of FHT are as follows:

Name of Director	Number of Stapled Securityholdings					
	1 October 2020		30 September 2021		21 October 2021	
	Direct	Deemed	Direct	Deemed	Direct	Deemed
Mr Law Song Keng	549,900	Nil	549,900	Nil	549,900	Nil
Mr Panote Sirivadhanabhakdi	Nil	707,310,200	Nil	707,310,200	Nil	707,310,200

Except as disclosed in this statement, there were no changes in any of the above mentioned interests in FHT between the end of the financial year and 21 October 2021.

#### DIRECTORS’ CONTRACTUAL BENEFITS

Since the end of the last financial year, no director of the Trustee-Manager has received or became entitled to receive a benefit in FH-BT by reason of a contract made by the Trustee-Manager, on behalf of FH-BT or a related corporation with the director, or with a firm of which such director is a member or with a company in which such director has a substantial financial interest, except that the directors served as directors or employees of related corporations and received remuneration in that capacity from related corporations.

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### **Report of the Trustee-Manager of Fraser's Hospitality Business Trust**

For the year ended 30 September 2021

#### **STAPLED SECURITY OPTIONS**

During the financial year, there were:

- (i) no options granted by the Trustee-Manager to any person to take up unissued Stapled Securities in FHT; and
- (ii) no Stapled Securities issued by virtue of any exercise of option to take up unissued Stapled Securities in FHT.

There were no unissued Stapled Securities in FHT under options as at the end of the financial year.

#### **AUDIT, RISK AND COMPLIANCE COMMITTEE**

The Trustee-Manager had established an Audit, Risk and Compliance Committee for the Trustee-Manager (the "Trustee-Manager Audit, Risk and Compliance Committee") on 17 October 2016.

The composition of the Trustee-Manager Audit, Risk and Compliance Committee comprise the following independent directors from the Board of Directors of the Trustee-Manager:

- (i) Dr David Wong See Hong (Chairman);
- (ii) Mr Law Song Keng (Member); and
- (iii) Mr Liew Choon Wei (Member).

The composition of the Trustee-Manager Audit, Risk and Compliance Committee is identical to the composition of the Audit, Risk and Compliance Committee of the REIT Manager.

#### **AUDITOR**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

For and on behalf of the Board of Directors of the Trustee-Manager,  
Fraser's Hospitality Trust Management Pte. Ltd.

Law Song Keng  
Director

Panote Sirivadhanabhakdi  
Director

Singapore  
22 November 2021

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### **Statement by the Trustee-Manager of Fraser's Hospitality Business Trust**

For the year ended 30 September 2021

In the opinion of the directors,

- (a) The financial statements of FH-BT Group as set out on pages 168 to 272 are drawn up so as to give a true and fair view of the financial position of FH-BT Group as at 30 September 2021, and of the financial performance, changes in Stapled Securityholders' funds and cash flows of FH-BT Group, for the financial year then ended in accordance with the provisions of the BTA and Singapore Financial Reporting Standards (International); and
- (b) At the date of this statement, there are reasonable grounds to believe that FH-BT Group will be able to pay its debts as and when they fall due.

In accordance with Section 86(2) of the BTA, the directors of the Trustee-Manager further certify that:

- fees or charges paid or payable out of the trust property of FH-BT Group to the Trustee-Manager are in accordance with the FH-BT Trust Deed dated 20 June 2014;
- the interested person transactions are not detrimental to the interests of all the Stapled Securityholders as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of FH-BT or the interests of the Stapled Securityholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager,  
Fraser's Hospitality Trust Management Pte. Ltd.

Law Song Keng  
Director

Panote Sirivadhanabhakdi  
Director

Singapore  
22 November 2021

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**Statement by the Chief Executive Officer of  
the Trustee-Manager**

For the year ended 30 September 2021

In accordance with Section 86 of the BTA, I, the Chief Executive Officer of Frasers Hospitality Trust Management Pte. Ltd., as Trustee-Manager of Frasers Hospitality Business Trust (“FH-BT”) (the “Trustee-Manager”), in my personal capacity, certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of FH-BT or on the interests of all the Stapled Securityholders of the FH-BT as a whole.

Eu Chin Fen  
Chief Executive Officer

Singapore  
22 November 2021

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### **Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

Frasers Hospitality Business Trust (“FH-BT”) was dormant from the listing of Frasers Hospitality Trust (“FHT”) on 14 July 2014 on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) until it was activated on 19 October 2016.

The key roles of the Trustee-Manager Board are as follows:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the Trustee-Manager; and
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of FH-BT units (the “FH-BT Unitholders”), and managing the business conducted by FH-BT. The Trustee-Manager has general powers of management over the business and assets of FH-BT and its main responsibility is to manage FH-BT’s assets and liabilities for the benefit of the FH-BT Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as FH-BT’s trustee-manager, is required to:

- treat the FH-BT Unitholders in the same class fairly and equally and FH-BT Unitholders who hold FH-BT units in different classes (if any) fairly;
  - ensure that all payments out of the FH-BT Trust Property are made in accordance with the BTA, the FH-BT Trust Deed and the Stapling Deed;
  - report to the MAS any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:
    - relates to FH-BT; and
    - has had, has or is likely to have, a material adverse effect on the interests of all the FH-BT Unitholders, or any class of FH-BT Unitholders;
- as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention; and
- ensure that the FH-BT Trust Property is properly accounted for and ensure that the FH-BT Trust Property is kept distinct from the property held in its own capacity.

The Trustee-Manager has the following duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as FH-BT’s trustee-manager in accordance with the BTA, the FH-BT Trust Deed;
- act in the best interests of all FH-BT Unitholders as a whole and give priority to the interests of all FH-BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all FH-BT Unitholders as a whole and its own interests;

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### **Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

- not make improper use of any information acquired by virtue of its position as FH-BT's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the FH-BT Unitholders;
- hold the FH-BT Trust Property on trust for all FH-BT Unitholders as a whole in accordance with the terms of the FH-BT Trust Deed;
- adhere with the business scope of FH-BT as set out in the FH-BT Trust Deed;
- review interested person transactions in relation to FH-BT;
- review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of FH-BT out of the Trust Property of FH-BT, and ensure that fees and expenses charged to FH-BT are appropriate and in accordance with the FH-BT Trust Deed; and
- comply with the BTA and the Listing Manual.

The MAS has granted the Trustee-Manager waivers from compliance with Sections 10(2)(a) and 11(1)(a) of the BTA to the extent that Sections 10(2)(a) and 11(1)(a) of the BTA require the Trustee-Manager and the Trustee-Manager Directors to act in the best interests of the FH-BT Unitholders as a whole only, subject to the conditions that:

- (i) the FH-BT Units remain stapled to the FH-REIT Units; and
- (ii) the Trustee-Manager and the Trustee-Manager Directors shall act in the best interests of all the Stapled Securityholders as a whole.

#### ***Trust Property is Properly Accounted For***

The Trustee-Manager ensures that the Trust Property of FH-BT shall be properly accounted for and kept distinct from the property of the Trustee-Manager in its own capacity. Different bank accounts shall be maintained for the Trustee-Manager in its personal capacity and its capacity as trustee-manager of FH-BT.

#### ***Adherence to the Business Scope of FH-BT***

The Trustee-Manager Board shall review and approve all authorised businesses undertaken by FH-BT so as to ensure its adherence to the business scope as set out in the FH-BT Trust Deed.

Such authorised businesses include:

- (i) the acquisition, disposition and ownership of Authorised Investments (as defined in the FH-BT Trust Deed) and all activities, concerns, functions and matters reasonably incidental thereto;
- (ii) ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of Authorised Investments of FH-BT and all activities, concerns, functions and matters reasonably incidental thereto; and
- (iii) any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii), including the management and leasing of the Authorised Investments of FH-BT.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### **Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

#### ***Management of Business Risk***

The following procedures have been put in place by the Trustee-Manager to manage business risk:

- The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of FH-BT against a previously approved budget or other applicable performance benchmark and indicators. The Trustee-Manager Board will also review the business risks of FH-BT, examine liability management and will act upon any comments from both the internal and external auditors of FH-BT.
- In assessing business risk, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports and feasibility studies on individual development projects prior to approving major transactions. The management will meet regularly to review the operations of the Trustee-Manager and FH-BT and discuss any disclosure issues.

#### ***Interested Person Transactions and Potential Conflicts of Interest***

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of FH-BT) or any of the subsidiaries or associated companies of FH-BT); and
- any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of FH-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of FH-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Stapled Securityholder);

would constitute an Interested Person Transaction.

#### ***The Trustee-Manager's Internal Control System***

The Trustee-Manager has established an internal control system to ensure that all Interested Person Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of FH-BT and Stapled Securityholders.

The Trustee-Manager maintains a register to record all Interested Person Transactions which are entered into by FH-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager also incorporates into its internal audit plan a review of all Interested Person Transactions entered into by FH-BT.

Where matters concerning FH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of FH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or FH-BT, the Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of FH-BT and Stapled Securityholders; and
- in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.



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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### **Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or FH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Save for the Interested Person Transactions as disclosed in the IPO prospectus of FHT under "Management and Corporate Governance – FH-BT – Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions in Connection with the Setting up of FH-BT", FH-BT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of FH-BT's latest audited net tangible assets. The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in FHT's annual report for the relevant financial year.

#### ***Potential Conflicts of Interest***

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

- all resolutions in writing of the Trustee-Manager Directors in relation to matters concerning FH-BT must be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee-Manager Director;
- save for the corresponding executive positions held in the REIT Manager, all key executive officers will be employed by the Trustee-Manager and will not hold executive positions in other entities;
- in respect of matters in which a Trustee-Manager Director or his associate (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Trustee-Manager Directors and must exclude such interested director;
- in respect of matters in which the Sponsor has an interest, direct or indirect, any nominees appointed by the Sponsor to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of the Sponsor; and
- where matters concerning FH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of FH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or FH-BT, the Trustee-Manager Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of FH-BT and Stapled Securityholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or FH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and SGX-ST that apply to business trusts.

It should be noted that under Section 6(3) of the BTA, the Trustee-Manager is prohibited from carrying on any business other than the management and operation of FH-BT as its trustee-manager.

#### ***Expenses Charged to FH-BT***

The Trustee-Manager Board will carry out quarterly reviews to ensure that the expenses payable to the Trustee-Manager out of the FH-BT Trust Property are appropriate and in accordance with the FH-BT Trust Deed.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### **Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

#### ***Fees Payable to the Trustee-Manager***

##### **Management Fee**

The Trustee-Manager shall be entitled under the FH-BT Trust Deed to the following management fees:

- (i) a Base Fee of 0.3% per annum of the value of the FH-BT Trust Property; and
- (ii) a Performance Fee of 5.5% of the aggregate Distributable Income of FHT in the relevant financial year (calculated before accounting for the REIT Performance Fee and the BT Performance Fee).

There should be no double-counting of fees. In the event that both the Trustee-Manager and the REIT Manager are entitled to the Performance Fee, such fees payable to both the Trustee-Manager and the REIT Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the Performance Fee. For the avoidance of doubt, the maximum Performance Fee payable to both the Trustee-Manager and the REIT Manager collectively is 5.5% per annum of the aggregate Distributable Income of FHT in the relevant financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee).

For the purpose of calculating the management fee, if FH-BT holds only a partial interest in an investment from which such profit is derived, such profit shall be pro-rated in proportion to the partial interest held.

The management fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect.

In the current financial year, approximately SGD 80,000 of management fees were paid to the Trustee-Manager.

##### **Trustee Fee**

Under the FH-BT Trust Deed, 0.1% per annum of the value of the FH-BT Trust Property and subject to a minimum fee of SGD 10,000 per month, if any, shall be paid to the Trustee-Manager as trustee fees, provided that the value of the FH-BT Trust Property is at least SGD 50.0 million and FH-BT is active.

In the current financial year, no trustee fee was paid to the Trustee-Manager as the value of the FH-BT Trust Property was below SGD 50.0 million.

##### **Acquisition Fee and Divestment Fee**

The Trustee-Manager is entitled to:

- an acquisition fee of 0.5% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):
  - (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by FH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
  - (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments made by FH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or
  - (iii) the acquisition price of any investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

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### **Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):
  - (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by FH-BT, plus any other payments in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
  - (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments received by the FH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or
  - (iii) the sale price of the investment sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager provided that in respect of any acquisition and sale or divestment of real estate assets from/to Related Parties, such a fee should be in the form of Stapled Securities at prevailing market price(s) instead of cash. The Stapled Securities issued to the Trustee-Manager as its acquisition or divestment fee should not be sold within one year from the date of their issuance.

#### ***Compliance with the BTA and the Listing Manual***

The Trustee-Manager has an internal compliance manual which sets out the rules and regulations applicable to FH-BT.

The Trustee-Manager will engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

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### **Statement on Composition of the Board of Directors of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

Under Regulation 12(1) of the Business Trust Regulations 2005 (the “BTR”), the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of Trustee-Manager Directors who are independent from any single substantial shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of five members, four of whom are Independent Directors for the purposes of the BTA, being independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager.

They are:

Mr Law Song Keng	(Chairman)
Mr Chua Phuay Hee	(Independent Director)
Mr Liew Choon Wei	(Independent Director)
Dr David Wong See Hong	(Independent Director)
Mr Panote Sirivadhanabhakdi	(Non-Executive Director)

In addition to compliance with requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- the Chairman of the Trustee-Manager Board should be a Non-Executive Director; and
- the Trustee-Manager Board should consist of Directors with a broad range of commercial experience.

None of the Trustee-Manager Directors would, by definition under the BTR, be independent from a substantial shareholder as the Managers are wholly-owned subsidiaries of Frasers Property Limited (the “Sponsor”).

However, due to the structure of FHT, appointing a Trustee-Manager Board which is the same as the REIT Manager Board would avoid any differences or deadlock in the operation of FHT. Operationally, the structure of FHT would require a high degree of co-operation between the REIT Manager and the Trustee-Manager (collectively, the “Managers”).

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### **Statement on Composition of the Board of Directors of Frasers Hospitality Business Trust**

For the year ended 30 September 2021

The MAS has granted an exemption from the requirement under Regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that Regulations 12(1)(a) and 12(1)(b) require the Trustee-Manager Directors to (a) be independent from management and business relationships with the Trustee-Manager and (b) be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager, namely, the Sponsor, subject to the following conditions:

- (i) the Trustee-Manager shall ensure that the FH-BT Units remain stapled to the FH-REIT Units;
- (ii) the Trustee-Manager shall ensure that, in relation to the composition of the Trustee-Manager Board:
  - (1) the Trustee-Manager Directors are also the REIT Manager Directors;
  - (2) at least a majority of the Trustee-Manager Directors shall be independent from management and business relationships with the Managers; and
  - (3) at least one-third of the Trustee-Manager Directors shall be independent from management and business relationships with the Managers and from every substantial shareholder of the Managers; and
- (iii) the Stapling Deed shall contain covenants binding the Managers to exercise all due diligence and vigilance to safeguard the rights and interests of the Stapled Securityholders in the event of a conflict between the interests of the Managers and their respective shareholders, and that of the Stapled Securityholders.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

#### ***Grant of Exemption in respect of the establishment of the Trustee-Manager Audit, Risk and Compliance Committee***

In connection with the establishment of the Trustee-Manager Audit, Risk and Compliance Committee, the Managers had applied to the MAS for, and the MAS had, pursuant to a letter dated 14 October 2016, granted an exemption to the Trustee-Manager from the requirement to comply with Regulations 13(1)(b)(i) and (ii) of the BTR (the "ARCC Exemption"). The MAS has granted the ARCC Exemption subject to the following conditions:

- (a) the Trustee-Manager shall ensure that the units of FH-BT remain stapled to the units of FH-REIT;
- (b) the Trustee-Manager shall ensure that, in relation to the composition of the Trustee-Manager Audit, Risk and Compliance Committee, it shall be composed of 3 or more members:
  - (i) all of whom are independent of management and business relationships with the Managers; and
  - (ii) at least a majority of whom, including the Chairman of the Trustee-Manager Audit, Risk and Compliance Committee, are independent of management and business relationships with the Managers and independent from every substantial shareholder of the Managers; and
- (c) the Trustee-Manager shall ensure that the Trustee-Manager Audit, Risk and Compliance Committee and REIT Manager Audit, Risk and Compliance Committee comprise identical directors.

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### Independent Auditors' Report

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#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited:

- (i) the consolidated financial statements of Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and its subsidiaries ("FH-REIT Group"), which comprise the Statement of Financial Position and Portfolio Statement as at 30 September 2021, the Statement of Total Return, Distribution Statement, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies;
- (ii) the consolidated financial statements of Frasers Hospitality Business Trust ("FH-BT") and its subsidiaries ("FH-BT Group"), which comprise the Statement of Financial Position as at 30 September 2021, the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- (iii) the consolidated financial statements of Frasers Hospitality Trust ("FHT"), which comprise the Statement of Financial Position and Portfolio Statement as at 30 September 2021, the Statement of Total Return, Distribution Statement, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies;

as set out on pages 168 to 272. Frasers Hospitality Trust, which comprises the FH-REIT Group and the FH-BT Group, is hereinafter referred to as "FHT".

In our opinion:

- (a) the accompanying consolidated financial statements of the FH-REIT Group and FHT present fairly, in all material respects, the financial position and the portfolio holdings of the FH-REIT Group and FHT as at 30 September 2021 and the financial performance, changes in stapled securityholders' funds, and cash flows of the FH-REIT Group and the financial performance, distributable income, changes in stapled securityholders' funds and cash flows of FHT for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("ISCA"); and
- (b) the accompanying consolidated financial statements of the FH-BT Group are properly drawn up in accordance with the provisions of the Business Trust Act, Chapter 31A of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the state of affairs of the FH-BT Group as at 30 September 2021 and of the financial performance, changes in stapled securityholders' funds and cash flows of the FH-BT Group for the year ended on that date.

##### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the FH-REIT Group, the FH-BT Group and FHT in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Valuation of properties**

(Refer to Note 10 and Note 11 to the financial statements)

#### **Risk**

FHT hold properties comprising serviced residences and hotel properties located in Singapore, Australia, United Kingdom, Japan, Malaysia and Germany. Properties that are leased under a master lease are classified as investment properties whereas a property that is operated under a hotel management contract is classified as property, plant and equipment. Investment properties and the property operated under a hotel management contract represent significant asset items on the statements of financial position, amounting to SGD 2.0 billion and SGD 0.2 billion respectively, at 30 September 2021.

FHT's accounting policy is to state investment properties at fair value and freehold land and building included as part of property, plant and equipment, at revalued amount. Fair value is based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the assumptions to be applied. The valuations are sensitive to the key assumptions applied in that a change to the underlying assumptions could have significant impact to the financial statements.

Certain valuers have included material uncertainty clauses in the valuation reports, highlighting that as a result of the COVID-19 pandemic, less certainty and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the unknown future impact that the COVID-19 pandemic might have on the real estate market, the values might change more rapidly and significantly than during standard market conditions. Consequently, the valuers have recommended to keep the valuation of the properties under frequent review.

#### **Our response**

We evaluated the qualifications and objectivity of the external valuers.

We held discussions with the valuers to understand the valuation methods, inputs and assumptions used, including where appropriate, how they have considered the implications of COVID-19 and market uncertainty in the valuations. We considered the valuation methodologies used against those applied by other valuers for similar property types.

We challenged the reasonableness of the projected cash flows used in the valuation. We evaluated the appropriateness of the discount, and capitalisation rates used in the valuations by comparing them against historical rates and available industry data, taking into consideration market factors. Where the rates were outside the expected range, we undertook further procedures to understand the bases.

#### **Our findings**

The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies and key assumptions used by the valuers are in line with generally accepted market practices and available market data.

#### **Other information**

Frasers Hospitality Asset Management Pte. Ltd., the Manager of the FH-REIT (the "REIT Manager"), and Fraser Hospitality Trust Management Pte. Ltd., the Trustee-Manager of the FH-BT (the "Trustee-Manager") are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Statistics of Stapled Securityholders (the "Report"), which is expected to be made available to us after that date.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the REIT Manager and the Trustee-Manager and take appropriate actions in accordance with SSAs.

#### ***Responsibilities of the REIT Manager for the financial statements***

The REIT Manager is responsible for the preparation and fair presentation of the consolidated financial statements of the FH-REIT Group and FHT in accordance with the recommendations of RAP 7 issued by ISCA, and for such internal controls as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing the ability of the FH-REIT Group and FHT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate the FH-REIT Group and FHT or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the REIT Manager include overseeing the financial reporting process of the FH-REIT Group and FHT.

#### ***Responsibilities of the Trustee-Manager for the financial statements***

The Trustee-Manager is responsible for the preparation of the consolidated financial statements of the FH-BT Group that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the ability of the FH-BT Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate FH-BT Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Trustee-Manager include overseeing the financial reporting process of the FH-BT Group.

#### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the FH-REIT Group, the FH-BT Group and FHT.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager and the Trustee-Manager.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the REIT Manager and the Trustee-Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the FH-REIT Group, the FH-BT Group and FHT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the FH-REIT Group, the FH-BT Group and FHT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the FH-REIT Group, the FH-BT Group and FHT to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the REIT Manager and the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the REIT Manager and the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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### **Independent Auditors' Report**

TO THE STAPLED SECURITYHOLDERS OF FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST AND FRASERS HOSPITALITY BUSINESS TRUST CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO THE TRUST DEEDS DATED 12 JUNE 2014 AND 20 JUNE 2014, RESPECTIVELY (AS AMENDED)

From the matters communicated with the REIT Manager and the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In our opinion, the accounting and other records required by the Act to be kept by Trustee-Manager on behalf of FH-BT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Kok Keong.

#### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

#### **Singapore**

22 November 2021

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**Statements of Total Return of FHT and the FH-REIT Group  
Statement of Profit or Loss of the FH-BT Group**

For the year ended 30 September 2021

	Note	FHT		FH-REIT Group		FH-BT Group	
		2021	2020	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Master lease rental	10	64,648	67,083	75,107	76,027	-	-
Room revenue		5,166	13,466	-	-	5,166	13,466
Food and beverage revenue		3,556	3,785	-	-	3,556	3,785
Other income		12,162	4,239	479	649	11,683	3,590
<b>Revenue</b>		<b>85,532</b>	<b>88,573</b>	<b>75,586</b>	<b>76,676</b>	<b>20,405</b>	<b>20,841</b>
Property tax		(8,421)	(8,676)	(8,421)	(8,676)	-	-
Property insurance		(1,730)	(1,443)	(1,628)	(1,352)	(102)	(91)
Property management fees		(2,208)	(3,138)	(2,208)	(3,138)	-	-
Other property expenses		(2,391)	(2,583)	(2,391)	(2,583)	-	-
Impairment loss on trade receivables		(4,137)	(1,690)	(4,137)	(1,690)	-	-
Operations and maintenance expenses		(3,623)	(4,204)	(57)	(180)	(3,566)	(4,440)
Energy and utilities expenses		(541)	(664)	-	-	(541)	(664)
Hotel management fee		(722)	(594)	-	-	(722)	(594)
Rental expense		-	-	-	-	(4,557)	(3,417)
Staff costs	3	(3,532)	(3,994)	-	-	(3,532)	(3,994)
Marketing expenses		(289)	(1,204)	-	-	(289)	(1,204)
Administrative expenses		(312)	(552)	-	-	(312)	(552)
<b>Property operating expenses</b>		<b>(27,906)</b>	<b>(28,742)</b>	<b>(18,842)</b>	<b>(17,619)</b>	<b>(13,621)</b>	<b>(14,956)</b>
<b>Net property income</b>		<b>57,626</b>	<b>59,831</b>	<b>56,744</b>	<b>59,057</b>	<b>6,784</b>	<b>5,885</b>
Depreciation	11	(3,929)	(3,921)	-	-	(4,570)	(4,322)
REIT Manager's management fees	4(a)	(4,521)	(5,466)	(4,521)	(5,466)	-	-
Trustee-Manager's management fees	4(b)	(80)	(54)	-	-	(80)	(54)
Other management fees	4(c)	(3,668)	(3,569)	(3,668)	(3,569)	-	-
Trustees' fees	5	(493)	(495)	(493)	(495)	-	-
Other trust expenses	6	(2,799)	(3,268)	(2,726)	(3,190)	(73)	(78)
Finance income		210	329	210	326	86	80
Amortisation of debt upfront costs	7(a)	(952)	(824)	(952)	(824)	-	-
Finance costs	7(b)	(20,415)	(19,750)	(20,502)	(19,828)	(2,465)	(2,418)
<b>Total return/(Loss) before foreign exchange differences, fair value changes and tax</b>		<b>20,979</b>	<b>22,813</b>	<b>24,092</b>	<b>26,011</b>	<b>(318)</b>	<b>(907)</b>
Foreign exchange gain/(loss), net		(26)	(165)	(24)	(198)	(2)	33
Net change in fair value of investment properties	10	(4,574)	(136,777)	326	(149,604)	-	-
Revaluation of property, plant and equipment	11	8,444	(9,208)	-	-	-	-
Net change in fair value of derivative financial instruments		(77)	(328)	(77)	(328)	-	-
Realised gain on derivative financial instruments, net		(16)	256	(16)	256	-	-
<b>Total return/(Loss) for the year before tax</b>		<b>24,730</b>	<b>(123,409)</b>	<b>24,301</b>	<b>(123,863)</b>	<b>(320)</b>	<b>(874)</b>
Taxation	8	(8,422)	9,981	(8,333)	9,160	56	128
<b>Total return/(Loss) for the year after tax</b>		<b>16,308</b>	<b>(113,428)</b>	<b>15,968</b>	<b>(114,703)</b>	<b>(264)</b>	<b>(746)</b>
<b>Total return/(Loss) for the year after tax attributable to:</b>							
- Stapled Securityholders		13,589	(117,890)	13,249	(119,165)	(264)	(746)
- Perpetual Securities holders		2,719	4,462	2,719	4,462	-	-
		<b>16,308</b>	<b>(113,428)</b>	<b>15,968</b>	<b>(114,703)</b>	<b>(264)</b>	<b>(746)</b>
<b>Earnings per Stapled Security (cents)</b>							
Basic	9	0.70	(6.14)				
Diluted	9	0.70	(6.14)				

The accompanying notes form an integral part of these financial statements.

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### Statement of Comprehensive Income of the FH-BT Group

For the year ended 30 September 2021

	FH-BT Group	
	2021	2020
	\$'000	\$'000
<b>Loss for the year after tax</b>	(264)	(746)
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to statement of profit or loss:</b>		
Foreign currency translation differences	16	129
<b>Total comprehensive income for the year, net of tax</b>	<u>(248)</u>	<u>(617)</u>
<b>Total comprehensive income for the year attributable to</b>		
- Stapled Securityholders	<u>(248)</u>	<u>(617)</u>

The accompanying notes form an integral part of these financial statements.

## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Distribution Statements

For the year ended 30 September 2021

	Note	FHT		FH-REIT Group		FH-BT Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Reconciliation of total return/(loss) to income available for distribution</b>							
<b>Total return/(Loss) for the year after tax, attributable to Stapled Securityholders and Perpetual Securities holders</b>							
		<b>16,308</b>	<b>(113,428)</b>	<b>15,968</b>	<b>(114,703)</b>	<b>(264)</b>	<b>(746)</b>
<b>Non-tax deductible/(non-taxable) items and other adjustments:</b>							
Amortisation of debt upfront costs		952	824	952	824	-	-
Amortisation of other assets		4	13	4	13	-	-
Depreciation		3,929	3,921	-	-	4,570	4,322
Foreign exchange (gain)/loss, net		26	158	24	191	2	(32)
Net change in fair value of investment properties		4,574	136,777	(326)	149,604	-	-
Revaluation of property, plant and equipment		(8,444)	9,208	-	-	-	-
Net change in fair value of derivative financial instruments		77	328	77	328	-	-
Other management fees paid and payable in Stapled Securities		-	1,626	-	1,626	-	-
Property management fees paid and payable in Stapled Securities, net of withholding tax		-	2,596	-	2,596	-	-
REIT Manager's management fees paid and payable in Stapled Securities		-	3,805	-	3,805	-	-
Trustee-Manager's management fees paid and payable in Stapled Securities		-	26	-	-	-	26
Trustee's fee in relation to FH-REIT		285	293	285	293	-	-
Interest expense on lease liabilities		124	111	124	111	2,465	2,418
Lease payments		-	-	-	-	(5,902)	(5,527)
Deferred tax	<b>8</b>	5,683	(11,537)	5,644	(10,714)	(106)	(130)
Other adjustments		240	(352)	214	36	27	28
<b>Net effect of non-tax deductible/(non-taxable) items and other adjustments</b>		<b>7,450</b>	<b>147,797</b>	<b>6,998</b>	<b>148,713</b>	<b>1,056</b>	<b>1,105</b>
<b>Income available for distribution</b>		<b>23,758</b>	<b>34,369</b>	<b>22,966</b>	<b>34,010</b>	<b>792</b>	<b>359</b>
<b>Income available for distribution attributable to:</b>							
- Stapled Securityholders		21,039	29,907	20,247	29,548	792	359
- Perpetual Securities holders		2,719	4,462	2,719	4,462	-	-
		<b>23,758</b>	<b>34,369</b>	<b>22,966</b>	<b>34,010</b>	<b>792</b>	<b>359</b>

The accompanying notes form an integral part of these financial statements.

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### Distribution Statements

For the year ended 30 September 2021

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Amount available for distribution to Stapled Securityholders at the beginning of the year</b>	<b>20,602</b>	<b>41,519</b>	<b>20,279</b>	<b>41,362</b>	<b>323</b>	<b>157</b>
Income available for distribution attributable to Stapled Securityholders	21,039	29,907	20,247	29,548	792	359
<b>Distribution to Stapled Securityholders during the year</b>						
Distribution of 2.1741 cents per Stapled Security for the period from 1 April 2019 to 30 September 2019	-	(41,518)	-	(41,361)	-	(157)
Distribution of 0.3287 cents per Stapled Security for the period from 1 October 2019 to 31 March 2020	-	(6,315)	-	(6,315)	-	-
Distribution of 1.0695 cents per Stapled Security for the period from 1 April 2020 to 30 September 2020	(20,599)	-	(20,276)	-	(323)	-
Distribution of 0.1790 cents per Stapled Security for the period from 1 October 2020 to 31 March 2021	(3,448)	-	(3,151)	-	(297)	-
	(24,047)	(47,833)	(23,427)	(47,676)	(620)	(157)
Amount retained for working capital purposes	(2,104)	(2,991)	(2,025)	(2,955)	(79)	(36)
<b>Amount available for distribution to Stapled Securityholders at the end of the year</b>	<b>15,490</b>	<b>20,602</b>	<b>15,074</b>	<b>20,279</b>	<b>416</b>	<b>323</b>
<b>Distribution per Stapled Security (cents)</b>	<b>0.9831</b>	<b>1.3982</b>	<b>0.9461</b>	<b>1.3814</b>	<b>0.0370</b>	<b>0.0168</b>

The accompanying notes form an integral part of these financial statements.

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### Statements of Financial Position

As at 30 September 2021

	Note	FHT		FH-REIT Group		FH-BT Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-current assets</b>							
Investment properties	10	2,024,826	2,029,567	2,250,126	2,248,858	-	-
Property, plant and equipment	11	226,703	221,005	-	-	63,679	67,904
Derivative financial instruments	18	3,568	9,991	3,568	9,991	-	-
Rental deposits		-	-	-	-	2,027	1,936
Deferred expense	15(a)	-	-	-	-	1,659	1,763
Deferred tax assets	8	1,621	2,661	911	1,915	2,027	1,918
		<u>2,256,718</u>	<u>2,263,224</u>	<u>2,254,605</u>	<u>2,260,764</u>	<u>69,392</u>	<u>73,521</u>
<b>Current assets</b>							
Inventories		12	19	-	-	12	19
Other assets		-	4	-	4	-	-
Prepayments		2,000	2,046	1,810	1,833	190	213
Trade and other receivables	12	12,266	3,138	13,769	4,745	2,175	256
Derivative financial instruments	18	-	445	-	445	-	-
Cash and cash equivalents	13	78,187	92,473	73,715	88,969	4,472	3,504
		<u>92,465</u>	<u>98,125</u>	<u>89,294</u>	<u>95,996</u>	<u>6,849</u>	<u>3,992</u>
<b>Total assets</b>		<b><u>2,349,183</u></b>	<b><u>2,361,349</u></b>	<b><u>2,343,899</u></b>	<b><u>2,356,760</u></b>	<b><u>76,241</u></b>	<b><u>77,513</u></b>
<b>Current liabilities</b>							
Trade and other payables	14	18,395	18,920	15,630	17,115	7,141	4,423
Lease liabilities	16	-	-	-	-	3,480	3,349
Derivative financial instruments	18	2,310	546	2,310	546	-	-
Borrowings	17	202,507	50,000	202,507	50,000	-	-
Income tax payables		1,408	1,197	1,379	1,197	29	-
		<u>224,620</u>	<u>70,663</u>	<u>221,826</u>	<u>68,858</u>	<u>10,650</u>	<u>7,772</u>
<b>Net current assets/(liabilities)</b>		<b><u>(132,155)</u></b>	<b><u>27,462</u></b>	<b><u>(132,532)</u></b>	<b><u>27,138</u></b>	<b><u>(3,801)</u></b>	<b><u>(3,780)</u></b>
<b>Non-current liabilities</b>							
Rental deposits		23,698	23,281	25,725	25,217	-	-
Other payables	14	302	345	-	-	302	345
Lease liabilities	16	3,085	2,953	3,085	2,953	63,862	67,101
Deferred income	15(b)	6,959	7,529	8,618	9,292	-	-
Derivative financial instruments	18	9,519	24,397	9,519	24,397	-	-
Borrowings	17	786,000	836,388	786,000	836,388	-	-
Deferred tax liabilities	8	46,506	42,635	46,506	42,635	-	-
		<u>876,069</u>	<u>937,528</u>	<u>879,453</u>	<u>940,882</u>	<u>64,164</u>	<u>67,446</u>
<b>Total liabilities</b>		<b><u>1,100,689</u></b>	<b><u>1,008,191</u></b>	<b><u>1,101,279</u></b>	<b><u>1,009,740</u></b>	<b><u>74,814</u></b>	<b><u>75,218</u></b>
<b>Net assets</b>		<b><u>1,248,494</u></b>	<b><u>1,353,158</u></b>	<b><u>1,242,620</u></b>	<b><u>1,347,020</u></b>	<b><u>1,427</u></b>	<b><u>2,295</u></b>
<b>Represented by:</b>							
<b>Stapled Securityholders' funds</b>							
Stapled Securities in issue and to be issued	19	1,539,879	1,539,879	1,530,288	1,530,288	9,591	9,591
Issue costs		(25,764)	(25,764)	(25,759)	(25,759)	(5)	(5)
Revenue reserves		(124,250)	(112,340)	(120,195)	(108,565)	(7,627)	(6,743)
Hedging reserve	21(a)	(9,509)	(21,334)	(9,509)	(21,334)	-	-
Foreign currency translation reserve	21(b)	(131,862)	(127,562)	(132,205)	(127,889)	(532)	(548)
		<u>1,248,494</u>	<u>1,252,879</u>	<u>1,242,620</u>	<u>1,246,741</u>	<u>1,427</u>	<u>2,295</u>
<b>Perpetual Securities holders' funds</b>							
	20	-	100,279	-	100,279	-	-
		<u>1,248,494</u>	<u>1,353,158</u>	<u>1,242,620</u>	<u>1,347,020</u>	<u>1,427</u>	<u>2,295</u>
<b>Number of Stapled Securities in issue ('000)</b>	19	<b><u>1,926,074</u></b>	<b><u>1,921,243</u></b>	<b><u>1,926,074</u></b>	<b><u>1,921,243</u></b>	<b><u>1,926,074</u></b>	<b><u>1,921,243</u></b>
<b>Net asset value per Stapled Security (cents)</b>	32	<b><u>64.82</u></b>	<b><u>65.21</u></b>	<b><u>64.52</u></b>	<b><u>64.89</u></b>	<b><u>0.07</u></b>	<b><u>0.12</u></b>

The accompanying notes form an integral part of these financial statements.

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### Statements of Changes in Stapled Securityholders' Funds

For the year ended 30 September 2021

FHT	Note	Attributable to Stapled Securityholders								
		Stapled Securities in issue and to be issued \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Total \$'000	Perpetual Securities holders' funds \$'000	Total \$'000
<b>At 1 October 2020</b>		<b>1,539,879</b>	<b>(25,764)</b>	<b>(112,340)</b>	<b>(21,334)</b>	<b>(127,562)</b>	<b>-</b>	<b>1,252,879</b>	<b>100,279</b>	<b>1,353,158</b>
<u>Operations</u>										
Total return for the year		-	-	16,308	-	-	-	16,308	-	16,308
Total return for the year, attributable to Perpetual Securities holders		-	-	(2,719)	-	-	-	(2,719)	2,719	-
<u>Other reserves</u>										
Effective portion of changes in fair value of cash flow hedges	<b>21(a)</b>	-	-	-	17,497	-	-	17,497	-	17,497
Net change in fair value of cash flow hedges reclassified to total return	<b>21(a)</b>	-	-	-	(5,672)	-	-	(5,672)	-	(5,672)
Foreign currency translation differences	<b>21(b)</b>	-	-	-	-	(4,300)	-	(4,300)	-	(4,300)
Movements in other reserves		-	-	-	11,825	(4,300)	-	7,525	-	7,525
<u>Transactions with Stapled Securityholders</u>										
Distributions to Stapled Securityholders		-	-	(24,047)	-	-	-	(24,047)	-	(24,047)
Total transactions with Stapled Security holders		-	-	(24,047)	-	-	-	(24,047)	-	(24,047)
<u>Transactions with Perpetual Securities holders</u>										
Distributions to Perpetual Securities holders		-	-	-	-	-	-	-	(4,450)	(4,450)
Redemption of Perpetual Securities		-	-	(1,452)	-	-	-	(1,452)	(98,548)	(100,000)
Total transactions with Perpetual Securities holders		-	-	(1,452)	-	-	-	(1,452)	(102,998)	(104,450)
<b>At 30 September 2021</b>		<b>1,539,879</b>	<b>(25,764)</b>	<b>(124,250)</b>	<b>(9,509)</b>	<b>(131,862)</b>	<b>-</b>	<b>1,248,494</b>	<b>-</b>	<b>1,248,494</b>

The accompanying notes form an integral part of these financial statements.



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FHT FOR FY2021**

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**Statements of Changes in  
Stapled Securityholders' Funds**

For the year ended 30 September 2021

FHT	Note	Attributable to Stapled Securityholders								
		Stapled Securities in issue and to be issued \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Total \$'000	Perpetual Securities holders' funds \$'000	Total \$'000
<b>At 1 October 2019</b>		<b>1,531,826</b>	<b>(25,764)</b>	<b>53,383</b>	<b>(2,443)</b>	<b>(176,007)</b>	<b>2,459</b>	<b>1,383,454</b>	<b>100,279</b>	<b>1,483,733</b>
<u>Operations</u>										
Total return for the year		-	-	(113,428)	-	-	-	(113,428)	-	(113,428)
Total return for the year, attributable to Perpetual Securities holders		-	-	(4,462)	-	-	-	(4,462)	4,462	-
<u>Other reserves</u>										
Effective portion of changes in fair value of cash flow hedges	<b>21(a)</b>	-	-	-	(16,526)	-	-	(16,526)	-	(16,526)
Net change in fair value of cash flow hedges reclassified to total return	<b>21(a)</b>	-	-	-	(2,365)	-	-	(2,365)	-	(2,365)
Foreign currency translation differences	<b>21(b)</b>	-	-	-	-	48,445	-	48,445	-	48,445
Revaluation of property, plant and equipment	<b>21(c)</b>	-	-	-	-	-	(2,459)	(2,459)	-	(2,459)
Movements in other reserves		-	-	-	(18,891)	48,445	(2,459)	27,095	-	27,095
<u>Transactions with Stapled Securityholders</u>										
REIT Manager's management fees paid and payable in Stapled Securities		3,805	-	-	-	-	-	3,805	-	3,805
Trustee-Manager's management fees paid and payable in Stapled Securities		26	-	-	-	-	-	26	-	26
Other management fees paid and payable in Stapled Securities		1,626	-	-	-	-	-	1,626	-	1,626
Property management fees paid and payable in Stapled Securities		2,596	-	-	-	-	-	2,596	-	2,596
Distributions to Stapled Securityholders		-	-	(47,833)	-	-	-	(47,833)	-	(47,833)
Total transactions with Stapled Security holders		8,053	-	(47,833)	-	-	-	(39,780)	-	(39,780)
<u>Transactions with Perpetual Securities holders</u>										
Distributions to Perpetual Securities holders		-	-	-	-	-	-	-	(4,462)	(4,462)
Total transactions with Perpetual Securities holders		-	-	-	-	-	-	-	(4,462)	(4,462)
<b>At 30 September 2020</b>		<b>1,539,879</b>	<b>(25,764)</b>	<b>(112,340)</b>	<b>(21,334)</b>	<b>(127,562)</b>	<b>-</b>	<b>1,252,879</b>	<b>100,279</b>	<b>1,353,158</b>

The accompanying notes form an integral part of these financial statements.

## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

### Statements of Changes in Stapled Securityholders' Funds

For the year ended 30 September 2021

FH-REIT Group	Note	Attributable to Stapled Securityholders							
		Stapled Securities in issue and to be issued \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000	Perpetual Securities holders' funds \$'000	Total \$'000
<b>At 1 October 2020</b>		<b>1,530,288</b>	<b>(25,759)</b>	<b>(108,565)</b>	<b>(21,334)</b>	<b>(127,889)</b>	<b>1,246,741</b>	<b>100,279</b>	<b>1,347,020</b>
<u>Operations</u>									
Total return for the year		-	-	15,968	-	-	15,968	-	15,968
Total return for the year, attributable to Perpetual Securities holders		-	-	(2,719)	-	-	(2,719)	2,719	-
<u>Other reserves</u>									
Effective portion of changes in fair value of cash flow hedges	<b>21(a)</b>	-	-	-	17,497	-	17,497	-	17,497
Net change in fair value of cash flow hedges reclassified to total return	<b>21(a)</b>	-	-	-	(5,672)	-	(5,672)	-	(5,672)
Foreign currency translation differences	<b>21(b)</b>	-	-	-	-	(4,316)	(4,316)	-	(4,316)
Movements in other reserves		-	-	-	11,825	(4,316)	7,509	-	7,509
<u>Transactions with Stapled Securityholders</u>									
Distributions to Stapled Securityholders		-	-	(23,427)	-	-	(23,427)	-	(23,427)
Total transactions with Stapled Security holders		-	-	(23,427)	-	-	(23,427)	-	(23,427)
<u>Transactions with Perpetual Securities holders</u>									
Distributions to Perpetual Securities holders		-	-	-	-	-	-	(4,450)	(4,450)
Redemption of Perpetual Securities		-	-	(1,452)	-	-	(1,452)	(98,548)	(100,000)
Total transactions with Perpetual Securities holders		-	-	(1,452)	-	-	(1,452)	(102,998)	(104,450)
<b>At 30 September 2021</b>		<b>1,530,288</b>	<b>(25,759)</b>	<b>(120,195)</b>	<b>(9,509)</b>	<b>(132,205)</b>	<b>1,242,620</b>	<b>-</b>	<b>1,242,620</b>

The accompanying notes form an integral part of these financial statements.

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**Statements of Changes in  
Stapled Securityholders' Funds**

For the year ended 30 September 2021

FH-REIT Group	Note	Attributable to Stapled Securityholders							Total \$'000
		Stapled Securities in issue and to be issued \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000	Perpetual Securities holders' funds \$'000	
<b>At 1 October 2019</b>		<b>1,522,261</b>	<b>(25,759)</b>	<b>58,276</b>	<b>(2,443)</b>	<b>(175,135)</b>	<b>1,377,200</b>	<b>100,279</b>	<b>1,477,479</b>
<u>Operations</u>									
Total return for the year		-	-	(114,703)	-	-	(114,703)	-	(114,703)
Total return for the year, attributable to Perpetual Securities holders		-	-	(4,462)	-	-	(4,462)	4,462	-
<u>Other reserves</u>									
Effective portion of changes in fair value of cash flow hedges	21(a)	-	-	-	(16,526)	-	(16,526)	-	(16,526)
Net change in fair value of cash flow hedges reclassified to total return	21(a)	-	-	-	(2,365)	-	(2,365)	-	(2,365)
Foreign currency translation differences	21(b)	-	-	-	-	47,246	47,246	-	47,246
Movements in other reserves		-	-	-	(18,891)	47,246	28,355	-	28,355
<u>Transactions with Stapled Securityholders</u>									
REIT Manager's management fees paid and payable in Stapled Securities		3,805	-	-	-	-	3,805	-	3,805
Other management fees paid and payable in Stapled Securities		1,626	-	-	-	-	1,626	-	1,626
Property management fees paid and payable in Stapled Securities		2,596	-	-	-	-	2,596	-	2,596
Distributions to Stapled Securityholders		-	-	(47,676)	-	-	(47,676)	-	(47,676)
Total transactions with Stapled Security holders		8,027	-	(47,676)	-	-	(39,649)	-	(39,649)
<u>Transactions with Perpetual Securities holders</u>									
Distributions to Perpetual Securities holders		-	-	-	-	-	-	(4,462)	(4,462)
Total transactions with Perpetual Securities holders		-	-	-	-	-	-	(4,462)	(4,462)
<b>At 30 September 2020</b>		<b>1,530,288</b>	<b>(25,759)</b>	<b>(108,565)</b>	<b>(21,334)</b>	<b>(127,889)</b>	<b>1,246,741</b>	<b>100,279</b>	<b>1,347,020</b>

The accompanying notes form an integral part of these financial statements.

