

# Frasers Hospitality Trust

## Financial Results Presentation

for second half and full year ended 30 September 2021

**29 October 2021**

*InterContinental Singapore*

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This advertisement has not been reviewed by the Monetary Authority of Singapore (**MAS**).

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

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*Fraser Suites Singapore*

## Frasers Hospitality Trust

For the second half (**2H FY2021**) and full year (**FY2021**) ended 30 September 2021

- Financial Review & Distribution
- Key Market Updates
- Portfolio Performance
- Portfolio Valuation
- Risk & Capital Management
- Market Outlook

# Financial Review & Distribution



*Fraser Suites Queens Gate London*

# Financial review for 2H FY2021



*Maritim Hotel Dresden*

- In 2H FY2021, FHT's GR improved 75.6% year-on-year (YoY) with gradual recovery from COVID-19 pandemic, while 2H FY2020 was at the peak of the pandemic. GR was lower in 2H FY2020 after rental adjustment[1] and also due to lower revenue from Novotel Melbourne on Collins.
- FHT's NPI had more than doubled in 2H FY2021 with higher GR and lower operating cost due to cost management. Consequently, DI was higher in 2H FY2021.
- Notwithstanding higher DI, DPS for 2H FY2021 at 0.8041 cents was lower YoY as 2H FY2020 DPS was inclusive of SGD 22.3m DI that was retained in 1H FY2020.

| SGD m | 2H FY2021 | 2H FY2020 | Variance % |
|---|---|---|---|
| **Gross revenue (GR)** | 45.6 | 26.0 | ▲ 75.6 |
| **Net property income (NPI)** | 30.9 | 14.6 | ▲ >100.0 |
| **Income available for distribution (DI)** | 12.4 | -1.7[1] | NM[2] |
| **Distribution to stapled securityholders** | 15.5[3] | 20.6[4] | ▼ 24.8 |
| **Distribution per stapled security (DPS)** | 0.8041 cents | 1.0695 cents | ▼ 24.8 |

1. Under the master lease agreements, the total rental income is based on the operating performance of the properties, subject to a minimum fixed rent. For 2H FY2020, as a result of COVID-19's negative impact on the operating performance of certain properties, part of the variable rent recognised in first half of financial year ended 30 Sep 2020 (1H FY2020) was reversed to cover the shortfall in fixed rent in 2H FY2020. Consequently, the total actual rent received in 2H FY2020 was lower than fixed rent and resulted in negative DI.
2. Not meaningful.
3. Distribution to stapled securityholders for 2H FY2021 included approximately SGD 4.3m of the SGD 5.2m DI retained in 1H FY2021.
4. Distribution to stapled securityholders for 2H FY2020 included approximately SGD 22.3m of the SGD 25.3m DI retained in 1H FY2020.

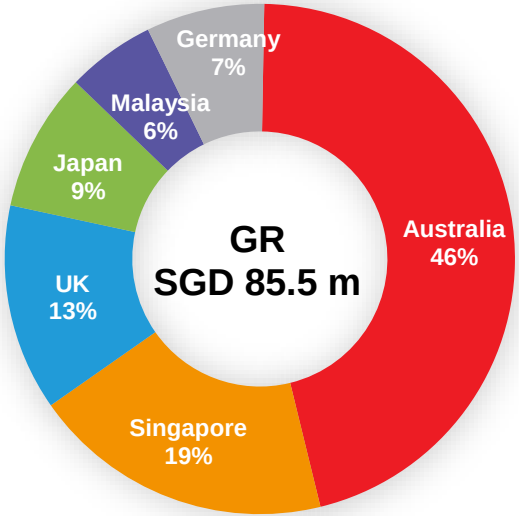
# Financial review for FY2021

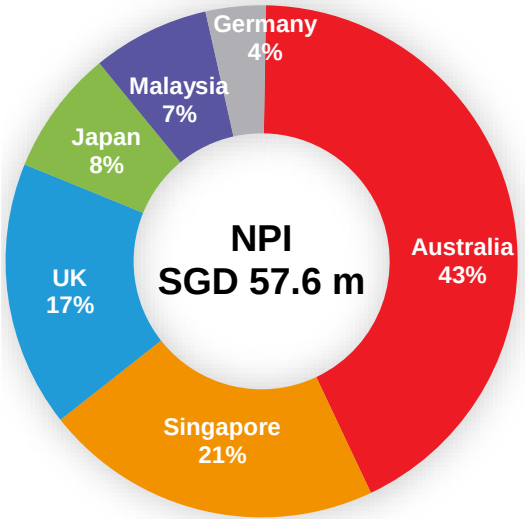
- As the impact of COVID-19 pandemic began in Feb 2020 and has not fully abated to date, the performance for FY2021 was affected for full 12 months (FY2020: 7 months). Improvement in 2H FY2021 performance helped mitigate the decline in GR and NPI.
- FY2021 DI was 29.7% lower YoY, as management fee expenses were settled in cash (instead of stapled securities) from 4Q FY2020.
- In light of the uncertainties arising from the COVID-19 pandemic and consistent with FY2020 distribution payout of 90% of DI, FHT would retain approximately 10% of DI to conserve cash and distribute the remaining balance in FY2021.