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### Statements of Changes in Stapled Securityholders' Funds

For the year ended 30 September 2021

FH-BT Group	Note	Attributable to Stapled Securityholders							Total \$'000
		Stapled Securities in issue and to be issued \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000	Perpetual Securities holders' funds \$'000	
<b>At 1 October 2020</b>		<b>9,591</b>	<b>(5)</b>	<b>(6,743)</b>	<b>-</b>	<b>(548)</b>	<b>2,295</b>	<b>-</b>	<b>2,295</b>
Loss for the year		-	-	(264)	-	-	(264)	-	(264)
<u>Other comprehensive income</u>									
Foreign currency translation differences	<b>21(b)</b>	-	-	-	-	16	16	-	16
Total other comprehensive income for the year, net of tax		-	-	-	-	16	16	-	16
Total comprehensive income for the year, net of tax		-	-	(264)	-	16	(248)	-	(248)
<u>Transactions with Stapled Securityholders</u>									
Distributions to Stapled Securityholders		-	-	(620)	-	-	(620)	-	(620)
Total transactions with Stapled Security holders		-	-	(620)	-	-	(620)	-	(620)
<b>At 30 September 2021</b>		<b>9,591</b>	<b>(5)</b>	<b>(7,627)</b>	<b>-</b>	<b>(532)</b>	<b>1,427</b>	<b>-</b>	<b>1,427</b>

The accompanying notes form an integral part of these financial statements.

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**Statements of Changes in  
Stapled Securityholders' Funds**

For the year ended 30 September 2021

FH-BT Group	Note	Attributable to Stapled Securityholders							Total \$'000
		Stapled Securities in issue and to be issued \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000	Perpetual Securities holders' funds \$'000	
<b>At 1 October 2019</b>		<b>9,565</b>	<b>(5)</b>	<b>(5,840)</b>	<b>-</b>	<b>(677)</b>	<b>3,043</b>	<b>-</b>	<b>3,043</b>
Loss for the year		-	-	(746)	-	-	(746)	-	(746)
<u>Other comprehensive income</u>									
Foreign currency translation differences	<b>21(b)</b>	-	-	-	-	129	129	-	129
Total other comprehensive income for the year, net of tax		-	-	-	-	129	129	-	129
Total comprehensive income for the year, net of tax		-	-	(746)	-	129	(617)	-	(617)
<u>Transactions with Stapled Securityholders</u>									
Trustee-Manager's management fees paid and payable in Stapled Securities		26	-	-	-	-	26	-	26
Distributions to Stapled Securityholders		-	-	(157)	-	-	(157)	-	(157)
Total transactions with Stapled Security holders		26	-	(157)	-	-	(131)	-	(131)
<b>At 30 September 2020</b>		<b>9,591</b>	<b>(5)</b>	<b>(6,743)</b>	<b>-</b>	<b>(548)</b>	<b>2,295</b>	<b>-</b>	<b>2,295</b>

The accompanying notes form an integral part of these financial statements.

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### Statements of Cash Flows

For the year ended 30 September 2021

	Note	FHT		FH-REIT Group		FH-BT Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Total return/(Loss) before tax</b>		<b>24,730</b>	<b>(123,409)</b>	<b>24,301</b>	<b>(123,863)</b>	<b>(320)</b>	<b>(874)</b>
<b>Adjustments for:</b>							
Amortisation of debt upfront costs	7(a)	952	824	952	824	-	-
Amortisation of other assets		4	13	4	13	-	-
Depreciation	11	3,929	3,921	-	-	4,570	4,322
Effect of recognising rental income on a straight-line basis over the lease term	15(b)	(641)	(620)	(754)	(726)	-	-
Effect of recognising rental expense on a straight-line basis over the lease term	15(a)	-	-	-	-	113	106
Finance costs	7(b)	20,415	19,750	20,502	19,828	2,465	2,418
Finance income		(210)	(329)	(210)	(326)	(86)	(80)
Impairment loss on trade receivables		4,137	1,690	4,137	1,690	-	-
Net change in fair value of derivative financial instruments		77	328	77	328	-	-
Net change in fair value of investment properties	10	4,574	136,777	(326)	149,604	-	-
Revaluation of property, plant and equipment		(8,444)	9,208	-	-	-	-
Other management fees paid and payable in Stapled Securities		-	1,626	-	1,626	-	-
Property, plant and equipment written off		-	3	-	-	-	3
Property management fees paid and payable in Stapled Securities, net of withholding tax		-	2,596	-	2,596	-	-
REIT Manager's management fees paid and payable in Stapled Securities		-	3,805	-	3,805	-	-
Trustee-Manager's management fees paid and payable in Stapled Securities		-	26	-	-	-	26
Unrealised (gain)/loss on foreign exchange, net		288	(211)	286	(179)	2	(32)
<b>Cash generated from operations before working capital changes</b>		<b>49,811</b>	<b>55,998</b>	<b>48,969</b>	<b>55,220</b>	<b>6,744</b>	<b>5,889</b>
<b>Changes in working capital:</b>							
Inventories		7	11	-	-	7	11
Prepayments		46	17	23	(148)	23	165
Trade and other receivables		(5,790)	4,502	(5,667)	3,739	(1,919)	1,244
Trade and other payables		(3,712)	2,177	(4,624)	4,430	2,645	(2,989)
Deferred income		-	(21)	-	(21)	-	-
<b>Cash generated from operations</b>		<b>40,362</b>	<b>62,684</b>	<b>38,701</b>	<b>63,220</b>	<b>7,500</b>	<b>4,320</b>
Tax paid		(1,353)	(2,693)	(1,333)	(2,496)	(20)	(197)
Interest income received		210	329	210	326	-	3
<b>Net cash generated from operating activities</b>		<b>39,219</b>	<b>60,320</b>	<b>37,578</b>	<b>61,050</b>	<b>7,480</b>	<b>4,126</b>

The accompanying notes form an integral part of these financial statements.

## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Statements of Cash Flows

For the year ended 30 September 2021

	Note	FHT		FH-REIT Group		FH-BT Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Additions to investment properties		(4,444)	(8,898)	(4,888)	(8,917)	-	-
Additions to property, plant and equipment	11	(507)	(690)	-	-	-	-
Settlement of hedging instruments		(3,900)	-	(3,900)	-	-	-
<b>Net cash used in investing activities</b>		<b>(8,851)</b>	<b>(9,588)</b>	<b>(8,788)</b>	<b>(8,917)</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Distributions paid to Stapled Securityholders		(24,047)	(47,833)	(23,427)	(47,676)	(620)	(157)
Distributions paid to Perpetual Securities holders		(4,450)	(4,462)	(4,450)	(4,462)	-	-
Finance costs paid		(18,465)	(18,349)	(18,465)	(18,349)	-	-
Payment of lease liabilities	29	-	-	-	-	(5,902)	(5,527)
Proceeds from borrowings, net of debt upfront costs		203,377	55,000	203,377	55,000	-	-
Redemption of perpetual securities		(100,000)	-	(100,000)	-	-	-
Repayment of borrowings		(100,000)	(30,000)	(100,000)	(30,000)	-	-
<b>Net cash used in financing activities</b>		<b>(43,585)</b>	<b>(45,644)</b>	<b>(42,965)</b>	<b>(45,487)</b>	<b>(6,522)</b>	<b>(5,684)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(13,217)</b>	<b>5,088</b>	<b>(14,175)</b>	<b>6,646</b>	<b>958</b>	<b>(1,558)</b>
Cash and cash equivalents at the beginning of the financial year		92,473	84,995	88,969	80,175	3,504	4,820
Effect of exchange rate changes on cash and cash equivalents		(1,069)	2,390	(1,079)	2,148	10	242
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b>78,187</b>	<b>92,473</b>	<b>73,715</b>	<b>88,969</b>	<b>4,472</b>	<b>3,504</b>

#### Significant non-cash transactions

There were the following non-cash transactions during the year:

- (i) Approximately 1,144,000 (2020: 6,573,000) Stapled Securities amounting to approximately \$548,000 (2020: \$4,182,000) were issued to the MIT Manager as satisfaction of other management fees payable in Stapled Securities.
- (ii) Approximately 761,000 (2020: 8,324,000) Stapled Securities amounting to approximately \$365,000 (2020: \$5,065,000) were issued to property managers as satisfaction of the property management fees payable in Stapled Securities.
- (iii) Approximately 2,910,000 (2020: 12,052,000) Stapled Securities amounting to approximately \$1,379,000 (2020: \$7,440,000) were issued to the REIT Manager as satisfaction of the REIT Manager's management fees payable in Stapled Securities.
- (iv) Approximately 16,000 (2020: 77,000) Stapled Securities amounting to approximately \$8,000 (2020: \$47,000) were issued to the Trustee-Manager as satisfaction of the Trustee-Manager's management fees payable in Stapled Securities.

The accompanying notes form an integral part of these financial statements.

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### Portfolio Statements

As at 30 September 2021

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					30 September 2021		30 September 2020	
					At valuation/ carrying value \$'000	Percentage of net assets %	At valuation/ carrying value \$'000	Percentage of net assets %
<b>Investment properties</b>								
InterContinental Singapore	14 July 2014	75 year leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	506,000	40.53	506,000	37.39
Fraser Suites Singapore	14 July 2014	75 year leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	292,000	23.39	292,000	21.58
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	118,827	9.52	127,166	9.40
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	198,094	15.87	207,495	15.33
Sofitel Sydney Wentworth	7 July 2015	75 year leasehold expiring in 2090	61-101 Phillip Street, Sydney, NSW 2000, Australia	Hotel	264,978	21.22	264,033	19.51
Novotel Sydney Darling Square	14 July 2014	84 year leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	110,057 <sup>(1)</sup>	8.82	108,566 <sup>(1)</sup>	8.02
Fraser Suites Sydney	14 July 2014	75 year leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	125,129	10.02	119,304	8.82
Park International London	14 July 2014	75 year leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	70,619	5.65	68,098	5.03

<sup>(1)</sup> Includes the right-of-use ("ROU") asset recognised on adoption of FRS116.

The accompanying notes form an integral part of these financial statements.



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### Portfolio Statements

As at 30 September 2021

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					30 September 2021		30 September 2020	
					At valuation/ carrying value \$'000	Percentage of net assets %	At valuation/ carrying value \$'000	Percentage of net assets %
ibis Styles London Gloucester Road	14 July 2014	75 year leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	35,126	2.81	33,873	2.50
Fraser Place Canary Wharf London	14 July 2014	75 year leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	67,143	5.38	67,569	4.99
Fraser Suites Queens Gate London	14 July 2014	75 year leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	99,342	7.95	95,796	7.08
Fraser Suites Glasgow	14 July 2014	75 year leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	16,831	1.35	16,230	1.20
Fraser Suites Edinburgh	14 July 2014	75 year leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	27,443	2.20	24,699	1.83
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	93,237	7.47	98,738	7.31
<b>Investment properties</b>					<b>2,024,826</b>	<b>162.18</b>	<b>2,029,567</b>	<b>149.99</b>
<b>Property, plant and equipment</b>								
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	226,703 <sup>(2)</sup>	18.16	221,005 <sup>(2)</sup>	16.33
<b>Property, plant and equipment</b>					<b>226,703</b>	<b>18.16</b>	<b>221,005</b>	<b>16.33</b>
<b>Other net liabilities</b>					<b>(1,003,035)</b>	<b>(80.34)</b>	<b>(897,414)</b>	<b>(66.32)</b>
<b>Net assets of FHT</b>					<b>1,248,494</b>	<b>100.00</b>	<b>1,353,158</b>	<b>100.00</b>

<sup>(2)</sup> Includes the net book value of capitalised furniture, fittings and equipment.

The accompanying notes form an integral part of these financial statements.

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### Portfolio Statements

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Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					30 September 2021		30 September 2020	
					At valuation/ carrying value \$'000	Percentage of net assets %	At valuation/ carrying value \$'000	Percentage of net assets %
<b>Investment properties</b>								
InterContinental Singapore	14 July 2014	75 year leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	506,000	40.72	506,000	37.56
Fraser Suites Singapore	14 July 2014	75 year leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	292,000	23.50	292,000	21.68
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	118,827	9.56	127,166	9.44
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	198,094	15.94	207,495	15.40
Sofitel Sydney Wentworth	7 July 2015	75 year leasehold expiring in 2090	61-101 Phillip Street, Sydney, NSW 2000, Australia	Hotel	264,978	21.32	264,033	19.60
Novotel Sydney Darling Square	14 July 2014	84 year leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	110,057 <sup>(1)</sup>	8.86	108,566 <sup>(1)</sup>	8.06
Fraser Suites Sydney	14 July 2014	75 year leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	125,129	10.07	119,304	8.86
Park International London	14 July 2014	75 year leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	70,619	5.68	68,098	5.06
ibis Styles London Gloucester Road	14 July 2014	75 year leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	35,126	2.83	33,873	2.51

<sup>(1)</sup> Includes the ROU asset recognised on adoption of FRS116.

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### Portfolio Statements

As at 30 September 2021

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					30 September 2021		30 September 2020	
					At valuation/ carrying value \$'000	Percentage of net assets %	At valuation/ carrying value \$'000	Percentage of net assets %
Fraser Place Canary Wharf London	14 July 2014	75 year leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	67,143	5.40	67,569	5.02
Fraser Suites Queens Gate London	14 July 2014	75 year leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	99,342	8.00	95,796	7.11
Fraser Suites Glasgow	14 July 2014	75 year leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	16,831	1.36	16,230	1.20
Fraser Suites Edinburgh	14 July 2014	75 year leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	27,443	2.21	24,699	1.83
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	93,237	7.50	98,738	7.34
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	225,300	18.13	219,291	16.28
<b>Investment properties</b>					<b>2,250,126</b>	<b>181.08</b>	<b>2,248,858</b>	<b>166.95</b>
<b>Other net liabilities</b>					<b>(1,007,506)</b>	<b>(81.08)</b>	<b>(901,838)</b>	<b>(66.95)</b>
<b>Net assets of FH-REIT Group</b>					<b>1,242,620</b>	<b>100.00</b>	<b>1,347,020</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Trustee-Manager, the REIT Manager and the REIT Trustee on 22 November 2021.

#### 1. GENERAL

Frasers Hospitality Trust (“FHT”) is a stapled trust comprising Frasers Hospitality Real Estate Investment Trust (“FH-REIT”) and its subsidiaries (collectively, “FH-REIT Group”) and Frasers Hospitality Business Trust (“FH-BT”) and its subsidiaries (collectively, “FH-BT Group”).

FH-REIT is a Singapore-domiciled real estate investment trust constituted in Singapore pursuant to the Trust Deed dated 12 June 2014 which was amended by an amending and restating deed dated 20 June 2014 (collectively, the “FH-REIT Trust Deed”). The FH-REIT Trust Deed was entered between Frasers Hospitality Asset Management Pte. Ltd. (the “REIT Manager”) and Perpetual (Asia) Limited as trustee of FH-REIT (the “REIT Trustee”). The REIT Trustee is under a duty to take into custody and hold the assets of FH-REIT in trust for the Stapled Securityholders of FH-REIT.

FH-BT is a Singapore-domiciled business trust constituted in Singapore by a Trust Deed dated 20 June 2014 (“FH-BT Trust Deed”) and is managed by Frasers Hospitality Trust Management Pte. Ltd. (the “Trustee-Manager”).

The units in each of FH-REIT and FH-BT are stapled together under the terms of a stapling deed dated 20 June 2014 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the “Stapling Deed”) and cannot be traded separately. Each stapled security in FHT (the “Stapled Security”) comprises a unit of FH-REIT (the “FH-REIT unit”) and a unit of FH-BT (the “FH-BT unit”).

FHT was formally admitted to the Official List of the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 14 July 2014 (the “Listing Date”).

The registered office of the REIT Manager and the Trustee-Manager (collectively, the “Managers”) is located at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 and principal place of business is located at 438 Alexandra Road, #17-01 Alexandra Point, Singapore 119958.

The principal activity of the FH-REIT Group is to invest in income-producing real estate which are used for hospitality purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

FH-BT functions as master lessee and may also undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for FH-REIT.

The consolidated financial statements of the FH-REIT Group relates to FH-REIT and its subsidiaries. The consolidated financial statements of the FH-BT Group relates to FH-BT and its subsidiaries. The consolidated financial statements of FHT relates to the FH-REIT Group and the FH-BT Group.

For financial reporting purposes, the intermediate and ultimate holding entities of FHT are Frasers Property Limited and TCC Assets Limited. The intermediate holding entity is incorporated in the Republic of Singapore whereas the ultimate holding entity is incorporated in the British Virgin Islands.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 1. GENERAL (CONT'D)

Several service agreements are in place in relation to the management of FH-REIT and FH-BT and its properties operations. The fee structures of these services are as follows:

##### (a) REIT Manager's fees

###### (i) Management fees

Pursuant to the FH-REIT Trust Deed, the REIT Manager is entitled to management fees comprising a Base Fee of 0.3% per annum of the value of the FH-REIT's Deposited Property (as defined in the FH-REIT Trust Deed) and Performance Fee of 5.5% per annum of the Distributable Income of FHT in the relevant financial year (calculated before accounting for the FH-REIT Performance Fee and the FH-BT Performance Fee but after accounting for the FH-REIT Base Fee and the FH-BT Base Fee).

For the purpose of calculating the Base Fee, if FH-REIT holds only a partial interest in any FH-REIT Deposited Property, such FH-REIT Deposited Property shall be pro-rated in proportion to the partial interest held.

The REIT manager may elect to receive the Base Fee and Performance Fee in cash or Stapled Securities, or a combination of cash and Stapled Securities. Any portion of management fees payable in the form of Stapled Securities shall be payable quarterly in arrears (in relation to the Base Fee) or annually (in relation to the Performance Fee) in arrears and any portion of management fees payable in cash shall be payable monthly in arrears (in relation to the Base Fee) or annually in arrears (in relation to the Performance Fee).

As provided for in the FH-REIT Trust Deed, the price of a Stapled Security issued shall be computed based on the volume weighted average price of a Stapled Security for the last 10 business days immediately preceding the relevant period in which the fees accrue.

Any increase in the rate or any change in the structure of the REIT Manager's management fees must be approved by an Extraordinary Resolution at a meeting of the holders of FH-REIT Units duly convened and held in accordance with the provisions of the FH-REIT Trust Deed.

The REIT Manager's change in its election to receive cash or Stapled Securities or a combination of cash and Stapled Securities is not considered as a change in the structure of the REIT Manager's management fees.

###### (ii) Acquisition fee and divestment fee

The REIT Manager is entitled to:

- an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):
  - (i) the acquisition price of any real estate (excluding stamp duty) purchased by FH-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more Special Purpose Vehicles ("SPVs"), plus any other payments in addition to the acquisition price made by FH-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-REIT's interest);
  - (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-REIT, whether directly or indirectly through a holding of shares, units or any other interest in one or more SPVs, plus any other payments made by FH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable to the proportion of FH-REIT's interest); or

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 1. GENERAL (CONT'D)

#### (a) REIT Manager's fees (cont'd)

##### (ii) Acquisition fee and divestment fee (cont'd)

- (iii) the acquisition price of any investment purchased by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):
  - (i) the sale price of any real estate sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the sale price received by FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-REIT's interest);
  - (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments received by FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-REIT's interest); or
  - (iii) the sale price of any investment sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The REIT Manager may elect to receive the acquisition fee and divestment fee in the form of cash and/or Stapled Securities provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee should be in the form of Stapled Securities.

##### (iii) Development management fee

The REIT Manager is entitled to receive development management fee equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

Total Project Costs means the sum of the following (where applicable):

- (i) construction cost based on the project final account prepared by the project quantity surveyor;
- (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;
- (iii) the cost of obtaining all approvals for the project;
- (iv) site staff costs;
- (v) interest costs on borrowings used to finance project cash flows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and
- (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with generally accepted accounting practices in Singapore.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 1. GENERAL (CONT'D)

##### (a) REIT Manager's fees (cont'd)

##### (iii) Development management fee (cont'd)

Development Project means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FH-REIT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works, provided always that the Property Funds Appendix of the Code of Collective Investment Schemes ("CIS Code") issued by Monetary Authority of Singapore (the "MAS"), shall be complied with for the purposes of such development.

FH-REIT will only undertake development activities within the limits of the Property Funds Appendix.

When the estimated Total Project Costs are greater than SGD 200.0 million, the REIT Trustee and the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed by its independent directors to reduce development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager's view, materially lower than the development management fee, the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

No acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project. For the avoidance of doubt, the REIT Manager shall be entitled to receive an acquisition fee on the land costs.

##### (b) Managed Investment Trust ("MIT") Manager's fees

##### (i) Management fees

Pursuant to the Investment Management Agreements for MIT Australia and each underlying MIT Sub-Trust, the MIT Manager is entitled to a management fee comprising a Base Fee of 0.3% per annum of the total value of MIT Australia's trust property and a Performance Fee of 5.5% of MIT Australia's aggregate earnings before interest, taxes, depreciation and amortisation in the relevant financial year.

There is no double-counting of management fees under the Investment Management Agreements.

##### (ii) Acquisition fee and divestment fee

In consideration for MIT Manager providing services under each of the Investment Management Agreements in connection with MIT Australia and the underlying sub-trusts, the MIT Manager will be entitled to:

- an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases of:
  - (i) the acquisition price of any real estate purchased by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the acquisition price made by MIT Australia or a special purpose vehicle to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of MIT Australia's interest);
  - (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments made by MIT Australia or a special purpose vehicle to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of MIT Australia's interest); or

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 1. GENERAL (CONT'D)

#### (b) *Managed Investment Trust ("MIT") Manager's fees (cont'd)*

##### (ii) *Acquisition fee and divestment fee (cont'd)*

(iii) the acquisition price of any investment purchased by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

- a divestment fee of 0.5% of:

(i) the sale price of any real estate sold or divested by MIT Australia whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the sale price received by MIT Australia or a special purpose vehicle from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of MIT Australia's interest);

(ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, plus any other payments received by MIT Australia or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the MIT Australia's interest); or

(iii) the sale price of any investment sold or divested by MIT Australia, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and

The MIT Manager will also be entitled to be reimbursed for certain expenses properly incurred in relation to performance of its role under the Investment Management Agreements. Except for the development management fee (which may only be paid in cash), the MIT Manager's fees may be paid out of the trust's income or capital, or by an issue of Stapled Securities, or by a combination of these sources as elected by the MIT Trustee subject to and in accordance with the direction of the REIT Manager and the Trustee-Manager.

For the avoidance of doubt, the base fee, performance fee, acquisition fee, divestment fee and development management fee payable to the REIT Manager shall be reduced by the amount of the relevant fee payable to the MIT Manager.

##### (iii) *Development management fee*

The MIT Manager is entitled to receive a development management fee of 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of MIT Australia or a MIT Sub-Trust.

#### (c) *Kobe Asset Manager's management fees*

Pursuant to the Asset Management Agreements for Kobe Excellence TMK and Excellence Prosperity (Japan) K.K., the Kobe Asset Manager is entitled to an annual management fee of Japanese Yen ("JPY") 12.0 million and JPY 3.0 million respectively (exclusive of consumption tax), payable quarterly in arrears.



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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 1. GENERAL (CONT'D)

**(d) Asset-Based Securities (“ABS”) Servicer fees**

Pursuant to the ABS Servicing Agreement for Notable Vision Sdn. Bhd., a Servicer Fee (exclusive of applicable Sales and Service Tax), of Malaysian Ringgit (“MYR”) 360,000 per annum, is payable in arrears on a semi-annual basis to the REIT Manager for the provision of its services as Servicer.

**(e) FH-REIT Trustee’s fees**

Pursuant to the FH-REIT Trust Deed, the FH-REIT Trustee’s fee is charged to a scaled basis of up to 0.015% per annum of the value of the FH-REIT Deposited Property, subject to a minimum of SGD 15,000 per month, excluding out-of-pocket expenses and GST.

The FH-REIT Trustee’s fees are payable monthly in arrears.

**(f) MIT’s and MIT Sub-Trustee’s fees**

Pursuant to the Investment Management Agreements,

- (i) MIT Trustee’s fees are Australian Dollars (“AUD”) 55,000 per annum; and
- (ii) MIT Sub-trustee’s fees for FHT Sydney Trusts (i.e. FHT Sydney Trust 1, FHT Sydney Trust 2 and FHT Sydney Trust 3) and FHT Melbourne Trust 1, are AUD 15,000 per annum (per sub-trust) and AUD 13,500 per annum respectively, excluding out-of-pocket expenses and GST.

The Trustee’s fees and the MIT Sub-trustee’s fees are payable quarterly in arrears. The fees are adjustable yearly by reference to the Australian Consumer Price Index.

**(g) Tokutei Mokuteki Kaisha (“TMK”) Trustee’s fees**

Pursuant to the Japan Trust Agreement, the TMK Trustee’s fee is JPY 5.4 million per annum (exclusive of consumption tax) and payable quarterly in arrears.

**(h) Malaysian Bond Trustee’s fees**

Pursuant to the ABS Trust Deed, the Malaysian Bond Trustee’s fee is MYR 60,000 per annum (exclusive of Sales and Service Tax) and payable in advance on an annual basis.

**(i) Property management fees**

Property management fees payable to Serviced Residence operators, which are companies controlled by a substantial Stapled Securityholder, comprise:

(i) Management Services Fees

Pursuant to the Serviced Residences Management Agreements, the management services fees are as follows:

- a base management fee of 1.0% per annum of the gross operating revenue of the Serviced Residences;
- a marketing fee of 1.0% per annum of the gross operating revenue of the Serviced Residences; and
- an incentive fee of 8.0% per annum of gross operating profit of the Serviced Residences.

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 1. GENERAL (CONT'D)

#### (i) **Property management fees** (cont'd)

##### (ii) Trademark License Fees

Pursuant to the Serviced Residences Licence Agreement, trademark license fee is 1.0% per annum of the gross operating revenue of the Serviced Residences.

The Serviced Residences operators may receive the management services and trademark license fees in cash or Stapled Securities or a combination of both (as the REIT Manager or Trustee-Manager may elect).

##### (iii) Technical Services Fees

Pursuant to the Master Technical Services Agreement and the Individual Technical Services Agreement, the technical services fees will be an amount mutually agreed upon subject to a cap of United States Dollar ("USD") 1,500 per Serviced Residence unit which is exclusive of reimbursable expenses. The technical services fees shall be payable when technical services relating to conceptualising, planning, designing, decorating, furnishing and equipping Serviced Residences are provided in connection with any development, re-development, refurbishment, retrofitting, addition and alteration and renovation works.

#### (j) **Trustee-Manager's fees**

Pursuant to the FH-BT Trust Deed, the Trustee-Manager is entitled to the following fees:

- (i) a management fee comprising a Base Fee of 0.3% per annum of the value of the FH-BT's Trust Property and Performance Fee of 5.5% per annum of the Distributable Income of FHT in the relevant financial period, payable in the event that FH-BT becomes active; and

There should be no double-counting of fees. In the event that both the Trustee-Manager and the REIT Manager are entitled to the Performance Fee, such fees payable to both the Trustee-Manager and the REIT Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the Performance Fee. For the avoidance of doubt, the maximum Performance Fee payable to both the Trustee-Manager and the REIT Manager collectively is 5.5% per annum of the aggregate Distributable Income of FHT in the relevant financial year (calculated before accounting for the Performance Fee but after accounting the Base Fee).

- (ii) a trustee fee of a maximum of 0.1% per annum of the value of the FH-BT Trust Property, subject to a minimum fee of SGD 10,000 per month provided that the value of the FH-BT Trust Property is at least SGD 50.0 million, payable in the event that FH-BT becomes active.

- (iii) an acquisition fee of 0.5% for acquisitions from Related Parties and 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of all other cases of any of the following (subject to there being no double-counting):

- the acquisition price of any real estate purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by FH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
- the equity interest of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-BT whether directly or indirectly through one or more SPVs, plus any other payments made by FH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or
- the acquisition price of any investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 1. GENERAL (CONT'D)

##### (j) *Trustee-Manager's fees*

- (iv) a divestment fee of 0.5% for all other cases of any of the following (subject to there be no double-counting):
- the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by FH-BT, plus any other payments in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
  - the underlying value of any real estate which is taken into account when computing the sale price for the equity interest in any vehicle holding, directly or indirectly the real estate, sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments received by the FH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interest (pro-rated if applicable to the proportion of FH-BT's interest);
  - the sale price of any investment sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of property corporation or other SPVs owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities, provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee should be in the form of Stapled Securities.

- (v) a development management fee equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT. Development Project means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or lease by FH-BT, including major development, re-development, retrofitting, addition and alteration and renovations works.

When the estimated Total Project Costs are greater than SGD 200.0 million, the Trustee-Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager's view, materially lower than the development management fee, the Trustee-Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT.

No acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project. For the avoidance of doubt, the Trustee-Manager shall be entitled to receive an acquisition fee on the land costs.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the FH-REIT Group, the FH-BT Group and FHT consistently to all periods presented in these financial statements, unless otherwise indicated in Note 2.2.

##### 2.1 Basis of preparation

The financial statements of the FH-REIT Group and FHT have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code of Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the FH-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards ("FRSs").

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.1 Basis of preparation (cont'd)

The financial statements of the FH-BT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the Business Trust Act, Chapter 31A of Singapore and the provisions of FH-BT Trust Deed.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

#### **Significant accounting judgements and estimates**

The preparation of financial statements requires the Managers to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### **(a) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Valuation of properties

FHT's properties are stated at their fair values, which are determined annually. The fair values are based on independent professional valuations conducted annually. Certain valuers have included material uncertainty clauses in the valuations reports, highlighting as a result of the COVID-19 pandemic, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the valuers have also recommended to keep the valuation of the properties under frequent review.

The fair value of properties is determined using discounted cash flow, capitalisation, direct comparison and core and top-slice methods. These fair values may differ from the prices at which FHT's properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the Managers' control, such as overall market conditions. As a result, actual results of operations and realisation of these properties could differ from the estimates set forth in these financial statements, and the difference could be significant. The carrying amount of properties is disclosed in the Statements of Financial Position.

#### **(b) Judgements made in applying accounting policies**

In the process of applying FHT's accounting policies, the Managers have made the following judgements, apart from those involving estimations, which have significant effects on the amounts recognised in the consolidated financial statements.

#### Income taxes

FHT has exposure to income taxes in numerous jurisdictions. Assumptions are required in determining the group-wide provision for income taxes. The ultimate determination of taxability of income and deductibility of expenses from certain transactions are uncertain during the ordinary course of business. The tax computations arising from business combinations would also be subjected to uncertainty and formal assessment by tax authorities. FHT recognises the liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the Statements of Financial Position.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.2 Changes in accounting policies

###### New standards and amendments

Various new FRSs or SFRS(I)s, amendments to and interpretations of FRSs or SFRS(I)s have been applied in the financial statements for the first time for the annual period beginning on 1 October 2020.

In addition, FHT has early adopted Interest Rate Benchmark Reform Phase 2 – Amendments to FRS109/SFRS(I) 9 *Financial Instruments*, FRS39/SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, FRS107/SFRS(I) 7 *Financial Instruments: Disclosures*, FRS104/SFRS(I) 4 *Insurance Contracts*, and FRS116/SFRS(I) 16 *Leases* in relation to phase 2 of the project on interest rate benchmark reform. FHT applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, FHT has elected not to restate the prior period to reflect the application of these amendments, including not providing additional disclosures for 2020. There is no impact on opening Stapled Securityholders' Funds as a result of retrospective application.

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

##### 2.3 Basis of consolidation and business combinations

###### (a) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

###### (b) Subsidiaries

Subsidiaries are entities controlled by the FH-REIT Group or the FH-BT Group. The FH-REIT Group or the FH-BT Group control an entity when they are exposed to or have rights, to variable returns from their involvement with the entity and have the ability to affect those returns through its power over the entity.

###### (c) Consolidation

The financial year of the FH-REIT Group, the FH-BT Group and FHT ends on 30 September unless otherwise stated. The consolidated financial statements incorporate the financial statements of the FH-REIT Group, the FH-BT Group and FHT made up to 30 September. The financial statements of subsidiaries are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the FH-REIT Group, the FH-BT Group and FHT's significant accounting policies. A list of significant subsidiaries is shown in Note 22.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the FH-REIT Group or the FH-BT Group and FHT obtain control, and continue to be consolidated until the date that such control ceases.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.3 Basis of consolidation and business combinations (cont'd)

##### (d) *Business combinations*

Business combinations are accounted for by applying the acquisition method in accordance with FRS 103/SFRS(I) 3 *Business Combination* as at the date of acquisition, which is the date on which control is transferred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the FH-REIT Group, the FH-BT Group and FHT incur in connection with a business combination are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is recognised as equity, it is not remeasured and settlement is accounted for within the Stapled Securityholders' Funds. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

The FH-REIT Group, the FH-BT Group and FHT elect for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, at the date of acquisition. Other components of non-controlling interests are measured on their acquisition date at fair value, unless another measurement basis is required by another FRS/SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the FH-REIT Group, the FH-BT Group and FHT's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment. Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. When the excess is negative, a bargain purchase is recognised immediately in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of FHT and are presented separately in the Statement of Total Return or Statement of Profit or Loss (as the case may be), and within the Stapled Securityholders' Funds in the Statement of Financial Position, separately from the Stapled Securityholders' Funds attributable to Stapled Securityholders. Changes in FHT's ownership interest in a subsidiary that does not result in a loss of control are accounted for as transactions within Stapled Securityholders' Funds. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in Stapled Securityholders' Funds and attributable to Stapled Securityholders of the Trust.

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.3 Basis of consolidation and business combinations (cont'd)

###### (e) *Property acquisition and business combinations*

Where a property is acquired, via corporate acquisitions or otherwise, the Managers consider the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The FH-REIT Group, the FH-BT Group and FHT account for an acquisition as business combination where an integrated set of activities is acquired in addition to the property. In determining whether a particular set of activities and assets is a business, the FH-REIT Group, the FH-BT Group and FHT assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The FH-REIT Group, the FH-BT Group and FHT has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Acquisition of an asset or a group of assets will not be accounted for a business combinations when it does not constitute a business. In such cases, the acquirer shall identify and recognise the individual identifiable asset acquired and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

##### 2.4 Foreign currencies

###### (a) *Functional and presentation currency*

Items included in the financial statements of each entity in the FH-REIT Group, the FH-BT Group and FHT are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "functional currency"). The financial statements of the FH-REIT Group, the FH-BT Group and FHT are presented in Singapore dollars ("SGD"), which is the functional currency of FH-REIT and FH-BT and rounded to the nearest thousand (\$'000), unless otherwise stated.

###### (b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of each entity at rates of exchange approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are revalued to the functional currency at the rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items measured at historical cost in a foreign currency are recorded using the exchange rates ruling at the date of the initial transaction dates. Non-monetary assets and liabilities measured at fair value in a foreign currency are revalued using the exchange rates at the date that the fair value was measured. Foreign currency differences arising on the settlement of monetary items or revaluing monetary items are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be), except for differences arising on the translation of qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income ("OCI") or Stapled Securityholders' Funds (as the case may be) directly.

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Foreign currencies (cont'd)

##### (c) Foreign operations

The results and financial positions of foreign operations are translated into Singapore dollars using the following procedures:

- (i) Assets and liabilities are translated to Singapore dollars at exchange rates at the end of the reporting period; and
- (ii) Income and expenses are translated to Singapore dollars at the average exchange rates for the period, which approximates the exchange rates at the dates of the transactions.

All resulting exchange differences are recognised in OCI or Stapled Securityholders' Funds (as the case may be) and accumulated in the foreign currency translation reserve in Stapled Securityholders' Funds.

On the disposal of a foreign operation, the cumulative amount in the foreign currency translation reserve relating to the foreign operation is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be) as a component of the gain or loss on disposal. When only part of the interest in a subsidiary that includes a foreign operation is disposed of while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised directly in the foreign currency translation reserve in OCI or Stapled Securityholders' Funds (as the case may be).

#### 2.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Subsequent to initial recognition, investment properties are measured at fair value. Any gains or losses arising from changes in fair values of the investment properties are recognised in the Statement of Total Return in the period in which they arise.

Fair value is determined at each reporting date in accordance with the FH-REIT Trust Deed. In addition, the investment properties are to be valued by independent professional valuers at least once a year, in accordance with the CIS Code issued by MAS.

Investment properties are de-recognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Total Return in the year of retirement or disposal.

Subsequent expenditure relating to the investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the FH-REIT Group and FHT. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.



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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.6 Property, plant and equipment

All items of property, plant and equipment are measured at cost on initial recognition. Subsequent to the initial recognition, freehold land and buildings are measured at revalued amount (based on fair value) less accumulated depreciation and accumulated impairment losses while right-of-use building, furniture, fittings and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Fair value of the land and buildings is determined at each reporting date. Any increase on revaluation shall be credited directly to the Stapled Securityholders' Funds. However, the increase shall be recognised in the Statement of Total Return to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Total Return. A revaluation deficit is recognised in the Statement of Total Return, except to the extent that it offsets an existing surplus on the same asset carried in the Stapled Securityholders' Funds.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use and estimate of the costs of dismantling and removing the items and restoring the site on which they are located when the FH-BT Group and FHT has an obligation to remove the asset or restore the site. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repair are charged to the Statement of Total Return or Statement of Profit or Loss (as the case may be). When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Property, plant and equipment except freehold land, are depreciated on the straight line method so as to write-off the cost of the assets over their estimated useful lives. No depreciation is provided on freehold land. The estimated useful lives for the current year is as follows:

Building	17 to 50 years
Furniture, fittings and equipment	3 to 10 years

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.7 Leases

At inception of a contract, FHT assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### (a) *As a lessee*

At commencement or on modification of a contract that contains a lease component, FHT allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, FHT has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

FHT recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to FHT by the end of the lease term or the cost of the ROU asset reflects that FHT will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

FHT determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if FHT is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in Statement of Total Return or Statement of Profit or Loss (as the case may be) if the carrying amount of the ROU asset has been reduced to zero.

FHT presents ROU assets that do not meet the definition of investment property in 'property, plant and equipment' and 'lease liabilities' separately in the statement of financial position.

##### *Short-term leases and leases of low-value assets*

FHT has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. FHT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.7 Leases (cont'd)

###### (b) As a lessor

At inception or on modification of a contract that contains a lease component, FHT allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When FHT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, FHT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, FHT considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then FHT applies FRS 115/SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

FHT recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

##### 2.8 Financial assets

###### (a) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when FHT becomes a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

###### (b) Classification and subsequent measurement

On initial recognition, a financial asset is classified at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless FHT changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

###### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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For the year ended 30 September 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.8 Financial assets (cont'd)

##### (b) *Classification and subsequent measurement (cont'd)*

###### ***Business model assessment***

FHT makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with FHT's continuing recognition of the assets.

###### ***Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, FHT considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, FHT considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit FHT's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.8 Financial assets (cont'd)

###### (b) *Classification and subsequent measurement (cont'd)*

###### *Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be). Any gain or loss on derecognition is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

###### (c) *Derecognition*

Financial assets are derecognised when FHT's contractual rights to receive the cash flows from the financial assets expire or if FHT transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. Transferred assets are not derecognised when FHT enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

###### (d) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when, and only when, FHT has a legal right to offset and there is intention to settle on a net basis or realise the asset and settle the liability simultaneously.

##### 2.9 Other assets

Other assets comprise operating supplies and equipment. These are stated at cost less accumulated amortisation.

##### 2.10 Inventories

Inventories comprise mainly beverage stocks for the hotel operations.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in and first-out principle. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling costs.

##### 2.11 Cash and cash equivalents

Cash on hand and in banks and fixed deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value.

##### 2.12 Financial liabilities

###### (a) *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, FHT becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

###### (b) *Classification and subsequent measurement*

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method. Interest expense is recognised in Statement of Total Return or Statement of Profit or Loss (as the case may be).

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.12 Financial liabilities (cont'd)

##### (c) *Derecognition*

FHT derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. FHT also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

##### *Interest rate benchmark reform*

When the basis for determining the contractual cash flows of a financial liability measured at amortised cost changed as a result of interest rate benchmark reform, FHT updated the effective interest rate of the financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, FHT first updated the effective interest rate of the financial liability to reflect the change that is required by interest rate benchmark reform. After that, FHT applied the policies on accounting for modifications to the additional changes.

##### (d) *Offsetting*

Financial liabilities and assets are offset and the net amount reported in the Statement of Financial Position when, and only when, FHT has a legal right to offset and there is intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.13 Rental deposits and deferred income and expense

Rental deposits are received from lessees or paid to the lessors of the properties (as the case may be). Deferred income (expense) relates to the difference between the consideration received (paid) for rental deposits and its fair value on initial recognition and it is credited (charged) to the Statement of Total Return or Statement of Profit or Loss (as the case may be) as rental income (expense) on a straight-line basis over the individual lease term.

#### 2.14 Derivative financial instruments and hedge accounting

FHT uses derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. It is FHT's policy not to trade in derivative financial instruments. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value; any attributable transaction costs are recognised in the Statement of Total Return on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instruments that is not designated in a hedge relationship are recognised immediately in the Statement of Total Return.

FHT designates certain derivative financial instruments as hedging instruments in qualifying hedging relationships. At the inception of a hedge relationship, FHT formally designates and documents the hedge relationship to which FHT wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. FHT also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.14 Derivative financial instruments and hedge accounting

###### (a) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve within the Stapled Securityholders' Funds. The effective portion of changes in fair value of the derivative that is recognised in the Stapled Securityholders' Funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in Stapled Securityholders' Funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the Statement of Total Return in the same period or periods as the hedged item's expected future cash flows affect the Statement of Total Return.

###### (b) Net investment hedges

FHT designates certain derivatives as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in the foreign currency translation reserve within the Stapled Securityholders' Funds. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in the Statement of Total Return. The amount recognised in foreign currency translation reserve is reclassified to the Statement of Total Return as a reclassification adjustment on disposal of the foreign operation. When the hedged net investment is disposed of, the cumulative amount in foreign currency translation reserve within the Stapled Securityholders' Funds is transferred to the Statement of Total Return.

###### **Hedges directly affected by interest rate benchmark reform**

FHT has early adopted the Phase 2 amendments and retrospectively applied them from 1 October 2020 (see Note 2.2).

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, FHT amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.14 Derivative financial instruments and hedge accounting (cont'd)

##### *Hedges directly affected by interest rate benchmark reform (cont'd)*

FHT amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by IBOR reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

FHT amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then FHT first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then FHT amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, FHT deems that the hedging reserve recognised in Stapled Securityholders' Funds for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

#### 2.15 Impairment

##### (a) *Non-financial assets*

The carrying amounts of FHT's non-financial assets, other than investment properties and property, plant and equipment - freehold land and building, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be). Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed in the Statement of Total Return or Statement of Profit or Loss (as the case may be) only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.15 Impairment (cont'd)

###### (b) *Non-derivative financial assets*

FHT recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

Loss allowances of FHT are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

###### *Simplified approach*

FHT applies the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

###### *General approach*

FHT applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, FHT assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, FHT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on FHT's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

FHT considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to FHT in full, without recourse by FHT to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL is the maximum contractual period over which FHT is exposed to credit risk.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.15 Impairment (cont'd)

##### (b) *Non-derivative financial assets* (cont'd)

###### Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that FHT expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

###### Credit-impaired financial assets

At each reporting date, FHT assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by FHT on terms that FHT would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

###### Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

###### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when FHT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with FHT's procedures for recovery of amounts due.

#### 2.16 Stapled Securityholders' Funds

Stapled Securityholders' Funds represent the Stapled Securityholders' residual interest in the net assets of the FH-REIT Group and the FH-BT Group upon termination.

Expenses incurred in connection with the issuance and placement of Stapled Securities are deducted directly against Stapled Securityholders' Funds.

#### 2.17 Perpetual Securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the FH-REIT Group. As the FH-REIT Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as equity.

Any distributions made are directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue. Gain or loss on redemption is recognised in equity.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.18 Distribution policy

Distributions of FHT comprise distributions from FH-REIT and FH-BT.

FH-REIT's distribution policy is to distribute 100% of the Distributable Income ("DI") to the Stapled Securityholders for the period from the Listing Date (14 July 2014) to 30 September 2015, and at least 90% of the DI thereafter.

FH-BT's distribution policy is to distribute as much of its income as practicable, and the declaration and payment of distributions by FH-BT will be at the sole discretion of the Board of Directors of the Trustee-Manager.

Distributions are made on a semi-annual basis, with the amount calculated as at 31 March and 30 September each year for the six-month period ending on each of the said dates. In accordance with the Trust Deeds, the Managers are required to pay distributions within 90 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

##### 2.19 Revenue

###### (a) Master lease rental income from operating leases

Fixed rental income receivable under operating leases is recognised in the Statement of Total Return on a straight-line basis. The aggregate costs of incentives provided to leases are recognised as a reduction of rental income over the lease term on a straight-line basis. Variable rent, which is based on gross turnover or gross operating profit is recognised as income in the accounting period on an accrual basis in the period in which it is earned and the amount can be measured reliably.

###### (b) Room revenue and food and beverage revenue

Revenue from hotel operations is recognised when the relevant rooms and services are rendered to the customers.

###### (c) Dividend and distribution income

Dividend and distribution income is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be) on the date when the right to receive the payment is established.

##### 2.20 Expenses

###### (a) Property operating expenses

Property operating expenses are recognised on an accrual basis in the period that expenses are incurred.

###### (b) REIT Manager's fees

Fees paid or payable to the REIT Manager are recognised on an accrual basis based on the applicable formula as set out in Note 1(a).

###### (c) Trustees' fees

Fees paid or payable to the Trustees are recognised on an accrual basis. Included in trust expenses are the REIT Trustee's fees, MIT's and MIT Sub-Trustee's fees, TMK Trustee's fees, Malaysian Bond Trustee's fees and Trustee-Manager's trustee fees which are based on the applicable formulae as set out in Notes 1(e), (f), (g), (h) and (j)(ii).

###### (d) Trustee-Manager's fees

Fees paid or payable to the Trustee-Manager are recognised on an accrual basis based on the applicable formula as set out in Note 1(j)(i).

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.20 Expenses (cont'd)

###### (e) *Employee benefits*

###### *Defined contribution plans*

As required by law, the FH-BT Group and FHT make contributions to state pensions schemes in accordance with local regulatory requirements. The pension contributions are recognised as compensation expense in the same period as the employment that give rises to the contribution.

###### *Employee leave entitlement*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

##### 2.21 Finance income and finance costs

Finance income comprises interest income on funds invested that are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Finance costs comprises interest expense on borrowings and lease liabilities, and amortisation of debt-related transaction costs that are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Interest income or all borrowing costs are recognised as it accrues, in the Statement of Total Return or Statement of Profit or Loss (as the case may be), using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

##### 2.22 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and FHT will comply with the conditions associated with the grants.

Grants that compensate FHT for expenses incurred are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be), net of its related expense, on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

##### 2.23 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be) except to the extent that it relates to items recognised directly in OCI or Stapled Securityholders' Funds (as the case may be).

FHT has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37/SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.23 Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that FHT is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which FHT expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in FHT. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

##### 2.24 Earnings per Stapled Security

FHT presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Securityholders of FHT by the weighted-average number of Stapled Securities outstanding, during the financial period adjusted for own Stapled Securities held. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Securityholders and the weighted-average number of Stapled Securities outstanding adjusted for own Stapled Securities held, for the effects of all dilutive potential Stapled Securities.

##### 2.25 Segment reporting

An operating segment is a component of FHT, the FH-REIT Group and the FH-BT Group that engage in business activities from which they may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of FHT's, the FH-REIT Group's and the FH-BT Group's other components.

Management determines the operating segments based on the reports reviewed by Chief Operating Decision Makers ("CODMs") that are used to make strategic decisions.

CODMs include the Chief Executive Officer, the Chief Financial Officer, the Asset Managers and the Investment Managers. CODMs review FHT's, the FH-REIT Group's and the FH-BT Group's internal reporting in order to assess performance and operations of respective group. Management has determined the operating segments based on these assessments. The CODMs consider the segments from a geographic and business perspective as it is based on the management and internal reporting structure.

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## Notes to the Financial Statements

For the year ended 30 September 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.25 Segment reporting (cont'd)

Segment results and assets include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Unallocated items comprise mainly finance income, finance costs, trust expenses, non-capitalisable expenses in relation to asset acquisition, and net change in fair value of derivative financial instruments.

Segment capital expenditure is the total costs incurred on investment properties and property, plant and equipment during the financial year.

#### 2.26 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of FHT; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the Statement of Financial Position of FHT, except for contingent liabilities assumed in a business combination (as the case may be) that are present obligations and which the fair values can be reliably determined.

#### 2.27 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that when the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

#### 2.28 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. Except as disclosed in Note 2.2, FHT has not early adopted the new or amended standards and interpretations in preparing these financial statements.

FHT is in the process of assessing the impact of the new FRSs/SFRS(I)s, interpretations and amendments to new FRSs/SFRS(I)s on its financial statements.

### 3. STAFF COSTS

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Salaries, bonuses and other costs	3,194	3,619	-	-	3,194	3,619
Contributions to defined contribution plans	338	375	-	-	338	375
	3,532	3,994	-	-	3,532	3,994

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**4. MANAGEMENT FEES**

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) REIT Manager's management fees</b>						
- Base fee	4,521	4,899	4,521	4,899	-	-
- Performance fee	-	567	-	567	-	-
	<u>4,521</u>	<u>5,466</u>	<u>4,521</u>	<u>5,466</u>	<u>-</u>	<u>-</u>
<b>(b) Trustee-Manager's management fees</b>						
- Base fee	36	34	-	-	36	34
- Performance fee	44	20	-	-	44	20
	<u>80</u>	<u>54</u>	<u>-</u>	<u>-</u>	<u>80</u>	<u>54</u>
<b>(c) Other management fees</b>						
- MIT Manager's base fee	2,251	2,200	2,251	2,200	-	-
- MIT Manager's performance fee	1,114	1,058	1,114	1,058	-	-
- Kobe Asset Manager's management fee	186	193	186	193	-	-
- ABS Servicer fee	117	118	117	118	-	-
	<u>3,668</u>	<u>3,569</u>	<u>3,668</u>	<u>3,569</u>	<u>-</u>	<u>-</u>

In the financial year ended 30 September 2021, there were no Stapled Securities issued or to be issued to the Managers and the MIT Manager as satisfaction of the management fees.

In the financial year ended 30 September 2020, included in the REIT Manager's, Trustee-Manager's and MIT Manager's management fees are an aggregate of approximately 11,326,000 Stapled Securities, amounting to approximately \$5,457,000 that have been or would be issued to the Managers and the MIT Manager as satisfaction of the management fees payable in Stapled Securities, at prices ranging from 36.60 cents to 71.05 cents per Stapled Security.

**5. TRUSTEES' FEES**

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trustees' fees						
- FH-REIT Trustee's fees	285	293	285	293	-	-
- Other trustee fees	208	202	208	202	-	-
	<u>493</u>	<u>495</u>	<u>493</u>	<u>495</u>	<u>-</u>	<u>-</u>

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#### 6. OTHER TRUST EXPENSES

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees paid and payable to auditor of the Trusts	465	427	398	365	67	62
Non-audit fees paid and payable to:						
– Auditor of the Trusts	229	308	216	295	13	13
– Other auditors	100	144	98	144	2	-
Valuation fee	164	196	164	196	-	-
Other expenses	1,841	2,193	1,850	2,190	(9)	3
	<u>2,799</u>	<u>3,268</u>	<u>2,726</u>	<u>3,190</u>	<u>73</u>	<u>78</u>

#### 7. FINANCE COSTS AND AMORTISATION OF DEBT UPFRONT COSTS

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities measured at amortised cost:						
<b>(a) Amortisation of debt upfront costs</b>	952	824	952	824	-	-
<b>(b) Finance costs</b>						
– interest expense on borrowings and derivatives	19,713	19,107	19,713	19,107	-	-
– interest expense on lease liabilities	124	111	124	111	2,465	2,418
– others	578	532	665	610	-	-
	<u>20,415</u>	<u>19,750</u>	<u>20,502</u>	<u>19,828</u>	<u>2,465</u>	<u>2,418</u>

#### 8. TAXATION

For Singapore income tax purposes, FHT is not a taxable entity. Instead, FH-REIT and FH-BT are subject to tax separately based on their own characteristics as a real estate investment trust and a registered business trust respectively.

FH-REIT has been granted tax transparency treatment in respect of certain income derived from the Singapore properties, as well as tax exemption under Section 13(12) of the Singapore Income Tax Act in respect of certain foreign-sourced income derived from their respective overseas subsidiaries, subject to meeting certain conditions.

FH-BT which is registered as a business trust in Singapore under the Business Trust Act will be treated like a company under the one-tier corporate tax system for Singapore income tax purposes. Consequently, FH-BT will be assessed to Singapore income tax on its taxable income, if any, at the prevailing corporate tax rate in accordance with the Singapore Income Tax Act.

The income tax expense is in respect of taxes paid by FHT's operations in Singapore, Australia, UK, Japan, Malaysia and Germany.



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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 8. TAXATION (CONT'D)

Subject to full compliance with the terms and conditions of the following Tax Rulings, the taxation of FH-REIT is as follows:

##### (i) Tax Ruling 1

FH-REIT has obtained the Tax Transparency Ruling from the Inland Revenue Authority of Singapore (“IRAS”) in respect of the “Specified Taxable Income” (as defined herein) derived from the InterContinental Singapore and Fraser Suites Singapore (collectively the “Singapore investment properties”). Such income includes rent and income from or ancillary to the management or holding of the Singapore investment properties, as well as interest income from the placement of cash surpluses in bank deposits, but not gains from the disposal of the Singapore investment properties.

Subject to the terms and conditions of the Tax Transparency Ruling, FH-REIT will not be taxed on Specified Taxable Income distributed to the Stapled Securityholders in the year in which the income was derived. Instead, the REIT Trustee and the REIT Manager would undertake to deduct income tax at source at the prevailing corporate tax rate from distributions made to certain Stapled Securityholders out of such Specified Taxable Income.

The application of the Tax Transparency Ruling is conditional upon the REIT Trustee and the REIT Manager fulfilling certain terms and conditions, including distribution of at least 90.0% (2020: 90.0%) of Specified Taxable Income by the REIT Trustee to the Stapled Securityholders in the year in which the income is derived by the REIT Trustee. Under the COVID-19 relief measures announced by IRAS, FH-REIT will have until 31 December 2021 to distribute at least 90% of the Specified Taxable Income derived in the financial year ended 30 September 2021.

##### (ii) Tax Ruling 2

FH-REIT has obtained Foreign-Sourced Income Tax Exemption Rulings from the IRAS on the Singapore taxation of certain foreign-sourced income in respect of the properties located in Australia, UK, Malaysia, Japan and Germany. Such income will be regarded as Tax Exempt Income of FH-REIT under Section 13(12) of the Income Tax Act. The Foreign-Sourced Income Tax Exemption Rulings are granted subject to certain conditions.

##### (iii) Singapore sourced dividends

Dividend income received by FH-REIT from the Singapore subsidiaries will not be subject to Singapore income tax in the hands of the REIT Trustee. They will be regarded as Tax Exempt Income of FH-REIT.

##### (iv) Return of capital to FH-REIT

Any return of capital received by FH-REIT from its Singapore subsidiaries and/or MIT Australia is capital in nature and hence, is not taxable in the hands of the REIT Trustee.

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#### 8. TAXATION (CONT'D)

##### Tax expense/(credit)

The major components of tax expense/(credit) are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax expense/(credit)						
- Current year income tax	1,466	497	1,436	514	30	(17)
- Under/(over) provision in respect of prior year	15	(215)	15	(215)	-	-
	1,481	282	1,451	299	30	(17)
Deferred tax expense/(credit)						
- Origination and reversal of deductible temporary differences	1,072	(1,812)	1,033	(1,840)	(106)	(130)
- Origination and reversal of taxable temporary differences	4,611	(9,725)	4,611	(8,874)	-	-
	5,683	(11,537)	5,644	(10,714)	(106)	(130)
Withholding tax expense	1,258	1,274	1,238	1,255	20	19
	8,422	(9,981)	8,333	(9,160)	(56)	(128)

A reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the prevailing corporate tax rate are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total return/(Loss) for the year before tax</b>	<b>24,730</b>	<b>(123,409)</b>	<b>24,301</b>	<b>(123,863)</b>	<b>(320)</b>	<b>(874)</b>
Tax at the domestic rates applicable to profits in the countries where FHT operates	7,349	(28,097)	6,507	(28,787)	(90)	(234)
<b>Adjustments:</b>						
Expenses not deductible for tax purposes	4,800	25,657	7,497	26,116	36	2,008
Income not subject to tax	(5,873)	(7,416)	(7,797)	(6,202)	(22)	(2,064)
Tax transparency	(130)	(833)	(130)	(833)	-	-
Deferred tax assets not recognised	175	249	175	151	-	98
Utilisation of unrecognised tax losses	(76)	(49)	(76)	(49)	-	-
Effect of change in tax rate on temporary differences previously recognised	1,392	-	1,392	-	-	-
Under/(over) provision of prior year tax	15	(215)	15	(215)	-	-
Withholding tax	1,258	1,274	1,238	1,255	20	19
Others	(488)	(551)	(488)	(596)	-	45
	8,422	(9,981)	8,333	(9,160)	(56)	(128)

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#### 8. TAXATION (CONT'D)

##### Deferred tax assets (liabilities)

Deferred tax assets as at 30 September 2021 shown on the Statements of Financial Position are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets:</b>						
Provision and accruals	22	(42)	-	-	22	(42)
Lease liabilities	-	-	-	-	1,317	1,172
Unabsorbed capital allowances	(512)	(181)	(1,200)	(969)	688	788
Fair value loss on investment properties	-	-	2,111	2,884	-	-
Revaluation loss on property, plant and equipment	2,111	2,884	-	-	-	-
	<u>1,621</u>	<u>2,661</u>	<u>911</u>	<u>1,915</u>	<u>2,027</u>	<u>1,918</u>

The movements in the deferred tax assets are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October	(2,661)	(738)	(1,915)	-	(1,918)	(1,696)
Recognised in Statement of Total Return/ Profit or Loss	1,072	(1,812)	1,033	(1,840)	(106)	(130)
Translation differences	(32)	(111)	(29)	(75)	(3)	(92)
At 30 September	<u>(1,621)</u>	<u>(2,661)</u>	<u>(911)</u>	<u>(1,915)</u>	<u>(2,027)</u>	<u>(1,918)</u>

##### Deferred tax liabilities

Deferred tax liabilities as at 30 September 2021 shown on the Statements of Financial Position are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax liabilities:</b>						
Arising from acquisition of subsidiaries	4,516	4,820	4,516	4,820	-	-
Fair value adjustments on properties	32,444	30,299	32,444	30,299	-	-
Others	9,546	7,516	9,546	7,516	-	-
	<u>46,506</u>	<u>42,635</u>	<u>46,506</u>	<u>42,635</u>	<u>-</u>	<u>-</u>

The movements in the deferred tax liabilities are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October	42,635	49,739	42,635	49,739	-	-
Recognised in Statement of Total Return/ Profit or Loss	4,611	(9,725)	4,611	(8,874)	-	-
Recognised in Stapled Securityholders' Funds	-	758	-	-	-	-
Translation differences	(740)	1,863	(740)	1,770	-	-
At 30 September	<u>46,506</u>	<u>42,635</u>	<u>46,506</u>	<u>42,635</u>	<u>-</u>	<u>-</u>

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#### 8. TAXATION (CONT'D)

##### Uncertain tax

Since 2018, FHT has relied on a private ruling granted by the Inland Revenue Board of Malaysia ("IRBM") which allows FHT Malaysia Pte Ltd ("FHTM"), a subsidiary of FH-REIT, to receive interest from its investment in medium term notes issued by Notable Vision Sdn. Bhd. ("NVSB") to be exempted from Malaysia withholding tax. In an IRBM letter dated 29 June 2021, the IRBM revoked the private ruling. Consequently, the IRBM may require withholding tax on these interest payments from NVSB to FHTM. If the private ruling applied in the past is retrospectively revoked, the potential additional withholding tax liability from 1 October 2017 to 12 January 2021 approximates \$1.2 million. On 8 September 2021, NVSB filed an appeal to Special Commissioner of Income Tax in Malaysia, and further applied for judicial review with Courts of Malaysia on 23 September 2021. Consequently, no provision for this amount has been made because management believes that the private ruling granted in the past was in compliance with the applicable tax laws, and if revoked, the management believes that NVSB has strong and valid legal grounds to appeal against the decision and defend its position in Court.

#### 9. EARNINGS PER STAPLED SECURITY

The calculation of basic earnings per Stapled Security is based on:

	FHT	
	2021	2020
Total return for the year attributable to Stapled Securityholders (\$'000)	13,589	(117,890)
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security ('000):		
Issued Stapled Securities at beginning of the year ('000)	1,921,243	1,894,217
Effect of management fees paid/payable in Stapled Securities ('000)	4,831	23,482
	<u>1,926,074</u>	<u>1,917,699</u>
Basic Earnings per Stapled Security (cents)	<u>0.70</u>	<u>(6.14)</u>

The calculation of diluted earnings per Stapled Security is based on:

	FHT	
	2021	2020
Total return for the year attributable to Stapled Securityholders (\$'000)	13,589	(117,890)
Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security ('000):		
Weighted average number of Stapled Securities (basic) ('000)	1,926,074	1,917,699
Effect of contingently issuable Stapled Securities ('000)	-	-
	<u>1,926,074</u>	<u>1,917,699</u>
Diluted Earnings per Stapled Security (cents)	<u>0.70</u>	<u>(6.14)</u>

For financial year ended 30 September 2020, 8,375,000 contingently issuable Stapled Securities were excluded from the diluted weighted average number of Stapled Securities calculation as their effect would have been anti-dilutive.

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#### 10. INVESTMENT PROPERTIES

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Statement of Financial Position:</b>						
At 1 October	2,029,567	2,109,664	2,248,858	2,331,054	-	-
Capital expenditure	4,449	9,339	4,893	9,358	-	-
Net change in fair value	(4,574)	(136,777)	326	(149,604)	-	-
Translation differences	(4,616)	47,341	(3,951)	58,050	-	-
At 30 September	<u>2,024,826</u>	<u>2,029,567</u>	<u>2,250,126</u>	<u>2,248,858</u>	-	-

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Statement of Total Return:</b>						
Rental revenue from investment properties:						
- Minimum lease payments	58,129	57,078	64,031	62,604	-	-
- Variable rent based on lessees' gross operating revenue and/or gross operating profit	5,878	9,385	10,322	12,697	-	-
- Effect of recognising rental income on a straight-line basis over lease term (Note 15(b))	641	620	754	726	-	-
	<u>64,648</u>	<u>67,083</u>	<u>75,107</u>	<u>76,027</u>	-	-

The carrying value of the investment properties as at the reporting date are as follows:

	FHT		FH-REIT Group	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
InterContinental Singapore	506,000	506,000	506,000	506,000
Fraser Suites Singapore	292,000	292,000	292,000	292,000
The Westin Kuala Lumpur	118,827	127,166	118,827	127,166
ANA Crowne Plaza Kobe	198,094	207,495	198,094	207,495
Sofitel Sydney Wentworth	264,978	264,033	264,978	264,033
Novotel Sydney Darling Square <sup>(1)</sup>	110,057	108,566	110,057	108,566
Fraser Suites Sydney	125,129	119,304	125,129	119,304
Park International London	70,619	68,098	70,619	68,098
ibis Styles London Gloucester Road	35,126	33,873	35,126	33,873
Fraser Place Canary Wharf London	67,143	67,569	67,143	67,569
Fraser Suites Queens Gate London	99,342	95,796	99,342	95,796
Fraser Suites Glasgow	16,831	16,230	16,831	16,230
Fraser Suites Edinburgh	27,443	24,699	27,443	24,699
Maritim Hotel Dresden	93,237	98,738	93,237	98,738
Novotel Melbourne on Collins	-	-	225,300	219,291
	<u>2,024,826</u>	<u>2,029,567</u>	<u>2,250,126</u>	<u>2,248,858</u>

<sup>(1)</sup> The carrying value includes the ROU asset of approximately \$3.1 million (2020: \$3.0 million).

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#### 10. INVESTMENT PROPERTIES (CONT'D)

##### Measurement of fair value

	FHT		FH-REIT Group	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Fair value of investment properties (based on independent valuation)	2,021,741	2,026,614	2,247,041	2,245,905
Add: Carrying amount of lease liabilities	3,085	2,953	3,085	2,953
Carrying value of investment properties	<u>2,024,826</u>	<u>2,029,567</u>	<u>2,250,126</u>	<u>2,248,858</u>

The fair values of the investment properties were based on independent valuations undertaken by the following independent valuers:

Country	2021	2020
Singapore	Savills Valuation and Professional Services (S) Pte Ltd	CBRE Pte. Ltd.
Malaysia	Savills (Malaysia) Sdn Bhd	C H Williams Talhar & Wong Sdn Bhd
Japan	Savills Japan Co., Ltd.	CBRE K. K.
Australia	Savills Valuations Pty Ltd	CBRE Valuations Pty Limited
UK	Savills (UK) Limited	CBRE Hotels Limited
Germany	Savills (UK) Limited	CBRE GmbH

In relying on the valuation reports, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the financial year. Details of valuation techniques and inputs used are disclosed in Note 26(c).

##### Investment property pledged as security

As at 30 September 2021 and 30 September 2020, The Westin Kuala Lumpur is mortgaged to secure the Medium Term Notes (Note 17).

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#### 11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
<b>FHT</b>			
<b>Cost</b>			
At 1 October 2019	219,852	7,497	227,349
Additions	19	671	690
Written off	-	(20)	(20)
Net change in revaluation recognised in Stapled Securityholder's Funds	(1,701)	-	(1,701)
Net change in revaluation recognised in Statement of Total Return	(9,208)	-	(9,208)
Elimination of accumulated depreciation on revaluation Translation differences	(3,255)	-	(3,255)
At 30 September 2020	217,305	8,559	225,864
At 1 October 2020	217,305	8,559	225,864
Additions	446	61	507
Net change in revaluation recognised in Statement of Total Return	8,444	-	8,444
Elimination of accumulated depreciation on revaluation Translation differences	(3,246)	-	(3,246)
At 30 September 2021	223,598	8,649	232,247
<b>Accumulated depreciation</b>			
At 1 October 2019	-	(3,981)	(3,981)
Depreciation	(3,255)	(666)	(3,921)
Written off	-	17	17
Elimination of accumulated depreciation on revaluation Translation differences	3,255	-	3,255
At 30 September 2020	-	(4,859)	(4,859)
At 1 October 2020	-	(4,859)	(4,859)
Depreciation	(3,246)	(683)	(3,929)
Elimination of accumulated depreciation on revaluation Translation differences	3,246	-	3,246
At 30 September 2021	-	(5,544)	(5,544)
<b>Carrying amounts</b>			
At 1 October 2019	219,852	3,516	223,368
At 30 September 2020	217,305	3,700	221,005
At 30 September 2021	223,598	3,105	226,703

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#### 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
<b>FH-BT Group</b>			
<b>Cost</b>			
At 1 October 2019	70,128	5,671	75,799
Written off	-	(20)	(20)
Translation differences	3,555	288	3,843
At 30 September 2020	<u>73,683</u>	<u>5,939</u>	<u>79,622</u>
At 1 October 2020	73,683	5,939	79,622
Translation differences	265	21	286
At 30 September 2021	<u>73,948</u>	<u>5,960</u>	<u>79,908</u>
<b>Accumulated depreciation</b>			
At 1 October 2019	(3,195)	(3,693)	(6,888)
Depreciation	(3,976)	(346)	(4,322)
Written off	-	17	17
Translation differences	(323)	(202)	(525)
At 30 September 2020	<u>(7,494)</u>	<u>(4,224)</u>	<u>(11,718)</u>
At 1 October 2020	(7,494)	(4,224)	(11,718)
Depreciation	(4,246)	(324)	(4,570)
Translation differences	67	(8)	59
At 30 September 2021	<u>(11,673)</u>	<u>(4,556)</u>	<u>(16,229)</u>
<b>Carrying amounts</b>			
At 1 October 2019	66,933	1,978	68,911
At 30 September 2020	<u>66,189</u>	<u>1,715</u>	<u>67,904</u>
At 30 September 2021	<u>62,275</u>	<u>1,404</u>	<u>63,679</u>

Independent valuation of the freehold land and building was undertaken by Savills Valuations Pty Ltd on 30 September 2021 (2020: CBRE Valuations Pty Limited). In relying on the valuation report, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the financial year. Details of the valuation techniques and inputs used are disclosed in Note 26(c).

The carrying amount of FHT's freehold land and buildings as at 30 September 2021 would be SGD 215.1 million (2020: SGD 217.3 million) if the property had been measured using the cost model.

The carrying amount of the FH-BT Group's building as at 30 September 2021 and 30 September 2020 pertains to right-of-use assets.



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#### 12. TRADE AND OTHER RECEIVABLES

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables:						
- related companies of the REIT Manager	633	85	633	85	-	-
- FH-BT Group	-	-	2,092	970	-	-
- third parties	7,949	2,175	5,774	2,175	2,175	-
	8,582	2,260	8,499	3,230	2,175	-
Allowance for impairment loss	(5,774)	(1,740)	(5,774)	(1,740)	-	-
Net trade receivables	2,808	520	2,725	1,490	2,175	-
Other receivables:						
- related companies of the REIT Manager	183	193	183	193	-	-**
- FH-BT Group	-	-	1,586	893	-	-
- net VAT*/ GST receivable	383	1,090	383	1,090	-	-
- third parties	8,874	1,317	8,874	1,061	-	256
	9,440	2,600	11,026	3,237	-	256
Accrued interest income	7	7	7	7	-	-
Deposits	11	11	11	11	-	-
<b>Total trade and other receivables</b>	<b>12,266</b>	<b>3,138</b>	<b>13,769</b>	<b>4,745</b>	<b>2,175</b>	<b>256</b>

\* VAT: value added tax

\*\* Denotes amount less than \$1,000

Trade receivables from related companies of the REIT Manager and FH-BT Group are mainly relating to the master lessees of FH-REIT Group's properties. The exposure of FHT, the FH-REIT Group and the FH-BT Group to credit risk and impairment losses for trade receivables is disclosed in Note 25(b).

Other receivables from related companies of the REIT Manager and from the FH-BT Group are unsecured, interest-free and repayable on demand. There is no impairment loss arising from these outstanding balances as the ECL is negligible.

Included in other receivables from third parties of FHT and FH-REIT Group is an amount receivable from a bank of approximately SGD 7.5 million (2020: nil) following early termination of a cross currency swap due in October 2021.

#### 13. CASH AND CASH EQUIVALENTS

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash in hand and at bank	74,604	68,631	70,132	65,127	4,472	3,504
Fixed deposits	3,583	23,842	3,583	23,842	-	-
<b>Total cash and cash equivalents</b>	<b>78,187</b>	<b>92,473</b>	<b>73,715</b>	<b>88,969</b>	<b>4,472</b>	<b>3,504</b>

Fixed deposits earn interest at 0.02% to 2.00% per annum (2020: 0.03% to 2.00%) with tenures of 1 to 3 months (2020: 1 month).

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#### 14. TRADE AND OTHER PAYABLES

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Trade payables</b>						
- related companies of the REIT Manager	1,009	3,366	1,009	3,366	-	-
- FH-REIT Group	-	-	-	-	2,091	970
- third parties	565	835	136	676	429	159
	1,574	4,201	1,145	4,042	2,520	1,129
<b>Other payables</b>						
- related companies of the REIT Manager	2,605	4,074	2,558	4,046	47	28
- FH-REIT Group	-	-	-	-	1,588	893
- advanced deposits	387	829	-	-	387	829
- net VAT/GST payable	2,410	1,476	2,276	1,476	134	-
- third parties	1,131	103	1,131	103	-	-
	6,533	6,482	5,965	5,625	2,156	1,750
<b>Accruals</b>						
- interest	4,751	3,761	4,751	3,761	-	-
- others	5,537	4,476	3,769	3,687	2,465	1,544
	10,288	8,237	8,520	7,448	2,465	1,544
<b>Provision for employee benefits</b>	302	345	-	-	302	345
<b>Total trade and other payables</b>	<b>18,697</b>	<b>19,265</b>	<b>15,630</b>	<b>17,115</b>	<b>7,443</b>	<b>4,768</b>
Represented by:						
- Current	18,395	18,920	15,630	17,115	7,141	4,423
- Non-current	302	345	-	-	302	345
	<b>18,697</b>	<b>19,265</b>	<b>15,630</b>	<b>17,115</b>	<b>7,443</b>	<b>4,768</b>

Amounts due to related companies of the REIT Manager and amount due to FH-REIT Group are unsecured, interest-free and repayable on demand.

Advanced deposits are contract liabilities under SFRS(I) 15 and they relate primarily to advanced consideration received from hotel customers. Advanced deposits are recognised as revenue when the FH-BT Group fulfils its performance obligation under the contract with the customer. Significant changes in the advanced deposits during the year are as follows:

	FH-BT Group	
	2021	2020
	\$'000	\$'000
Revenue recognised that was included in advanced deposits at the beginning of the year	(829)	(1,957)
Increase due to cash received, excluding amounts recognised as revenue during the year	387	829

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**15. DEFERRED EXPENSE AND INCOME**

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>(a) Deferred expense</b>						
<b>Cost</b>						
At 1 October	-	-	-	-	2,198	2,092
Translation differences	-	-	-	-	7	106
At 30 September	-	-	-	-	2,205	2,198
<b>Accumulated amortisation</b>						
At 1 October	-	-	-	-	(435)	(309)
Charge for the financial year	-	-	-	-	(113)	(106)
Translation differences	-	-	-	-	2	(20)
At 30 September	-	-	-	-	(546)	(435)
<b>Net deferred expense</b>	-	-	-	-	<b>1,659</b>	<b>1,763</b>

Deferred expense (non-current) relates to the difference between the consideration paid for a rental deposit arising from FH-BT Group's master lease with FH-REIT Group and its fair value on initial recognition. Deferred expense is charged to the Statement of Profit or Loss as rental expense on a straight-line basis over the individual lease term.

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>(b) Deferred income</b>						
<b>Cost</b>						
At 1 October	11,235	10,856	13,433	12,948	-	-
Translation differences	88	379	95	485	-	-
At 30 September	11,323	11,235	13,528	13,433	-	-
<b>Accumulated amortisation</b>						
At 1 October	(3,706)	(2,975)	(4,141)	(3,284)	-	-
Charge for the financial year	(641)	(620)	(754)	(726)	-	-
Translation differences	(17)	(111)	(15)	(131)	-	-
At 30 September	(4,364)	(3,706)	(4,910)	(4,141)	-	-
<b>Net deferred income</b>	<b>6,959</b>	<b>7,529</b>	<b>8,618</b>	<b>9,292</b>	-	-

Deferred income (non-current) relates to the difference between the consideration received from related companies of the REIT Manager for rental deposits arising from FH-REIT Group's master leases and its fair value on initial recognition. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis over the individual lease term.

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#### 16. LEASE LIABILITIES

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current	-	-	-	-	3,480	3,349
Non-current	3,085	2,953	3,085	2,953	63,862	67,101
	<u>3,085</u>	<u>2,953</u>	<u>3,085</u>	<u>2,953</u>	<u>67,342</u>	<u>70,450</u>

The lease liabilities recognised mainly relate to operating leases in respect of ground lease for an investment property and building lease for property, plant and equipment (Note 29(a)).

The incremental borrowing rates of FHT's, the FH-REIT Group's and the FH-BT Group's lease liabilities are 4.01%, 4.01% and 3.48% (2020: 4.01%, 4.01% and 3.48%) per annum respectively.

The lease liability of FH-BT Group is fully repayable by September 2036 whereas the lease liability of FHT and FH-REIT Group is fully repayable by September 2098.

#### 17. BORROWINGS

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-current</b>						
Medium term notes (secured)	30,676	31,378	30,676	31,378	-	-
Fixed rate notes (unsecured)	120,000	240,000	120,000	240,000	-	-
Bonds (unsecured)	-	30,666	-	30,666	-	-
Bank loans (unsecured)	637,768	537,348	637,768	537,348	-	-
	<u>788,444</u>	<u>839,392</u>	<u>788,444</u>	<u>839,392</u>	<u>-</u>	<u>-</u>
Less: unamortised debt upfront costs	(2,444)	(3,004)	(2,444)	(3,004)	-	-
	<u>786,000</u>	<u>836,388</u>	<u>786,000</u>	<u>836,388</u>	<u>-</u>	<u>-</u>
<b>Current</b>						
Fixed rate notes (non-secured)	120,000	-	120,000	-	-	-
Bonds (unsecured)	28,734	-	28,734	-	-	-
Bank loans (unsecured)	54,000	50,000	54,000	50,000	-	-
	<u>202,734</u>	<u>50,000</u>	<u>202,734</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Less: unamortised debt upfront costs	(227)	-	(227)	-	-	-
	<u>202,507</u>	<u>50,000</u>	<u>202,507</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<b>Total borrowings</b>	<b><u>988,507</u></b>	<b><u>886,388</u></b>	<b><u>988,507</u></b>	<b><u>886,388</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

##### Medium Term Notes (secured)

A Medium Term Note – Senior Bond of MYR 95.0 million (equivalent to SGD 30.7 million) (2020: MYR 95.0 million (equivalent to SGD 31.4 million)) is secured by The Westin Kuala Lumpur with a carrying amount of SGD 118.8 million (2020: SGD 127.2 million).

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#### 17. BORROWINGS (CONT'D)

##### Fixed Rate Notes (unsecured)

FH-REIT and its wholly-owned subsidiary, FH-REIT Treasury Pte. Ltd. (the "Issuers" and each an "Issuer") have in place a SGD 1.0 billion Multicurrency Debt Issuance Programme (the "Programme"). Under the Programme, the Issuers may issue notes and/or perpetual securities (Note 20).

At the end of the financial year, an aggregate principal amount of SGD 240.0 million (2020: SGD 240.0 million) fixed rate notes have been issued by FH-REIT Treasury Pte. Ltd.. These comprise:

- SGD 120.0 million (2020: SGD 120.0 million) of 5-year fixed rate notes; and
- SGD 120.0 million (2020: SGD 120.0 million) of 7-year fixed rate notes.

SGD 760.0 million (2020: SGD 660.0 million) of the Programme remains unutilised.

##### Bonds (unsecured)

FH-REIT's indirect subsidiary, Kobe Excellence TMK, issued unsecured Japanese Yen-denominated bonds Kobe Excellence TMK Series 1 Bond of JPY 2.35 billion (equivalent to SGD 28.7 million) (2020: JPY 2.35 billion (equivalent to SGD 30.7 million)). The bonds carry a variable interest rate.

##### Bank loans (unsecured)

As at the end of the financial year, the FH-REIT Group has the following facilities:

##### *Facilities fully drawn down*

- FH-REIT's indirect subsidiary, FHT Sydney Trust 3, secured a AUD 120.0 million (equivalent to SGD 117.8 million) (2020: AUD 120.0 million (equivalent to SGD 117.3 million)) term loan facility. FH-REIT has provided a corporate guarantee to the lending bank in respect of the AUD 120.0 million term loan.
- Term Loan Facility of SGD 70.0 million (2020: SGD 70.0 million) which is unsecured.
- Term Loan Facility of SGD 350.0 million (2020: SGD 350.0 million) which is unsecured and comprises Tranche A - up to SGD 100.0 million; Tranche B - up to SGD 150.0 million and Tranche C - up to SGD 100.0 million.

##### *Facilities partially drawn down or available for utilisation*

- Committed Revolving Credit Facilities of SGD 260.0 million (2020: SGD 20.0 million) of which SGD 154.0 million (2020: SGD 20.0 million) are drawn. At the end of the financial year, SGD 106.0 million (2020: SGD 20.0 million) remained unutilised.
- There were no uncommitted facilities at the end of the financial year ended 30 September 2021 (2020: there were uncommitted Multi-Currency Short-Term Facilities of SGD 75.0 million of which SGD 50.0 million was drawn and SGD 25.0 million remained unutilised).

##### Intragroup loan (unsecured)

As at the end of the financial year, the FH-BT Group has a facility available for utilisation:

FH-REIT and FH-BT have entered into a facility agreement dated 24 November 2020 pursuant to which the FH-REIT, as lender (the "Lender") has agreed to extend a revolving credit facility of up to SGD 5.0 million (the "Facility") to FH-BT, as borrower (the "Borrower"). The termination date for the Facility is 31 March 2022, which can be extended if requested by the Borrower and agreed by the Lender, to 31 March 2023. On 9 November 2021, the Lender and the Borrower agreed to extend the Facility to 31 March 2023. At the end of the financial year, SGD 5.0 million remained unutilised.

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#### 17. BORROWINGS (CONT'D)

##### Terms and debt repayment structure

	Currency	Nominal Interest rate	Year of maturity	Face Value \$'000	Carrying Value \$'000
<b>FHT and FH-REIT Group</b>					
<b>2021</b>					
Medium term notes (secured)	MYR	4.85%	2024	30,676	30,589
Fixed rate notes (unsecured)	SGD	2.63% to 3.08%	2022 - 2024	240,000	239,703
Bonds (unsecured)	JPY	JPY TIBOR <sup>(1)</sup> + 0.95%	2022	28,734	28,691
Bank loans (unsecured)	SGD	SOR <sup>(2)</sup> + 1.0% to 1.05%	2023 - 2026	420,000	418,461
Bank loans (unsecured)	AUD	BBSY <sup>(3)</sup> + 1.35%	2023	117,768	117,562
Bank loans (unsecured)	SGD	SORA <sup>(4)</sup> + 1.15% to 1.22%	2023 - 2024	100,000	99,619
Bank loans (unsecured)	SGD	1.17% to 1.30%	2022	54,000	53,882
<b>Total loan and borrowings</b>				<b>991,178</b>	<b>988,507</b>
<b>2020</b>					
Medium term notes (secured)	MYR	4.85%	2024	31,378	31,258
Fixed rate notes (unsecured)	SGD	2.63% to 3.08%	2022 - 2024	240,000	239,543
Bonds (unsecured)	JPY	JPY TIBOR <sup>(1)</sup> + 0.95%	2022	30,666	30,558
Bank loans (unsecured)	SGD	SOR <sup>(2)</sup> + 1.0% to 1.05%	2023 - 2026	420,000	418,004
Bank loans (unsecured)	AUD	BBSY <sup>(3)</sup> + 1.35%	2023	117,348	117,025
Bank loans (unsecured)	SGD	1.16% to 1.18%	2021	50,000	50,000
<b>Total loan and borrowings</b>				<b>889,392</b>	<b>886,388</b>

Included in the borrowings as at 30 September 2021 were borrowings of SGD 495.0 million (2020 : SGD 395.0 million) which together with interest rate swaps have been designated as a cash flow hedges (Note 18).

<sup>(1)</sup> Tokyo interbank offered rate ("TIBOR")

<sup>(2)</sup> Swap-offer rate ("SOR")

<sup>(3)</sup> Australian dollar bank bill swap bid rate ("BBSY")

<sup>(4)</sup> Singapore overnight rate average ("SORA")

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**17. BORROWINGS (CONT'D)**

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

	FHT			FH-REIT Group			FH-BT Group				
	Loans and borrowings \$'000	Accrued interest* \$'000	Lease liabilities \$'000	Loans and borrowings \$'000	Accrued interest* \$'000	Lease liabilities \$'000	Loans and borrowings \$'000	Accrued interest* \$'000	Lease liabilities \$'000		
<b>Balance at 1 October 2020</b>	<b>886,388</b>	<b>3,761</b>	<b>2,953</b>	<b>883,102</b>	<b>3,761</b>	<b>2,953</b>	<b>886,388</b>	<b>3,761</b>	<b>2,953</b>	<b>893,102</b>	<b>70,450</b>
<b>Changes from financing cash flows</b>											
Finance costs paid	-	(18,465)	-	(18,465)	-	(18,465)	-	(18,465)	-	(18,465)	-
Payment of lease liabilities	-	-	-	-	-	-	-	-	-	-	(5,902)
Proceeds from borrowings, net of debt upfront costs	203,377	-	-	203,377	-	-	203,377	-	-	203,377	-
Repayment of borrowings	(100,000)	-	-	(100,000)	-	-	(100,000)	-	-	(100,000)	-
<b>Total changes from financing cash flows</b>	<b>103,377</b>	<b>(18,465)</b>	<b>-</b>	<b>84,912</b>	<b>(18,465)</b>	<b>-</b>	<b>103,377</b>	<b>(18,465)</b>	<b>-</b>	<b>84,912</b>	<b>(5,902)</b>
<b>Effect of changes in foreign exchange rates</b>	<b>(2,210)</b>	<b>(258)</b>	<b>8</b>	<b>(2,460)</b>	<b>(258)</b>	<b>8</b>	<b>(2,210)</b>	<b>(258)</b>	<b>8</b>	<b>(2,460)</b>	<b>329</b>
<b>Liability - related other changes</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>952</b>	<b>-</b>
Amortisation of debt-upfront costs	-	19,713	124	19,837	-	124	19,837	-	124	19,837	2,465
Interest expense	952	19,713	124	20,789	19,713	124	20,789	19,713	124	20,789	2,465
<b>Total liability - related other changes</b>	<b>952</b>	<b>19,713</b>	<b>124</b>	<b>20,789</b>	<b>19,713</b>	<b>124</b>	<b>20,789</b>	<b>19,713</b>	<b>124</b>	<b>20,789</b>	<b>2,465</b>
<b>Balance at 30 September 2021</b>	<b>988,507</b>	<b>4,751</b>	<b>3,085</b>	<b>996,343</b>	<b>4,751</b>	<b>3,085</b>	<b>988,507</b>	<b>4,751</b>	<b>3,085</b>	<b>996,343</b>	<b>67,342</b>

\* Included as part of trade and other payables

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### 17. BORROWINGS (CONT'D)

#### Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	FHT		FH-REIT Group		FH-BT Group	
	Loans and borrowings \$'000	Accrued interest* \$'000	Loans and borrowings \$'000	Accrued interest* \$'000	Lease liabilities \$'000	Total \$'000
<b>Balance at 1 October 2019</b>	<b>854,199</b>	<b>3,828</b>	<b>854,199</b>	<b>3,828</b>	<b>2,700</b>	<b>860,727</b>
<b>Changes from financing cash flows</b>						
Finance costs paid	-	(18,349)	-	(18,349)	-	-
Payment of lease liabilities	-	-	-	-	-	-
Proceeds from borrowings, net of debt upfront costs	55,000	-	55,000	-	-	55,000
Repayment of borrowings	(30,000)	-	(30,000)	-	-	(30,000)
<b>Total changes from financing cash flows</b>	<b>25,000</b>	<b>(18,349)</b>	<b>25,000</b>	<b>(18,349)</b>	<b>-</b>	<b>(5,527)</b>
<b>Effect of changes in foreign exchange rates</b>	<b>6,365</b>	<b>(825)</b>	<b>6,365</b>	<b>(825)</b>	<b>142</b>	<b>5,682</b>
<b>Liability - related other changes</b>						
Amortisation of debt-upfront costs	824	-	824	-	-	824
Interest expense	-	19,107	-	19,107	111	19,218
<b>Total liability - related other changes</b>	<b>824</b>	<b>19,107</b>	<b>824</b>	<b>19,107</b>	<b>111</b>	<b>20,042</b>
<b>Balance at 30 September 2020</b>	<b>886,388</b>	<b>3,761</b>	<b>886,388</b>	<b>3,761</b>	<b>2,953</b>	<b>893,102</b>
<b>Balance at 30 September 2021</b>	<b>886,388</b>	<b>3,761</b>	<b>886,388</b>	<b>3,761</b>	<b>2,953</b>	<b>893,102</b>

\* Included as part of trade and other payables



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#### 18. DERIVATIVE FINANCIAL INSTRUMENTS

	Year of maturity	Nominal amount '000	Assets \$'000	Liabilities \$'000
<b>FHT and FH-REIT Group</b>				
<b>2021</b>				
<i>Cash flow hedge</i>				
Interest rate swap	2022	SGD 25,000	-	(66)
Interest rate swap	2023	SGD 170,000	77	(1,305)
Interest rate swap	2024	SGD 50,000	-	(1,226)
Interest rate swap	2025	SGD 150,000	-	(4,119)
Interest rate swap	2026	SGD 100,000	-	(2,869)
			<u>77</u>	<u>(9,585)</u>
<i>Net investment hedge</i>				
Cross-currency swap	2022	AUD 50,000	225	-
Cross-currency swap	2023	EUR 31,075	948	-
Cross-currency swap	2022	GBP 67,099	-	(2,244)
Cross-currency swap	2024	JPY 10,036,600	2,318	-
			<u>3,491</u>	<u>(2,244)</u>
<b>Total</b>			<b><u>3,568</u></b>	<b><u>(11,829)</u></b>
Represented by:				
Current			-	(2,310)
Non-current			3,568	(9,519)
			<b><u>3,568</u></b>	<b><u>(11,829)</u></b>
<b>2020</b>				
<i>Cash flow hedge</i>				
Interest rate swap	2022	SGD 25,000	-	(177)
Interest rate swap	2023	SGD 70,000	-	(2,447)
Interest rate swap	2024	SGD 50,000	-	(2,461)
Interest rate swap	2025	SGD 150,000	-	(9,444)
Interest rate swap	2026	SGD 100,000	-	(7,357)
			<u>-</u>	<u>(21,886)</u>
<i>Net investment hedge</i>				
Cross-currency swap	2021	AUD 100,000	7,292	-
Cross-currency swap	2021	EUR 19,249	-	(546)
Cross-currency swap	2021	GBP 33,935	445	-
Cross-currency swap	2022	GBP 67,099	2,699	-
Cross-currency swap	2024	JPY 10,036,600	-	(2,511)
			<u>10,436</u>	<u>(3,057)</u>
<b>Total</b>			<b><u>10,436</u></b>	<b><u>(24,943)</u></b>
Represented by:				
Current			445	(546)
Non-current			9,991	(24,397)
			<b><u>10,436</u></b>	<b><u>(24,943)</u></b>

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#### 18. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	FHT		FH-REIT Group	
	2021	2020	2021	2020
Derivative financial instruments as a percentage of net assets	0.66%	1.07%	0.66%	1.08%

Interest rate swaps and cross-currency swaps are used by FH-REIT Group to hedge its exposure to interest rate risk and foreign exchange risk associated with movements in interest rates and foreign exchange rates.

(i) Interest rate swaps (cash flow hedge)

FH-REIT Group entered into interest rate swaps to exchange the floating-rate interest on Singapore dollar (2020: Singapore dollar) denominated loans into fixed rate loans.

(ii) Cross-currency swaps (net investment hedge)

FH-REIT Group entered into cross-currency swaps to hedge foreign currency risks arising from net investments in the Australia, Japan, Netherlands and Jersey Channel Islands (2020: Australia, Japan, Netherlands and Jersey Channel Islands).

As at 30 September 2021, the fixed interest rates of the outstanding interest rate swaps and cross-currency swaps range between 0.29% to 4.00% (2020: 0.60% to 4.00%) while the floating interest rates are linked to the Singapore dollar SOR or SORA (2020: Singapore dollar SOR) as applicable to FH-REIT Group's borrowings.