| SGD m | 1H FY2021 | 2H FY2021 | FY2021 | FY2020 | Variance % |
|---|---|---|---|---|---|
| **GR** | 39.9 | 45.6 | 85.5 | 88.6 | ▼ 3.4 |
| **NPI** | 26.7 | 30.9 | 57.6 | 59.8 | ▼ 3.7 |
| **DI** | 8.6 | 12.4 | 21.0[1] | 29.9 | ▼ 29.7 |
| **Distribution to stapled securityholders** | 3.4 | 15.5 | 18.9 | 26.9 | ▼ 29.7 |
| **DPS** | 0.1790 cents | 0.8041 cents | 0.9831 cents | 1.3982 cents | ▼ 29.7 |

1. The Managers' management fees were paid in cash since fourth quarter of FY2020.

# Portfolio contribution by country for FY2021



# 2H FY2021 Distribution

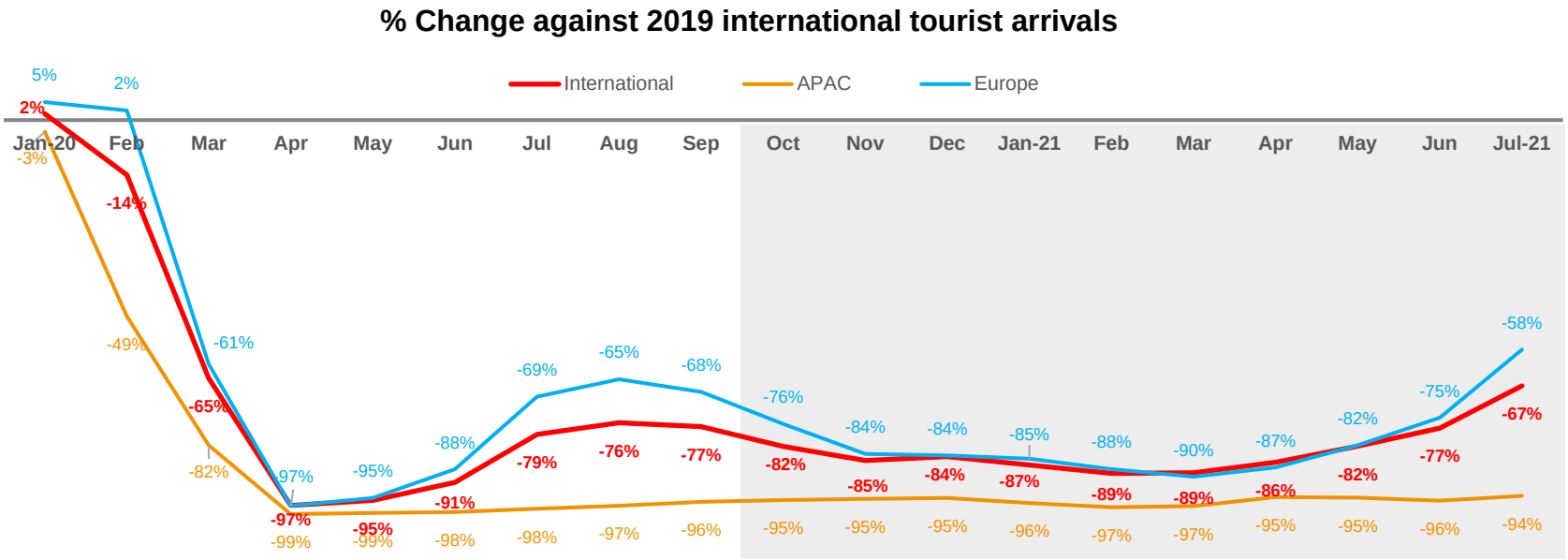
| | 1 Apr 2021 to 30 Sep 2021 |
|---|---|
| **Distribution rate** | 0.8041 cents per stapled security |
| **Last day of trading on “cum” basis** | 5 Nov 2021 |
| **First day of trading on “ex” basis** | 8 Nov 2021 |
| **Record date** | 9 Nov 2021 |
| **Distribution payment date** | 29 Dec 2021 |