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**19. STAPLED SECURITIES IN ISSUE AND TO BE ISSUED**

	FHT		FH-REIT Group		FH-BT Group	
	Number of Stapled Securities '000	2020 \$'000	Number of Stapled Securities '000	2020 \$'000	Number of Stapled Securities '000	2020 \$'000
<b>Stapled Securities in issue</b>						
At 1 October 2019	1,894,217	1,520,845	1,894,217	1,511,309	1,894,217	9,536
REIT Manager's management fees paid in Stapled Securities	12,052	7,440	12,052	7,440	12,052	-
Trustee-Manager's management fees paid in Stapled Securities	77	47	77	-	77	47
Other management fees paid in Stapled Securities	6,573	4,182	6,573	4,182	6,573	-
Property management fees paid in Stapled Securities	8,324	5,065	8,324	5,065	8,324	-
At 30 September 2020	1,921,243	1,537,579	1,921,243	1,527,996	1,921,243	9,583
<b>Stapled Securities to be issued</b>						
REIT Manager's management fees payable in Stapled Securities	2,910	1,379	2,910	1,379	2,910	-
Trustee-Manager's management fees payable in Stapled Securities	16	8	16	-	16	8
Other management fees payable in Stapled Securities	1,144	548	1,144	548	1,144	-
Property management fees payable in Stapled Securities	761	365	761	365	761	-
At 30 September 2020	4,831	2,300	4,831	2,292	4,831	8
<b>Total Stapled Securities in issue and to be issued</b>	<b>1,926,074</b>	<b>1,539,879</b>	<b>1,926,074</b>	<b>1,530,288</b>	<b>1,926,074</b>	<b>9,591</b>

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#### 19. STAPLED SECURITIES IN ISSUE AND TO BE ISSUED (CONT'D)

	FHT		FH-REIT Group		FH-BT Group	
	Number of Stapled Securities '000	2021 \$'000	Number of Stapled Securities '000	2021 \$'000	Number of Stapled Securities '000	2021 \$'000
<b>Stapled Securities in issue</b>						
At 1 October 2020	1,921,243	1,537,579	1,921,243	1,527,996	1,921,243	9,583
REIT Manager's management fees paid in Stapled Securities	2,910	1,379	2,910	1,379	2,910	-
Trustee-Manager's management fees paid in Stapled Securities	16	8	16	-	16	8
Other management fees paid in Stapled Securities	1,144	548	1,144	548	1,144	-
Property management fees paid in Stapled Securities	761	365	761	365	761	-
At 30 September 2021	1,926,074	1,539,879	1,926,074	1,530,288	1,926,074	9,591
<b>Total Stapled Securities in issue</b>	<b>1,926,074</b>	<b>1,539,879</b>	<b>1,926,074</b>	<b>1,530,288</b>	<b>1,926,074</b>	<b>9,591</b>

Each unit of FH-REIT is stapled together with a unit of FH-BT under the terms of the Stapling Deed entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in FH-REIT and FH-BT.

A holder of the Stapled Securities has no equitable or proprietary interest in the underlying assets of FHT and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of FHT.

Under the FH-REIT Trust Deed, every FH-REIT unit carries the same voting rights. Similarly, under the FH-BT Trust Deed, every FH-BT unit carries the same voting rights. Each Stapled Security carries one vote.

The holders of the Stapled Securities are entitled to receive distributions as and when declared by FHT.

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#### 20. PERPETUAL SECURITIES

On 12 May 2016, FH-REIT issued SGD 100.0 million of fixed rate subordinated perpetual securities with an initial distribution rate of 4.45% per annum with the first distribution rate reset falling on 12 May 2021 and subsequent resets occurring every five years thereafter.

The perpetual securities had no fixed redemption date and redemption was at the option of FH-REIT in accordance with the terms of issue of the securities. The distributions were payable semi-annually at the discretion of FH-REIT and were non-cumulative.

In the event of winding-up of FH-REIT, these perpetual securities ranked pari passu with the most junior class of preferred units (if any) and ranked ahead of the Stapled Securityholders of FHT, but junior to the claims of all other present and future creditors of FH-REIT.

FHT should not declare or pay any dividends or make any payments to the Stapled Securityholders, or redeem, reduce, cancel, buy-back or acquire any Stapled Securities, unless FH-REIT paid all scheduled distributions to the holders of the perpetual securities.

These perpetual securities were classified as equity instruments and movements were presented in equity in the Statement of Changes in Stapled Securityholders' Funds.

On 12 May 2021, FH-REIT fully redeemed the SGD 100.0 million fixed rate subordinated perpetual securities at a redemption price (inclusive of accrued distributions) of SGD 102.2 million. Consequently, a net amount of SGD 1.5 million was recognised in Stapled Securityholders' Funds.

#### 21. RESERVE

##### (a) Hedging reserve

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 October	(21,334)	(2,443)	(21,334)	(2,443)	-	-
Effective portion of changes in fair value of cash flow hedges	17,497	(16,526)	17,497	(16,526)	-	-
Net change in fair value of cash flow hedges reclassified to total return	(5,672)	(2,365)	(5,672)	(2,365)	-	-
At 30 September	(9,509)	(21,334)	(9,509)	(21,334)	-	-

Hedging reserve represents the effective portion of the cumulative fair value changes of derivative hedging financial instruments. The fair value changes are not subjected to tax.

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#### 21. RESERVE (CONT'D)

##### (b) Foreign currency translation reserve

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 October	(127,562)	(176,007)	(127,889)	(175,135)	(548)	(677)
Net translation differences arising from translation of foreign operations	(9,790)	55,194	(9,806)	53,995	16	129
Net exchange differences on hedge of net investments in foreign operations	5,490	(6,749)	5,490	(6,749)	-	-
At 30 September	(131,862)	(127,562)	(132,205)	(127,889)	(532)	(548)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from Singapore dollars, as well as effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

##### (c) Revaluation reserve

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 October	-	2,459	-	-	-	-
Net change in revaluation on property, plant and equipment	-	(1,701)	-	-	-	-
Related deferred tax	-	(758)	-	-	-	-
At 30 September	-	-	-	-	-	-

The revaluation reserve relates to the revaluation of property, plant and equipment, net of deferred tax.

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#### 22. INVESTMENTS IN SUBSIDIARIES

The subsidiaries of FH-REIT and FH-BT are as follows:

Name of subsidiaries	Country of constitution	Principal activities/ place of business	Effective interest held by FHT	
			2021 %	2020 %
<b>Held by FH-REIT</b>				
Excellence Prosperity TMK Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
FHT Australia Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
FHT Australia Trust <sup>(2)</sup>	Australia	Investment holding Australia	100 <sup>(3)</sup>	100 <sup>(3)</sup>
FHT Japan Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
FHT Malaysia Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
FHT UK Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
FH-REIT Treasury Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
FHT Investment 1 Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
<b>Held by FH-REIT subsidiaries</b>				
FHT Australia Trust <sup>(2)</sup>	Australia	Investment holding Australia	100 <sup>(3)</sup>	100 <sup>(3)</sup>
FHT Sydney Trust 1 <sup>(2)</sup>	Australia	Property holding Australia	100	100
FHT Sydney Trust 2 <sup>(2)</sup>	Australia	Property holding Australia	100	100
FHT Sydney Trust 3 <sup>(2)</sup>	Australia	Property holding Australia	100	100
FHT Melbourne Trust 1 <sup>(2)</sup>	Australia	Property holding Australia	100	100

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#### 22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of constitution	Principal activities/ place of business	Effective interest held by FHT	
			2021 %	2020 %
<b>Held by FH-REIT subsidiaries</b>				
FHT London 1 Ltd <sup>(2)</sup>	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT London 2 Ltd <sup>(2)</sup>	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT London 3 Ltd <sup>(2)</sup>	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT London 4 Ltd <sup>(2)</sup>	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT Scotland 1 Ltd <sup>(2)</sup>	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT Scotland 2 Ltd <sup>(2)</sup>	Jersey Channel Islands	Property holding United Kingdom	100	100
Kobe Excellence TMK <sup>(2)</sup>	Japan	Property holding Japan	100	100
Excellence Prosperity (Japan) KK <sup>(2)</sup>	Japan	Investment holding Japan	100	100
Notable Vision Sdn. Bhd. <sup>(2)</sup>	Malaysia	Property holding Malaysia	100 <sup>(4)</sup>	100 <sup>(4)</sup>
FHT Investment Holding 1 B.V. <sup>(5)</sup>	Netherlands	Investment holding Netherlands	100	100
FHT Property 1 B.V. <sup>(5)</sup>	Netherlands	Property holding Germany	100	100
<b>Held by FH-BT</b>				
FH-BT Australia Operations Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding Singapore	100	100
<b>Held by FH-BT subsidiary</b>				
FH-BT NMCS Operations Pty Ltd <sup>(2)</sup>	Australia	Hotel Australia	100	100

<sup>(1)</sup> Audited KPMG LLP, Singapore.

<sup>(2)</sup> Audited by other member firms of KPMG International.

<sup>(3)</sup> Held by FH-REIT and FHT Australia Pte. Ltd. in shareholdings of 50.0% (2020: 50%) and 50.0% (2020: 50.0%) respectively.

<sup>(4)</sup> Notable Vision Sdn. Bhd. ("NVSB") is a SPV under an asset-backed securitisation programme. NVSB and FH-REIT group of entities are not entities within the same group under the Malaysia Company Act 2016 and Malaysia Income Tax Act 1967. However, for financial reporting purpose, this structured entity is consolidated in the financial statements in accordance with FRS 110 *Consolidated Financial Statements*.

<sup>(5)</sup> Not required to be audited under laws of the country of incorporation.



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#### 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to those related party information disclosed elsewhere in the financial statements, there were the following significant transactions between FHT, FH-REIT Group, FH-BT Group and related parties took place during the financial year at terms agreed between parties:

	FHT		FH-REIT Group		FH-BT Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
With related companies of the Managers						
- Rental income received and receivable	57,605	59,662	57,605	59,661	-	1
- Reimbursement of expenses paid on behalf	(2,278)	(1,551)	(2,278)	(1,551)	-	-
- Servicer fee paid and payable	(49)	-	(49)	-	-	-
With the REIT Manager						
- Base management fee paid and payable	(4,521)	(4,899)	(4,521)	(4,899)	-	-
- Performance management fee paid and payable	-	(567)	-	(567)	-	-
- Reimbursement of expenses paid on behalf	(1)	(81)	-*	(80)	-*	(1)
- Servicer fee paid and payable	(117)	(118)	(117)	(118)	-	-
With the MIT Manager						
- Base management fee paid and payable	(2,251)	(2,200)	(2,251)	(2,200)	-	-
- Performance management fee paid and payable	(1,114)	(1,058)	(1,114)	(1,058)	-	-
With the Trustee-Manager						
- Base management fee paid and payable	(36)	(34)	-	-	(36)	(34)
- Performance management fee paid and payable	(44)	(20)	-	-	(44)	(20)
With the Property Managers						
- Property management fees paid and payable	(2,208)	(3,138)	(2,208)	(3,138)	-	-
With the Trustee						
- FH-REIT Trustee fees paid and payable	(285)	(293)	(285)	(293)	-	-
- Other trustee fees paid and payable	(208)	(202)	(208)	(202)	-	-
Between FH-REIT Group and FH-BT Group						
- Master lease rental received and receivable/(paid and payable)	-	-	10,459	8,944	(10,459)	(8,944)
- Reimbursement of expenses (paid on behalf)/received	-	-	(116)	(139)	116	139

\* Denotes amount less than \$1,000

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#### 24. COMMITMENTS AND CONTINGENCIES

##### (a) Financial guarantee contract

As at 30 September 2021, FH-REIT has provided a corporate guarantee of AUD 120.0 million (SGD 117.8 million) (2020: AUD 120.0 million (SGD 117.3 million)) in respect of the term loan undertaken by a subsidiary (Note 17). As at the reporting date, FHT and the FH-REIT Group do not consider it probable that a claim will be made against FH-REIT under the guarantee.

##### (b) Capital commitments

Capital expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Commitments in respect of:</b>						
- contracted capital expenditure for properties	4,449	5,108	4,247	4,925	202	183

#### 25. FINANCIAL RISK MANAGEMENT

Risk management is integral to the business of FHT. FHT has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors FHT's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Managers are responsible for setting the objectives and underlying principles of financial risk management for FHT. This is supported by comprehensive internal processes and procedures which are formalised in the Managers' organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit, Risk and Compliance Committee of the Managers oversee how management monitors compliance with FHT's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by FHT. The Audit, Risk and Compliance Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit, Risk and Compliance Committee of the Managers. The Audit, Risk and Compliance Committee then reports to the Board of Directors of the Managers on any inadequacies, deficiencies or matters of concern of which the Audit, Risk and Compliance Committee becomes aware or that it suspects, arising from its review of FHT's risk management policies and procedures.

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#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

##### (a) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect FHT's and the FH-REIT Group's total return and Stapled Securityholders' funds and the FH-BT Group's profit or loss. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

##### (i) *Foreign currency risk*

The entities within FHT normally conduct their business in their respective functional currencies.

FHT's foreign currency risk mainly relates to its AUD, Sterling Pound ("GBP"), MYR, JPY and Euro ("EUR") denominated investments, distribution income and interest income from its foreign subsidiaries. The Managers monitor FHT's foreign currency exposures on an ongoing basis and limit its exposure to fluctuations in foreign currency exchange rates by using derivative financial instruments or other suitable financial products. It is the Managers' policy to hedge FHT's anticipated foreign currency exposure in respect of distribution income and interest income, net of anticipated payments required in the same currency from its foreign subsidiaries.

FHT's investments in its Australia, Japan and Malaysia subsidiaries are naturally hedged by taking offshore foreign currency denominated borrowings. In addition, FHT's investments in Australia, Japan, Netherlands and Jersey Channel Islands subsidiaries are hedged partially using AUD, JPY, EUR and GBP denominated cross-currency swaps (Note 18), which mitigate the currency risks relating to the subsidiaries' net assets. The cross-currency swaps are designated as net investment hedges and no ineffectiveness was recognised from these hedges.

To assess hedge effectiveness, FHT determine the economic relationship between the hedge instrument and the hedge item by comparing changes in the carrying amount of debts that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movement in the spot rate (the offset method). FHT's policy is to hedge the net investment only to the extent of debt principal.

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#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Market risk** (cont'd)

(i) **Foreign currency risk** (cont'd)

FHT's exposures to foreign currencies are as follows:

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
<b>FHT</b>						
<b>2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	65	886	2,701	3,863	-	-
Trade and other receivables	1	9,171	78	5,891	1,500	-
Derivative financial instruments	-	225	948	-	-	2,318
	<u>66</u>	<u>10,282</u>	<u>3,727</u>	<u>9,754</u>	<u>1,500</u>	<u>2,318</u>
<b>Financial liabilities</b>						
Trade and other payables	(25)	-	-	-	-	-
Derivative financial instruments	-	-	-	(2,244)	-	-
	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>(2,244)</u>	<u>-</u>	<u>-</u>
<b>Net currency exposure</b>	<b>41</b>	<b>10,282</b>	<b>3,727</b>	<b>7,510</b>	<b>1,500</b>	<b>2,318</b>
<b>2020</b>						
<b>Financial assets</b>						
Cash and cash equivalents	69	693	966	76	-	-
Trade and other receivables	1	14	-	3,650	576	-
Derivative financial instruments	-	7,292	-	3,144	-	-
	<u>70</u>	<u>7,999</u>	<u>966</u>	<u>6,870</u>	<u>576</u>	<u>-</u>
<b>Financial liabilities</b>						
Trade and other payables	(90)	-	-	-	-	-
Derivative financial instruments	-	-	(546)	-	-	(2,511)
	<u>(90)</u>	<u>-</u>	<u>(546)</u>	<u>-</u>	<u>-</u>	<u>(2,511)</u>
<b>Net currency exposure</b>	<b>(20)</b>	<b>7,999</b>	<b>420</b>	<b>6,870</b>	<b>576</b>	<b>(2,511)</b>

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**25. FINANCIAL RISK MANAGEMENT (CONT'D)**

(a) **Market risk (cont'd)**

(i) **Foreign currency risk (cont'd)**

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
<b>FH-REIT Group</b>						
<b>2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	65	9	2,701	3,863	-	-
Trade and other receivables	1	9,171	78	5,891	1,500	-
Derivative financial instruments	-	225	948	-	-	2,318
	<u>66</u>	<u>9,405</u>	<u>3,727</u>	<u>9,754</u>	<u>1,500</u>	<u>2,318</u>
<b>Financial liabilities</b>						
Trade and other payables	(25)	-	-	-	-	-
Derivative financial instruments	-	-	-	(2,244)	-	-
	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>(2,244)</u>	<u>-</u>	<u>-</u>
<b>Net currency exposure</b>	<b>(41)</b>	<b>9,405</b>	<b>3,727</b>	<b>7,510</b>	<b>1,500</b>	<b>2,318</b>
<b>2020</b>						
<b>Financial assets</b>						
Cash and cash equivalents	69	9	966	76	-	-
Trade and other receivables	1	-	-	3,650	576	-
Derivative financial instruments	-	7,292	-	3,144	-	-
	<u>70</u>	<u>7,301</u>	<u>966</u>	<u>6,870</u>	<u>576</u>	<u>-</u>
<b>Financial liabilities</b>						
Trade and other payables	(90)	-	-	-	-	-
Derivative financial instruments	-	-	(546)	-	-	(2,511)
	<u>(90)</u>	<u>-</u>	<u>(546)</u>	<u>-</u>	<u>-</u>	<u>(2,511)</u>
<b>Net currency exposure</b>	<b>(20)</b>	<b>7,301</b>	<b>420</b>	<b>6,870</b>	<b>576</b>	<b>(2,511)</b>

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#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Market risk** (cont'd)

(i) **Foreign currency risk** (cont'd)

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
<b>FH-BT Group</b>						
<b>2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	-	877	-	-	-	-
<b>Net currency exposure</b>	<b>-</b>	<b>877</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2020</b>						
<b>Financial assets</b>						
Cash and cash equivalents	-	684	-	-	-	-
Trade and other receivables	-	14	-	-	-	-
<b>Net currency exposure</b>	<b>-</b>	<b>698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Sensitivity analysis*

A 1% strengthening/weakening of the Singapore dollar against the following currencies during the financial year would (decrease)/increase the total return (before any tax effects) and Stapled Securityholders' funds of FHT and FH-REIT Group and profit or loss (before any tax effects) of FH-BT Group by the amounts as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

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**25. FINANCIAL RISK MANAGEMENT (CONT'D)**

(a) **Market risk (cont'd)**

(i) **Foreign currency risk (cont'd)**

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
<b>FHT 2021</b>						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	-*	101	28	98	15	-
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(507)	(508)	(1,257)	-	(1,267)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	-*	(101)	(28)	(98)	(15)	-
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	497	498	1,232	-	1,267
<b>2020</b>						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	-*	7	10	37	6	-
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(1,028)	(318)	(1,860)	-	(1,383)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	-*	(7)	(10)	(37)	(6)	-
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	1,007	309	1,815	-	1,356

\* Denotes amount less than \$1,000

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#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Market risk** (cont'd)

(i) **Foreign currency risk** (cont'd)

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
<b>FH-REIT Group 2021</b>						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	-*	92	28	98	15	-
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(507)	(508)	(1,257)	-	(1,267)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	-*	(92)	(28)	(98)	(15)	-
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	497	498	1,232	-	1,267

\* Denotes amount less than \$1,000



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**25. FINANCIAL RISK MANAGEMENT (CONT'D)**

(a) **Market risk (cont'd)**

(i) **Foreign currency risk (cont'd)**

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
<b>FH-REIT Group</b>						
<b>2020</b>						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	-*	-*	10	37	6	-
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(1,028)	(318)	(1,860)	-	(1,383)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	-*	-*	(10)	(37)	(6)	-
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	1,007	309	1,815	-	1,356
<b>FH-BT Group</b>						
<b>2021</b>						
Increase in profit or loss for the financial year						
- 1% weakening of the Singapore dollar	-	9	-	-	-	-
Decrease in profit or loss for the financial year						
- 1% strengthening of the Singapore dollar	-	(9)	-	-	-	-
<b>2020</b>						
Increase in profit or loss for the financial year						
- 1% weakening of the Singapore dollar	-	7	-	-	-	-
Decrease in profit or loss for the financial year						
- 1% strengthening of the Singapore dollar	-	(7)	-	-	-	-

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#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Market risk** (cont'd)

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of FHT's financial instruments will fluctuate because of changes in market interest rates.

FHT's exposure to changes in interest rates relate primarily to its interest-bearing borrowings. Interest rate risk is managed by the Managers on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Managers adopt a policy of fixing the interest rates for a portion of its outstanding borrowings via the use of derivative financial instruments or other suitable financial products.

At the reporting date, the interest rate profile of the interest-bearing financial instruments based on their nominal amounts were as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fixed rate instruments</b>						
Borrowings	(270,676)	(271,378)	(270,676)	(271,378)	-	-
<b>Variable rate instruments</b>						
Borrowings	(720,502)	(618,014)	(720,502)	(618,014)	-	-
Interest rate swaps	495,000	395,000	495,000	395,000	-	-
	(225,502)	(223,014)	(225,502)	(223,014)	-	-

*Fair value sensitivity analysis for fixed rate instruments*

FHT does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect total return.

*Sensitivity analysis for variable rate instruments*

A change of 100 basis points (bp) in interest rate at the end of the financial year would increase/ (decrease) total return (before any tax effects) and Stapled Securityholders' funds by the amounts below. This analysis assumes that all other variables remain constant.

FHT and FH-REIT Group Cash flow sensitivity	Stapled Securityholders' funds			
	Total return		Securityholders' funds	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$'000	\$'000	\$'000	\$'000
2021	(2,255)	2,255	14,170	(14,686)
2020	(2,230)	2,230	17,543	(16,585)

#### Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBOR") with alternative nearly risk-free rates (referred to as "IBOR reform"). FHT's main IBOR exposure at the reporting date is Singapore swap offer rate ("SOR"). The alternative reference rate is the Singapore Overnight Rate Average ("SORA").

FHT anticipates that IBOR reform will impact its risk management processes and hedge accounting. The main risks to which FHT is exposed as a result of IBOR reform are operational. For example, renegotiating borrowing contracts through bilateral negotiation with counterparties, implementing new fallback clauses with its derivative counterparties, updating contractual terms and revising operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

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#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Market risk** (cont'd)

(ii) **Interest rate risk** (cont'd)

**Managing interest rate benchmark reform and associated risks** (cont'd)

FHT monitors and manages the transition to alternative rates. FHT evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

FHT monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of non-derivative financial liability contracts and derivatives contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. FHT considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

Borrowings

FHT has floating-rate liabilities indexed to SOR (Note 17). There have been no modifications to FHT's borrowings as at 30 September 2021 as a result of IBOR reform. FHT is in discussions with the counterparties of respective borrowings to amend the contractual terms in response to IBOR reform.

The following table shows the total amounts of the unreformed borrowings and amounts that include appropriate fallback language at 1 October 2020 and at 30 September 2021. The amounts shown in the table are the notional amounts.

	SOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000
<b>FHT and FH-REIT Group</b>		
<b>30 September 2021</b>		
Bank loans (unsecured)	434,000	434,000
<b>1 October 2020</b>		
Bank loans (unsecured)	420,000	420,000

Derivatives

Interest rate derivative financial instruments in respect of FHT's borrowings have been entered into to achieve an appropriate mix of fixed and floating rate exposures within FHT's policy. Generally, the maturities of these interest rate derivative financial instruments follow the maturities of the related borrowings.

FHT holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. As at the reporting date, the interest rate swaps (Note 18), have been assessed to be highly effective and no material ineffectiveness have been recognised in the Statement of Total Return.

The interest rate swaps have floating legs that are indexed to SOR or SORA. FHT's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association's ("ISDA") master agreements. There have been no modifications to FHT's derivative financial instruments as at 30 September 2021 as a result of IBOR reform. FHT is in discussions with the counterparties of respective derivative financial instruments to amend the contractual terms in response to IBOR reform.

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Market risk** (cont'd)

(ii) **Interest rate risk** (cont'd)

Derivatives (cont'd)

ISDA has reviewed its definitions in light of IBOR reform and issued an IBOR fallbacks supplement on 23 October 2020, which became effective on 25 January 2021. This sets out how the amendments to new alternative benchmark rates (e.g. Secured Overnight Financing Rate ("SOFR"), Sterling Overnight Index Average ("SONIA")) in the 2006 ISDA definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. FHT has adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement. If derivative counterparties also adhere to the protocol, then new fallbacks will be automatically implemented in existing derivative contracts when the supplement became effective - i.e. on 25 January 2021. From that date, all new derivatives that reference the ISDA definitions will also include the fallbacks. Consequently, FHT is monitoring whether its counterparties will also adhere to the protocol and, if there are counterparties that will not, then FHT plans to negotiate with them bilaterally about inclusion of new fallback clauses.

The following table shows the amounts of unreformed derivative instruments and amounts that include appropriate fallback language at 1 October 2020 and as at 30 September 2021.

	SOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000
<b>FHT and FH-REIT Group</b>		
<b>30 September 2021</b>		
Interest rate swaps	395,000	395,000
<b>1 October 2020</b>		
Interest rate swaps	395,000	395,000

Hedge accounting

FHT has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 30 September 2021. FHT's existing hedged items and hedging instruments continue to be indexed to IBOR benchmark rate which is SOR. New hedged items and hedging instruments entered in the current year are indexed to SORA.

FHT's SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. FHT applies the amendments to FRS 109/SFRS(I) 9 to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

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## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

##### (b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations with FHT, as and when they fall due.

##### *Trade and other receivables*

FHT's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The REIT Manager has established credit limits for lessees and monitor their balances on an ongoing basis. Credit evaluations are performed by the REIT Manager before lease agreements are entered into with the lessees. Credit risk is also mitigated by the rental deposits held for each lessee. The security deposits, equivalent to 8 months of the monthly fixed rent, were received in cash (except for The Westin Kuala Lumpur which was provided in the form of banker's guarantee and Maritim Dresden) under the Master Lease Agreements.

In addition, Frasers Property Limited and TCC Land International Limited have granted a corporate guarantee to FH-REIT for the performance of certain master lessees and retail master lessee respectively. Upon default, the corporate guarantors will pay the rent and other sums payable under the Master Lease Agreement and the Retail Master Lease Agreement respectively.

##### Credit risk concentration profile

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. At the end of the reporting period, approximately 78.6% of FHT's trade and other receivables were due from two third parties. In 2020, approximately 13.9% of FHT's trade and other receivables were due from a third party. Other than as disclosed herein, FHT has no significant concentration of credit risk at the reporting date.

##### Expected credit loss assessment for individual lessees and customers

FHT uses an allowance matrix to measure the ECLs of trade receivables.

For the allowance matrix, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated based on actual credit loss experiences, adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and FHT's view of economic conditions over the expected lives of the receivables.

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For the year ended 30 September 2021

#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Credit risk (cont'd)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Not past due \$'000	Past due 1 – 30 days \$'000	Past due 31 – 60 days \$'000	Past due 61 – 90 days \$'000	Past due over 90 days \$'000	Total \$'000
<b>2021</b>						
<b>FHT</b>						
Gross carrying amount	2,804	4	-	79	5,695	8,582
Allowance for impairment loss	-	-	-	(79)	(5,695)	(5,774)
Credit impaired	No	No	N/A	Yes	Yes	
<b>FH-REIT Group</b>						
Gross carrying amount	2,725	-	-	79	5,695	8,499
Allowance for impairment loss	-	-	-	(79)	(5,695)	(5,774)
Credit impaired	No	N/A	N/A	Yes	Yes	
<b>FH-BT Group</b>						
Gross carrying amount	2,171	4	-	-	-	2,175
Allowance for impairment loss	-	-	-	-	-	-
Credit impaired	No	No	N/A	N/A	N/A	
<b>2020</b>						
<b>FHT</b>						
Gross carrying amount	197	348	-	102	1,613	2,260
Allowance for impairment loss	(37)	(291)	-	(79)	(1,333)	(1,740)
Credit impaired	No	No	N/A	No	Yes	
<b>FH-REIT Group</b>						
Gross carrying amount	1,167	348	-	102	1,613	3,230
Allowance for impairment loss	(37)	(291)	-	(79)	(1,333)	(1,740)
Credit impaired	No	No	N/A	No	Yes	
<b>FH-BT Group</b>						
Gross carrying amount	-	-	-	-	-	-
Allowance for impairment loss	-	-	-	-	-	-
Credit impaired	N/A	N/A	N/A	N/A	N/A	

N/A - not applicable

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

##### (b) Credit risk (cont'd)

###### Movement in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October	(1,740)	-	(1,740)	-	-	-
Impairment loss recognised	(4,137)	(1,690)	(4,137)	(1,690)	-	-
Translation differences	103	(50)	103	(50)	-	-
At 30 September	(5,774)	(1,740)	(5,774)	(1,740)	-	-

FHT establishes allowances for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade receivables, after taking into account any collateral held. The Managers believe that no additional exposure beyond what was provided for is inherent in the trade receivables.

Impairment losses are recognised in Statement of Total Return.

###### Derivatives

Derivatives are only entered into with banks and financial institution counterparties with sound credit ratings. Details of the derivatives are set out in Note 18.

###### Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. FHT considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

##### (c) Liquidity risk

Liquidity risk is the risk that FHT will encounter difficulty in meeting its financial obligations due to shortage of funds. The Managers monitor and maintain a level of cash and cash equivalents deemed adequate to finance FHT's operations for a reasonable period, including the servicing of financing obligations, and to mitigate the effects of fluctuations in cash flows. In addition, the REIT Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings. As at end of the financial year, FHT maintains several lines of credit (Note 17).

FHT has contractual commitments to incur capital expenditure at the reporting date (Note 24(b)).

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

#### (c) Liquidity risk (cont'd)

The table below summarises the maturity profile of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements at the reporting date based on contractual undiscounted repayment obligations:

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	
<b>FHT 2021</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(11,149)	(10,847)	(30)	(272)	(11,149)
Borrowings	(988,507)	(202,734)	(788,444)	-	(991,178)
Interest payable on borrowings	(4,751)	(15,587)	(28,186)	-	(43,773)
Lease liabilities	(3,085)	-	-	(21,009)	(21,009)
Rental deposits	(23,698)	-	(7,209)	(24,295)	(31,504)
	<u>(1,031,190)</u>	<u>(229,168)</u>	<u>(823,869)</u>	<u>(45,576)</u>	<u>(1,098,613)</u>
<b>Derivative financial instruments</b>					
Interest rate swaps (net-settled)	(9,585)	(4,385)	(5,249)	-	(9,634)
Cross-currency swaps (gross-settled)	(2,244)				
- outflow		(126,225)	(224,127)	-	(350,352)
- inflow		126,010	230,086	-	356,096
	<u>(11,829)</u>	<u>(4,600)</u>	<u>710</u>	<u>-</u>	<u>(3,890)</u>
	<u>(1,043,019)</u>	<u>(233,768)</u>	<u>(823,159)</u>	<u>(45,576)</u>	<u>(1,102,503)</u>
<b>2020</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(13,199)	(12,854)	(31)	(314)	(13,199)
Borrowings	(886,388)	(50,000)	(739,392)	(100,000)	(889,392)
Interest payable on borrowings	(3,761)	(20,353)	(56,099)	(1,726)	(78,178)
Lease liabilities	(2,953)	-	-	(20,934)	(20,934)
Rental deposits	(23,281)	-	-	(31,576)	(31,576)
	<u>(929,582)</u>	<u>(83,207)</u>	<u>(795,522)</u>	<u>(154,550)</u>	<u>(1,033,279)</u>
<b>Derivative financial instruments</b>					
Interest rate swaps (net-settled)	(21,886)	(5,785)	(16,516)	(900)	(23,201)
Cross-currency swaps (gross-settled)	(3,057)				
- outflow		(31,990)	(137,087)	-	(169,077)
- inflow		33,047	132,961	-	166,008
	<u>(24,943)</u>	<u>(4,728)</u>	<u>(20,642)</u>	<u>(900)</u>	<u>(26,270)</u>
	<u>(954,525)</u>	<u>(87,935)</u>	<u>(816,164)</u>	<u>(155,450)</u>	<u>(1,059,549)</u>

\* excluding VAT/GST payable, interest payable and advanced deposits (as the case may be)



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FHT FOR FY2021**

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**Notes to the  
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For the year ended 30 September 2021

**25. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(c) Liquidity risk (cont'd)**

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	
<b>FH-REIT Group</b>					
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(8,603)	(8,603)	-	-	(8,603)
Borrowings	(988,507)	(202,734)	(788,444)	-	(991,178)
Interest payable on borrowings	(4,751)	(15,587)	(28,186)	-	(43,773)
Lease liabilities	(3,085)	-	-	(21,009)	(21,009)
Rental deposits	(25,725)	-	(7,209)	(28,142)	(35,351)
	<u>(1,030,671)</u>	<u>(226,924)</u>	<u>(823,839)</u>	<u>(49,151)</u>	<u>(1,099,914)</u>
<b>Derivative financial instruments</b>					
Interest rate swaps (net-settled)	(9,585)	(4,385)	(5,249)	-	(9,634)
Cross-currency swaps (gross-settled)	(2,244)	-	-	-	-
- outflow		(126,225)	(224,127)	-	(350,352)
- inflow		126,010	230,086	-	356,096
	<u>(11,829)</u>	<u>(4,600)</u>	<u>710</u>	<u>-</u>	<u>(3,890)</u>
	<u>(1,042,500)</u>	<u>(231,524)</u>	<u>(823,129)</u>	<u>(49,151)</u>	<u>(1,103,804)</u>
<b>2020</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(11,878)	(11,878)	-	-	(11,878)
Borrowings	(886,338)	(50,000)	(739,392)	(100,000)	(889,392)
Interest payable on borrowings	(3,761)	(20,353)	(56,099)	(1,726)	(78,178)
Lease liabilities	(2,953)	-	-	(20,934)	(20,934)
Rental deposits	(25,217)	-	-	(35,410)	(35,410)
	<u>(930,147)</u>	<u>(82,231)</u>	<u>(795,491)</u>	<u>(158,070)</u>	<u>(1,035,792)</u>
<b>Derivative financial instruments</b>					
Interest rate swaps (net-settled)	(21,886)	(5,785)	(16,516)	(900)	(23,201)
Cross-currency swaps (gross-settled)	(3,057)	-	-	-	-
- outflow		(31,990)	(137,087)	-	(169,077)
- inflow		33,047	132,961	-	166,008
	<u>(24,943)</u>	<u>(4,728)</u>	<u>(20,642)</u>	<u>(900)</u>	<u>(26,270)</u>
	<u>(955,090)</u>	<u>(86,959)</u>	<u>(816,133)</u>	<u>(158,970)</u>	<u>(1,062,062)</u>

\* excluding VAT/GST payable, interest payable and advanced deposits (as the case may be)

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 25. FINANCIAL RISK MANAGEMENT (CONT'D)

#### (c) Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	
<b>FH-BT Group</b>					
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(6,922)	(6,620)	(30)	(272)	(6,922)
Lease liabilities	(67,342)	(5,771)	(23,083)	(57,706)	(86,560)
	<u>(74,264)</u>	<u>(12,391)</u>	<u>(23,113)</u>	<u>(57,978)</u>	<u>(93,482)</u>
<b>2020</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(3,939)	(3,594)	(31)	(314)	(3,939)
Lease liabilities	(70,450)	(5,750)	(23,000)	(63,250)	(92,000)
	<u>(74,389)</u>	<u>(9,344)</u>	<u>(23,031)</u>	<u>(63,564)</u>	<u>(95,939)</u>

\* excluding VAT/GST payable, interest payable and advanced deposits (as the case may be)

The maturity analyses above show the contractual undiscounted cash flows of FHT's financial liabilities on the basis of their earliest possible contractual maturity. Derivative financial instruments held are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

### 26. FAIR VALUE OF ASSETS AND LIABILITIES

#### (a) Fair value hierarchy

FHT classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices); and

Level 3 - Inputs from the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between levels during the financial years ended 30 September 2021 and 30 September 2020.

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FHT FOR FY2021**

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**Notes to the  
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For the year ended 30 September 2021

**26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)**

**(b) Classifications and fair values**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels of hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value when the carrying amount is a reasonable approximation of fair value. The fair value disclosure of lease liabilities is not required.

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
<b>FHT 2021</b>						
<b>Financial assets measured at fair value:</b>						
Derivative financial instruments	18					
- interest rate swaps		77	-	-	77	-
- cross-currency swaps		3,491	-	-	3,491	-
		<u>3,568</u>	<u>-</u>	<u>-</u>		
<b>Financial assets not measured at fair value:</b>						
Trade and other receivables*		-	-	11,883		
Cash and cash equivalents	13	-	-	78,187		
		<u>-</u>	<u>-</u>	<u>90,070</u>		
<b>Financial liabilities measured at fair value:</b>						
Derivative financial instruments	18					
- interest rate swaps		(9,585)	-	-	(9,585)	-
- cross-currency swaps		(2,244)	-	-	(2,244)	-
		<u>(11,829)</u>	<u>-</u>	<u>-</u>		
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables**		-	-	(15,900)		
Borrowings		-	-	(988,507)	(991,953)	-
Lease liabilities		-	-	(3,085)		
Rental deposits		-	-	(23,698)	-	(25,774)
		<u>-</u>	<u>-</u>	<u>(1,031,190)</u>		

\* excluding net VAT/GST receivables

\*\* excluding net VAT/GST payable and advanced deposits

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## Notes to the Financial Statements

For the year ended 30 September 2021

### 26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Classifications and fair values (cont'd)*

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
<b>FHT 2020</b>						
<b>Financial assets measured at fair value:</b>						
Derivative financial instruments	18					
- cross-currency swaps		10,436	-	-	10,436	-
		<u>10,436</u>	<u>-</u>	<u>-</u>		
<b>Financial assets not measured at fair value:</b>						
Trade and other receivables*		-	-	2,048		
Cash and cash equivalents	13	-	-	92,473		
		<u>-</u>	<u>-</u>	<u>94,521</u>		
<b>Financial liabilities measured at fair value:</b>						
Derivative financial instruments	18					
- interest rate swaps		(21,886)	-	-	(21,886)	-
- cross-currency swaps		(3,057)	-	-	(3,057)	-
		<u>(24,943)</u>	<u>-</u>	<u>-</u>		
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables**		-	-	(16,960)		
Borrowings		-	-	(886,388)	(888,335)	-
Lease liabilities		-	-	(2,953)		
Rental deposits		-	-	(23,281)	-	(23,032)
		<u>-</u>	<u>-</u>	<u>(929,582)</u>		

\* excluding net VAT/GST receivables

\*\* excluding net VAT/GST payable and advanced deposits

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FHT FOR FY2021**

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**Notes to the  
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For the year ended 30 September 2021

**26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)**

*(b) Classifications and fair values (cont'd)*

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
<b>FH-REIT GROUP 2021</b>						
<b>Financial assets measured at fair value:</b>						
Derivative financial instruments	18					
- interest rate swaps		77	-	-	77	-
- cross-currency swaps		3,491	-	-	3,491	-
		<u>3,568</u>	<u>-</u>	<u>-</u>		
<b>Financial assets not measured at fair value:</b>						
Trade and other receivables*		-	-	13,386		
Cash and cash equivalents	13	-	-	73,715		
		<u>-</u>	<u>-</u>	<u>87,101</u>		
<b>Financial liabilities measured at fair value:</b>						
Derivative financial instruments	18					
- interest rate swaps		(9,585)	-	-	(9,585)	
- cross-currency swaps		(2,244)	-	-	(2,244)	
		<u>(11,829)</u>	<u>-</u>	<u>-</u>		
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables**		-	-	(13,354)		
Borrowings		-	-	(988,507)	(991,953)	-
Lease liabilities		-	-	(3,085)		
Rental deposits		-	-	(25,725)	-	(28,878)
		<u>-</u>	<u>-</u>	<u>(1,030,671)</u>		

\* excluding net VAT/GST receivables

\*\* excluding net VAT/GST payable and advanced deposits

# APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

## Notes to the Financial Statements

For the year ended 30 September 2021

### 26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Classifications and fair values (cont'd)*

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
<b>FH-REIT GROUP</b>						
<b>2020</b>						
<b>Financial assets measured at fair value:</b>						
Derivative financial instruments	18					
- cross-currency swaps		10,436	-	-	10,436	-
		<u>10,436</u>	<u>-</u>	<u>-</u>		
<b>Financial assets not measured at fair value:</b>						
Trade and other receivables*		-	-	3,655		
Cash and cash equivalents	13	-	-	88,969		
		<u>-</u>	<u>-</u>	<u>92,624</u>		
<b>Financial liabilities measured at fair value:</b>						
Derivative financial instruments	18					
- interest rate swaps		(21,886)	-	-	(21,886)	-
- cross-currency swaps		(3,057)	-	-	(3,057)	-
		<u>(24,943)</u>	<u>-</u>	<u>-</u>		
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables**		-	-	(15,639)		
Borrowings		-	-	(886,388)	(888,335)	-
Lease liabilities		-	-	(2,953)		
Rental deposits		-	-	(25,217)	-	(25,828)
		<u>-</u>	<u>-</u>	<u>(930,197)</u>		

\* excluding net VAT/GST receivables

\*\* excluding net VAT/GST payable and advanced deposits

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**26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)**

*(b) Classifications and fair values (cont'd)*

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
<b>FH-BT GROUP</b>						
<b>2021</b>						
<b>Financial assets not measured at fair value:</b>						
Trade and other receivables*		-	-	2,175		
Cash and cash equivalents	13	-	-	4,472		
Rental deposits		-	-	2,027	-	3,104
		-	-	8,674		
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables**		-	-	(6,922)		
Lease liabilities		-	-	(67,342)		
		-	-	(74,264)		
<b>2020</b>						
<b>Financial assets not measured at fair value:</b>						
Trade and other receivables*		-	-	256		
Cash and cash equivalents	13	-	-	3,504		
Rental deposits		-	-	1,936	-	2,796
		-	-	5,696		
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables**		-	-	(3,939)		
Lease liabilities		-	-	(70,450)		
		-	-	(74,389)		

\* excluding net VAT/GST receivables

\*\* excluding net VAT/GST payable and advanced deposits

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#### 26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

##### (c) *Determination of fair value*

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

##### (i) *Derivative financial instruments*

The fair value measurement for derivative financial instruments has been categorised as a Level 2 fair value.

Interest rate swaps and cross currency swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include swap models, using present valuation calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

##### (ii) *Other financial assets and liabilities not measured at fair value*

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values due to their short term nature.

The carrying amount of variable rate interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

The fair value of financial assets and financial liabilities (including non-current rental deposits and non-current fixed rate interest-bearing borrowings) are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date or based on their quoted ask price at the reporting date, where appropriate.



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#### 26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

##### (c) Determination of fair value (cont'd)

##### (iii) Properties

The fair values measurement for properties – investment properties (Note 10) and property, plant and equipment (Note 11) have been categorised as a Level 3 fair value.

##### Information about valuation techniques and significant unobservable inputs

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the properties categorised under Level 3 of the fair value hierarchy.

Countries	Valuation techniques	Significant unobservable inputs	2021 Range	2020 Range
Asia	Discounted cash flow method	Discount rate	4.30% – 8.00%	4.50% – 8.00%
		Terminal capitalisation rate	3.75% – 6.25%	4.00% – 6.00%
	Capitalisation method	Capitalisation rate	3.50% – 4.60%	-
	Direct comparison method	Transacted price of comparable properties	\$18,840 psm – \$28,160 psm \$932,754 per room – \$1,388,889 per room	-
Australia	Discounted cash flow method	Discount rate	6.00% – 7.00%	7.00% – 7.75%
		Terminal capitalisation rate	4.75% – 5.50%	5.50% – 6.25%
	Capitalisation method	Capitalisation rate	4.50% – 5.25%	5.25% – 6.00%
Europe	Discounted cash flow method	Discount rate	7.25% – 10.25%	7.00% – 9.75%
		Terminal capitalisation rate	5.25% – 8.25%	5.00% – 7.75%
	Core and top-slice	Market rent yield	4.75%	-
Froth rent yield		7.75%	-	

##### Interrelationship between key unobservable inputs and fair value measurement

The estimated fair values vary inversely against the discount rate, terminal capitalisation rate, capitalisation rate, and market and froth rent yield rates. The estimated fair values would increase with higher transacted price of comparable properties.

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### 26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

#### (c) *Determination of fair value (cont'd)*

##### (iii) *Properties (cont'd)*

###### **Level 3 assets measured at fair value**

Level 3 assets, which comprise investment properties and property, plant and equipment. Reconciliations from the beginning balances to the ending balances for fair value measurements of Level 3 assets have been disclosed in Note 10 and Note 11.

###### **Valuation policies and procedures**

The fair values of the properties are determined annually by independent professional valuers.

The independent professional valuers are experts who possess the relevant credentials and knowledge on the subject of property valuation and valuation methodologies to perform the valuation. For valuations performed by the independent professional valuers, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by FHT) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, the independent professional valuers are required to recalibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by FHT with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

In accordance with FHT's reporting policies, the valuation process and the results of the independent valuations are reviewed at least once a year by the Audit, Risk and Compliance Committee before the results are presented to the Board of Directors for approval.

### 27. CAPITAL MANAGEMENT

The primary objective of FHT's capital management is to ensure that it maintains an optimal capital structure to support the business and maximise Stapled Securityholders' value.

FHT is in compliance with all externally imposed capital requirements for the financial years ended 30 September 2021 and 30 September 2020. There are no substantial changes in FHT's approach to capital management during the year.

As at 30 September 2021, the FH-REIT Group's aggregate leverage ratio<sup>(1)</sup> was 42.2% (2020: 37.7%) with an interest coverage ratio<sup>(2)</sup> of 2.3 times (2020: 2.3 times), which were within the guidelines prescribed under the Property Fund Guidelines of the CIS Code issued by MAS.

<sup>(1)</sup> The impact of FRS 116 Leases (adopted with effect from 1 October 2020) has been excluded for the purpose of computing the aggregate leverage ratio.

<sup>(2)</sup> For purpose of computing interest coverage ratio, interest expense excludes the unwinding of discounting effect on present value of lease liability and long term security deposits payable.

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#### 28. OPERATING SEGMENTS

Segment information is presented in respect of FHT's operating segments from two dimensions: (a) geographical; and (b) line of business.

The operations of each of FHT's geographical segments are separately managed because of the different economic environments in which they operate in. This forms the basis of identifying the geographical segments of FHT. There are six (2020: six) reportable geographical segments, as described below:

- Singapore - two investment properties are leased and one operated as a hotel, the other as a serviced residence
- Australia - three Sydney investment properties are leased, two operated as hotels, and one as a serviced residence
  - Novotel Melbourne on Collins is operated under a management contract
- Malaysia - one investment property is leased and operated as a hotel
- Japan - one investment property is leased and operated as a hotel
- United Kingdom - six investment properties are leased, four operated as serviced residences and the other two as hotels
- Germany - one investment property is leased and operated as a hotel

The operations of FHT under master leases and hotel under management contract have different risks and returns. This forms the basis of identifying the business segments of FHT. There are two (2020: two) reportable business segments, as described below:

- Master leases - the properties are leased to tenants/master lessees in the hospitality industry to operate as hotels or serviced residences for which FHT earns master lease rental income
- Hotel under management contract - the property is managed by a hotel operator who is paid a management fee to run the hotel operations for FHT

For the purpose of monitoring segment performance, CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Information regarding FHT's reportable segments is presented in the following tables.

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#### 28. OPERATING SEGMENTS (CONT'D)

##### Major Customers

Revenue from related companies of the Managers accounted for approximately SGD 57.6 million (2020: SGD 59.7 million) of the revenue of the FH-REIT Group. Such revenue is attributable to all geographical segments of the FH-REIT Group except for Germany.

##### (a) By geographical segments

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	UK \$'000	Germany \$'000	Total \$'000
<b>FHT</b>							
<b>1 October 2020 to 30 September 2021</b>							
Revenue from external parties	16,329	39,275	4,806	7,522	11,198	6,402	85,532
Property operating expenses	(3,967)	(14,685)	(565)	(2,966)	(1,519)	(4,204)	(27,906)
<b>Segment net property income</b>	<b>12,362</b>	<b>24,590</b>	<b>4,241</b>	<b>4,556</b>	<b>9,679</b>	<b>2,198</b>	<b>57,626</b>
Depreciation	-	(3,929)	-	-	-	-	(3,929)
Net change in fair value of investment properties	(1,087)	5,770	(5,586)	2,096	(1,926)	(3,841)	(4,574)
Revaluation of property, plant and equipment	-	8,444	-	-	-	-	8,444
<b>Total reportable segment return</b>							<b>57,567</b>
Unallocated items:							
- Finance income							210
- Trust expenses							(11,561)
- Amortisation of debt upfront costs							(952)
- Finance costs							(20,415)
- Foreign exchange loss, net							(26)
- Net change in fair value of derivative financial instruments							(77)
- Realised gain on derivative financial instruments, net							(16)
<b>Total return for the year, before tax</b>							<b>24,730</b>
Taxation							(8,422)
<b>Total return for the year</b>							<b>16,308</b>
Reportable segmental non-current assets	801,568	728,488	118,827	198,094	316,504	93,237	2,256,718
Reportable segmental current assets	11,945	35,096	5,350	18,902	15,582	5,590	92,465
<b>Total assets for reportable segments</b>	<b>813,513</b>	<b>763,584</b>	<b>124,177</b>	<b>216,996</b>	<b>332,086</b>	<b>98,827</b>	<b>2,349,183</b>
<b>Capital expenditure</b>	<b>1,087</b>	<b>1,375</b>	<b>66</b>	<b>1,601</b>	<b>827</b>	-	<b>4,956</b>

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**28. OPERATING SEGMENTS (CONT'D)**

(a) *By geographical segments (cont'd)*

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	UK \$'000	Germany \$'000	Total \$'000
<b>FHT</b>							
<b>1 October 2019 to 30 September 2020</b>							
Revenue from external parties	19,510	38,390	4,852	7,791	11,228	6,802	88,573
Property operating expenses	(4,442)	(15,824)	(570)	(3,046)	(2,987)	(1,873)	(28,742)
<b>Segment net property income</b>	<b>15,068</b>	<b>22,566</b>	<b>4,282</b>	<b>4,745</b>	<b>8,241</b>	<b>4,929</b>	<b>59,831</b>
Depreciation	-	(3,921)	-	-	-	-	(3,921)
Net change in fair value of investment properties	(39,688)	(23,946)	(12,373)	(14,672)	(34,194)	(11,904)	(136,777)
Revaluation of property, plant and equipment	-	(9,208)	-	-	-	-	(9,208)
<b>Total reportable segment return</b>							<b>(90,075)</b>
Unallocated items:							
- Finance income							329
- Trust expenses							(12,852)
- Amortisation of debt upfront costs							(824)
- Finance costs							(19,750)
- Foreign exchange loss, net							(165)
- Net change in fair value of derivative financial instruments							(328)
- Realised gain on derivative financial instruments, net							256
<b>Total return for the year, before tax</b>							<b>(123,409)</b>
Taxation							9,981
<b>Total return for the year</b>							<b>(113,428)</b>
Reportable segmental non-current assets	807,991	715,568	127,166	207,495	306,265	98,739	2,263,224
Reportable segmental current assets	41,079	18,855	4,477	21,871	7,272	4,571	98,125
<b>Total assets for reportable segments</b>	<b>849,070</b>	<b>734,423</b>	<b>131,643</b>	<b>229,366</b>	<b>313,537</b>	<b>103,310</b>	<b>2,361,349</b>
<b>Capital expenditure</b>	<b>688</b>	<b>4,089</b>	<b>902</b>	<b>3,079</b>	<b>1,180</b>	<b>91</b>	<b>10,029</b>

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#### 28. OPERATING SEGMENTS (CONT'D)

##### (b) Reconciliation of reportable total return

	FHT	
	2021	2020
	\$'000	\$'000
<b>Total return</b>		
Total reportable segment return	57,567	(90,075)
Unallocated items	(41,259)	(23,353)
Consolidated total return	16,308	(113,428)

##### (c) By business segments

	Master leases \$'000	Hotel under management contract \$'000	Consolidation adjustments \$'000	Total \$'000
<b>FHT</b>				
<b>1 October 2020 to 30 September 2021</b>				
Revenue	75,586	20,405	(10,459)	85,532
Property operating expenses	(18,842)	(13,621)	4,557	(27,906)
<b>Segment net property income</b>	<b>56,744</b>	<b>6,784</b>	<b>(5,902)</b>	<b>57,626</b>
Depreciation	-	(4,570)	641	(3,929)
Net change in fair value of investment properties	326	-	(4,900)	(4,574)
Revaluation of property, plant and equipment	-	-	8,444	8,444
Finance income	210	86	(86)	210
Trust expenses	(11,408)	(153)	-	(11,561)
Amortisation of debt upfront costs	(952)	-	-	(952)
Finance costs	(20,502)	(2,465)	2,552	(20,415)
Foreign exchange (loss)/gain, net	(24)	(2)	-	(26)
Net change in fair value of derivative financial instruments	(77)	-	-	(77)
Realised gain on derivative financial instruments, net	(16)	-	-	(16)
<b>Total return for the year, before tax</b>				<b>24,730</b>
Taxation				(8,422)
<b>Total return for the year</b>				<b>16,308</b>
Inter-segment revenue	10,459	-	(10,459)	-
Revenue from external parties	65,127	20,405	-	85,532
<b>Total segment revenue</b>	<b>75,586</b>	<b>20,405</b>	<b>(10,459)</b>	<b>85,532</b>
Reportable segmental non-current assets	2,254,605	69,392	(67,279)	2,256,718
Reportable segmental current assets	89,294	6,849	(3,678)	92,465
<b>Total assets for reportable segments</b>	<b>2,343,899</b>	<b>76,241</b>	<b>(70,957)</b>	<b>2,349,183</b>
<b>Capital expenditure</b>	<b>4,449</b>	<b>507</b>	<b>-</b>	<b>4,956</b>

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**28. OPERATING SEGMENTS (CONT'D)**

*(c) By business segments*

	Master leases \$'000	Hotel under management contract \$'000	Consolidation adjustments \$'000	Total \$'000
<b>FHT</b>				
<b>1 October 2019 to 30 September 2020</b>				
Revenue	76,676	20,841	(8,944)	88,573
Property operating expenses	(17,619)	(14,956)	3,833	(28,742)
<b>Segment net property income</b>	<b>59,057</b>	<b>5,885</b>	<b>(5,111)</b>	<b>59,831</b>
Depreciation	-	(4,322)	401	(3,921)
Net change in fair value of investment properties	(149,604)	-	12,827	(136,777)
Revaluation of property, plant and equipment	-	-	(9,208)	(9,208)
Finance income	326	80	(77)	329
Trust expenses	(12,720)	(132)	-	(12,852)
Amortisation of debt upfront costs	(824)	-	-	(824)
Finance costs	(19,828)	(2,418)	2,496	(19,750)
Foreign exchange (loss)/gain, net	(198)	33	-	(165)
Net change in fair value of derivative financial instruments	(328)	-	-	(328)
Realised gain on derivative financial instruments, net	256	-	-	256
<b>Total return for the year, before tax</b>				<b>(123,409)</b>
Taxation				9,981
<b>Total return for the year</b>				<b>(113,428)</b>
Inter-segment revenue	8,944	-	(8,944)	-
Revenue from external parties	67,732	20,841	-	88,573
<b>Total segment revenue</b>	<b>76,676</b>	<b>20,841</b>	<b>(8,944)</b>	<b>88,573</b>
Reportable segmental non-current assets	2,260,764	73,521	(71,061)	2,263,224
Reportable segmental current assets	95,996	3,992	(1,863)	98,125
<b>Total assets for reportable segments</b>	<b>2,356,760</b>	<b>77,513</b>	<b>(72,924)</b>	<b>2,361,349</b>
<b>Capital expenditure</b>	<b>9,339</b>	<b>690</b>	<b>-</b>	<b>10,029</b>

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#### 29. LEASES

##### (a) Leases as lessee (FRS 116/SFRS(I) 16)

FH-REIT Group has a ground lease with initial lease term of 84 years. The lease rent is subject to periodical increases throughout the lease term under the ground lease agreement. As at 30 September 2021, FH-REIT Group has lease rents to be paid in the future, commencing from September 2048 for 50 years.

FH-BT Group has a master lease agreement with FH-REIT Group for the lease of building – Novotel Melbourne on Collins, with an initial lease term of 20 years and an option to renew the lease for an additional lease term of 20 years.

Information about leases for which FHT, the FH-REIT Group and the FH-BT Group as lessees is presented below.

##### Right-of-use assets

ROU assets related to leased properties that do not meet the definition of investment property is presented as property, plant and equipment.

	Building \$'000
<b>FH-BT Group</b>	
At 1 October 2019	66,933
Depreciation charge for the year	(3,976)
Translation differences	3,232
At 30 September 2020	66,189
At 1 October 2020	66,189
Depreciation charge for the year	(4,246)
Translation differences	332
At 30 September 2021	62,275

##### Amounts recognised in the Statement of Total Return/Profit or Loss

	FHT \$'000	FH-REIT Group \$'000	FH-BT Group \$'000
<b>2021</b>			
Interest on lease liabilities	124	124	2,465
Expenses relating to leases with variable rent	-	-	4,557
<b>2020</b>			
Interest on lease liabilities	111	111	2,418
Expenses relating to leases with variable rent	-	-	3,417

##### Amounts recognised in Statement of Cash Flows

During the financial year, total cash outflow for leases under SFRS(I) 16 for the FH-BT Group is SGD 5.9 million (2020: SGD 5.5 million).



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#### 29. LEASES (CONT'D)

##### (a) Leases as lessee (FRS 116/SFRS(I) 16) (cont'd)

###### Extension options

A property lease contain extension option exercisable by the FH-BT Group before the end of the non-cancellable contract period. Where practicable, the FH-BT Group seeks to include extension option in new leases to provide operational flexibility. The extension option held is exercisable only by the FH-BT Group and not by the lessor. The FH-BT Group assesses at lease commencement date whether it is reasonably certain to exercise the extension option. The FH-BT Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its control.

The FH-BT Group has estimated that the potential future lease payments that are not reflected in the measurement of lease liabilities, should they exercise the extension option, would result in an increase in future cash outflows of SGD 115.4 million (2020: SGD 115.0 million).

##### (b) Leases as lessor

The FH-REIT Group leases out their investment properties consisting of hotels and serviced residences. All leases are classified as operating leases from a lessor's perspective.

###### Operating lease

FH-REIT Group leases out its investment properties to related companies and FH-BT Group, with the exception of Maritim Hotel Dresden which is leased to a third party lessee. The leases are for an initial lease term between 10 to 20 years with an option by each of the lessee to renew the lease for an additional lease term between 5 to 20 years.

The FH-REIT Group have classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The portfolio statement sets out information about the operating leases of investment properties.

Rental revenue from investment properties recognised by the FH-REIT Group is disclosed in Note 10.

The following table sets out a maturity analysis of minimum lease payments, showing the undiscounted lease payments to be received after the reporting date.

	FHT Group \$'000	FH-REIT Group \$'000
<b>2021</b>		
Less than 1 year	57,546	63,316
1 to 2 years	57,546	63,316
2 to 3 years	55,220	60,991
3 to 4 years	46,733	52,503
4 to 5 years	46,733	52,503
More than 5 years	381,366	439,336
Total	645,144	731,965
<b>2020</b>		
Less than 1 year	57,824	63,574
1 to 2 years	57,824	63,574
2 to 3 years	57,824	63,574
3 to 4 years	55,533	61,283
4 to 5 years	46,642	52,392
More than 5 years	428,010	491,575
Total	703,657	795,972

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### 30. GOVERNMENT GRANTS

#### Singapore

There were the following government grants, collectively the “government grants”:

- Under the Resilience Budget announced on 26 March 2020, qualifying non-residential properties (“qualifying properties”) will be granted property tax rebate for the period of 1 January 2020 to 31 December 2020. Under the Resilience Budget, owners of qualifying properties will be granted rebates of up to 100% on their property tax payable. Owners are required to unconditionally and fully pass on the rebate for the property tax to their tenants within the prescribed timeframe.
- Under the COVID-19 (Temporary Measures) (Amendment) Act passed on 5 June 2020, owners of qualifying properties are required to provide rental relief for Small and Medium Enterprises and Non-Profit Organisations operating in qualifying non-residential properties (the “Rental Relief”). The Rental Relief is supported by government assistance whereby owners of such qualifying properties will be granted government cash grant.

During the financial year, FH-REIT received government grants on its qualifying properties amounting to a total of approximately SGD 1.2 million (2020: SGD 2.9 million) (i.e. grant income) out of which approximately SGD 0.7 million (2020: SGD 2.2 million) of the amount received was passed on to the master lessees (i.e. grant expense). The grant income and grant expense were presented net and recognised as “Other income” in the Statement of Total Return of FHT and the FH-REIT Group.

#### Australia

The Australian Government enacted on 9 April 2020, the JobKeeper Payments wage subsidy (“JKP”) to support businesses significantly affected by COVID-19. During the financial year, a subsidiary of FH-BT received AUD 1.0 million (approximately SGD 1.0 million) (2020: AUD 1.5 million (approximately SGD 1.4 million)) of JKP (i.e. grant income), out of which AUD 0.3 million (approximately SGD 0.3 million) (2020: AUD 0.7 million (approximately SGD 0.6 million)) of the JKP received was also passed on to eligible employees (i.e. grant expense). Accordingly, the grant income and grant expense were presented net and recognised as “Staff costs” in Statement of Total Return of FHT and in the Statement of Profit or Loss of the FH-BT Group.

### 31. FINANCIAL RATIOS

	FHT		FH-REIT Group	
	2021	2020	2021	2020
	%	%	%	%
Expense to weighted average net assets <sup>(1)</sup>				
- with performance fee of the Managers	0.88	0.87	0.87	0.87
- without performance fee of the Managers	0.79	0.76	0.78	0.76
Total operating expenses to net asset value <sup>(2)</sup>	3.55	3.47	2.43	2.25
Portfolio turnover ratio <sup>(3)</sup>	-	-	-	-

<sup>(1)</sup> The expense ratios are computed in accordance with the guidelines of the Investment Manager Association of Singapore. The expenses used in the computation relate to the expenses of FHT and the FH-REIT Group, excluding property expenses, interest expense and tax expense, where applicable.

<sup>(2)</sup> The expense ratios are computed based on total operating expense of SGD 44,362,000 and SGD 30,250,000 (2020: SGD 46,909,000 and SGD 30,338,000) of FHT and the FH-REIT Group respectively, as a percentage of its respective net asset value as at the end of September (including all fees and charges paid/payable to the Managers and the interested parties).

<sup>(3)</sup> The portfolio turnover ratios are computed based on the lesser of purchases or sales of underlying properties of FHT and the FH-REIT Group expressed as a percentage of daily average net asset value.

## APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FHT FOR FY2021

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### Notes to the Financial Statements

For the year ended 30 September 2021

#### 32. NET ASSET VALUE PER STAPLED SECURITY

	FHT		FH-REIT Group		FH-BT Group	
	2021	2020	2021	2020	2021	2020
Net asset value per Stapled Security is computed based on:						
Net assets (\$'000)	1,248,494	1,252,879	1,242,620	1,246,741	1,427	2,295
Total issued Stapled Securities at 30 September ('000) (Note 19)	1,926,074	1,921,243	1,926,074	1,921,243	1,926,074	1,921,243

#### 33. SUBSEQUENT EVENTS

- On 28 October 2021, FH-REIT has through The Trust Company (PTAL) Limited, acting as trustee of FHT Sydney Trust 3<sup>(1)</sup> (the "FHT Vendor"), a wholly-owned sub-trust of the REIT Trustee entered into the following:
  - (a) a put and call option agreement (the "PCOA") with Frasers Sydney Wentworth Pty Ltd (the "Reversionary Interest Seller"), an indirect wholly-owned subsidiary of Frasers Property Limited, for the acquisition (the "Reversionary Interest Acquisition") of the freehold reversionary interest ("Reversionary Interest") of the property known as Sofitel Sydney Wentworth (the "Hotel") for a purchase consideration of AUD 10.55 million (approximately SGD 10.4 million); and
  - (b) a sale and purchase agreement with The Trust Company (Australia) Limited as trustee of FHT Australia Trust and a third-party acquirer (the "Hotel Acquirer") for the sale (the "Divestment") of the amalgamated freehold interest<sup>(2)</sup> of the Hotel at the sale price of AUD 315.0 million (approximately SGD 309.1 million).

In segment reporting, the Hotel is classified under "Australia" in the geographical segment, and "master leases" in the business segment.

<sup>(1)</sup> The PCOA grants the Reversionary Interest Seller an option to require the FHT Vendor to purchase the Reversionary Interest from it, and the FHT Vendor an option to require the Reversionary Interest Seller to sell the Reversionary Interest to it, on the terms set out in a sale and purchase agreement the form of which is attached to the PCOA.

<sup>(2)</sup> Upon completion of the Reversionary Interest Acquisition by the FHT Vendor, the Reversionary Interest will be amalgamated with the leasehold interest of a remaining term of 69 years in the Hotel held by the FHT Vendor for the purposes of the Divestment as the Hotel Acquirer wishes to acquire a freehold interest in the Hotel.

- On 29 October 2021, the REIT Manager and Trustee-Manager declared a distribution of 0.8041 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 April 2021 to 30 September 2021.

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES

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12<sup>th</sup> August 2022

**Frasers Hospitality Asset Management Pte. Ltd.**

(in its capacity as manager of Frasers Hospitality Real Estate Investment Trust (“**FH-REIT**” and as manager of FH-REIT, the “**REIT Manager**”))

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

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And

**Perpetual (Asia) Limited**

(in its capacity as trustee of FH-REIT (the “**Trustee**”))

16 Collyer Quay #07-01  
Singapore 049318

And

**Frasers Hospitality Trust Management Pte. Ltd.**

(in its capacity as trustee-manager of Frasers Hospitality Business Trust (“**FH-BT**” and as trustee-manager of FH-BT, the “**Trustee-Manager**”))

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

(the “**Addressee(s)**”)

### **SUMMARY LETTER AND VALUATION CERTIFICATES IN RELATION TO THE PROPOSED SCHEME OF ARRANGEMENT OF FRASERS HOSPITALITY TRUST (A STAPLED GROUP COMPRISING FH-REIT AND FH-BT)**

We refer to your instructions of 24<sup>th</sup> June 2022 to undertake a valuation in respect of the 14 properties set out overleaf (the “**Properties**”, and each a “**Property**”). The purpose of Valuation is for the proposed scheme of arrangement of Frasers Hospitality Trust (a stapled group comprising FH-REIT and FH-BT) (the “**Proposed Transaction**”).

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES

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S/N	Property	Country
1	InterContinental Singapore	Singapore
2	Frasers Suites Singapore	Singapore
3	The Westin Kuala Lumpur	Malaysia
4	ANA Crowne Plaza Kobe	Japan
5	Novotel Sydney Darling Square	Australia
6	Fraser Suites Sydney	Australia
7	Novotel Melbourne on Collins	Australia
8	Park International London	United Kingdom
9	ibis Styles London, Gloucester Road, London	United Kingdom
10	Fraser Place Canary Wharf, London	United Kingdom
11	Fraser Suites Queens Gate, London	United Kingdom
12	Fraser Suites Edinburgh	United Kingdom
13	Fraser Suites Glasgow	United Kingdom
14	Maritim Dresden Hotel	Germany

In accordance with your instructions, we have prepared a comprehensive, formal valuation report for each of the Properties (the “**Reports**”) as at 31<sup>st</sup> May 2022 which is vested directly or indirectly with Perpetual (Asia) Limited (as the Trustee). For the purpose of the Proposed Transaction, we have prepared this summary letter and Valuation Certificates (enclosed hereto at Appendix 1) which outline the key factors which have been considered in arriving at our opinion of Market Value for each of the Properties.

We advise that the Valuation Certificates should not be relied upon in isolation, and are to be read in conjunction with our Reports which contain certain critical assumptions and limitations.

### **Basis of Valuation**

Our valuation is on the basis of Market Value which is defined as “*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*”

This definition of value is consistent with the international definition of Market Value as advocated by RICS, International Valuation Standards (IVS), and local valuation statutory bodies.

We have been instructed to assess each Property on an “As Is” basis subject to vacant possession, and “As Is” subject to an existing Master Lease Agreement (“**MLA**”) where appropriate.

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### Brief Property Description

S/N	Property	Land Area (Sqm)	No. of Keys	GFA (sqm)	NLA (sqm)	Tenure	WALE (yrs)
1	InterContinental Singapore	25,704	406	49,969	21,658	Leasehold for a term of 75 years commencing from 14 July 2014 (balance un-expired lease of approximately 67.1 years)	12.1
2	Frasers Suites Singapore	12,268	255	27,018	22,214	Leasehold for a term of 75 years commencing from 14 July 2014 (balance un-expired lease of approximately 67.1 years)	12.1
3	The Westin Kuala Lumpur	4,051	443	71,761	30,043	Freehold	14
4	ANA Crowne Plaza Kobe	18,240	592	129,006*	136,656*	Freehold	Hotel: 2.12 Commercial Facility: N/A**
5	Novotel Sydney Darling Square	2,332	230	12,128	6,966	Leasehold for a term of 99 years commencing 18 October 1999 and expiring 17 October 2098	12.1
6	Fraser Suites Sydney	3,967	201	12,137	10,619	Leasehold for a term of 75 years commencing 14 July 2014 and expiring 12 July 2089	12.1
7	Novotel Melbourne on Collins	N/A (Strata)	380	20,860	17,360	Freehold	14.4
8	Park International London	1,191	171	6,825	3,251	Leasehold for a term of 75 years commencing 18 March 2014 (unexpired term of approximately 67 years).	1.8
9	ibis Styles London, Gloucester Road, London	600	84	2,512	1,365	Leasehold for a term of 75 years commencing 18 March 2014 (unexpired term of approximately 67 years).	1.8
10	Fraser Place Canary Wharf, London	716	108	5,659	4,460	Leasehold for a term of 75 years commencing 14 July 2014 (unexpired term of approximately 67 years).	11.8
11	Fraser Suites Queens Gate, London	1,497	105	6,416	4,245	Leasehold for a term of 75 years commencing 18 March 2014 (unexpired term of approximately 67 years).	11.8
12	Fraser Suites Edinburgh	774	75	3,952	2,333	Leasehold for a term of 75 years commencing 18 March 2014 (unexpired term of	11.8

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



						approximately 67 years).	
13	Fraser Suites Glasgow	2,255	98	7,386	5,539	Leasehold for a term of 75 years commencing 14 July 2014 (unexpired term of approximately 67 years).	11.8
14	Maritim Dresden Hotel	5,850	328	25,916	14,064	Freehold.	12.6

(\*) The figures provided above are inclusive of the hotel component and commercial facility component which comprise ANA Crowne Plaza Kobe.  
 (\*\*) The commercial facility does not have a fixed termination date to determine WALE. As such, the expiry profile is to the extent permitted under Japanese law, for so long as the Lease Property remains in existence, or the lease is terminated during the period of the contract.

With the exception of Maritim Dresden Hotel which is subject to a 30-year lease to Maritim Hotelgesellschaft mbH, each of the Properties is master leased. Each of the Properties have a sole tenant, being the master lessee (and in the case of Maritim Dresden Hotel, the sole tenant being Maritim Hotelgesellschaft mbH) and the occupancy rate is 100%. ANA Crowne Plaza Kobe also includes a commercial component which is leased to a sole tenant for 100% of the premises.

### Master Lease Agreements

Maritim Dresden Hotel is subject to a lease to Maritim Hotelgesellschaft mbH which expires in December 2034. Each of the remaining Properties are subject to a MLA commencing July 2014 (except the Westin Kuala Lumpur, which commenced May 2016) for a period of 20 years, with a further option term of 20 years (save for Park International London and ibis Styles London each with a term of 10+10+10+10 years, together with ANA Crowne Plaza Kobe which has a term of 10 years). The rental is typically structured as a fixed rent with an additional variable component of a percentage of Gross Operating Profit (GOP), or a percentage of Gross Operating Revenue (GOR) plus a percentage of GOP. Variable rent is calculated after deducting the fixed rent, with an implied minimum rent therefore of at least the fixed amount. In each case, the lessor is responsible for Landlord Costs, *i.e.*, a gross rental structure.

Our assessment of each property subject to the MLA is dependent upon the terms and conditions of the respective agreements, and is outlined in detail throughout the Reports. The terms of the MLAs set out above should be understood and read in conjunction with the valuation certificate of the respective Property to which the MLA relates, which are appended hereto, and the Reports.

The rents payable under the MLAs are not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit. As such, adopting market rents in the valuations is not applicable and the principal basis of comparison for hotels is EBITDA.

The MLAs do not allow for a standard rent review structure. Gross Rent is paid by the Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly

Each valuation incorporates income growth projections specific to each location, market and property taking into account a range of inputs including (but not limited to) macro-economic factors, property condition, planned capital expenditure, levels of competition and new supply. Adopting the DCF is the typical valuation approach for hotels. The DCF analysis figures should be understood and read in conjunction with the Reports.

We have not been made aware of any significant capital expenditure forecast or any income support for the Properties.

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES

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The assumptions made in respect of each of the Properties which may have a material impact on the respective Properties are set out in the Reports.

### **Valuation Methodology**

The valuations are determined on the basis that the Properties, the Titles thereto and their use are not affected by any matter other than that mentioned in the Reports. Furthermore, it has been assumed that reasonable resources are available in negotiating the sale and exposing the properties to the market. In assessing the Market Value of the Properties we have considered three bases of valuation being:

1. Discounted Cash Flow (“DCF”); and/or
2. Capitalisation Approach; and
3. Direct Comparison or Market Approach.

Given the nature of the Properties, we have primarily relied upon the Discounted Cash Flow approach and Capitalisation Approach as they best address the main criteria upon which investments within this sector are normally bought and sold. We have adopted the Direct Comparison or Market Approach as a secondary (check) method (the exception being in Japan where only DCF and the Capitalisation Approach are recognised under the local valuation standard, and the cost approach is utilised as a secondary check method).

#### *Discounted Cash Flow*

In order to arrive at our Valuation our principal approach has been a discounted cash flow (DCF). Future estimated EBITDA over the term of the cash flow is discounted back to present day values using an appropriate discount rate and the EBITDA in the assumed Exit Year (Year 10) is capitalised into perpetuity (or, for leasehold assets, head lease expiry) at an appropriate capitalisation rate, again discounted back to present day values. Our capitalisation rates are based on comparable evidence and market sentiment and the discount rates are based on our capitalisation rates plus our assumed inflation rate and risk premium modelled in our cash flows.

We draw your attention to the fact that this analysis is based on projections considered in the light of available data; however, market conditions will change over time including being influenced by internal and external factors against which a review of assumptions may be warranted. For this reason, we stress that reliance of such projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts.

#### *Capitalisation (Income) Approach*

The capitalisation method involves the application of a market yield to the current net income to the owner of the property to arrive at a capital value. The net income used is after management fees and FF & E reserve for a branded managed hotel, but before such costs if owner operated. There is no allowance for acquisition or disposal costs when adopting this method.



## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### *Direct Comparison or Market Approach*

To further support our valuation, we have compared the Property to recent sales of similar properties on rate per key or Gross Lettable Area (GLA) basis. Adjustments have been made for physical differences, the date of transaction, and the circumstances of the sale. This method has been employed to provide a secondary “check” of our assessments derived by DCF and Capitalisation.

In undertaking this analysis, a wide range of assumptions are made including property location, accommodation demand, market competition, condition, tenure and operating agreements in place. The assumptions made vary in respect of each of the Properties and are set out in further detail in the Reports.

### **Risks**

Risk factors include macro-economic changes, local market supply and demand dynamics, geo-political developments and other events which impact international and domestic travel and accommodation demand. Risk factors also include changes to fiscal and monetary policies, property investment and lending markets. The specific risk factors vary between the Properties due to the geographical spread of the Properties. The specific risk factors of each Property and their impacts are set out in detail in the respective Reports.

### **Summary of Market Values**

S/N	Property	Market Value (Vacant Possession)	FX(*)	SGD (*)	Market Value (Subject MLA)	FX (*)	SGD (*)
1	InterContinental Singapore	\$S509,000,000	1	\$509,000,000	\$S459,000,000	1	\$459,000,000
2	Fraser Suites Singapore	\$S294,000,000	1	\$294,000,000	\$S313,000,000	1	\$313,000,000
3	The Westin Kuala Lumpur	RM376,000,000	0.313	\$117,688,000	RM390,000,000	0.313	\$122,070,000
4	ANA Crowne Plaza Kobe	N/A	0.0108	N/A	¥16,200,000,000	0.0108	\$174,960,000
5	Novotel Sydney Darling Square	\$A109,000,000	0.9834	\$107,190,600	\$A109,000,000	0.9834	\$107,190,600
6	Fraser Suites Sydney	\$A133,000,000	0.9834	\$130,792,200	\$A133,000,000	0.9834	\$130,792,200
7	Novotel Melbourne on Collins	\$A235,000,000	0.9834	\$231,099,000	\$A235,000,000	0.9834	\$231,099,000
8	Park International London	£39,800,000	1.7265	\$68,714,700	£39,800,000	1.7265	\$68,714,700
9	ibis Styles London, Gloucester Road, London	£19,400,000	1.7265	\$33,494,100	£19,400,000	1.7265	\$33,494,100
10	Fraser Place Canary Wharf, London	£37,800,000	1.7265	\$65,261,700	£37,800,000	1.7265	\$65,261,700
11	Fraser Suites Queens Gate, London	£56,100,000	1.7265	\$96,856,650	£56,100,000	1.7265	\$96,856,650
12	Fraser Suites Edinburgh	£15,700,000	1.7265	\$27,106,050	£15,700,000	1.7265	\$27,106,050
13	Fraser Suites Glasgow	£9,500,000	1.7265	\$16,401,750	£9,500,000	1.7265	\$16,401,750
14	Maritim Dresden Hotel	€59,000,000	1.4705	\$86,759,500	€59,000,000	1.4705	\$86,759,500
<b>Total</b>				<b>\$1,784,364,250</b>			<b>\$1,854,622,700</b>

(\*) Exchange Rate as provided by The REIT Manager as at 31<sup>st</sup> May 2022.

We advise that the above “Total” represents a summation of the individual market values only, and is not an assessment of “portfolio value”. The conversion to Singapore Dollars has been provided for illustration purposes only, and has been calculated based upon an exchange rate provided by the REIT Manager.

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES

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### Conflict of Interest and Valuer Details

We hereby confirm that:

1. Savills is not a related corporation of and does not have a relationship with Frasers Hospitality Asset Management Pte. Ltd. (as the REIT Manager) and Frasers Hospitality Trust Management Pte. Ltd. (as the Trustee-Manager) or any other party whom Frasers Hospitality Trust is contracting with which would interfere with our ability to give an independent and professional valuation of the Properties;
2. We do not have any pending business transactions, contracts under negotiation or other arrangements with Frasers Hospitality Asset Management Pte. Ltd. (as the REIT Manager) and Frasers Hospitality Trust Management Pte. Ltd. (as the Trustee-Manager) or any other party whom Frasers Hospitality Trust is contracting with that would interfere with our ability to give an independent and professional valuation of the Properties;
3. We are authorised under the law of the state or territory where the valuation takes place to practice as a valuer and issue a valuation report;
4. We have the necessary expertise and experience in valuing properties of the type in question and in the relevant area;
5. There are no other factors that would interfere with our ability to give an independent and professional valuation of the Properties;
6. We have not valued the Properties for more than two consecutive years;
7. In relation to the real properties located in Singapore, we hold an appraiser's licence issued by the Inland Revenue Authority of Singapore and are members of the Singapore Institute of Surveyors and Valuers;
8. In relation to the real properties located outside of Singapore, we have a licence issued by a relevant authority to perform property valuation in the relevant market or are members of a recognised professional body which has disciplinary powers to suspend or expel the member;
9. We have at least five years of experience in valuing real properties in a similar industry and area as the real property in which the valuation is to be conducted;
10. We are independent of Frasers Hospitality Trust. Savills, Savills' associates and any of Savills' partners or directors are not a substantial shareholder, director or employee of Frasers Hospitality Trust or any of Frasers Hospitality Trust's subsidiaries. Savills is not a related corporation or a substantial shareholder of Frasers Hospitality Trust or any of Frasers Hospitality Trust's subsidiaries;
11. We are not a sole practitioners; and
12. We have not been found to be in breach of any rule or law relevant to real property valuation and are not:
  - a. denied or disqualified from membership of or licensing from;
  - b. subject to any sanction imposed by;

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES

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- c. the subject of any disciplinary proceedings by; or
- d. the subject of any investigations which might lead to disciplinary actions by,  
any professional body or authority relevant to real property valuation.

### Source of Information

All information has been provided by the REIT Manager, Frasers Hospitality Asset Management Pte. Ltd., including, but not limited to, hotel management accounts, a schedule of hotel room configurations and on-site facilities, floor plans, tenancy schedules and the operating expense budgets.

### Assumptions, Disclaimers, Limitations, and Qualifications

Savills has prepared this letter and Valuation Certificates, for the Addressees to assist it in the Proposed Transaction, and has only been involved in the preparation of this summary and the valuation referred to therein.

This letter, the Valuation Certificates and the Reports are based upon information made available to us at the date of issue. Any reliance upon this letter, the Valuation Certificates should be based upon the actual possession or sighting of an original Report duly signed and countersigned. We believe that this information is accurate and complete, however we have not independently verified all such information. In providing this summary, Savills is not providing advice about a financial product, nor the suitability of the investment. Savills does not, nor do the Valuers, hold a Financial Services License, and is not operating under such a licence in providing its opinion as to the value of the property detailed in this report.

Savills accepts no responsibility to third parties nor does it contemplate that the Report/s will be relied upon by third parties. We invite other parties who may come into possession of the Report/s to seek our written consent to them relying upon this report and we reserve our rights to review the contents in the event that our consent is sought.

The Valuations are current at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as a liability where the valuation is relied upon after the expiration of six months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Inclusion in any SGXNET announcements and any other documents by Frasers Hospitality Asset Management Pte. Ltd. (as the REIT Manager) and Frasers Hospitality Trust Management Pte. Ltd. (as the Trustee-Manager) for compliance with Singapore regulatory requirements and in connection with the purpose for which this report is produced is allowed provided they do not impinge on Savills' limitations around liability.

A physical copy of this report will also be made available at the offices of the manager of FH-REIT or its trustee, and the trustee-manager of FH-BT for the stapled securityholders of Frasers Hospitality Trust to view its contents for reference only.

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**APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF  
THE FHT PROPERTIES**

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Your faithfully,

**For and on behalf of Savills**

A handwritten signature in black ink, appearing to be "M. Fidden".

Martin Fidden MRICS  
Regional Managing Director, Asia Pacific  
Valuation & Advisory

Enc. Appendix 1 – Valuation Certificates

# APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



## APPENDIX 1

### Valuation Certificates

#### 1. InterContinental Singapore

<b>Brief Description</b>	A luxury hotel with 406 luxury guest rooms, accommodated in a 16-storey block and a row of part 2-/ part 3-storey conserved pre-war shophouses, within a larger integrated development with a retail mall (Bugis Junction) and an office block (Bugis Junction Towers). Other facilities include the pool, gym, steam and sauna, meeting facilities, 24/7 reception and concierge services, and a selection of Food & Beverage (F&B) outlets, amongst others.										
<b>Address</b>	80 Middle Road, Singapore 188966										
<b>Registered Owner</b>	Perpetual (Asia) Limited										
<b>Legal Description</b>	Strata Lot U1430P, Town Subdivision 13										
<b>Site Area</b>	25,703.7 sm (for the entire development) and subject to government's re-survey										
<b>Gross Floor Area (GFA)</b>	Approximately 49,968.9 sm, as provided by the Client										
<b>Net Lettable Area (NLA)</b>	Approximately 21,657.7 sm, as provided by the Client										
<b>Strata Floor Area</b>	45,992 sm										
<b>Master Plan Zoning</b>	Commercial Plot Ratio: 4.5										
<b>Tenure</b>	The tenure of the private leasehold estate is leasehold for a term of 75 years commencing from 14 July 2014 (balance un-expired lease of approximately 67.1 years as at 31 May 2022).										
<b>Occupancy Profile (Managed By)</b>	<p>The hotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Master Lessee</b></td> <td>BCH Hotel Investment Pte Ltd</td> </tr> <tr> <td><b>Lease Term</b></td> <td>20 + 20 years with effect from 14 July 2014 (at the option of the Master Lessee)</td> </tr> <tr> <td><b>Fixed Rent</b></td> <td>\$8,000,000 per annum</td> </tr> <tr> <td><b>Variable Rent</b></td> <td> <p>Computed based on the sum of:</p> <ul style="list-style-type: none"> <li>a) 0% of the Gross Operating Revenue (GOR) for that Fiscal Year;</li> <li>b) 76% of the Gross Operating Profit (GOP) for that Fiscal Year; and</li> <li>c) any unutilised balance in the Furniture, Fixtures and Equipment (FF&amp;E) Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties to the MLA, <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </li></ul></td> </tr> <tr> <td><b>Master Lessee's Obligation</b></td> <td>The Master Lessee is to set aside a reserve for FF&amp;E amounting to 4.0% of the annual Gross Operating Revenue.</td> </tr> </table> <p>In accordance with the MLA, it has an initial lease term of 20 years from 14 July 2014 with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, except that:</p> <ul style="list-style-type: none"> <li>a) the new lease includes any variations made to the lease during the initial lease term;</li> <li>b) the new lease includes any term which the Lessor reasonably requires due to any change in the law; and</li> <li>c) the new lease shall not include an option to renew clause.</li> </ul> <p>As at the material date of valuation, the Master Lease has a weighted average lease expiry of 12.1 years (being the remaining lease term under the MLA), based on the initial lease term of 20 years from 14 July 2014.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure. There is no provision for rent review structure under the MLA.</p> <p>We are not aware of any income support for this property.</p>	<b>Master Lessee</b>	BCH Hotel Investment Pte Ltd	<b>Lease Term</b>	20 + 20 years with effect from 14 July 2014 (at the option of the Master Lessee)	<b>Fixed Rent</b>	\$8,000,000 per annum	<b>Variable Rent</b>	<p>Computed based on the sum of:</p> <ul style="list-style-type: none"> <li>a) 0% of the Gross Operating Revenue (GOR) for that Fiscal Year;</li> <li>b) 76% of the Gross Operating Profit (GOP) for that Fiscal Year; and</li> <li>c) any unutilised balance in the Furniture, Fixtures and Equipment (FF&amp;E) Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties to the MLA, <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </li></ul>	<b>Master Lessee's Obligation</b>	The Master Lessee is to set aside a reserve for FF&E amounting to 4.0% of the annual Gross Operating Revenue.
<b>Master Lessee</b>	BCH Hotel Investment Pte Ltd										
<b>Lease Term</b>	20 + 20 years with effect from 14 July 2014 (at the option of the Master Lessee)										
<b>Fixed Rent</b>	\$8,000,000 per annum										
<b>Variable Rent</b>	<p>Computed based on the sum of:</p> <ul style="list-style-type: none"> <li>a) 0% of the Gross Operating Revenue (GOR) for that Fiscal Year;</li> <li>b) 76% of the Gross Operating Profit (GOP) for that Fiscal Year; and</li> <li>c) any unutilised balance in the Furniture, Fixtures and Equipment (FF&amp;E) Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties to the MLA, <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </li></ul>										
<b>Master Lessee's Obligation</b>	The Master Lessee is to set aside a reserve for FF&E amounting to 4.0% of the annual Gross Operating Revenue.										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager"), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))	
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").	
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022	
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022	
<b>Interest Valued</b>	Leasehold	
<b>Basis of Valuation</b>	Market Value subject to: a) Vacant Possession; and b) Master Lease Agreement (MLA).	
<b>Valuation Approaches</b>	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
<b>Market Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	<b>S\$509,000,000 (*)</b>	<b>S\$459,000,000 (*)</b>
<b>Adopted Capitalisation Rate</b>	<b>4.00%</b>	<b>3.75%</b>
<b>Terminal Capitalisation Rate</b>	<b>4.25%</b>	<b>4.00%</b>
<b>Adopted Discount Rate</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Market Value Per Key</b>	<b>S\$1,253,695</b>	<b>S\$1,130,542</b>
<b>Market Value based on GFA</b>	<b>S\$946 psf / S\$10,186 psm</b>	<b>S\$853 psf / \$9,186 psm</b>
<b>Market Value based on NLA</b>	<b>S\$2,183 psf / S\$23,502 psm</b>	<b>S\$1,969 psf / S\$21,193 psm</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive Goods and Services Tax

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 2. Frasers Suites Singapore

<b>Brief Description</b>	255 upper-upscale fully furnished 1 to 3-bedroom and penthouse types serviced residence within a 20-storey building. Other facilities include the Dining Room, which is an indoor and outdoor dining for both in-house residents and the public; pools, gym, steam, sauna, barbeque, outdoor recreational facilities, 24/7 reception and concierge services, amongst others.										
<b>Address</b>	491A River Valley Road, Singapore 248372										
<b>Registered Owner</b>	Perpetual (Asia) Limited										
<b>Legal Description</b>	Strata Lot U14483L and Accessory Lot A155M, both of Town Subdivision 24										
<b>Site Area</b>	12,267.6 sm (for the entire development) and subject to government's re-survey										
<b>Gross Floor Area (GFA)</b>	Approximately 27,018.0 sm, as provided by the Client										
<b>Net Lettable Area (NLA)</b>	Approximately 22,214.0 sm, as provided by the Client										
<b>Strata Floor Area</b>	Strata Lot U14483L contains a strata area of 34,771 sm (including strata void of 1,445 sm) Accessory Lot A155M contains a strata floor area of 111 sm.										
<b>Master Plan Zoning</b>	Commercial and Residential Plot Ratio: Not Available										
<b>Tenure</b>	The tenure of the private leasehold estate is leasehold for a term of 75 years commencing from 14 July 2014 (balance un-expired lease of approximately 67.1 years).										
<b>Occupancy Profile (Managed By)</b>	<p>The serviced residence is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the following main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee</b></td> <td>River Valley Apartments Pte Ltd</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lease Term</b></td> <td>20 years with effect from 14 July 2014 with option of further 20 years</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Fixed Rent</b></td> <td>\$7,700,000 per annum</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Variable Rent</b></td> <td> <p>Computed based on the sum of:</p> <ul style="list-style-type: none"> <li>(i) 20% of the Gross Operating Revenue of that fiscal year;</li> <li>(ii) 59% of the Gross Operating Profit of that fiscal year;</li> <li>(iii) Any unutilised balance in the Fixtures, Furnishings and Equipment (FF&amp;E) reserve which is not carried forward to the following fiscal year by mutual agreement of both parties.</li> </ul> <p>Less the Fixed Rent for that fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee's Obligation</b></td> <td>The Master Lessee is to set aside a reserve for Fixtures, Furnishings and Equipment (FF&amp;E) amounting to 2.5% of the annual Gross Operating Revenue.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 20 years from 14 July 2014 with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew.</p> <p>As at the material date of valuation, the Master Lease has a weighted average lease expiry of 12.1 years (being the remaining lease term under the MLA), based on the initial lease term of 20 years from 14 July 2014.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to serviced residence revenue and gross operating profit and is based on a gross rental structure.</p> <p>There is no provision for rent review structure under the MLA.</p> <p>We are not aware of any income support for this property.</p>	<b>Master Lessee</b>	River Valley Apartments Pte Ltd	<b>Lease Term</b>	20 years with effect from 14 July 2014 with option of further 20 years	<b>Fixed Rent</b>	\$7,700,000 per annum	<b>Variable Rent</b>	<p>Computed based on the sum of:</p> <ul style="list-style-type: none"> <li>(i) 20% of the Gross Operating Revenue of that fiscal year;</li> <li>(ii) 59% of the Gross Operating Profit of that fiscal year;</li> <li>(iii) Any unutilised balance in the Fixtures, Furnishings and Equipment (FF&amp;E) reserve which is not carried forward to the following fiscal year by mutual agreement of both parties.</li> </ul> <p>Less the Fixed Rent for that fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	The Master Lessee is to set aside a reserve for Fixtures, Furnishings and Equipment (FF&E) amounting to 2.5% of the annual Gross Operating Revenue.
<b>Master Lessee</b>	River Valley Apartments Pte Ltd										
<b>Lease Term</b>	20 years with effect from 14 July 2014 with option of further 20 years										
<b>Fixed Rent</b>	\$7,700,000 per annum										
<b>Variable Rent</b>	<p>Computed based on the sum of:</p> <ul style="list-style-type: none"> <li>(i) 20% of the Gross Operating Revenue of that fiscal year;</li> <li>(ii) 59% of the Gross Operating Profit of that fiscal year;</li> <li>(iii) Any unutilised balance in the Fixtures, Furnishings and Equipment (FF&amp;E) reserve which is not carried forward to the following fiscal year by mutual agreement of both parties.</li> </ul> <p>Less the Fixed Rent for that fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	The Master Lessee is to set aside a reserve for Fixtures, Furnishings and Equipment (FF&E) amounting to 2.5% of the annual Gross Operating Revenue.										
<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022										

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Interest Valued</b>	Leasehold	
<b>Basis of Valuation</b>	Market Value subject to: a) Vacant Possession; and b) Master Lease Agreement (MLA).	
<b>Valuation Approaches</b>	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
<b>Market Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	<b>S\$294,000,000 (*)</b>	<b>S\$313,000,000 (*)</b>
<b>Adopted Capitalisation Rate</b>	<b>3.50%</b>	<b>3.25%</b>
<b>Terminal Capitalisation Rate</b>	<b>3.75%</b>	<b>3.50%</b>
<b>Adopted Discount Rate</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Market Value Per Key</b>	S\$1,152,941	S\$1,227,451
<b>Market Value based on GFA</b>	<b>S\$1,011 psf / S\$10,882 psm</b>	<b>S\$1,076 psf / S\$11,585 psm</b>
<b>Market Value based on NLA</b>	<b>S\$1,230 psf / S\$13,235 psm</b>	<b>S\$1,309 psf / S\$14,090 psm</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	



## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 3. The Westin Kuala Lumpur

<b>Brief Description</b>	<p>The Westin Kuala Lumpur comprises a 443-room 5-star hotel constructed over 35 levels. Facilities within the Subject Property include:-</p> <ul style="list-style-type: none"> <li>▪ 443 rooms including 64 Executive Residences (One / Two Bedroom Apartments)</li> <li>▪ 5 restaurants/bars</li> <li>▪ 20 meeting rooms and conference facilities</li> <li>▪ Recreational facilities incorporating outdoor swimming pools, fitness centre, spa &amp; Westin club</li> <li>▪ Concierge service &amp; business centre.</li> </ul>														
<b>Address</b>	199, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia														
<b>Registered Owner</b>	Notable Vision Sdn. Bhd.														
<b>Gross Floor Area (GFA)</b>	Approximately 772,429 square feet / Approximately 71,761 square metres (Extracted from Approved Building Plans provided by the Client)														
<b>Net Lettable Area (NLA)</b>	Approximately 323,377 square feet / 30,043 square metres														
<b>Zoning</b>	City Centre Commercial with a permissible plot ratio of 1:7.5. However, we noted that based on the Approved Building Plans provided by the Client, the Subject Property has been approved with a hotel development for a plot ratio of 1:9.958.														
<b>Tenure</b>	Freehold														
<b>Occupancy Profile (Managed By)</b>	<p>The hotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Master Lessee</b></td> <td>JBB Hotels Sdn Bhd</td> </tr> <tr> <td><b>Lease Term</b></td> <td>20 years with effect from 20 May 2016 with an option to renew for a further 20 years</td> </tr> <tr> <td><b>Remaining Lease Term (WALE)</b></td> <td>14 years</td> </tr> <tr> <td><b>Gross Rent</b></td> <td>                     1) Fixed Rent - RM14,800,000 per annum (1<sup>st</sup> 20 years)  <b>PLUS</b>                      2) Variable Rent - Computed based on the sum of:                      (i) 0% of the Gross Operating Revenue of that fiscal year;                      (ii) 78.5% of the Gross Operating Profit of that fiscal year;                      (iii) Any unutilized balance in the Fixtures, Furnishings and Equipment (FF&amp;E) reserve which is not carried forward to the following fiscal year by mutual agreement of both parties.                       Less the Fixed Rent for that fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.                 </td> </tr> <tr> <td><b>Rent Structure</b></td> <td>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to a fixed rent, hotel revenue, gross operating profit and FF&amp;E unutilized balance and is based on a gross rental structure.</td> </tr> <tr> <td><b>Rent Review Structure</b></td> <td>Not applicable as there is no provision for a rent review structure under the MLA</td> </tr> <tr> <td><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 20 years from 20 May 2016 with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, except that:-</p> <ol style="list-style-type: none"> <li>a) (variations) the new lease include any variations made to this Lease during the Term;</li> <li>b) (requirement under the law) the new lease includes any term required by or which is consistent with the law; and</li> <li>c) (no perpetual renewal) the new lease shall not include an option to renew clause</li> </ol> <p>provided that nothing in this clause prejudices the rights of the parties to negotiate new terms and conditions for the new lease, in which event the parties shall reach a mutual agreement on such new terms and conditions before the commencement of the new lease.</p> <p>We are not aware of any income support for this property.</p>	<b>Master Lessee</b>	JBB Hotels Sdn Bhd	<b>Lease Term</b>	20 years with effect from 20 May 2016 with an option to renew for a further 20 years	<b>Remaining Lease Term (WALE)</b>	14 years	<b>Gross Rent</b>	1) Fixed Rent - RM14,800,000 per annum (1 <sup>st</sup> 20 years) <b>PLUS</b> 2) Variable Rent - Computed based on the sum of: (i) 0% of the Gross Operating Revenue of that fiscal year; (ii) 78.5% of the Gross Operating Profit of that fiscal year; (iii) Any unutilized balance in the Fixtures, Furnishings and Equipment (FF&E) reserve which is not carried forward to the following fiscal year by mutual agreement of both parties.  Less the Fixed Rent for that fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.	<b>Rent Structure</b>	The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to a fixed rent, hotel revenue, gross operating profit and FF&E unutilized balance and is based on a gross rental structure.	<b>Rent Review Structure</b>	Not applicable as there is no provision for a rent review structure under the MLA	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	JBB Hotels Sdn Bhd														
<b>Lease Term</b>	20 years with effect from 20 May 2016 with an option to renew for a further 20 years														
<b>Remaining Lease Term (WALE)</b>	14 years														
<b>Gross Rent</b>	1) Fixed Rent - RM14,800,000 per annum (1 <sup>st</sup> 20 years) <b>PLUS</b> 2) Variable Rent - Computed based on the sum of: (i) 0% of the Gross Operating Revenue of that fiscal year; (ii) 78.5% of the Gross Operating Profit of that fiscal year; (iii) Any unutilized balance in the Fixtures, Furnishings and Equipment (FF&E) reserve which is not carried forward to the following fiscal year by mutual agreement of both parties.  Less the Fixed Rent for that fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.														
<b>Rent Structure</b>	The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to a fixed rent, hotel revenue, gross operating profit and FF&E unutilized balance and is based on a gross rental structure.														
<b>Rent Review Structure</b>	Not applicable as there is no provision for a rent review structure under the MLA														
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.														
<b>Instructing Party</b>	<ul style="list-style-type: none"> <li>▪ Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")),</li> <li>▪ Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and</li> <li>▪ Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))</li> </ul>														

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust (“FHT”, a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the “Proposed Transaction”).	
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022	
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022	
<b>Interest Valued</b>	Freehold	
<b>Basis of Valuation</b>	<p><b>Basis 1</b> Market Value of the freehold interest in the Subject Property i.e. <b>The Westin Kuala Lumpur</b> [held under GRN 75947/Lot 1368 Section 67, City and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur] in its existing condition, on the following <b>BASIS</b> that:-</p> <ul style="list-style-type: none"> <li>▪ <b>SUBJECT TO THE HOTEL MANAGEMENT AGREEMENT (WITH STARWOOD ASIA PACIFIC HOTELS &amp; RESORTS PTE. LTD); &amp;</b></li> <li>▪ <b>TO EXCLUDE THE HOTEL HEAD LEASE AGREEMENT DATED 7 MAY 2015;</b></li> </ul> <p>and to its title being free from encumbrances and registrable.</p> <p><b>Basis 2</b> Market Value of the freehold interest in the Subject Property i.e. <b>The Westin Kuala Lumpur</b> [held under GRN 75947/Lot 1368 Section 67, City and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur] in its existing condition, on the following <b>BASIS</b> that:-</p> <ul style="list-style-type: none"> <li>▪ <b>THE HOTEL MANAGEMENT AGREEMENT (WITH STARWOOD ASIA PACIFIC HOTELS &amp; RESORTS PTE. LTD.) AND THE HOTEL HEAD LEASE AGREEMENT BETWEEN NOTABLE VISION SDN BHD AND JBB HOTELS SDN BHD DATED 7 MAY 2015 ARE EFFECTIVE WITH NO UNUTILISED FF&amp;E ANNUAL RESERVE BALANCE PAYABLE BACK TO THE LESSOR AS VARIABLE RENT</b></li> </ul> <p>subject to the Registered Lease and to its title being free from encumbrances and registrable.</p>	
<b>Valuation Approach(es)</b>	Income Approach (Profits Method) and Comparison Approach.	
<b>Market Value</b>	<b>Basis 1</b>	<b>Basis 2</b>
	<b>RM376,000,000 (*)</b>	<b>RM390,000,000 (*)</b>
<b>Adopted Capitalisation Rate</b>	Not applicable.	
<b>Terminal Capitalisation Rate</b>	Not applicable.	
<b>Adopted Discount Rate</b>	<b>8.00%</b>	<b>8.00%</b>
<b>Adopted Terminal Yield</b>	<b>6.25%</b>	<b>6.25%</b>
<b>Market Value (per Room)</b>	<b>RM849,000</b>	<b>RM880,000</b>
<b>Market Value (on GFA)</b>	<b>RM487 psf / RM5,240 psm</b>	<b>RM505 psf / RM5,435 psm</b>
<b>Market Value (on NLA)</b>	<b>RM1,163 psf / RM12,515 psm</b>	<b>RM1,206 psf / RM12,981 psm</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 4. ANA Crowne Plaza Kobe, Japan

<b>Brief Description</b>	From 4th floors of the 38-story building is an up-scale hotel with a total of 592 rooms and a variety of room types from single rooms to premium suites. Other facilities include restaurants, bars, a wedding halls, chapel, banquet halls, swimming pool, fitness gym, and spa etc. From the basement 3rd floor to the 3rd floor are commercial facilities, including restaurants, stores, theater, and offices.																
<b>Address</b>	1-1, Kitano-cho, Chuo-ku, Kobe City, Hyogo																
<b>Registered Owner</b>	Sanne Group Japan Trust Company Limited																
<b>Gross Floor Area (GFA)</b>	129,006.29 sq m (registered size, including ancillary building.)																
<b>Net Lettable Area (NLA)</b>	136,656.47 sq m																
<b>Zoning</b>	Commercial (Designated FAR 800%), and partially Category 2 residential (Designated FAR 300%). Allowed FAR for the subject property: 769.42%																
<b>Tenure</b>	Freehold																
<b>Occupancy Profile (Managed By)</b>	<p>Hotel and Commercial facility are leased under a Lease Agreement. The table below summarises the main terms and conditions:</p> <p>&lt;Hotel&gt;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;"><b>Lessee</b></td> <td>K.K. Shinkobe Holding</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lease Term</b></td> <td>10 years with effect from 14 July 2014, fixed term lease</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Fixed Rent</b></td> <td>JPY 600 million per annum</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Variable Rent</b></td> <td>77.8% of GOP - Fixed rent</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lessee's Obligation</b></td> <td>The Lessee is to set aside a reserve for Fixtures, Furnishings and Equipment (FF&amp;E) amounting to 3% of the annual Gross Operating Revenue.</td> </tr> </table> <p>&lt;Commercial Facility&gt;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;"><b>Lessee</b></td> <td>Y.K. Toranomon Properties</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lease Term</b></td> <td>To the extent permitted under Japanese law, for so long as the Lease Property remains in existence, or terminated the period of the contract, with effect from 14 July 2014, non-fixed term lease</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Rent</b></td> <td>Insurance premiums and property taxes for the commercial facility (51.52% of entire building)</td> </tr> </table> <p>With respect to the hotel, it is leased to a sole tenant and the occupancy rate of 100%. The commercial component is leased to a sole tenant for 100% of the premises.</p> <p>The WALE of the hotel facility is 2.12 years. The WALE of the commercial facility, being the expiry of the commercial facility lease, is to the extent permitted under Japanese law, for so long as the lease property remains in existence, or the lease is terminated during the period of the contract.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are not aware of any income support being applicable.</p>	<b>Lessee</b>	K.K. Shinkobe Holding	<b>Lease Term</b>	10 years with effect from 14 July 2014, fixed term lease	<b>Fixed Rent</b>	JPY 600 million per annum	<b>Variable Rent</b>	77.8% of GOP - Fixed rent	<b>Lessee's Obligation</b>	The Lessee is to set aside a reserve for Fixtures, Furnishings and Equipment (FF&E) amounting to 3% of the annual Gross Operating Revenue.	<b>Lessee</b>	Y.K. Toranomon Properties	<b>Lease Term</b>	To the extent permitted under Japanese law, for so long as the Lease Property remains in existence, or terminated the period of the contract, with effect from 14 July 2014, non-fixed term lease	<b>Rent</b>	Insurance premiums and property taxes for the commercial facility (51.52% of entire building)
<b>Lessee</b>	K.K. Shinkobe Holding																
<b>Lease Term</b>	10 years with effect from 14 July 2014, fixed term lease																
<b>Fixed Rent</b>	JPY 600 million per annum																
<b>Variable Rent</b>	77.8% of GOP - Fixed rent																
<b>Lessee's Obligation</b>	The Lessee is to set aside a reserve for Fixtures, Furnishings and Equipment (FF&E) amounting to 3% of the annual Gross Operating Revenue.																
<b>Lessee</b>	Y.K. Toranomon Properties																
<b>Lease Term</b>	To the extent permitted under Japanese law, for so long as the Lease Property remains in existence, or terminated the period of the contract, with effect from 14 July 2014, non-fixed term lease																
<b>Rent</b>	Insurance premiums and property taxes for the commercial facility (51.52% of entire building)																
<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust (the " <b>REIT Manager</b> ")), Perpetual (Asia) Limited (in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust (the " <b>Trustee</b> ")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the Trustee-Manager of Frasers Hospitality Business Trust (the " <b>Trustee-Manager</b> "))																
<b>Purpose</b>	This appraisal is for purposes of corporate and financial reporting, and is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust (" <b>FHT</b> ", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the " <b>Proposed Transaction</b> ").																
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022																
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022																
<b>Interest Valued</b>	The ownership interest in a tenant-occupied building and its site																
<b>Basis of Valuation</b>	Market Value																
<b>Valuation Approach</b>	Income Approach (comprising Direct Capitalisation Method and Discounted Cash Flow Method), and Cost Approach as a secondary check method.																
<b>Market Value</b>	<b>¥16,200,000,000</b>																

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## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES

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<b>Adopted Capitalisation Rate</b>	4.6%
<b>Terminal Capitalisation Rate</b>	4.7%
<b>Adopted Discount Rate</b>	4.3%
<b>Adopted Terminal (Exit) Yield</b>	4.7%
<b>Market Value Per Key</b>	¥27,400,000/key, ¥126,000/GFA(sq m), ¥119,000/NRA(sq m)
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 5. Novotel Sydney Darling Square

<b>Brief Description</b>	<p>The subject property comprises a 230 room, 4.5-star hotel incorporating 8 levels which was constructed in 1999. Facilities include various food and beverage venues including the Pumphouse Restaurant &amp; Bar, Pier Street Grill and Ps Wine Bar; Six (6) conference/meeting/function facilities; Recreational facilities including an indoor heated 12.5 metre swimming pool and gymnasium.</p> <p>The Novotel Sydney Darling Square is located on the northern side of Little Pier Street at the southern end of the Sydney Central Business District (CBD) in close proximity to various major office buildings, tourist attractions and transport hubs.</p>
<b>Address</b>	Tower B, 488 Kent Street, Sydney NSW 2000
<b>Registered Owner</b>	<p>Freehold interest - Place Management NSW</p> <p>Leasehold interest - The Trust Company (PTAL) Limited</p> <p>As noted on the Certificate of Title search.</p>
<b>Gross Floor Area (GFA)</b>	12,128m <sup>2</sup>
<b>Net Lettable Area</b>	6,966m <sup>2</sup>
<b>Zoning</b>	<p>Darling Harbour Development Plan No.1 as adopted in 1979</p> <p>Plot ratio not applicable in this jurisdiction</p>
<b>Tenure</b>	Leasehold for a term of 99 years commencing 18 October 1999 and expiring 17 October 2098 with a remaining lease term of approximately 76.4 years as at 31 May 2022.
<b>Occupancy Profile</b>	<p>In connection with the listing of Frasers Hospitality Trust on the Singapore Stock Exchange on 14 July 2014:</p> <p>(a) Crape Myrtle and Golden Shower are party to a Master Lease Agreement dated 23 June 2014;</p> <p>(b) Crape Myrtle, Golden Shower and FHT Trust are party to a Property Sale and Purchase Agreement dated 23 June 2014 in respect to the Novotel Darling Harbour.</p> <p>We summarise the tenure structure below:</p> <ul style="list-style-type: none"> <li>- The freehold interest is owned by Place Management NSW and the leasehold interest is owned by The Trust Company (PTAL) Limited as trustee for FHT Sydney Trust 2 expiring 17 October 2098. A concurrent lease (AN857349) between Place Management NSW and The Trust Company (Australia) Limited was created following the pre-payment of rent and a contract for sale of the leasehold interest dated 10 August 2018 and expiring 20 September 2048.</li> <li>- The master lease between Crape Myrtle (PTC) Limited (ARBN 169 201 754) (interest transferred to The Trust Company (PTAL) Limited via sale – Sub-Lessor) and Golden Shower Development (PTC) Limited (ARBN 132 875 962) (interest transferred to Frasers Sydney ML Hotel Pty Ltd - Sub-Lessee) expiring 12 July 2034 with an option for a further term of 20 years (the "Master Lease"). The Lessee pays a variable rent (subject to a minimum fixed rent of \$2,500,000). Under the Master Lease, the Lessor may sell or assign its interest in the Premises at any time during the Term free and clear of the Lease without compensation.</li> <li>- The Trust Company (PTAL) Limited as trustee for FHT Sydney Trust 2 as Lessor and Frasers Sydney ML Pty Ltd as Lessee entered into hotel management agreement with AAPC Properties Pty Limited (Accor) who operate the asset.</li> </ul> <p>The master lease is a related party agreement that has been established for asset protection and taxation purposes. Given that the Lessor may sell or assign its interest free and clear of the Lease and without compensation and in accordance with the Australian Property Institute Guidelines, we have disregarded the related party lease for the purpose of this assessment.</p> <p>The subject property is master leased to a sole tenant, being the Master Lessee, and the occupancy rate is 100%. The WALE of the Master Lease Agreement ("MLA") is 12.1 years and there is no rent review structure provided for under the MLA.</p> <p>The Master Lessee is responsible for Landlord Costs, <i>i.e.</i>, a gross rental structure. Further, the rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>We are not aware of any income support.</p>
<b>Instructing Party</b>	<p>Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and as manager of FH-REIT, the "REIT Manager"), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT") and as trustee-manager of FH-BT, the "Trustee-Manager")</p>
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022
<b>Date of Report</b>	12 <sup>th</sup> August 2022
<b>Interest Valued</b>	Market Value of the leasehold interest expiring 17 October 2098 as a going concern hotel subject to the hotel management agreement, excluding the Precinct Activation Levy and including land, licences, improvements, plant & equipment and fixtures & fittings.

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Basis of Valuation</b>	Market value subject to: (a) Vacant Possession; and (b) Master Lease Agreement (MLA)	
<b>Valuation Approach</b>	Income Capitalisation Method, Discounted Cash Flow Method, and Direct Comparison Method.	
<b>Market Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	<b>\$109,000,000 (*)</b>	<b>\$109,000,000 (*)</b>
<b>Adopted Capitalisation Rate</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Adopted Discount Rate</b>	<b>6.75%</b>	<b>6.75%</b>
<b>Adopted Terminal Capitalisation Rate</b>	<b>5.25%</b>	<b>5.25%</b>
<b>Market Value Rate</b>	<b>\$473,913 per key \$8,987m<sup>2</sup>GFA \$15,647m<sup>2</sup>NLA</b>	<b>\$473,913 per key \$8,987m<sup>2</sup>GFA \$15,647m<sup>2</sup>NLA</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12 <sup>th</sup> August 2022 This summary must be read in conjunction with the formal Valuation Report dated 12 <sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.	

(\*) This valuation amount is exclusive of local transfer taxes and in Australian Dollars.

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 6. Frasers Suites Sydney

<b>Brief Description</b>	<p>Fraser Suites Sydney was completed in 2006 and forms part of a mixed-use development which incorporates 201 serviced apartments and 905 square metres of commercial office space. The hotel is spread over 32 levels and includes basement car parking for 114 vehicles. Common facilities to Fraser Suites include a library/entertainment room with galley kitchen to Level 10 and gymnasium, recreation room, spa room, lap pool, showers, sauna and male/female amenities to Level 12.</p> <p>An approval for change of use to residential and office accommodation and strata title subdivision was approved by the City of Sydney Council on 25 June 2010 and the consent lapsed on 25 June 2015.</p> <p>The property is located on the eastern side of Kent Street between its intersection with Bathurst Street and Liverpool Street in the Sydney Central Business District (CBD), within a short walk of major office buildings, tourist attractions and transport hubs.</p>
<b>Address</b>	Tower B, 488 Kent Street, Sydney NSW 2000
<b>Registered Owner</b>	<p>Freehold interest – Frasers Town Hall Land Pty Ltd</p> <p>Leasehold interest - The Trust Company (PTAL) Limited expiring 13 July 2089</p> <p>As noted on the Certificate of Title search.</p>
<b>Gross Floor Area (GFA)</b>	12,137m <sup>2</sup>
<b>Net Lettable Area</b>	10,619m <sup>2</sup>
<b>Zoning</b>	<p>"B8 Metropolitan Centre" under the Sydney Local Environmental Plan 2012</p> <p>Plot ratio of 8:1 plus additional allowances within Area 2.</p>
<b>Tenure</b>	Leasehold interest for a term of 75 years commencing 14 July 2014 and expiring 12 July 2089 reflecting a remaining lease term of approximately 67.2 years as at 31 May 2022.
<b>Occupancy Profile</b>	<p>We are advised that in 2014 the tenure of the Property was restructured to facilitate a REIT listing on the Singapore Stock Exchange. We summarise the tenure structure below:</p> <p>The registered proprietor is Frasers Town Hall Land Pty Limited (ABN 129 902 245);</p> <ul style="list-style-type: none"> <li>- Frasers Town Hall Residences Pty Limited (ACN 119 144 571) granted a 75 year lease to The Trust Company (PTAL) Limited (ACN 008 412 913) as trustee for the FHT Sydney Trust 1 expiring 13 July 2089 for pre-payment of rent.</li> <li>- Frasers Town Hall Residences Pty Limited (ACN 119 144 571) has granted a Lease to Frasers Town Hall Residences Operations Pty Ltd (ACN 153 499 524) expiring 12 July 2034 with an option for a further term of 20 years (the "<b>Master Lease</b>"). The Lessee pays a variable rent (subject to a minimum fixed rent of \$4,200,000 plus GST). Under the Master Lease, the Lessor may sell or assign its interest in the Premises at any time during the Term free and clear of the Lease without compensation.</li> <li>- A management agreement has then been established between Town Hall Residences Operations Pty Ltd and Frasers Hospitality Pte Ltd who operate the asset and receive a management fee.</li> </ul> <p>The lease to Frasers Town Hall Residences Operations Pty Ltd is a related party lease that has been established for asset protection and taxation purposes. Given that the Lessor may sell or assign its interest free and clear of the Lease and without compensation, we have disregarded the related party lease for the purpose of this assessment and have therefore valued the subject property assuming vacant possession of the hotel component.</p> <p>The subject property is master leased to a sole tenant, being the Master Lessee and the occupancy rate is 100%. The WALE of the Master Lease Agreement ("<b>MLA</b>") is 12.1 years and there is no rent review structure provided for under the MLA.</p> <p>The Master Lessee is responsible for Landlord Costs, <i>i.e.</i>, a gross rental structure. Further, the rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>We are not aware of any income support.</p>
<b>Instructing Party</b>	<p>Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("<b>FH-REIT</b>") and as manager of FH-REIT, the "<b>REIT Manager</b>"), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "<b>Trustee</b>")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("<b>FH-BT</b>") and as trustee-manager of FH-BT, the "<b>Trustee-Manager</b>")</p>
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust (" <b>FHT</b> ", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the " <b>Proposed Transaction</b> ").
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Interest Valued</b>	Market Value of the leasehold interest expiring 12 July 2089 as a going concern hotel subject to all commercial leases and including land, licences, improvements, plant & equipment and fixtures & fittings.	
<b>Basis of Valuation</b>	Market value subject to: (a) Vacant Possession; and (b) Master Lease Agreement (MLA)	
<b>Valuation Approach</b>	Income Capitalisation Method, Discounted Cash Flow Method, and Direct Comparison Method.	
<b>Market Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	<b>\$133,000,000 (*)</b>	<b>\$133,000,000 (*)</b>
<b>Adopted Capitalisation Rate</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Adopted Discount Rate</b>	<b>6.75%</b>	<b>6.75%</b>
<b>Adopted Terminal Capitalisation Rate</b>	<b>5.25%</b>	<b>5.25%</b>
<b>Market Value Rate</b>	<b>\$661,692 per key</b> <b>\$10,958m<sup>2</sup>GFA</b> <b>\$12,525m<sup>2</sup>NLA</b>	<b>\$661,692 per key</b> <b>\$10,958m<sup>2</sup>GFA</b> <b>\$12,525m<sup>2</sup>NLA</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12 <sup>th</sup> August 2022  This summary must be read in conjunction with the formal Valuation Report dated 12 <sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.	

(\*) This valuation amount is exclusive of local transfer taxes and in Australian Dollars.



## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 7. Novotel Melbourne on Collins

<b>Brief Description</b>	<p>The subject property comprises a 380 room, 4.5-star hotel arranged over 8 levels and forms part of a mixed use development with the subject sitting above St Collins Lane shopping Centre. The hotel has its own entrance on Collins Street and hotel facilities include reception, back of house offices, Lane Restaurant and Bar, gymnasium, indoor heated swimming pool and spa. There are 70 car parking spaces and two storage units allocated to the hotel held in 72 separate strata lots located at 26 Manchester Lane.</p> <p>The property is located on the northern side of Collins Street between its intersections with Swanston Street and Elizabeth Street in the Melbourne Central Business District (CBD).</p>				
<b>Address</b>	Lot 1B, 270 Collins Street, Melbourne, VIC, Australia - As noted on the Certificate of Title search.				
<b>Registered Owner</b>	Leasehold interest – FH-BT NMCS Operations Pty Ltd Freehold interest - The Trust Company (PTAL) Limited				
<b>Gross Floor Area (GFA)</b>	20,860m <sup>2</sup>				
<b>Net Lettable Area</b>	17,360m <sup>2</sup>				
<b>Zoning</b>	*Capital City Zone – Schedule 1* under the Melbourne Planning Scheme Plot ratio not applicable in this jurisdiction				
<b>Tenure</b>	Freehold Interest.				
<b>Occupancy Profile</b>	<ul style="list-style-type: none"> <li>▪ The hotel is currently the subject of a related party lease agreement between The Trust Company (PTAL) Limited as trustee for FHT Melbourne Trust 1 as Lessor and FH-BT NMCS Operations Pty Ltd as Lessee. The initial 20-year lease term expires 17 October 2036 with an option for a further term of 20-years. The Lessee pays a variable rent (subject to a fixed rent minimum of \$5,880,000 per annum). Under the Lease, the Lessor may sell or assign its interest in the Premises at any time during the Term free and clear of the Lease without compensation.</li> <li>▪ The lease to FH-BT NMCS Operations Pty Ltd is a related party lease that has been established for asset protection and taxation purposes. Given that the Lessor may sell or assign its interest free and clear of the Lease and without compensation, we have disregarded the related party lease for the purpose of this assessment.</li> <li>▪ The hotel is currently operated by AAPC Properties Pty Limited pursuant to a Hotel Management Agreement (HMA) with FH-BT NMCS Operations Pty Ltd as Owner.</li> <li>▪ We have valued the subject property on a Freehold Going Concern basis, subject to the existing Hotel Management Agreement (HMA).</li> <li>▪ The subject property is master leased to a sole tenant, being the Master Lessee and the occupancy rate is 100%. The WALE of the Master Lease Agreement (MLA) is 14.4 years and there is no rent review structure provided for under the MLA.</li> <li>▪ The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</li> <li>▪ We are not aware of any income support.</li> </ul>				
<b>Instructioning Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))				
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").				
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022				
<b>Date of Report</b>	12 <sup>th</sup> August 2022				
<b>Interest Valued</b>	Market Value of the Freehold interest as a going concern hotel subject to the hotel management agreement and including land, licenses, improvements, plant & equipment and fixtures & fittings.				
<b>Basis of Valuation</b>	Market Value subject to: <ul style="list-style-type: none"> <li>a) Vacant Possession; and</li> <li>b) Master Lease Agreement (MLA).</li> </ul>				
<b>Valuation Approach</b>	Income Capitalisation Method, Discounted Cash Flow Method and Direct Comparison Method				
<b>Market Value</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0e0e0;"> <th style="width: 50%; text-align: left;">Vacant Possession</th> <th style="width: 50%; text-align: right;">Subject to Master Lease</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>\$235,000,000 (*)</b></td> <td style="text-align: right;"><b>\$235,000,000 (*)</b></td> </tr> </tbody> </table>	Vacant Possession	Subject to Master Lease	<b>\$235,000,000 (*)</b>	<b>\$235,000,000 (*)</b>
Vacant Possession	Subject to Master Lease				
<b>\$235,000,000 (*)</b>	<b>\$235,000,000 (*)</b>				
<b>Adopted Capitalisation Rate</b>	<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%; text-align: center;"><b>5.25%</b></td> <td style="width: 50%; text-align: right;"><b>5.25%</b></td> </tr> </tbody> </table>	<b>5.25%</b>	<b>5.25%</b>		
<b>5.25%</b>	<b>5.25%</b>				
<b>Adopted Discount Rate</b>	<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%; text-align: center;"><b>7.00%</b></td> <td style="width: 50%; text-align: right;"><b>7.00%</b></td> </tr> </tbody> </table>	<b>7.00%</b>	<b>7.00%</b>		
<b>7.00%</b>	<b>7.00%</b>				

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



Adopted Terminal Capitalisation Rate	5.50%	5.50%
Market Value Rate	<b>\$618,421 per key</b> <b>\$11,266m<sup>2</sup>GFA</b> <b>\$13,537m<sup>2</sup>NLA</b>	<b>\$618,421 per key</b> <b>\$11,266m<sup>2</sup>GFA</b> <b>\$13,537m<sup>2</sup>NLA</b>
Critical Assumptions	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes and in Australian Dollars.

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 8. Park International London

<b>Brief Description</b>	The Hotel comprises 171 bedrooms, a 121 cover breakfast room and a 40 cover bar and restaurant. Other facilities include a boardroom with a capacity for 10 people and a small gym. The Property is located on the Cromwell Road (A4) in the Royal Borough of Kensington and Chelsea, West London.										
<b>Address</b>	Park International Hotel, 117-129 Cromwell Road, London SW7 4DS										
<b>Registered Owner</b>	FHT London 3 Limited. This is the name on the registered title document.										
<b>Gross Floor Area (GFA)</b>	73,464 sq ft / 6,825 sq m										
<b>Net Lettable Area (NLA)</b>	35,101 sq ft / 3,261 sq m										
<b>Zoning</b>	Royal Borough of Kensington and Chelsea - Planning use: C1 Hotel Use. Plot ratio not applicable for this jurisdiction.										
<b>Tenure</b>	The tenure of the Property is leasehold for a term of 75 years commencing from 18 March 2014 (unexpired term of approximately 67 years as at 31 May 2022).										
<b>Tenancy Profile (Managed By)</b>	<p>The Aparthotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%;"> <tr> <td><b>Master Lessee</b></td> <td>P I Hotel Management Limited</td> </tr> <tr> <td><b>Lease Term</b></td> <td>10 years from 14 July 2014</td> </tr> <tr> <td><b>Fixed Rent</b></td> <td>£1,300,000 per annum</td> </tr> <tr> <td><b>Variable Rent</b></td> <td> <p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 91.5% of the Gross Operating Revenue for that fiscal year; and</li> <li>ii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 10 years with an option exercisable by the Master Lessee to obtain an additional lease for a further 10 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew. The WALE is 1.8 years.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p>	<b>Master Lessee</b>	P I Hotel Management Limited	<b>Lease Term</b>	10 years from 14 July 2014	<b>Fixed Rent</b>	£1,300,000 per annum	<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 91.5% of the Gross Operating Revenue for that fiscal year; and</li> <li>ii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	P I Hotel Management Limited										
<b>Lease Term</b>	10 years from 14 July 2014										
<b>Fixed Rent</b>	£1,300,000 per annum										
<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 91.5% of the Gross Operating Revenue for that fiscal year; and</li> <li>ii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.										
<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager"), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022										
<b>Interest Valued</b>	Leasehold										
<b>Basis of Valuation</b>	Market Value subject to: <ul style="list-style-type: none"> <li>a) Vacant Possession; and</li> <li>b) A Master Lease Agreement (MLA).</li> </ul>										
<b>Valuation Approach</b>	Income Approach within a Discounted Cash Flow Method and Direct Comparison Method										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



Assessed Value	Vacant Possession	Subject to Master Lease
	£39,800,000	£39,800,000
Capitalisation Rate	5.50%	5.50%
Terminal Capitalisation Rate	5.50%	5.50%
Discount Rate	8.00%	8.00%
Terminal (Exit) Yield	5.50%	5.50%
Market Value Per Key	£232,749 per key £542 psf / £5,832 psm GFA £1,134 psf / £12,205 psm NLA	£232,749 per key £542 psf / £5,832 psm GFA £1,134 psf / £12,205 psm NLA
Assumptions, Disclaimers, Limitations & Qualifications	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 9. ibis Styles London Gloucester Road, London

<b>Brief Description</b>	The Hotel comprises 84 bedrooms and a 40 cover breakfast room. There are no other ancillary facilities and no car parking. Accommodation is of a budget Ibis Styles brand standard. The Property comprises three former terraced houses combined to form an 84 bedroom hotel arranged over lower ground, ground and five upper floors. The Property is located on the Cromwell Road in the Royal Borough of Kensington and Chelsea, West London.										
<b>Address</b>	ibis Styles London Gloucester Road, 110 Cromwell Road, London SW7 4ES										
<b>Registered Owner</b>	FHT London 4 Limited. This is the name on the registered title document.										
<b>Gross Floor Area (GFA)</b>	27,039 sq ft / 2,512 sq m										
<b>Net Lettable Area (NLA)</b>	14,693 sq ft / 1,365 sq m										
<b>Zoning</b>	Royal Borough of Kensington and Chelsea - Planning use: C1 Hotel Use. Plot ratio not applicable for this jurisdiction.										
<b>Tenure</b>	The tenure of the Property is leasehold for a term of 75 years commencing from 18 March 2014 (unexpired term of approximately 67 years as at 31 May 2022).										
<b>Tenancy Profile (Managed By)</b>	<p>The Aparthotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the salient terms:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee</b></td> <td>P I Hotel Management Limited</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lease Term</b></td> <td>10 years from 18 March 2014</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Fixed Rent</b></td> <td>£600,000 per annum</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Variable Rent</b></td> <td> <p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 91.5% of the Gross Operating Revenue for that fiscal year; and</li> <li>ii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 10 years with an option exercisable by the Master Lessee to obtain an additional lease for a further 10 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew. The WALE is 1.8 years.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p> <p>The Hotel benefits from a hotel management agreement to Accor hotel Services UK Limited for a term of 20 years from 1 January 2018 (15.6 years unexpired).</p>	<b>Master Lessee</b>	P I Hotel Management Limited	<b>Lease Term</b>	10 years from 18 March 2014	<b>Fixed Rent</b>	£600,000 per annum	<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 91.5% of the Gross Operating Revenue for that fiscal year; and</li> <li>ii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	P I Hotel Management Limited										
<b>Lease Term</b>	10 years from 18 March 2014										
<b>Fixed Rent</b>	£600,000 per annum										
<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 91.5% of the Gross Operating Revenue for that fiscal year; and</li> <li>ii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.										
<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022										
<b>Interest Valued</b>	Leasehold										
<b>Basis of Valuation</b>	Market Value subject to: <ul style="list-style-type: none"> <li>a) Vacant Possession; and</li> <li>b) A Master Lease Agreement (MLA).</li> </ul>										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Valuation Approach</b>	Income Approach within a Discounted Cash Flow Method and Direct Comparison Method	
<b>Assessed Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	<b>£19,400,000</b>	<b>£19,400,000</b>
<b>Capitalisation Rate</b>	<b>5.75%</b>	<b>5.75%</b>
<b>Terminal Capitalisation Rate</b>	<b>5.75%</b>	<b>5.75%</b>
<b>Discount Rate</b>	<b>8.25%</b>	<b>8.25%</b>
<b>Terminal (Exit) Yield</b>	<b>5.75%</b>	<b>5.75%</b>
<b>Market Value Per Key</b>	<b>£230,952 per key</b> <b>£717 psf / £7,723 psm GFA</b> <b>£1,320 psf / £14,212 psm NLA</b>	<b>£230,952 per key</b> <b>£717 psf / £7,723 psm GFA</b> <b>£1,320 psf / £14,212 psm NLA</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 10. Fraser Place Canary Wharf, London

<b>Brief Description</b>	The Aparthotel comprises 108 units with limited ancillary facilities consisting of a small cafe and a small exercise room. The Property also benefits from an underground carpark with 63 spaces. The Aparthotel is located in Canary Wharf, one of London's principal business districts located in the London Borough of Tower Hamlets. It is located west of the Black Wall tunnel on Boardwalk Place, 0.5 miles east of Canary Wharf station.										
<b>Address</b>	Fraser Place Canary Wharf, 80 Boardwalk Place, London E14 5SF										
<b>Registered Owner</b>	FHT London 1 Limited. This is the name on the registered title document.										
<b>Gross Floor Area (GFA)</b>	60,913 sq ft / 5,659 sq m										
<b>Net Lettable Area (NLA)</b>	48,007 sq ft / 4,460 sq m										
<b>Zoning</b>	London Borough of Tower Hamlets - Planning use: C1 Hotel Use Plot ratio not applicable for this jurisdiction.										
<b>Tenure</b>	The tenure of the Property is leasehold for a term of 75 years commencing from 14 July 2014 (unexpired term of approximately 67 years as at 31 May 2022).										
<b>Tenancy Profile (Managed By)</b>	<p>The Aparthotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee</b></td> <td>Fairdace Limited</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lease Term</b></td> <td>20 years from 14 July 2014</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Fixed Rent</b></td> <td>£1,400,000 per annum</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Variable Rent</b></td> <td> <p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 65% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 20 years with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew. The WALE is 11.8 years.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p>	<b>Master Lessee</b>	Fairdace Limited	<b>Lease Term</b>	20 years from 14 July 2014	<b>Fixed Rent</b>	£1,400,000 per annum	<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 65% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	Fairdace Limited										
<b>Lease Term</b>	20 years from 14 July 2014										
<b>Fixed Rent</b>	£1,400,000 per annum										
<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 65% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.										
<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022										
<b>Interest Valued</b>	Leasehold										
<b>Basis of Valuation</b>	Market Value subject to: <ul style="list-style-type: none"> <li>a) Vacant Possession; and</li> <li>b) A Master Lease Agreement (MLA),</li> </ul>										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Valuation Approach</b>	Income Approach within a Discounted Cash Flow Method and Direct Comparison Method	
<b>Assessed Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	£37,800,000	£37,800,000
<b>Capitalisation Rate</b>	6.25%	6.25%
<b>Terminal Capitalisation Rate</b>	6.25%	6.25%
<b>Discount Rate</b>	8.75%	8.75%
<b>Terminal (Exit) Yield</b>	6.25%	6.25%
<b>Market Value Per Key</b>	£350,000 per key £621 psf GFA / £6,680 psm GFA £787 psf NLA / £8,475 psm NLA	£350,000 per key £621 psf GFA / £6,680 psm GFA £787 psf NLA / £8,475 psm NLA
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes



## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 11. Fraser Suites Queens Gate, London

<b>Brief Description</b>	The Aparthotel comprises 105 studio, one-bedroom and two-bedroom apartments. All apartments include kitchenettes and are en-suite. The Property is located on the Cromwell Road (A4) in the Royal Borough of Kensington and Chelsea, West London.										
<b>Address</b>	Fraser Suites Queens Gate, 39B Queens Gate Gardens, South Kensington, London SW7 5RR										
<b>Registered Owner</b>	FHT London 2 Limited. This is the name on the registered title document.										
<b>Gross Floor Area (GFA)</b>	69,061 sq ft / 6,415 sq m										
<b>Net Lettable Area (NLA)</b>	45,693 sq ft / 4,245 sq m										
<b>Zoning</b>	Royal Borough of Kensington and Chelsea - Planning use: C1 Hotel Use Plot ratio not applicable for this jurisdiction.										
<b>Tenure</b>	The tenure of the Property is leasehold for a term of 75 years commencing from 18 March 2014 (unexpired term of approximately 67 years as at 31 May 2022).										
<b>Tenancy Profile (Managed By)</b>	<p>The Aparthotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Master Lessee</b></td> <td>39QGG Management Limited</td> </tr> <tr> <td><b>Lease Term</b></td> <td>20 years from 18 March 2014</td> </tr> <tr> <td><b>Fixed Rent</b></td> <td>£1,800,000 per annum</td> </tr> <tr> <td><b>Variable Rent</b></td> <td> <p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 67% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 20 years with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew. The WALE is 11.8 years.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p>	<b>Master Lessee</b>	39QGG Management Limited	<b>Lease Term</b>	20 years from 18 March 2014	<b>Fixed Rent</b>	£1,800,000 per annum	<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 67% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	39QGG Management Limited										
<b>Lease Term</b>	20 years from 18 March 2014										
<b>Fixed Rent</b>	£1,800,000 per annum										
<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 67% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.										
<b>Instructing Party</b>	Fraser Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Fraser Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Fraser Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Fraser Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Fraser Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022										
<b>Interest Valued</b>	Leasehold										
<b>Basis of Valuation</b>	Market Value subject to: <ul style="list-style-type: none"> <li>a) Vacant Possession; and</li> <li>b) A Master Lease Agreement (MLA).</li> </ul>										
<b>Valuation Approach</b>	Income Approach within a Discounted Cash Flow Method and Direct Comparison Method										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



Assessed Value	Vacant Possession	Subject to Master Lease
	£56,100,000	£56,100,000
Capitalisation Rate	5.25%	5.25%
Terminal Capitalisation Rate	5.25%	5.25%
Discount Rate	7.75%	7.75%
Terminal (Exit) Yield	5.25%	5.25%
Market Value Per Key	£534,286 per key £812 psf / £8,745 psm GFA £1,228 psf / £13,216 psm NLA	£534,286 per key £812 psf / £8,745 psm GFA £1,228 psf / £13,216 psm NLA
Assumptions, Disclaimers, Limitations & Qualifications	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 12. Fraser Suites Edinburgh

<b>Brief Description</b>	The Property is located in Edinburgh, just off the Royal Mile in the Old Town between Edinburgh Castle and Holyrood Palace. The Aparthotel comprises 75 studio or one-bedroom apartments including three feature suites. All apartments include kitchenettes and are en-suite. All apartments are finished to a good standard but do not benefit from air-conditioning. The restaurant and bar are sublet on a rolling monthly contract for c. £1,666 per month excl. VAT.										
<b>Address</b>	Fraser Suites Edinburgh, 12-26 St Giles' Street, Edinburgh EH1 1PT										
<b>Registered Owner</b>	FHT Scotland 1 Limited. This is the name on the registered title document.										
<b>Gross Floor Area (GFA)</b>	42,539 sq ft / 3,952 sq m										
<b>Net Lettable Area (NLA)</b>	25,113 sq ft / 2,333 sq m										
<b>Zoning</b>	City of Edinburgh Council - Planning use: C1 Hotel Use. Plot ratio not applicable for this jurisdiction.										
<b>Tenure</b>	The tenure of the Property is leasehold for a term of 75 years commencing from 18 March 2014 (unexpired term of approximately 67 years as at 31 May 2022).										
<b>Tenancy Profile (Managed By)</b>	<p>The Hotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Master Lessee</b></td> <td>Fraser St Giles Street Management Limited</td> </tr> <tr> <td><b>Lease Term</b></td> <td>20 years from 18 March 2014</td> </tr> <tr> <td><b>Fixed Rent</b></td> <td>£500,000 per annum</td> </tr> <tr> <td><b>Variable Rent</b></td> <td> <p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 45% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 20 years with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew. The WALE is 11.8 years.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p>	<b>Master Lessee</b>	Fraser St Giles Street Management Limited	<b>Lease Term</b>	20 years from 18 March 2014	<b>Fixed Rent</b>	£500,000 per annum	<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 45% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	Fraser St Giles Street Management Limited										
<b>Lease Term</b>	20 years from 18 March 2014										
<b>Fixed Rent</b>	£500,000 per annum										
<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 45% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.										
<b>Instructing Party</b>	Fraser Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Fraser Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Fraser Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Fraser Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Fraser Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022										
<b>Interest Valued</b>	Leasehold										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



<b>Basis of Valuation</b>	Market Value subject to: a) Vacant Possession; and b) A Master Lease Agreement (MLA).	
<b>Valuation Approach</b>	Income Approach within a Discounted Cash Flow Method and Direct Comparison Method	
<b>Assessed Value</b>	<b>Vacant Possession</b>	<b>Subject to Master Lease</b>
	<b>£15,700,000</b>	<b>£15,700,000</b>
<b>Capitalisation Rate</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Terminal Capitalisation Rate</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Discount Rate</b>	<b>9.00%</b>	<b>9.00%</b>
<b>Terminal (Exit) Yield</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Market Value Per Key</b>	<b>£209,333 per key</b>	<b>£209,333 per key</b>
	<b>£369 psf GFA / £3,973 psm GFA</b>	<b>£369 psf GFA / £3,973 psm GFA</b>
	<b>£625 psf NLA / £6,730 psm NLA</b>	<b>£625 psf NLA / £6,730 psm NLA</b>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 13. Fraser Suites Glasgow

<b>Brief Description</b>	The Property comprises 98 upscale serviced apartments, a reception/lobby area with seating, a 46-cover breakfast room and small fitness room. Accommodation is split across 33 studios, 57 one-bedroom apartments and 8 two-bedroom apartments. The Property is located in the Merchant City area of Glasgow's city centre. The Property is easily accessible by road via the M8 Motorway which connects Glasgow to Edinburgh and other key cities in Scotland.										
<b>Address</b>	Fraser Suites Glasgow, 1-19 Albion Street, Glasgow G1 1LH										
<b>Registered Owner</b>	FHT Scotland 2 Limited. This is the name on the registered title document.										
<b>Gross Floor Area (GFA)</b>	79,502 sq ft / 7,386 sq m										
<b>Net Lettable Area (NLA)</b>	59,621 sq ft / 5,539 sq m										
<b>Zoning</b>	Glasgow City Council - Planning use: C1 Hotel Use Plot ratio not applicable for this jurisdiction.										
<b>Tenure</b>	The tenure of the Property is leasehold for a term of 75 years commencing from 14 July 2014 (unexpired term of approximately 67 years as at 31 May 2022).										
<b>Tenancy Profile (Managed By)</b>	<p>The Aparthotel is leased under a Master Lease Agreement (MLA) to a sole tenant, being the Master Lessee (as defined herein) and the occupancy rate is 100%. The table below summarises the main terms and conditions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee</b></td> <td>Fairdace Limited</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Lease Term</b></td> <td>20 years from 14 July 2014</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Fixed Rent</b></td> <td>£400,000 per annum</td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Variable Rent</b></td> <td> <p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 50% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p> </td> </tr> <tr> <td style="background-color: #e0e0e0;"><b>Master Lessee's Obligation</b></td> <td>Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.</td> </tr> </table> <p>In accordance with the MLA, it has an initial term of 20 years with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments which FH-REIT may require due to change in law and the exclusion of any further option to renew. The WALE is 11.8 years.</p> <p>The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to hotel revenue and gross operating profit and is based on a gross rental structure.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p>	<b>Master Lessee</b>	Fairdace Limited	<b>Lease Term</b>	20 years from 14 July 2014	<b>Fixed Rent</b>	£400,000 per annum	<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 50% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>	<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.
<b>Master Lessee</b>	Fairdace Limited										
<b>Lease Term</b>	20 years from 14 July 2014										
<b>Fixed Rent</b>	£400,000 per annum										
<b>Variable Rent</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>i) 20% of the Gross Operating Revenue for that fiscal year;</li> <li>ii) 50% of Gross Operating Profit for that fiscal year; and</li> <li>iii) Any unutilised balance in the FF&amp;E Reserve which is not carried forward to the following Fiscal Year by mutual agreement of the Parties.</li> </ul> <p>Less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.</p>										
<b>Master Lessee's Obligation</b>	Lessee agrees to pay the Gross Rent and to perform its other Obligations as defined in the Lease.										
<b>Instructing Party</b>	Fraser's Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Fraser's Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Fraser's Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Fraser's Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))										
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Fraser's Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").										
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022										
<b>Date of Report</b>	12 <sup>th</sup> August 2022										
<b>Interest Valued</b>	Leasehold										
<b>Basis of Valuation</b>	Market Value subject to: <ul style="list-style-type: none"> <li>a) Vacant Possession; and</li> <li>b) A Master Lease Agreement (MLA).</li> </ul>										
<b>Valuation Approach</b>	Income Approach within a Discounted Cash Flow Method and Direct Comparison Method										

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



Assessed Value	Vacant Possession	Subject to Master Lease
	<b>£9,500,000</b>	<b>£9,500,000</b>
Capitalisation Rate	8.25%	8.25%
Terminal Capitalisation Rate	8.25%	8.25%
Discount Rate	10.75%	10.75%
Terminal (Exit) Yield	8.25%	8.25%
Market Value Per Key	<b>£96,939 per key</b> <b>£119 psf GFA / £1,286 psm GFA</b> <b>£159 psf NLA / £1,715 psm NLA</b>	<b>£96,939 per key</b> <b>£119 psf GFA / £1,286 psm GFA</b> <b>£159 psf NLA / £1,715 psm NLA</b>
Assumptions, Disclaimers, Limitations & Qualifications	<p>The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12<sup>th</sup> August 2022</p> <p>This summary must be read in conjunction with the formal Valuation Report dated 12<sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.</p>	

(\*) This valuation amount is exclusive of local transfer taxes

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



### 14. Maritim Dresden Hotel

<b>Brief Description</b>	The Hotel comprises 328 bedrooms, a piano bar (120 covers), restaurant (350 covers), pool and leisure facilities. The bedrooms are between 27-28 sq m and are all en-suite. The basement car park is shared with the neighbouring conference centre with 190 spaces allocated to the Hotel. Accommodation is of a midscale standard. The Property is located just to the north of Dresden city centre between Altstadt and Friedrichstadt																								
<b>Address</b>	Maritim Hotel Dresden, Devrientstraße 10-12, 01067 Dresden, Germany																								
<b>Registered Owner</b>	FHT Property 1 B.V. (Registered title documents are not freely available in Germany, but this is our understanding of the name which would appear on the registered title document).																								
<b>Gross Floor Area (GFA)</b>	278,957 sq ft / 25,916 sq m																								
<b>Net Lettable Area (NLA)</b>	151,384 sq ft / 14,064 sq m																								
<b>Zoning</b>	The Property is situated within the area of the development plan 'Nr. 602 – Dresden-Altstadt I'. The usage is restricted to congress centre and complementary usages. The building height is limited to 39 m. The permissible plot ratio is not applicable.																								
<b>Tenure</b>	Freehold																								
<b>Tenancy Profile (Managed By)</b>	<p>The entire property is let to Maritim Hotelgesellschaft mbH, as the sole tenant, under the terms of a lease dated 15 October 2004 and the occupancy rate is 100%. We have summarised the salient principal provisions below:</p> <table border="1" style="width: 100%;"> <tr> <td><b>Tenant</b></td> <td>Maritim Hotelgesellschaft mbH</td> </tr> <tr> <td><b>Operating Contract</b></td> <td>Lease Agreement</td> </tr> <tr> <td><b>Lease Term</b></td> <td>30 years</td> </tr> <tr> <td><b>Lease Expiry Date</b></td> <td>31/12/2034</td> </tr> <tr> <td><b>Remaining Lease Term (WALE)</b></td> <td>12.6 years</td> </tr> <tr> <td><b>Extension Option</b></td> <td>2 x 5 years</td> </tr> <tr> <td><b>Rent Structure</b></td> <td>The higher of the Fixed or Turnover Rent.  The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to a fixed rent and hotel revenue and is based on a gross rental structure.</td> </tr> <tr> <td><b>Turnover Rent</b></td> <td>40.0% of Total Turnover</td> </tr> <tr> <td><b>Fixed Rent</b></td> <td>€ 4.00 million</td> </tr> <tr> <td><b>Indexation p.a.</b></td> <td>80% of German CPI over 5% hurdle</td> </tr> <tr> <td><b>FF&amp;E Reserve</b></td> <td>2015: 1% of Total Turnover 2016: 2% of Total Turnover Thereafter: 3% of Total Turnover</td> </tr> <tr> <td><b>Property Costs</b></td> <td>"Dach und Fach" arrangement. Tenant pays for both property tax and insurance. Landlord maintains roof and exterior walls.</td> </tr> </table> <p>Rent concessions were agreed during 2020 and 2021 but full rent has been payable again from January 2022.</p> <p>The MLA does not allow for a standard rent review structure. Gross Rent is paid by the Master Lessee monthly, being the sum of the Fixed Rent and Variable Rent. Therefore, Gross Rent is adjusted monthly.</p> <p>We are aware of no income support being applicable.</p>	<b>Tenant</b>	Maritim Hotelgesellschaft mbH	<b>Operating Contract</b>	Lease Agreement	<b>Lease Term</b>	30 years	<b>Lease Expiry Date</b>	31/12/2034	<b>Remaining Lease Term (WALE)</b>	12.6 years	<b>Extension Option</b>	2 x 5 years	<b>Rent Structure</b>	The higher of the Fixed or Turnover Rent.  The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to a fixed rent and hotel revenue and is based on a gross rental structure.	<b>Turnover Rent</b>	40.0% of Total Turnover	<b>Fixed Rent</b>	€ 4.00 million	<b>Indexation p.a.</b>	80% of German CPI over 5% hurdle	<b>FF&amp;E Reserve</b>	2015: 1% of Total Turnover 2016: 2% of Total Turnover Thereafter: 3% of Total Turnover	<b>Property Costs</b>	"Dach und Fach" arrangement. Tenant pays for both property tax and insurance. Landlord maintains roof and exterior walls.
<b>Tenant</b>	Maritim Hotelgesellschaft mbH																								
<b>Operating Contract</b>	Lease Agreement																								
<b>Lease Term</b>	30 years																								
<b>Lease Expiry Date</b>	31/12/2034																								
<b>Remaining Lease Term (WALE)</b>	12.6 years																								
<b>Extension Option</b>	2 x 5 years																								
<b>Rent Structure</b>	The higher of the Fixed or Turnover Rent.  The rent payable is not directly linked to GFA, NLA or per key metrics, but instead linked to a fixed rent and hotel revenue and is based on a gross rental structure.																								
<b>Turnover Rent</b>	40.0% of Total Turnover																								
<b>Fixed Rent</b>	€ 4.00 million																								
<b>Indexation p.a.</b>	80% of German CPI over 5% hurdle																								
<b>FF&amp;E Reserve</b>	2015: 1% of Total Turnover 2016: 2% of Total Turnover Thereafter: 3% of Total Turnover																								
<b>Property Costs</b>	"Dach und Fach" arrangement. Tenant pays for both property tax and insurance. Landlord maintains roof and exterior walls.																								
<b>Instructing Party</b>	Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust ("FH-REIT" and as manager of FH-REIT, the "REIT Manager")), Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT (the "Trustee")), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Frasers Hospitality Business Trust ("FH-BT" and as trustee-manager of FH-BT, the "Trustee-Manager"))																								
<b>Purpose</b>	The Valuation is required for inclusion in the Scheme Document to stapled securityholders of Frasers Hospitality Trust ("FHT", a stapled group comprising FH-REIT and FH-BT) pursuant to the proposed scheme of arrangement of FHT (the "Proposed Transaction").																								
<b>Date of Valuation</b>	31 <sup>st</sup> May 2022																								
<b>Date of Valuation Report</b>	12 <sup>th</sup> August 2022																								
<b>Interest Valued</b>	Freehold subject to an Occupational Lease.																								
<b>Basis of Valuation</b>	Market Value																								
<b>Valuation Approach</b>	Investment Method and Direct Comparison Method																								

## APPENDIX H – VALUATION CERTIFICATES IN RESPECT OF THE FHT PROPERTIES



Assessed Value	Market Value
	€59,000,000
Capitalisation Rate	6.27%
Terminal Capitalisation Rate	6.27%
Discount Rate	N/A
Terminal (Exit) Yield	6.27%
Market Value Per Key	€179,878 per key €212 psf / €2,277 psm GFA €390 psf / €4,195 psm NLA
Assumptions, Disclaimers, Limitations & Qualifications	The Valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the Valuation Report dated 12 <sup>th</sup> August 2022 This summary must be read in conjunction with the formal Valuation Report dated 12 <sup>th</sup> August 2022 on which this Valuation Certificate is based on. This Valuation Certificate should not be relied upon in isolation for finance or any other purpose.

(\*) This valuation amount is exclusive of local transfer taxes



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## APPENDIX I – OFFEROR WARRANTIES

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*All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the FHT Managers from the date of this Scheme Document up until the Effective Date.*

The Offeror represents and warrants to the FHT Managers and the FH-REIT Trustee as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)) and subject only to the exceptions set out in the Implementation Agreement, that:

**1. Incorporation**

The Offeror is a company duly incorporated in Singapore and validly existing under Singapore law. The Offeror is a wholly-owned subsidiary of Frasers Property Limited.

**2. Power**

The Offeror has the corporate power to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

**3. Authority**

The Offeror has taken all necessary corporate action and obtained all necessary corporate approval to authorise entry into the Implementation Agreement and the performance of its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

**4. Binding Obligation**

The Offeror's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

**5. Consents**

The Offeror shall take all actions required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to:

- (a) enable the Offeror lawfully to enter into, exercise its rights under and perform and comply with its obligations under the Implementation Agreement; and
- (b) ensure that those obligations are valid, legally binding and enforceable.

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## APPENDIX I – OFFEROR WARRANTIES

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### 6. No Breach

- 6.1 Neither the execution and delivery, nor performance by the Offeror of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will:
- (a) conflict with or constitute a default under or result in a breach of any provision of its constitutive documents;
  - (b) conflict with or constitute a default under or result in a breach of any order, writ, injunction or decree of any Governmental Authority applicable to the Offeror or its assets; or
  - (c) conflict with or constitute a default under or result in a breach of any agreement or instrument to which the Offeror is a party or by which the Offeror or any of its assets is bound.

### 7. Sufficiency of Financial Resources

The Offeror confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable pursuant to the Scheme.

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## APPENDIX J – FHT WARRANTIES

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All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the FHT Managers from the date of this Scheme Document up until the Effective Date.

The FHT Managers and the FH-REIT Trustee represent and warrant to the Offeror as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)) and subject only to the exceptions set out in the Implementation Agreement (and provided that the FH-REIT Trustee does not make any warranty in respect of FH-BT), that:

### 1. FHT Group

#### 1.1 Incorporation

- (a) FH-REIT has been duly constituted and is validly existing as a real estate investment trust under the laws of Singapore pursuant to the FH-REIT Trust Deed, and FH-BT has been duly constituted and is validly existing as a business trust under the laws of Singapore pursuant to the FH-BT Trust Deed.
- (b) Each of the subsidiaries of FHT has been duly organised and is validly existing as a legal entity under the laws of the jurisdiction in which it is organised.
- (c) The FH-REIT Trustee and/or the FH-BT Trustee-Manager hold, directly or indirectly, the equity interest of each member of the FHT Group, and hold such equity interest on trust for the Stapled Securityholders in accordance with the FHT Trust Deeds, but otherwise free from any Encumbrances. The FH-REIT Trustee and the FH-BT Trustee-Manager do not hold any equity interest in any entity other than the entities in the FHT Group.
- (d) All the issued shares or units of the members of the FHT Group have been duly authorised and validly issued, are fully paid-up and rank *pari passu* in all respects with each other.
- (e) There are no outstanding warrants, options or other securities or rights to acquire (whether by purchase, grant, conversion, exchange, exercise or otherwise) any securities issued by any member of the FHT Group.

#### 1.2 Stapled Securities

- (a) All the issued Stapled Securities have been duly authorised and validly issued, are fully paid-up and rank *pari passu* in all respects with each other. As at the date of the Implementation Agreement, FHT has issued an aggregate of 1,926,073,869 Stapled Securities.
- (b) All the issued Stapled Securities are listed on the Main Board of the SGX-ST and will continue to be so listed at the Relevant Date and there are no circumstances whereby such listing may be cancelled or revoked.
- (c) Other than any issue of Stapled Securities to the FHT Managers as payment of their fees in accordance with the provisions of the FHT Trust Deeds, no options, warrants or other rights to purchase, agreements or other obligations of FHT to issue, or rights to convert any obligations into or exchange any securities for, Stapled Securities of or ownership interests in Stapled Securities are outstanding.

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### 1.3 Full Disclosure

All information contained in the Implementation Agreement and the Disclosure Letter was, when given, and is, at the date hereof, true and accurate in all material respects and not misleading and none of the above information contains any untrue statement of fact or omits to state a fact necessary to make the statement contained therein, in light of the circumstances under which they are made, not misleading. As at the date of the Implementation Agreement, the FH-REIT Trustee and FHT Managers are not aware of any facts or matters or circumstances which renders or will render any such information untrue, inaccurate or misleading in any material respect, provided always that no warranty or representation shall be given by the FH-REIT Trustee or the FHT Managers in relation to any forecast, estimate, projection or forward looking statement which may have been made by or on behalf of the FHT Group. All material information relating to the FHT Group has been announced on SGXNet in compliance with its continuous disclosure requirements.

## 2. Accounts

### 2.1 Financial Statements

- (a) The FHT Audited Financial Statements have been properly drawn up in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants, the provisions of the FHT Trust Deeds and all applicable laws so as to present a true and fair view of the financial positions of FH-REIT and the FHT Group as at 30 September 2021 and the total return, distributable income, movements in Stapled Securityholders’ funds and cash flows of the FHT Group for the year ended on that date.
- (b) The FHT Unaudited HY2022 Financial Statements were prepared using the same accounting policies and methods of computation with those applied in the FHT Audited Financial Statements and are fair and not misleading and do not materially misstate the assets and liabilities of the FHT Group as at the relevant balance sheet date or the profits and losses of the FHT Group for the periods then ended.

### 2.2 Changes since 30 September 2021 up to Relevant Date

Save as Disclosed in the Disclosure Letter, there have been no material adverse changes in the financial position of the FHT Group, since 30 September 2021 up to the date of the Implementation Agreement and up to the Relevant Date, and since 30 September 2021:

- (a) the businesses of the FHT Group have been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern;
- (b) there has been no change in the accounting policies and principles adopted for the preparation of the FHT Audited Financial Statements;
- (c) the FHT Group has not entered into any transaction or assumed or incurred any liabilities (including contingent liabilities) or made any payment or given any guarantee, indemnity or suretyship not provided for in the FHT Audited Financial Statements or the FHT Unaudited HY2022 Financial Statements that would have a

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## APPENDIX J – FHT WARRANTIES

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material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole, otherwise than in the ordinary and usual course of carrying on its business;

- (d) the FHT Group's profits have not been affected to a material extent by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms;
- (e) the FHT Group has not entered into any unusual, long term and onerous commitments and contracts that would have a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole;
- (f) no member of the FHT Group has entered into or proposed to enter into any capital commitments that would have a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole, other than in the ordinary course of business; and
- (g) save as disclosed in public announcements made by the FHT Managers on SGXNet up till the date of the Implementation Agreement and save for the Permitted Distributions, no dividend or other distribution has been declared, made or paid to its Stapled Securityholders.

### 2.3 Absence of Undisclosed Liabilities

Save as Disclosed in the Disclosure Letter, there are no material liabilities (including material contingent liabilities) of the FHT Group which are outstanding on the part of each member of the FHT Group, other than (a) liabilities Disclosed or provided for in the FHT Audited Financial Statements and/or the FHT Unaudited HY2022 Financial Statements; (b) liabilities Disclosed elsewhere in the Implementation Agreement or the Disclosure Letter; or (c) liabilities incurred after 30 September 2021 in the ordinary and usual course of business and which have not had and could not reasonably be expected to have a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole.

### 2.4 Trade and Other Receivables

So far as the FH-REIT Trustee and the FHT Managers are aware, the receivables, including accrued revenue in the FHT Audited Financial Statements and the FHT Unaudited HY2022 Financial Statements, are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the FHT Audited Financial Statements and/or the FHT Unaudited HY2022 Financial Statements (as the case may be), reasonably be expected to be realised in the ordinary and usual course of business of the FHT Group. No new adverse events have occurred that would give doubt as to the ability to realise all current receivables (other than trade receivables) in the ordinary and usual course of business and in the case of trade receivables, after taking into account any provision for bad and doubtful debts made in the FHT Audited Financial Statements and/or the FHT Unaudited HY2022 Financial Statements.

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### 3. Legal Matters

#### 3.1 Compliance with Laws

- (a) Each member of the FHT Group has carried on and is carrying on its business and operations so that there have been no breaches in any material respect of any applicable laws and regulations (including the Listing Manual and the Property Funds Appendix) in the jurisdiction in which it operates which are material in the context of the assets or business of the FHT Group, except that where any breach arises by reason only of any law, regulation and/or byelaw having been enacted between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such member of the FHT Group shall not be regarded as having been in breach of this paragraph 3.1(a) if it takes all reasonable steps to comply with such law, regulation and/or bye-law immediately thereafter. As at the date of the Implementation Agreement, no written complaints have been received by the FHT Group from any third party with regard to any breach of such laws and regulations by any member of the FHT Group.
- (b) There have not been and there are no material breaches by any member of the FHT Group of its constitutional documents.
- (c) Each member of the FHT Group is in compliance with all applicable anti-bribery and anti-corruption laws (including without limitation the Singapore Prevention of Corruption Act, U.S. Foreign Corrupt Practices Act or the UK Bribery Act 2010) and no member of the FHT Group nor, as far as the FH-REIT Trustee and the FHT Managers are aware, any director, officer, agent, employee or other person associated with or acting on behalf of such member of the FHT Group has engaged in any conduct or activity on behalf of such member of the FHT Group which would violate such laws.

#### 3.2 Licences and Consents

- (a) All statutory, municipal and other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals and authorities ("**Licences**") necessary for the carrying on of the businesses and operations of the FHT Group have been obtained, are in full force and effect and all conditions under such licences have been and are being complied with in all material respects, unless the failure to obtain such Licences does not have a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole.
- (b) As far as the FH-REIT Trustee and the FHT Managers are aware, there is no investigation, enquiry or proceeding outstanding which is likely to result in the suspension, cancellation, modification or revocation of any of the Licences, nor has any member of the FHT Group received any written notice of such investigations, enquiries or proceedings. So far as the FHT Managers and the FH-REIT Trustee are aware, none of the above mentioned licences is likely to be suspended, cancelled, refused, modified or revoked (whether as a result of entering into the Implementation Agreement, consummating the Acquisition, the Scheme or otherwise).

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### 3.3 Litigation, Arbitration or Investigation

- (a) No litigation, arbitration or administrative proceeding is current or pending or, so far as the FHT Managers and the FH-REIT Trustee are aware, threatened, to restrain the entry into, exercise of their rights under and/or performance or enforcement of or compliance with their obligations under the Implementation Agreement.
- (b) No claim, litigation, arbitration or administrative proceeding is current or pending or, so far as the FHT Managers and the FH-REIT Trustee are aware, threatened against any member of the FHT Group or in respect of the Properties, which has or could result in a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole.
- (c) The FHT Managers and the FH-REIT Trustee are not aware of any investigation or enquiry by any court, tribunal, arbitrator, Governmental Authority or regulatory body outstanding or anticipated against any member of the FHT Group which may have a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole.

### 3.4 Insolvency

- (a) None of the members of the FHT Group is insolvent or has been declared insolvent, and no order has been made or application presented or resolution passed for the liquidation, winding-up or administration of any member of the FHT Group, nor, as far as the FH-REIT Trustee and the FHT Managers are aware, are there any grounds on which any person would be entitled to have any member of the FHT Group wound-up or placed in administration.
- (b) No application has been presented for an order for the appointment of a judicial manager (or other similar order) to be made in relation to any member of the FHT Group, nor has any such order been made.
- (c) The FHT Managers and the FH-REIT Trustee have not received any notification of the appointment of any person as, nor as far as the FH-REIT Trustee and the FHT Managers are aware, has any person become entitled to appoint, a receiver or receiver and manager or other similar officer over any member of the FHT Group's business or assets or any part of them.
- (d) No composition in satisfaction of the debts of any member of the FHT Group, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, has been proposed to FHT Managers and the FH-REIT Trustee, sanctioned or approved.
- (e) No distress, distraint, charging order, garnishee order, execution or other process has been levied or applied for in respect of the whole or any part of any of the property, assets and/or undertaking of any member of the FHT Group.
- (f) None of the members of the FHT Group has ceased trading or stopped payment to its creditors and as far as the FHT Managers are aware, there are no grounds on which any member of the FHT Group could be found to be unable to pay its debts within the meaning of Section 125 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore.
- (g) As far as the FHT Managers are aware, no event has occurred causing, or which upon intervention or notice by any third party may cause, any floating charge created by any member of the FHT Group to crystallise or any charge created by it to become enforceable, nor has any such crystallisation occurred or is such enforcement in process.



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### 3.5 Power

The FHT Managers and the FH-REIT Trustee have the corporate power to enter into, deliver and perform their obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

### 3.6 Authority

The FHT Managers and the FH-REIT Trustee have taken all necessary corporate actions and obtained all necessary corporate approvals to authorise entry into the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

### 3.7 Binding Obligation

The FHT Managers' and the FH-REIT Trustee's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

## 4. Contractual Arrangements

### 4.1 Debts, Contracts and Arrangements with Connected Persons etc.

Save as Disclosed in the Disclosure Letter or the FHT Audited Financial Statements and since 30 September 2021, there is no interested person transaction (as defined in the Listing Manual) between any member of the FHT Group and an interested person (as defined in the Listing Manual) of FHT which is of a value of 3% or more of the latest audited net tangible assets of the FHT Group on a consolidated basis.

### 4.2 Effect of the Acquisition

The execution and delivery of, and the performance by the FHT Managers and the FH-REIT Trustee of their obligations under the Implementation Agreement and the transactions contemplated thereunder (including the Scheme and/or the Acquisition):

- (a) do not and will not result in a breach of any provision of the constitutional documents of any member of the FHT Group; and
- (b) do not and will not conflict with or result in the breach of or constitute a default or mandatory prepayment event under any agreement, instrument, deed, law, regulation, bye-law or licence (including the Licences) to which any member of the FHT Group is now a party or to which any member of the FHT Group is subject, or any loan to or mortgage created by any member of the FHT Group, or relieve any other party to a contract with any member of the FHT Group of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any order, judgment or decree of any court, Governmental Authority or regulatory body to which any member of the FHT Group is a party or by which any member of the FHT Group or any of their respective assets is bound, in each case, unless such conflict, breach or default does not result in a material adverse effect on the assets or business of the FHT Group taken as a whole.

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### 4.3 Contracts

- (a) Save as Disclosed in the Disclosure Letter, no member of the FHT Group is currently a party to any contract or transaction with a third party which:
  - (i) is outside the ordinary and usual course of business;
  - (ii) is not wholly on an arm's length basis; or
  - (iii) is of a loss-making nature that would have a material adverse effect on the assets or business of the FHT Group taken as a whole.
- (b) Save as Disclosed in the Disclosure Letter, except in the ordinary and usual course of business, none of the members of the FHT Group:
  - (i) is, or has agreed to become a party to any agreement or arrangement which contains any non-competition or similar undertaking restricting its freedom to carry on its business in any part of the world in such manner as it thinks fit;
  - (ii) is, or has agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or
  - (iii) is, or has agreed to become, a party to any agreement or arrangement for participating with others in any business, sharing commissions or other income.

### 4.4 Compliance with Agreements

All the contracts and all leases, tenancies, licences, concessions and agreements (breach of which will have a material adverse effect on the assets or business of the FHT Group, taken as a whole) to which any member of the FHT Group is a party are valid, binding and enforceable obligations of the relevant member of the FHT Group, and the terms thereof have been complied with in all material respects by the relevant member of the FHT Group. As far as the FHT Managers are aware, there are no circumstances likely to give rise to any breach of such contracts, leases, tenancies, licences, concessions or agreements and no notice of termination or of intention to terminate has been received in respect of any thereof.

## 5. Taxation Matters

### 5.1 Returns, Information and Clearances

- (a) All returns, computations, notices and information which are or have been required to be made, given or delivered by any member of the FHT Group for any Taxation purpose (i) have been made, given or delivered within the requisite periods or within permitted extensions of such periods; (ii) are up-to-date, complete and accurate in all material respects and made on a proper basis; and (iii) none of them is the subject of any dispute with any Taxation Authority.
- (b) All Tax assessed or imposed by any Taxation Authority which have been assessed upon any member of the FHT Group and which are due and payable on or before the Relevant Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment.

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- (c) All members of the FHT Group have properly accounted for any deferred Tax liabilities (i.e. amounts in relation to any activity or event prior to the Effective Date for which a Tax liability is known or may be expected to crystallise, but such Tax liability is not due and payable on or before the Effective Date) in their most recent statutory accounts and/or in the FHT Unaudited HY2022 Financial Statements as appropriate.

### 5.2 Tax Claims

Since 30 September 2021, no single Claim for Taxation has been made against any member of the FHT Group:

- (a) in respect of or arising from any transaction effected or deemed to have been effected on or before the Effective Date; or
- (b) by reference to any income, profits or gains earned, accrued or received on or before the Effective Date,

except:

- (i) to the extent that Taxation was paid, provided for or accrued in respect thereof in the FHT Audited Financial Statements or to the extent that Taxation was paid, provided for or accrued in respect thereof in any of the audited accounts or unaudited accounts or management accounts of a member of the FHT Group on a consolidated basis up to the Effective Date;
- (ii) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any increase in rates of Taxation made after the date of the FHT Audited Financial Statements with retrospective effect; or
- (iii) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any reassessment or revaluation by the Taxation Authority in respect of any of the Properties.

### 5.3 Tax Incentives

- (a) All the tax incentives enjoyed by the FHT Group as at the date of the Implementation Agreement will not, as far as the FHT Managers are aware, be affected, varied, withdrawn or revoked as a result of the Acquisition and/or the Scheme. Each member of the FHT Group has complied with all the conditions subject to which tax incentives have been granted to such member of the FHT Group.
- (b) No relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to any member of the FHT Group which could be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act or omission by any member of the FHT Group.
- (c) No member of the FHT Group has done or omitted to do anything since any application for any concession, consent or clearance from any Taxation Authority that was made which might reasonably be expected to cause such concession, consent or clearance to be or become invalid, or to be withdrawn by the relevant Taxation Authorities.
- (d) Each of the FH-REIT Trustee and FHT Managers has not taken or omitted to take any action that will cause such consent or clearance to be or become invalid, or to be withdrawn by the relevant Taxation Authorities.

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### 5.4 Tax Audits

- (a) There is no investigation by any Taxation Authority in progress or, so far as the FHT Managers and the FH-REIT Trustee are aware, pending with respect to any Tax returns of any member of the FHT Group, other than queries raised by a Taxation Authority in its usual review of such Tax returns by a member of the FHT Group.
- (b) There are no ongoing or, so far as the FHT Managers are aware, anticipated Taxation disputes involving or against any member of the FHT Group.

## 6. The Properties

### 6.1 Ownership of the Properties

The Properties comprise all of the real property owned (whether directly or indirectly) in connection with the business of the FHT Group as at the date hereof.

### 6.2 Title

The title to the Properties owned by the FHT Group is proper legal and good marketable title (save for applicable pre-emption and consent requirements that are required to be complied with in the event of a sale and subject to the terms of the head leases relating to the leasehold properties held by the FHT Group), and in each case free from:

- (a) any Encumbrances, save that the FH-REIT Trustee and the FH-BT Trustee-Manager hold such property on trust for the benefit of the Stapled Securityholders in accordance with the FHT Trust Deeds, and save for applicable debt financing; and
- (b) defects, except such as do not materially affect the value of such Property and do not materially interfere with the use of such Property.

### 6.3 Title Documents

- (a) As far as the FHT Managers and the FH-REIT Trustee are aware, the terms of the relevant Title Document(s) have been complied with in all material respects and there is no material subsisting breach, nor any material non-observance of any covenant, condition or agreement contained in such Title Document(s) on the part of either the relevant lessor, grantor or issuer of such Title Document(s) or any member of the FHT Group.
- (b) No member of the FHT Group has received any notice from its lessor, grantor or issuer of any Title Documents stating that the relevant member of the FHT Group is in material breach or non-observance of any covenant, condition or agreement contained in the relevant Title Document(s) or that the relevant Title Document(s) has been terminated.

### 6.4 Planning and Development

There is:

- (a) no development at or use of the Properties that has been undertaken in breach of the planning legislation or any applicable laws or regulations, by-laws, orders, consents or permissions made or given thereunder;

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- (b) no pending planning application, planning appeal or other planning proceeding in respect of the Properties;
- (c) no outstanding government or statutory notice relating to the Property or any business carried on thereat or the uses thereof; and
- (d) no pending or threatened proceeding or action by any Governmental Authority to modify the zoning, classification or present use of the Property or any part thereof,

in each case, except as will not have a material adverse effect on the business, operations, assets or financial condition of the FHT Group, taken as a whole.

### 6.5 Government Acquisition

No written notice has been received from any Governmental Authority with respect to any compulsory acquisition or intended acquisition of land affecting or which is reasonably likely to affect any of the Properties in whole or in part and which has or is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the FHT Group, taken as a whole.

### 6.6 Agreements

- (a) No binding offer, commitment or contract has been made by the FH-REIT Trustee and/or the FHT Managers to or with any third party to sell or dispose any Property (or any part thereof) and no option, right of first refusal or pre-emptive right has been granted by the FH-REIT Trustee and/or the FHT Managers to any third party for the sale of any Property (or any part thereof).
- (b) No binding offer, commitment or contract has been made by the FH-REIT Trustee and/or the FHT Managers to or with any third party to acquire any interests in real property or trust beneficiary interests or similar indirect interests in real property.
- (c) In respect of each Property, each of the FH-REIT Trustee and/or the FHT Managers has not entered into any agreement with any adjoining owner or Governmental Authority undertaking construction, maintenance, repair or payment of obligations in relation to any facilities or building works or any adjoining properties, the cost and expense to be borne by FHT and of which would in aggregate exceed a sum of S\$250,000 per month, excluding, for the avoidance of doubt, payment of maintenance fees and expenses or sinking funds to managers of strata-titled developments and cost sharing agreements with master lessees.

### 6.7 State and Condition of Property

So far as the FHT Managers are aware, in respect of each Property:

- (a) the Property is structurally sound and in good and substantial repair (fair wear and tear excepted), and the FHT Managers and the FH-REIT Trustee are not aware of any structural, latent or other material defects affecting the Property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole;
- (b) no structural settlement, flooding, subsidence or other material defect of any kind affects or has affected the Property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole; and

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- (c) there is no encroachment affecting the Property and the Property is not encroaching on any other adjoining property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the FHT Group taken as a whole.

### **7. Assets (excluding real properties)**

- 7.1 All assets of the FHT Group (excluding the Properties), including all debts due to each member of the FHT Group which are included in the FHT Audited Financial Statements and/or the FHT Unaudited HY2022 Financial Statements were as at 31 March 2022 the absolute property of such member of the FHT Group and (save for those subsequently disposed of or realised in the ordinary and usual course of business) all such assets and debts which have subsequently been acquired or arisen are the absolute property of such member of the FHT Group.
- 7.2 All such assets are, where capable of possession, in the possession of or under the control of the relevant member of the FHT Group, or the relevant member of the FHT Group is entitled to take possession or control of such assets.

### **8. Insurance**

- 8.1 All the assets of each member of the FHT Group (including the Properties) which are capable of being insured are adequately insured against fire, business interruption and other risks normally insured against by companies carrying on similar businesses or owning assets of a similar nature.
- 8.2 Each of the current insurance and indemnity policies in respect of which any of the members of the FHT Group has an interest (including any active historic policies which provide cover on a losses occurring basis but excluding insurances relating to the payment of hospital and other medical expenses) (the "**Policies**") is valid and enforceable and is not void or voidable.
- 8.3 In respect of all Policies, all premiums have been duly paid to date.
- 8.4 No material claims have been made or are outstanding in respect of any of the Policies, and no fact or circumstance exists which might give rise to a claim under any of the Policies.

### **9. Intellectual Property Rights**

- 9.1 All Intellectual Property Rights used by each member of the FHT Group in connection with its business are validly and lawfully vested in and beneficially owned or licensed from third parties by the relevant member of the FHT Group free from Encumbrances and the use of such rights or any part thereof does not infringe any Intellectual Property Rights owned by any third party or involve the unlicensed use of confidential information disclosed to any member of the FHT Group by any person in circumstances which might entitle that person to a claim against such member of the FHT Group, and none of such Intellectual Property Rights are being used, claimed, opposed or attacked by any person. The FHT Group has not entered into any arrangements which might inhibit or restrict the use or exercise by the members of the FHT Group of the Intellectual Property Rights.
- 9.2 None of the activities of the FHT Group infringes any Intellectual Property Rights of any kind whatsoever of any other person or gives rise to an obligation to pay any sum in the nature of a royalty.

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### 10. Employees

- 10.1 Each member of the FHT Group has in relation to each of its employees (and so far as relevant to each of its former employees) complied in all material respects with:
- (a) all obligations imposed on it by all statutes, regulations and codes of conduct and practice relevant to the relations between it and its employees or any trade union, including making deductions and payments in respect of contributions (including employer's contributions) to any relevant competent authority;
  - (b) all collective agreements and customs and practices for the time being dealing with such relations or the conditions of service of its employees; and
  - (c) all relevant orders and awards made under any relevant statute, regulation or code of conduct and practice affecting the conditions of service of its employees.
- 10.2 There has been no strike, work to rule, work stoppage, work interference activity or industrial action (official or unofficial) by any employee of any member of the FHT Group, threatened or on-going.
- 10.3 There are not in existence, nor has any proposal been announced to establish, any retirement, death or disability benefit schemes for directors or employees, nor are there any obligations to or in respect of present or former directors or employees with regard to retirement, death or disability pursuant to which any member of the FHT Group is or may become liable to make payments of a material nature and no pension or retirement or sickness gratuity of a material nature is currently being paid or has been promised by any member of the FHT Group to or in respect of any former director or former employee.
- 10.4 There are no terms of employment, consultancy, appointment or contract for any employees of any of the members of the FHT Group which provide that (a) a change in control of any member of the FHT Group (howsoever defined therein including any transaction similar to or identical to the Acquisition); or (b) any changes as contemplated by the Acquisition and/or the Scheme shall entitle any employee to treat the change in control as amounting to a breach of the contract or entitling him to any payment or benefit or enhanced notice period whatsoever or entitling him to treat himself as redundant or dismissed or released from any obligation.

### 11. Environmental

- 11.1 The FHT Group has complied in all material respects with all requirements imposed by relevant environmental health and safety laws and regulations (insofar as these protect the environment and/or prevent contamination) and any licences, permissions, authorisations or consents from any regulatory authority in relation thereto and have incurred no liability as a result of any breach of any such requirements which is attributable to the operations of the FHT Group or the ownership or use of their respective assets. The FHT Managers and the FH-REIT Trustee are not aware of any circumstances likely to give rise to any such liability. The FHT Group have taken all reasonable steps to prevent damage to the environment which could give rise to a third party claim or render any premises used or occupied by the FHT Group unusable or subject to an order for decontamination or a similar procedure.

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### 12. Sufficiency of Financial Resources

Sufficient financial resources are available to FHT to satisfy in full the aggregate consideration payable in connection with the Consent Solicitation Exercise and/or the Notes Redemption.

For purposes of this paragraph:

“**Consent Solicitation Exercise**” refers to the convening of a meeting of the holder of the Notes (as defined below) (the “**Noteholders**”) to obtain the consent of the Noteholders for the waiver and/or amendment of the terms of the S\$120 million 3.08 per cent. fixed rate notes due 2024 issued by FH-REIT Treasury Pte. Ltd. under the S\$1 billion Multicurrency Debt Issuance Programme of FH-REIT Treasury Pte. Ltd. and the FH-REIT Trustee (in its capacity as trustee of FH-REIT) (the “**Notes**”) which may be triggered as a result of the Acquisition and the Scheme.

“**Notes Redemption**” refers to the exercise of the right to redeem any or all of the outstanding Notes in November 2022, in the event that the Consent Solicitation Exercise is not successful and if so requested by the Offeror.”



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## APPENDIX K – PRESCRIBED OCCURRENCES

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*All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the FHT Managers from the date of this Scheme Document up until the Effective Date.*

For the purpose of this Scheme Document, “**Prescribed Occurrence**”, means, in relation to the FHT Group, the occurrences set out in paragraphs (a) to (r) of this Appendix K and in relation to the Offeror, the occurrences set out in paragraphs (h) to (r) of this Appendix K:

- (a) Securities Buy-back: FHT (or any entity within the FHT Group) entering into a Stapled Securities or securities buy-back agreement or resolving to approve the terms of a Stapled Securities or securities buy-back agreement under the FHT Trust Deeds and/or the relevant securities legislation;
- (b) Allotment of Securities: FHT (or any entity within the FHT Group) making an allotment of, or granting an option to subscribe for, any Stapled Securities, shares or units of any entity within the FHT Group, securities convertible into Stapled Securities or shares or units of any entity within the FHT Group, or agreeing to make such an allotment or to grant such an option or convertible security, or doing any of the foregoing with respect to the securities of FHT or shares or units of any entity within the FHT Group;
- (c) Conversion of Securities: FHT converting, sub-dividing or consolidating all or any of its Stapled Securities into a larger or smaller number of stapled securities;
- (d) Amendment of Trust Deeds: the FHT Managers making any amendment to the FHT Trust Deeds, other than the FHT Trust Deeds Amendments;
- (e) Issuance of Debt Securities: the FHT Group issuing, or agreeing to issue, convertible notes or other debt securities;
- (f) Distributions: the FHT Managers declaring, making or paying any distributions to the Stapled Securityholders, except for any distribution which has been declared or which FHT is under a contractual obligation to pay but has not been paid prior to the date of the Implementation Agreement and the Permitted Distributions;
- (g) Suspension or delisting from the SGX-ST: FHT being suspended by the SGX-ST or removed from the Main Board of the SGX-ST, other than as a result of the Acquisition and/or the Scheme;
- (h) Injunctions: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by any member of the FHT Group, the FHT Managers, the FH-REIT Trustee and/or the Offeror;
- (i) Cessation of Business: FHT (or any member of the FHT Group) or the Offeror ceases or threatens to cease for any reason to carry on business in the usual ordinary course;
- (j) Investigations and Proceedings: if any entity within the FHT Group or the Offeror or any of their respective directors (in their capacity as directors of the relevant entity) is the subject of any formal and material governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;

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## APPENDIX K – PRESCRIBED OCCURRENCES

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- (k) Resolution for Winding Up: FHT (or any entity within the FHT Group) or the Offeror resolving that it be wound up;
- (l) Order of Court for Winding Up: the making of an order by a court of competent jurisdiction for the winding up of FHT (or any entity within the FHT Group) or the Offeror;
- (m) Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of FHT (or any entity within the FHT Group) or the Offeror;
- (n) Composition: FHT (or any entity within the FHT Group) or the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- (o) Appointment of Receiver: the appointment of a receiver or a receiver and manager, in relation to the property or assets of FHT (or any entity within the FHT Group) or the Offeror;
- (p) Insolvency: FHT (or any entity within the FHT Group) or the Offeror becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts or otherwise triggers an event of default under the terms of its debts;
- (q) Breach of the Implementation Agreement: the FHT Group or the Offeror being in material breach of any of the provisions of the Implementation Agreement; or
- (r) Analogous Event: any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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The manner of convening the Scheme Meeting as ordered by the Court under the Scheme Meeting Court Order is set out below:

1. The FHT Managers and the FH-REIT Trustee shall be at liberty to convene the Scheme Meeting at a date and time to be determined by the FHT Managers and the FH-REIT Trustee.

2. **Convening, holding or conducting of the Scheme Meeting**

- (a) The FHT Managers and the FH-REIT Trustee shall convene the Scheme Meeting at a physical venue in Singapore (“**Physical Meeting**”) to be determined by the board of directors of the FHT Managers (“**Board**”). In the event that the Board determines that it is not feasible or expedient to hold the Physical Meeting in light of the prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in Singapore in light of the COVID-19 situation from time to time, the Scheme Meeting may be convened, held or conducted, whether wholly or partly, by electronic means instead (“**Virtual Meeting**”) in a manner consistent with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (b) The minutes of the Scheme Meeting (including the responses to the substantial and relevant questions which are addressed during the Scheme Meeting) shall be published on the website of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**SGXNET**”) and the website of FHT within one month after the date of the Scheme Meeting.

3. **Quorum and Attendance**

(a) **Physical Meeting**

In the event that the Scheme Meeting is convened, held or conducted by way of a Physical Meeting:

- (i) A quorum may be formed by no less than two Stapled Securityholders present in person or by proxy of one-tenth in value of all the Stapled Securities for the time being in issue, provided that (a) a proxy representing more than one Stapled Securityholder shall only count as one Stapled Securityholder for the purposes of determining the quorum; and (b) where a Stapled Securityholder is represented by more than one proxy such proxies shall count as only one Stapled Securityholder for the purposes of determining the quorum, as consistent with the applicable provisions in the trust deed dated 12 June 2014 constituting FH-REIT, the trust deed dated 20 June 2014 constituting FH-BT and the stapling deed dated 20 June 2014 stapling the FH-REIT units and the FH-BT units together to form the Stapled Securities, in each case as may be amended, supplemented or varied from time to time (collectively, the “**FHT Trust Deeds**”), in relation to the quorum requirements for meetings of Stapled Securityholders.
- (ii) A Stapled Securityholder is deemed to be present at the Scheme Meeting if the Stapled Securityholder has appointed the Chairman of the Scheme Meeting as the Stapled Securityholder’s proxy to attend, speak and vote at the Scheme Meeting, and the relevant quorum requirements are to be determined by the proxies submitted by the Stapled Securityholders prior to commencement of the Scheme Meeting.

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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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### (b) Virtual Meeting

In the event that the Scheme Meeting is convened, held or conducted wholly or partly as a Virtual Meeting:

#### (i) Attendance of the Stapled Securityholders at the Scheme Meeting

The FHT Managers and the FH-REIT Trustee may provide that each Stapled Securityholder may only attend the Scheme Meeting by observing and listening to the proceedings of the Scheme Meeting by electronic means via access to both an audio broadcast and audio-visual broadcast to be provided to the Stapled Securityholders.

#### (ii) Right or entitlement to be heard or to require representations to be read out at the Scheme Meeting

- A. The FHT Managers and the FH-REIT Trustee may provide that each Stapled Securityholder may only be heard at the Scheme Meeting by electronic means in the manner provided in paragraph 3(b)(iii).
- B. A representation may be read out at the Scheme Meeting by electronic means.

#### (iii) Right or entitlement to speak at the Scheme Meeting

- A. The FHT Managers and the FH-REIT Trustee may require that a Stapled Securityholder shall, before the Scheme Meeting, send to the Chairman of the Scheme Meeting, by post, electronic mail and/or such other electronic means as the FHT Managers and the FH-REIT Trustee consider appropriate, the matters which the Stapled Securityholder wishes to raise at the Scheme Meeting, and each such matter, if substantial and relevant and sent within a reasonable time (and by no later than 48 hours) before the Scheme Meeting, is to be responded to at or before the Scheme Meeting by electronic means.
- B. The FHT Managers and the FH-REIT Trustee must provide a facility for any matter to be raised by a Stapled Securityholder or person at the Scheme Meeting and for the matter to be responded to at the Scheme Meeting through real-time electronic communication such as video-conferencing, tele-conferencing or live chat.

#### (iv) Quorum at the Scheme Meeting

The quorum requirements set out in paragraphs 3(a)(i) and 3(a)(ii) shall likewise apply to a Scheme Meeting convened, held or conducted wholly or partly as a Virtual Meeting, provided that a Stapled Securityholder is electronically present at the Scheme Meeting if the Stapled Securityholder:

- A. attends the Scheme Meeting in the manner provided in paragraph 3(b)(i);
- B. is verified by the Register of Stapled Securityholders of FHT as attending the Scheme Meeting in the manner provided in paragraph 3(b)(i); and
- C. is acknowledged by electronic means by the Chairman of the Scheme Meeting as present at the Scheme Meeting.

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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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(v) Laying and production of documents at the Scheme Meeting

The Scheme Document (as defined below) and any other document to be laid or produced before the Scheme Meeting may be so laid or produced by being:

- A. sent or published in the manner provided in paragraph 5 with the Notice (as defined below); or
- B. published at an online location, the address of which is sent with the Notice, or published on the website of FHT.

#### 4. Voting by a Stapled Securityholder at the Scheme Meeting

- (a) The FHT Managers and the FH-REIT Trustee may provide for each Stapled Securityholder to appoint the Chairman of the Scheme Meeting as the Stapled Securityholder's proxy to vote at the Scheme Meeting by depositing with FHT the Proxy Form (as defined below) in person, by post, by electronic mail to an electronic mail address stated in the Notice, and/or by such other electronic means as the FHT Managers and the FH-REIT Trustee consider appropriate, in each case not less than 48 hours before the time fixed for the Scheme Meeting. In the case of a Virtual Meeting, if the FHT Managers and the FH-REIT Trustee so require, a Stapled Securityholder may not vote at the Scheme Meeting otherwise than by way of appointing the Chairman of the Scheme Meeting as the Stapled Securityholder's proxy.
- (b) The resolution approving the Scheme would need to be passed by a majority in number of Stapled Securityholders (the "**Headcount Condition**") representing at least three-fourths (75.0%) in value (the "**Value Condition**") of the Stapled Securities held by the Stapled Securityholders or class of Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme.
- (c) In relation to voting:
  - (i) for the purposes of determining whether the Value Condition is satisfied:
    - A. a Stapled Securityholder entitled to attend and vote at the Scheme Meeting and who is not a Relevant Intermediary is entitled to appoint only one proxy to attend and vote at the Scheme Meeting and may only cast all the votes it uses at the Scheme Meeting (whether in person or by proxy) in one way, i.e. it may only:
      - 1. cast all its votes "for" the Scheme;
      - 2. cast all its votes "against" the Scheme; or
      - 3. abstain from voting; and

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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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- B. a Stapled Securityholder who is entitled to attend and vote at the Scheme Meeting and is a Relevant Intermediary entitled to attend and vote at the Scheme Meeting, is entitled to appoint only one proxy to attend and vote at the Scheme Meeting but need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Stapled Security. For each vote, a Relevant Intermediary may:
1. vote “for” the Scheme;
  2. vote “against” the Scheme; and/or
  3. abstain from voting; and
- (ii) For the purposes of determining whether the Headcount Condition is satisfied:
- A. each Stapled Securityholder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Stapled Securityholders present and voting at the Scheme Meeting. Where a person has been appointed as the proxy of more than one Stapled Securityholders to vote at the Scheme Meeting, the votes of such person shall be counted as the votes of the number of appointing Stapled Securityholders; and
- B. a Stapled Securityholder who is a Relevant Intermediary that casts votes both for and against the Scheme shall be treated as follows:
1. the Relevant Intermediary shall be treated as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
  2. the Relevant Intermediary shall be treated as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
  3. the Relevant Intermediary shall be treated as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts an equal number of votes for and against the Scheme.
- (d) Proxy Forms must be completed, signed and deposited with the FHT Managers c/o Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
- (i) if submitted by post, be lodged at the office of Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (ii) if submitted electronically, be submitted via the electronic mail address stated in the Notice,

in either case, not less than 48 hours before the time fixed for the Scheme Meeting. If a Stapled Securityholder fails to lodge a Proxy Form as stipulated, the proxy of such Stapled Securityholder shall not be entitled to vote at the Scheme Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the

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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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date named in it as the date of its execution. A person appointed to act as a proxy need not be a Stapled Securityholder but must attend the Scheme Meeting in person to represent the appointor.

- (e) If the Stapled Securityholder is a Depositor, the FHT Managers shall be entitled and bound: (i) to reject any Proxy Form lodged if the Depositor is not shown to have any Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the Scheme Meeting as certified by the Depository to the FHT Managers; and (ii) to accept as the maximum number of votes which in aggregate the proxy appointed by the Depositor is or are able to cast on a poll a number which is the number of Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the Scheme Meeting as certified by the Depository to the FHT Managers, whether that number is greater or smaller than the number specified in any Proxy Form executed by or on behalf of that Depositor. In the case of joint Stapled Securityholders, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Stapled Securityholders of FHT or, as the case may be, the Depository Register shall alone be entitled to vote.

### 5. Giving of Notice of the Scheme Meeting

- (a) The Scheme Meeting (including any adjourned or postponed meeting) may be called by notice in writing ("**Notice**") of not less than 21 clear days (i.e. not inclusive of the day on which the Notice is served and the day of the Scheme Meeting) before the date of the Scheme Meeting, published on SGXNet and the website of FHT.
- (b) The Notice:
  - (i) shall state the place at which and the manner in which the Scheme Document (as defined below) may be obtained (including instructions on how Stapled Securityholders can locate the Scheme Document electronically);
  - (ii) in the event that the Scheme Meeting is held by way of a Virtual Meeting, shall describe the means by which the Scheme Meeting can be electronically accessed (including the online location, if the meeting is held at an online location);
  - (iii) shall set out how the Chairman of the Scheme Meeting may be appointed by a Stapled Securityholder entitled to vote at the Scheme Meeting as the Stapled Securityholder's proxy to vote at the Scheme Meeting;
  - (iv) state how a Stapled Securityholder may send to the Chairman of the Scheme Meeting the substantial and relevant matters which the Stapled Securityholder wishes to raise; and
  - (v) may be accompanied by any other documents relevant to the Scheme Meeting.



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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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- (c) The Notice (along with the Proxy Form) shall be sent to Stapled Securityholders at least 21 clear days (not inclusive of the day on which the Notice is served and of the day of the Scheme Meeting) before the date of the Scheme Meeting in the following manner:
- (i) in the case of Stapled Securityholders whose Stapled Securities are not deposited with The Central Depository (Pte) Limited (“**CDP**”), by ordinary post to or left at Stapled Securityholder’s address as appearing in the Register of Stapled Securityholders or in the case of joint Stapled Securityholders, to the joint Stapled Securityholder whose name stands first in the Register of Stapled Securityholders; and
  - (ii) in the case of Stapled Securityholders whose Stapled Securities are deposited with CDP, by ordinary post to or left at the Stapled Securityholder’s address as appearing in the Depository Register, or in the case of joint Depositors, to the joint Depositor whose name stands first as appearing in the Depository Register.

In addition, the Notice shall be advertised in any one leading English-language daily newspaper in Singapore and any one leading Chinese-language daily newspaper in Singapore, in each case at least 21 clear days before the date of the Scheme Meeting.

- (d) Not less than 21 clear days before the date of the Scheme Meeting (i.e. not inclusive of the day on which the Notice is served and of the day of the Scheme Meeting), a document (the “**Scheme Document**”) consisting of, *inter alia*, the following:
- (i) a Letter to Stapled Securityholders from the FHT Managers to the Stapled Securityholders containing details of, *inter alia*, the purpose of the Scheme Document and information relating to the Scheme;
  - (ii) a letter from Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser to the directors of the FHT Managers who are considered independent for the purposes of the Scheme and the FH-REIT Trustee, for the purposes of making a recommendation to the Stapled Securityholders in respect of the Scheme;
  - (iii) a letter from the Offeror to the Stapled Securityholders;
  - (iv) the Notice; and
  - (v) a proxy form for use at the Scheme Meeting (“**Proxy Form**”),

shall be published on SGXNET and the website of FHT, and if determined to be feasible and expedient by the FHT Managers, sent to the Stapled Securityholders together with the Notice in accordance with Paragraph 5(c). Stapled Securityholders may also obtain copies of the Scheme Document to be sent at his/her/its own risk to an address in Singapore specified by such Stapled Securityholder, by requesting for the same from the FHT Managers in accordance with the procedures stipulated by the FHT Managers.

- (e) Notwithstanding anything in this Paragraph 5, where there are potential restrictions on sending the Notice and/or the Scheme Document to any overseas jurisdiction, the FHT Managers and the FH-REIT Trustee need not send the Scheme Document to Stapled Securityholders in such overseas jurisdiction. In addition, any accidental omission to give any Stapled Securityholder the Notice or the non-receipt of the Notice by any Stapled Securityholder shall not invalidate the proceedings at the Scheme Meeting, unless ordered by the Court.

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## APPENDIX L – MANNER OF CONVENING SCHEME MEETING

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### 6. Others

- (a) Mr Law Song Keng, or failing him, any other director of the FHT Managers present at the Scheme Meeting, shall be appointed to act as Chairman of the Scheme Meeting and to report the voting results of the Scheme Meeting to the Court.
- (b) Save where expressly provided herein, the provisions of the FHT Trust Deeds in relation to meetings of Stapled Securityholders may be applied in respect of the Scheme Meeting as appropriate at the discretion of the Chairman of the Scheme Meeting.
- (c) The Chairman of the Scheme Meeting shall be at liberty to adjourn the Scheme Meeting for such period as he shall deem appropriate.
- (d) In this Appendix:
  - (i) The terms “**Depositor**”, “**Depository**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.
  - (ii) “**Relevant Intermediary**” means:
    - A. a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; or
    - B. a person holding a capital markets services licence to provide custodial services for securities under the SFA, and who holds Stapled Securities in that capacity.
  - (iii) “**SFA**” means the Securities and Futures Act 2001 of Singapore.

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## APPENDIX M – THE SCHEME

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### TRUST SCHEME OF ARRANGEMENT

Under Order 32 of the Rules of Court 2021 of Singapore

In the matter of

**Frasers Hospitality Trust**  
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)

Managed by  
**Frasers Hospitality Asset  
Management Pte. Ltd.**

(Company Registration No: 201331351D)

**Frasers Hospitality Business Trust**

(a business trust constituted on  
20 June 2014 under the laws of  
the Republic of Singapore)

Managed by  
**Frasers Hospitality Trust  
Management Pte. Ltd.**

(Company Registration No: 201401270M)

Between

1. **FRASERS HOSPITALITY ASSET MANAGEMENT PTE. LTD. (in its capacity as manager of Frasers Hospitality Real Estate Investment Trust)** (Company Registration Number: 201331351D)
2. **FRASERS HOSPITALITY TRUST MANAGEMENT PTE. LTD. (in its capacity as trustee-manager of Frasers Hospitality Business Trust)** (Company Registration Number: 201401270M)
3. **PERPETUAL (ASIA) LIMITED (in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust)** (Company Registration Number: 200518022M)

And

### THE STAPLED SECURITYHOLDERS

(as defined herein)

And

**FRASERS PROPERTY HOSPITALITY TRUST HOLDINGS PTE. LTD.**

(Company Registration Number: 200606150R)

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## APPENDIX M – THE SCHEME

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1. Definitions
2. Preamble
3. Conditions and Effectiveness of this Scheme
4. Terms of this Scheme
5. Scheme Consideration
6. Effective Date
7. Proper Law and Jurisdiction
8. Contracts (Rights of Third Parties) Act 2001
9. Capacity and Liability of the FH-REIT Trustee

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## APPENDIX M – THE SCHEME

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### 1. DEFINITIONS

1.1. In this Scheme (as defined below), the following definitions shall apply throughout unless the context otherwise requires:

<b>“Acquisition”</b>	:	The proposed privatisation of FHT through the acquisition by the Offeror of all the Scheme Stapled Securities, by way of the Scheme, in compliance with the Code
<b>“Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Court”</b>	:	The General Division of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court of the Republic of Singapore and/or the Court of Appeal of the Republic of Singapore
<b>“Effective Date”</b>	:	The date on which the Scheme becomes effective in accordance with its terms, and which date shall, in any event, be no later than the Long-Stop Date
<b>“Encumbrances”</b>	:	Any liens, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other third party rights and security interests or an agreement, arrangement or obligation to create any of the foregoing
<b>“Entitled Stapled Securityholders”</b>	:	Scheme Stapled Securityholders as at 5.00 p.m. on the Record Date
<b>“Excluded Stapled Securityholders”</b>	:	(a) TCC Group Investments Limited and (b) Frasers Property Limited and/or its subsidiaries (including the Offeror)
<b>“FH-BT”</b>	:	Frasers Hospitality Business Trust
<b>“FH-BT Trustee-Manager”</b>	:	Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of FH-BT

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## APPENDIX M – THE SCHEME

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<b>“FH-REIT”</b>	:	Frasers Hospitality Real Estate Investment Trust
<b>“FH-REIT Manager”</b>	:	Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT
<b>“FH-REIT Trustee”</b>	:	Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT)
<b>“FHT”</b>	:	Frasers Hospitality Trust
<b>“FHT Group”</b>	:	FHT and its subsidiaries
<b>“FHT Managers”</b>	:	The FH-REIT Manager and the FH-BT Trustee-Manager
<b>“FHT Trust Deeds”</b>	:	Collectively, the: <ul style="list-style-type: none"><li>(i) the trust deed dated 12 June 2014 constituting FH-REIT entered into between the FH-REIT Manager and the FH-REIT Trustee;</li><li>(ii) the trust deed dated 20 June 2014 constituting FH-BT executed by the FH-BT Trustee-Manager; and</li><li>(iii) the stapling deed dated 20 June 2014 stapling the FH-REIT units and the FH-BT units together to form the Stapled Securities entered into between the FH-REIT Manager, the FH-REIT Trustee and the FH-BT Trustee-Manager,</li></ul> in each case, as amended, restated and/or supplemented from time to time
<b>“Implementation Agreement”</b>	:	The implementation agreement dated 13 June 2022 entered into between the FH-REIT Trustee, the FHT Managers and the Offeror, setting out the terms and conditions on which the Parties will implement the Scheme
<b>“Joint Announcement”</b>	:	The joint announcement by the Offeror and the FHT Managers of the Acquisition and the Scheme, released on 13 June 2022
<b>“Joint Announcement Date”</b>	:	13 June 2022, being the date of the Joint Announcement
<b>“Long-Stop Date”</b>	:	31 December 2022 (or such other date as the Parties may agree in writing)

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## APPENDIX M – THE SCHEME

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<b>“Market Day”</b>	:	A day on which the SGX-ST is open for the trading of securities
<b>“MAS”</b>	:	Monetary Authority of Singapore
<b>“NAV”</b>	:	Net asset value
<b>“Offeror”</b>	:	Frasers Property Hospitality Trust Holdings Pte. Ltd.
<b>“Parties”</b>	:	The Offeror, the FH-REIT Trustee and the FHT Managers, and <b>“Party”</b> means any one of them
<b>“Permitted Distributions”</b>	:	<p>The distributions declared, paid or made in cash by the FHT Managers to the Stapled Securityholders in the ordinary course of business, in respect of the period from 1 October 2021 up to the day immediately before the Effective Date, 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.</p> <p>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 April 2022).</p>
<b>“Perpetual”</b>	:	Perpetual (Asia) Limited
<b>“Record Date”</b>	:	The record date to be announced before the Effective Date by the FHT Managers on which the transfer books and the Register of Stapled Securityholders will be closed in order to determine the entitlements of the Scheme Stapled Securityholders in respect of the Scheme
<b>“Register of Stapled Securityholders”</b>	:	The register showing all Stapled Securityholders at any one time
<b>“Relevant Date”</b>	:	The date falling on the Business Day immediately preceding the Effective Date



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## APPENDIX M – THE SCHEME

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<b>“Rules of Court”</b>	:	The Rules of Court, 2021 of Singapore
<b>“S\$”</b> and cents	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>“Scheme”</b>	:	This trust scheme of arrangement dated 19 August 2022, in its present form or with or subject to any modification thereof or amendment or addition thereto in accordance with its terms or condition(s) approved or imposed by the Court
<b>“Scheme Conditions”</b>	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Long-Stop Date for the Scheme to be implemented and which are reproduced in Paragraph 6.3(a) of the Letter to Stapled Securityholders, and <b>“Scheme Condition”</b> means any one of them
<b>“Scheme Consideration”</b>	:	Has the meaning ascribed to it in Paragraph 5.1 of this Scheme
<b>“Scheme Court Order”</b>	:	The order of the Court sanctioning the Scheme under Order 32 of the Rules of Court (which is derived from, or deals with the same subject matter as, Order 80 of the revoked Rules of Court 2014 of Singapore)
<b>“Scheme Stapled Securityholder”</b>	:	The Stapled Securityholders other than the Excluded Stapled Securityholders
<b>“Scheme Stapled Securities”</b>	:	The Stapled Securities held by the Scheme Stapled Securityholders
<b>“Securities Account”</b>	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Stapled Security”</b>	:	An issued stapled security of FHT

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## APPENDIX M – THE SCHEME

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**“Stapled Securityholder”** : A registered holder for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Stapled Securityholder” shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with such Stapled Securities

- 1.2. The terms **“Depositor”**, **“Depository”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.
- 1.3. The headings in this Scheme are inserted for convenience only and shall be ignored in construing this Scheme.
- 1.4. Words importing the singular only shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.
- 1.5. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the SFA or the Code or any modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the SFA or the Code or any modification thereof, as the case may be, unless otherwise provided.
- 1.6. Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.
- 1.7. Any reference to a time of day and date in this Scheme shall be a reference to Singapore time of day and date respectively, unless otherwise specified.

### 2. PREAMBLE

- 2.1. FHT is a stapled group comprising FH-REIT and FH-BT. The units in FH-REIT and FH-BT are stapled together under the terms of a stapling deed dated 20 June 2014 and cannot be traded separately. FHT is managed by the FHT Managers.
- 2.2. FH-REIT is a real estate investment trust constituted in the Republic of Singapore under the trust deed dated 12 June 2014 entered into between the FH-REIT Manager and the FH-REIT Trustee. FH-REIT is managed by the FH-REIT Manager.
- 2.3. FH-BT is a business trust constituted in the Republic of Singapore under the trust deed dated 20 June 2014 executed by the FH-BT Trustee-Manager. FH-BT is registered under the Business Trusts Act and is managed by the FH-BT Trustee-Manager.
- 2.4. FHT was listed on the Main Board of the SGX-ST on 14 July 2014.
- 2.5. On 13 June 2022, the respective boards of directors of the FHT Managers and the Offeror jointly announced the Acquisition, which shall be effected through the acquisition by the Offeror of all the Scheme Stapled Securities held by Scheme Stapled Securityholders by way of a trust scheme of arrangement in compliance with the Code.

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## **APPENDIX M – THE SCHEME**

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- 2.6. The Offeror, the FH-REIT Trustee, and the FHT Managers have entered into the Implementation Agreement which sets out the terms and conditions on which this Scheme will be implemented, and their respective rights and obligations with respect to this Scheme.
- 2.7. The main purpose of this Scheme is to give effect to the Acquisition.
- 2.8. The FHT Managers have agreed to appear by legal counsel at the hearing of the application to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary and desirable to be executed or done by it for the purpose of giving effect to this Scheme.

### **3. CONDITIONS AND EFFECTIVENESS OF THIS SCHEME**

This Scheme is conditional upon each condition precedent set out in Clause 3.1 of the Implementation Agreement (as reproduced in Paragraph 6.3(a) of the Letter to Stapled Securityholders) being satisfied or, where applicable, waived in accordance with the terms of the Implementation Agreement.

### **4. TERMS OF THIS SCHEME**

- 4.1. The Scheme is proposed to be effected in accordance with the Code and the FHT Trust Deeds, subject to the terms and conditions of the Implementation Agreement. Upon the Scheme becoming effective and binding in accordance with its terms, all the Scheme Stapled Securities will be transferred to the Offeror fully paid, free from all Encumbrances, and together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the FHT Managers on or after the Joint Announcement Date (except for the Permitted Distributions).
- 4.2. The FHT Managers shall be entitled to declare, make or pay the Permitted Distributions without any adjustment to the Scheme Consideration. The Scheme Stapled Securityholders shall have the right to receive and retain the Permitted Distributions declared and made (if any) in addition to the Scheme Consideration.
- 4.3. For the purpose of giving effect to this Scheme as provided for in Paragraph 4.1 of this Scheme, the FHT Managers and the Offeror will (subject to the Scheme Conditions having been satisfied or, as the case may be, waived in accordance with the Implementation Agreement) take the necessary steps to render this Scheme effective and binding, and the following will be implemented:
  - (a) the Scheme Stapled Securities will be transferred to the Offeror as follows:
    - (i) in the case of Entitled Stapled Securityholders (not being Depositors), the FHT Managers shall authorise any person to execute or effect on behalf of all such Entitled Stapled Securityholders an instrument or instruction of transfer of all the Scheme Stapled Securities held by such Entitled Stapled Securityholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Stapled Securityholder; and

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## APPENDIX M – THE SCHEME

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- (ii) in the case of the Entitled Stapled Securityholders (being Depositors), the FHT Managers shall instruct CDP, for and on behalf of such Entitled Stapled Securityholders, to debit, not later than seven(7) Business Days after the Effective Date, all of the Scheme Stapled Securities standing to the credit of the Securities Accounts of such Entitled Stapled Securityholders and credit all of such Scheme Stapled Securities to the Securities Accounts of the Offeror;
- (b) from the Effective Date, all existing confirmation notes relating to the Scheme Stapled Securities held by the Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby;
- (c) the Entitled Stapled Securityholders (not being Depositors) are required to forward their existing confirmation notes relating to their Scheme Stapled Securities to the FHT Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 as soon as possible, but not later than seven (7) Business Days after the Effective Date, for cancellation; and
- (d) the Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Scheme Stapled Securities set out in Paragraph 4.3(a) above, make payment of the Scheme Consideration to the Entitled Stapled Securityholders in the manner set out in Paragraph 5 below.

### 5. SCHEME CONSIDERATION

- 5.1. Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.700 (the “**Scheme Consideration**”) for each Scheme Stapled Security held by each of the Entitled Stapled Securityholders in accordance with the terms and conditions of the Implementation Agreement.
- 5.2. From the Effective Date, each existing confirmation note representing a former holding of Scheme Stapled Securities by the Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby. The Entitled Stapled Securityholders (not being Depositors) shall forward their existing confirmation notes relating to their Stapled Securities to the FHT Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 as soon as possible, but not later than seven(7) Business Days after the Effective Date, for cancellation.

### 6. EFFECTIVE DATE

- 6.1. The Scheme will become effective upon the written notification to the MAS of the grant of the Scheme Court Order, which shall be effected by or on behalf of the Offeror:
  - (a) on a date to be mutually agreed in writing between the Offeror and the FHT Managers, being a date within 25 Business Days from the date that the last of the Scheme Conditions set out in Paragraphs 6.3(a)(i), 6.3(a)(ii), 6.3(a)(iii), 6.3(a)(iv), 6.3(a)(v) and 6.3(a)(vii) of the Letter to Stapled Securityholders is satisfied in accordance with the terms of the Implementation Agreement; and
  - (b) provided that the rest of the Scheme Conditions set out in Paragraph 6.3(a) of the Letter to Stapled Securityholders are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement.

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## **APPENDIX M – THE SCHEME**

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- 6.2. Unless this Scheme shall have become effective and binding as aforesaid on or before the Long-Stop Date, this Scheme shall lapse.
- 6.3. The FHT Managers, the FH-REIT Trustee and the Offeror may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
- 6.4. In the event that this Scheme does not become effective and binding for any reason, the expenses and costs incurred by the FHT Managers in connection with this Scheme will be paid out of the assets of FHT.

### **7. PROPER LAW AND JURISDICTION**

- 7.1. This Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore.
- 7.2. FHT, the FHT Managers, the FH-REIT Trustee, the Offeror and Stapled Securityholders hereby irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### **8. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001**

A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term or provision of this Scheme.

### **9. LIMITATION OF LIABILITY OF THE FH-REIT TRUSTEE**

- 9.1. Notwithstanding any provision to the contrary in this Scheme, the Parties agree and acknowledge that Perpetual (Asia) Limited (“**Perpetual**”) has entered into this Scheme solely in its capacity as trustee of FH-REIT and not in its personal capacity and all references to the FH-REIT Trustee in this Scheme shall be construed accordingly. As such, notwithstanding any provision to the contrary in this Scheme, Perpetual has assumed all obligations under this Scheme solely in its capacity as trustee of FH-REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given or to be given by the FH-REIT Trustee arising under this Scheme is given by Perpetual in its capacity as trustee of FH-REIT and not in its personal capacity, and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of FH-REIT over which Perpetual in its capacity as trustee of FH-REIT has recourse and shall not extend to any personal assets of Perpetual or any assets held by Perpetual in its capacity as trustee of any other trust. Any obligation, matter, act, action or thing required to be done, performed or undertaken by the FH-REIT Trustee under this Scheme shall only be in connection with the matters relating to FH-REIT and shall not extend to the obligations of Perpetual in respect of any other trust or real estate investment trust of which it is a trustee.
- 9.2. Notwithstanding any contrary provision in this Scheme, the Parties hereby acknowledge and agree that the obligations of the FH-REIT Trustee under this Scheme will be solely the corporate obligations of the FH-REIT Trustee, and that the Parties shall not have any recourse against the shareholders, directors, officers or employees of Perpetual for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of this Scheme.

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## APPENDIX M – THE SCHEME

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- 9.3. For the avoidance of doubt, any legal action or proceedings commenced against the FH-REIT Trustee whether in Singapore or elsewhere pursuant to this Scheme shall be brought against Perpetual in its capacity as trustee of FH-REIT and not in its personal capacity.
- 9.4. The provisions of this Clause 9 shall survive the termination or rescission of this Scheme and shall apply, *mutatis mutandis*, to any notice, certificate or other document which the FH-REIT Trustee issues under or pursuant to this Scheme as if expressly set out therein.

Dated this 19<sup>th</sup> day of August 2022

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## NOTICE OF FHT EGM

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A 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)

Managed by

**FRASERS HOSPITALITY ASSET  
MANAGEMENT PTE. LTD.**

(Company Registration No: 201331351D)

**FRASERS HOSPITALITY  
BUSINESS TRUST**

(a business trust constituted on 20 June 2014  
under the laws of the Republic of Singapore)

Managed by

**FRASERS HOSPITALITY TRUST  
MANAGEMENT PTE. LTD.**

(Company Registration No: 201401270M)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING of the holders of Stapled Securities (the "**Stapled Securityholders**") of Frasers Hospitality Trust ("**FHT**") will be held at Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on 12 September 2022 at 10:00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

#### THE FHT TRUST DEEDS AMENDMENTS (EXTRAORDINARY RESOLUTION)

That:

- (a) approval be and is hereby given to amend (i) the trust deed dated 12 June 2014 constituting Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**") (as amended and supplemented, the "**FH-REIT Trust Deed**"), (ii) the trust deed dated 20 June 2014 constituting Frasers Hospitality Business Trust ("**FH-BT**") (as amended and supplemented, the "**FH-BT Trust Deed**"), and (iii) the stapling deed dated 20 June 2014 stapling the FH-REIT units and the FH-BT units to form the Stapled Securities of FHT (as amended and supplemented, the "**Stapling Deed**" and together with the FH-REIT Trust Deed and the FH-BT Trust Deed, the "**FHT Trust Deeds**"), with the proposed amendments to the FHT Trust Deeds (the "**FHT Trust Deeds Amendments**") being described and set out in Appendix E to the Scheme Document dated 19 August 2022; and
- (b) Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as manager of FH-REIT), and Frasers Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of FH-BT) (the "**FHT Managers**"), any director of the FHT Managers ("**Director**") and Perpetual (Asia) Limited (in its capacity as trustee of FH-REIT) (the "**FH-REIT Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the FHT Managers, such Director, or as the case may be, the FH-REIT Trustee, may consider expedient or necessary or in the interests of FHT to give effect to the FHT Trust Deeds Amendments.

By Order of the Board of Directors

**Frasers Hospitality Asset Management Pte. Ltd.**

(Company Registration No. 201331351D)

As manager of Frasers Hospitality Real Estate Investment Trust

**Frasers Hospitality Trust Management Pte. Ltd.**

(Company Registration No. 201401270M)

As trustee-manager of Frasers Hospitality Business Trust

Catherine Yeo  
Company Secretary

**Singapore  
19 August 2022**



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## NOTICE OF FHT EGM

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### Important Notice:

- (1) The FHT EGM is proposed to be held at Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966, in accordance with and subject to such vaccinated-differentiated safe management measures and other measures which may be prescribed by any prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time.
- (2) A Stapled Securityholder who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the FHT EGM. Where a Stapled Securityholder appoints two (2) proxies, the appointments shall be invalid unless he/she/they specifies in the instrument of appointment (the "Proxy Form A (FHT EGM)") the proportion of his/her/their Stapled Securities (expressed as a percentage of the whole) to be represented by each proxy.
- (3) A Stapled Securityholder who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the FHT EGM. Each proxy appointed must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder appoints more than two (2) proxies, the appointments shall be invalid unless the Stapled Securityholder specifies in the Proxy Form A (FHT EGM) the number of Stapled Securities in relation to which each proxy has been appointed.

"**Relevant Intermediary**" means: (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; or (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity.

- (4) A proxy need not be a Stapled Securityholder.
- (5) The Proxy Form A (FHT EGM) must be completed, signed and deposited with the FHT Managers c/o Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
  - (a) if submitted by post, be lodged at the office of Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com),

in either case, by 10 September 2022 at 10:00 a.m. (Singapore time), being not less than 48 hours before the time fixed for the FHT EGM. If a Stapled Securityholder fails to lodge a proxy form as stipulated, the proxy of such Stapled Securityholder shall not be entitled to vote at the FHT EGM.

A Stapled Securityholder who wishes to submit a Proxy Form A (FHT EGM) must first download, complete and sign the Proxy Form A (FHT EGM), before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Stapled Securityholders are strongly encouraged to submit completed Proxy Form A (FHT EGM) electronically via email.**

- (6) Mr Law Song Keng, or failing him, any other director of the FHT Managers, shall be appointed to act as Chairman of the FHT EGM.
- (7) Persons (including SRS Investors) who hold Stapled Securities through Relevant Intermediaries who wish to vote at the FHT EGM should not use the Proxy Form A (FHT EGM) and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions.
- (8) SRS Investors who wish to attend the FHT EGM are advised to consult their respective SRS Agent Banks for further information as soon as possible by 5:00 p.m. (Singapore time) on 1 September 2022, being seven (7) Business Days before the date of the FHT EGM (12 September 2022).

**Due to the evolving COVID-19 situation in Singapore, the FHT Managers may be required to change the arrangements for the FHT EGM at short notice. Stapled Securityholders and persons (including SRS Investors) who hold Stapled Securities through a Relevant Intermediary should check FHT's website at [www.frasersproperty.com/reits/fht](http://www.frasersproperty.com/reits/fht) for the latest updates on the status of the FHT EGM.**

### Personal Data Privacy:

By either (a) attending the FHT EGM or (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the FHT EGM and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the FHT Managers and the FH-REIT Trustee (or their agents) for the purpose of the processing and administration by the FHT Managers and the FH-REIT Trustee (or their agents) of proxies and representatives appointed for the FHT EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the FHT EGM (including any adjournment thereof), and in order for the FHT Managers and the FH-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to the FHT Managers and the FH-REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the FHT Managers and the FH-REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the FHT Managers and the FH-REIT Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

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## NOTICE OF SCHEME MEETING

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**IN THE GENERAL DIVISION OF THE HIGH COURT  
OF THE REPUBLIC OF SINGAPORE**

HC/OA 364/2022

In the Matter of Order 32 of the Rules of Court 2021 (S 914/2021)

And

In the Matter of **FRASERS HOSPITALITY TRUST** 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)

- (1) **FRASERS HOSPITALITY ASSET MANAGEMENT PTE. LTD. (in its capacity as manager of FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST)**  
(Singapore UEN No. 201331351D)
- (2) **FRASERS HOSPITALITY TRUST MANAGEMENT PTE. LTD. (in its capacity as trustee-manager of FRASERS HOSPITALITY BUSINESS TRUST)**  
(Singapore UEN No. 201401270M)
- (3) **PERPETUAL (ASIA) LIMITED (in its capacity as trustee of FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST)**  
(Singapore UEN No. 200518022M)

...Applicant(s)

### TRUST SCHEME OF ARRANGEMENT

Between

**Frasers Hospitality Asset Management Pte. Ltd.**

(in its capacity as manager of Frasers Hospitality Real Estate Investment Trust)

**Frasers Hospitality Trust Management Pte. Ltd.**

(in its capacity as trustee-manager of Frasers Hospitality Business Trust)

**Perpetual (Asia) Limited**

(in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust)

And

**Stapled Securityholders**

(as defined herein)

And

**Frasers Property Hospitality Trust Holdings Pte. Ltd.**

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## NOTICE OF SCHEME MEETING

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### NOTICE OF SCHEME MEETING

**NOTICE IS HEREBY GIVEN** that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Scheme Meeting**”) of the stapled securityholders (the “**Stapled Securityholders**”) of Frasers Hospitality Trust (“**FHT**”) to be convened and such Scheme Meeting shall be held at Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on 12 September 2022, 10.30 a.m. (Singapore time) (or as soon thereafter following the conclusion of the extraordinary general meeting of the Stapled Securityholders to be held at 10.00 a.m. (Singapore time) on the same day and at the same venue (the “**FHT EGM**”), for the purpose of considering and, if thought fit, approving the following resolution. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the Scheme Document dated 19 August 2022.

### THE SCHEME RESOLUTION

#### **RESOLVED THAT:**

- (a) subject to and contingent upon the passing of the FHT Trust Deeds Amendments Resolution at the FHT EGM, the trust scheme of arrangement dated 19 August 2022 proposed to be made in accordance with the FHT Trust Deeds (as amended pursuant to the FHT Trust Deeds Amendments Resolution at the FHT EGM) and in compliance with the Code between (i) Frasers Hospitality Asset Management Pte. Ltd. (in its capacity as 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) (the “**FHT Managers**”), (ii) Perpetual (Asia) Limited (in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust) (the “**FH-REIT Trustee**”), (iii) Frasers Property Hospitality Trust Holdings Pte. Ltd. and (iv) the Stapled Securityholders, a copy of which has been circulated with the Notice convening this Scheme Meeting, be and is hereby approved; and
- (b) the FHT Managers and the FH-REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents) as the FHT Managers and the FH-REIT Trustee may consider expedient or necessary or in the interests of FHT to give effect to the Scheme.

#### **Notes:**

1. A copy of the said Scheme is incorporated in the Scheme Document of which this Notice forms part.
2. An electronic copy of the Scheme Document shall be made available at the website of the SGX-ST at least 21 clear days before the date of the Scheme Meeting. Stapled Securityholders may obtain copies of the Scheme Document by completing and returning the request form accompanying the Notices and Proxy Forms to the FHT Managers by no later than 10:00 a.m. on Thursday, 8 September 2022. A printed copy of the Scheme Document will be sent to the address in Singapore specified by the Stapled Securityholder at his/her/its own risk.
3. An Overseas Stapled Securityholder may write in to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or via email at [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com) to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his/her/its own risk, up to three (3) Market Days prior to the date of the FHT EGM and the Scheme Meeting.
4. As the Scheme Meeting will be held by physical means, Stapled Securityholders shall be entitled to attend, speak and vote at the Scheme Meeting, and a Stapled Securityholder who is present at the Scheme Meeting may raise questions. If a Stapled Securityholder wishes to raise any substantial and relevant matters in advance of the Scheme Meeting, these may be sent to the Chairman of the Scheme Meeting via email at [ir@frasershospitality.com](mailto:ir@frasershospitality.com) at least 48 hours in advance of the Scheme Meeting.
5. A Stapled Securityholder (whether individual or corporate) may appoint a proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting. In appointing the proxy, a Stapled Securityholder must give specific instructions as to voting, or abstentions from voting, in respect of the Scheme Resolution in the form of Proxy Form B (Scheme Meeting) (as defined below), failing which the appointment of the proxy for the Scheme Resolution will be treated as invalid.
6. A form of proxy applicable for the Scheme Meeting (the “**Proxy Form B (Scheme Meeting)**”) is enclosed with the Scheme Document, of which this Notice forms part.
7. Each Proxy Form B (Scheme Meeting) must be signed by the appointor or his attorney duly authorised in writing. Where a Proxy Form B (Scheme Meeting) is executed by a corporation, it must be either executed under its common seal or signed by its officer or attorney so authorised.
8. A corporation, being a Stapled Securityholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Scheme Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. The Proxy Form B (Scheme Meeting) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. in the following manner:
  - (a) if submitted by post, be lodged at the office of Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to [FHT2022@boardroomlimited.com](mailto:FHT2022@boardroomlimited.com),

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## NOTICE OF SCHEME MEETING

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in either case, by 10 September 2022 at 10:30 a.m. (Singapore time), being not less than 48 hours before the time fixed for the Scheme Meeting. If a Stapled Securityholder fails to lodge a proxy form as stipulated, the proxy of such Stapled Securityholder shall not be entitled to vote at the Scheme Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Stapled Securityholder.

A Stapled Securityholder who wishes to submit a Proxy Form B (Scheme Meeting) must first download, complete and sign the Proxy Form B (Scheme Meeting), before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Stapled Securityholders are strongly encouraged to submit completed Proxy Form B (Scheme Meeting) electronically via email.**

10. Persons (including SRS Investors) who hold Stapled Securities through Relevant Intermediaries who wish to vote at the Scheme Meeting should not use the Proxy Form B (Scheme Meeting) and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions.

A "**Relevant Intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 who holds Stapled Securities in that capacity.

11. The Scheme Meeting is proposed to be held at the same venue as the FHT EGM, in accordance with and subject to such vaccinated-differentiated safe management measures and other measures which may be prescribed by any prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time.

12. SRS Investors who wish to attend the Scheme Meeting are advised to consult their respective SRS Agent Banks for further information as soon as possible by 5:00 p.m. (Singapore time) on 1 September 2022, being seven (7) Business Days before the date of the Scheme Meeting (12 September 2022).

13. In relation to voting at the Scheme Meeting, the resolution approving the Scheme would need to be passed by a majority in number of Stapled Securityholders (the "**Headcount Condition**") representing at least three-fourths (75.0%) in value (the "**Value Condition**") of the Stapled Securities held by the Stapled Securityholders or class of Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme.

14. For the purposes of determining whether the Value Condition is satisfied:

(a) a Stapled Securityholder entitled to attend and vote at the Scheme Meeting and who is not a Relevant Intermediary:

- (i) is entitled to appoint only one proxy to attend and vote at the Scheme Meeting; and
- (ii) may only cast all the votes it uses at the Scheme Meeting (whether in person or by proxy) in one way, and may only:
  - (aa) cast all its votes "**for**" the Scheme; or
  - (bb) cast all its votes "**against**" the Scheme; or
  - (cc) abstain from voting; and

(b) a Stapled Securityholder who is entitled to attend and vote at the Scheme Meeting and is a Relevant Intermediary entitled to attend and vote at the Scheme Meeting, is entitled to appoint only one proxy to attend and vote at the Scheme Meeting but need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Stapled Security. For each vote, a Relevant Intermediary may:

- (i) vote "**for**" the Scheme;
- (ii) vote "**against**" the Scheme; and/or
- (iii) abstain from voting.

15. For the purposes of determining whether Headcount Condition is satisfied:

(a) each Stapled Securityholder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Stapled Securityholders present and voting at the Scheme Meeting;

(b) where a person has been appointed as the proxy of more than one Stapled Securityholders to vote at the Scheme Meeting, the votes of such person shall be counted as the votes of the number of appointing Stapled Securityholders; and

(c) a Relevant Intermediary that casts votes both for and against the Scheme shall be treated as follows:

- (i) the Relevant Intermediary shall be treated as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
- (ii) the Relevant Intermediary shall be treated as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
- (iii) the Relevant Intermediary shall be treated as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

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## NOTICE OF SCHEME MEETING

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16. If the Stapled Securityholder is a Depositor, the FHT Managers shall be entitled and bound: (i) to reject any Proxy Form B (Scheme Meeting) lodged if the Depositor is not shown to have any Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the Scheme Meeting as certified by the Depository to the FHT Managers; and (ii) to accept as the maximum number of votes which in aggregate the proxy appointed by the Depositor is or are able to cast on a poll a number which is the number of Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the Scheme Meeting as certified by the Depository to the FHT Managers, whether that number is greater or smaller than the number specified in any Proxy Form B (Scheme Meeting) executed by or on behalf of that Depositor.
17. In the case of joint Stapled Securityholders, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Stapled Securityholders of FHT or, as the case may be, the Depository Register shall alone be entitled to vote.
18. By the said Order of Court, the Court has appointed Mr Law Song Keng, or failing him, any other director of the FHT Managers, to act as Chairman of the Scheme Meeting and has directed the Chairman to report the voting results of the Scheme Meeting to the Court as soon as possible after the Scheme Meeting.
19. The said Scheme will be subject to, *inter alia*, the subsequent approval of the Court.

**Due to the evolving COVID-19 situation in Singapore, the FHT Managers may be required to change the arrangements for the Scheme Meeting at short notice. Stapled Securityholders and persons (including SRS Investors) who hold Stapled Securities through a Relevant Intermediary should check FHT's website at [www.frasersproperty.com/reits/fht](http://www.frasersproperty.com/reits/fht) for the latest updates on the status of the Scheme Meeting.**

### Personal Data Privacy:

By either (a) attending the Scheme Meeting or (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Scheme Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the FHT Managers and the FH-REIT Trustee (or their agents) for the purpose of the processing and administration by the FHT Managers and the FH-REIT Trustee (or their agents) of proxies and representatives appointed for the Scheme Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Scheme Meeting (including any adjournment thereof), and in order for the FHT Managers and the FH-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to the FHT Managers and the FH-REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the FHT Managers and the FH-REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the FHT Managers and the FH-REIT Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

Dated this 19<sup>th</sup> day of August 2022

By Order of the Court

**Frasers Hospitality Asset Management Pte. Ltd.**  
(as manager of Frasers Hospitality Real Estate Investment Trust)  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

**Frasers Hospitality Trust Management Pte. Ltd.**  
(as trustee-manager of Frasers Hospitality Business Trust)  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

**Perpetual (Asia) Limited**  
(in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust)  
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#05-02 Marina Bay Financial Centre  
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