# Key Market Updates



*Fraser Suites Edinburgh*

# 2021: Another challenging year for international tourism

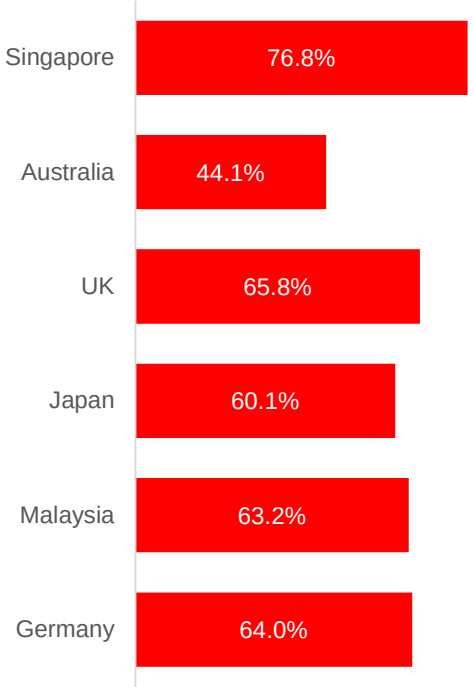



- New waves of COVID-19 infections in 1H 2021 led to further lockdowns and travel restrictions across many countries
- Despite challenges, international arrivals in Jul 2021 was strongest since Apr 2020
  - > Improvement supported by re-opening of mainly destinations in Europe and the Americas, easing of travel restrictions for vaccinated travellers and accelerating rollout of COVID-19 vaccinations

Source: UNWTO (UN World Tourism Organization)
APAC (Asia and the Pacific) - includes countries such as Australia, China, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Thailand and Vietnam.

# Countries accelerate rollout of vaccination for opening of borders

**% of population fully vaccinated**
as at 30 Sep 2021




- **Singapore** has launched Vaccinated Travel Lanes with several countries, including Germany and UK since 8 Sep 2021, after hitting its COVID-19 vaccination milestone

- **Sydney** exited a 107-day lockdown on 11 Oct 2021. From 1 Nov 2021 onwards, vaccinated Australian citizens, permanent residents and their immediate families can visit Sydney without undergoing quarantine
- **Melbourne** exited a lockdown, its fourth within a year, on 22 Oct 2021

- **UK** began a phased exit out of lockdown on 8 Mar 2021 after being in a lockdown since 6 Jan 2021
- Its lockdown rules ended on 19 Jul 2021 and it scrapped requirement for 10-day quarantine for arrivals from its amber list countries from 19 Jul 2021

- **Japan** exited its state of emergency, its third within a year, as the number of new COVID-19 cases fell
- From 1 Oct 2021, it has re-opened borders to fully vaccinated travellers, with quarantine period cut to 10 days from 14 days

- **Malaysia** has permitted inter-state and international travel from 11 Oct 2021 after it met its vaccination milestone

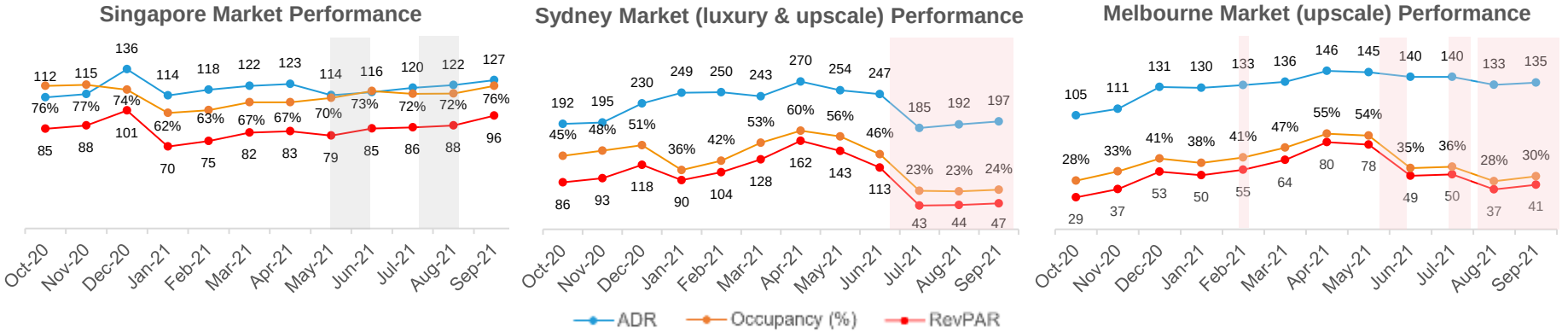
- **Germany** has kept strict lockdown measures since 16 Dec 2020. It continues to maintain open borders for essential travel from third countries and EU/Schengen Area countries

Sources: Our World in Data, “Share of people vaccinated against COVID-19”; USA Today, “Singapore to allow quarantine-free travel from the US starting in mid-October”, 9 Oct 2021; CNBC, “Sydney to allow quarantine-free international travel for Australians from next month”, 15 Oct 2021; Forbes, “UK lifts quarantine from amber countries from 19 July”, 8 Jul 2021; Travel Daily, “Japan is reopening borders to fully vaccinated travellers but there’s a catch,” 5 Oct 2021; Nikkei, “Malaysia lifts travel restrictions for fully vaccinated people”, 10 Oct 2021; schengenvisainfo news, “Who can travel to Germany amid COVID-19”, 5 Oct 2021

# Adverse impact of lockdowns/restrictions on market performance

**Hospitality market performance by country** for FY2021

Heightened alert | Lockdown period



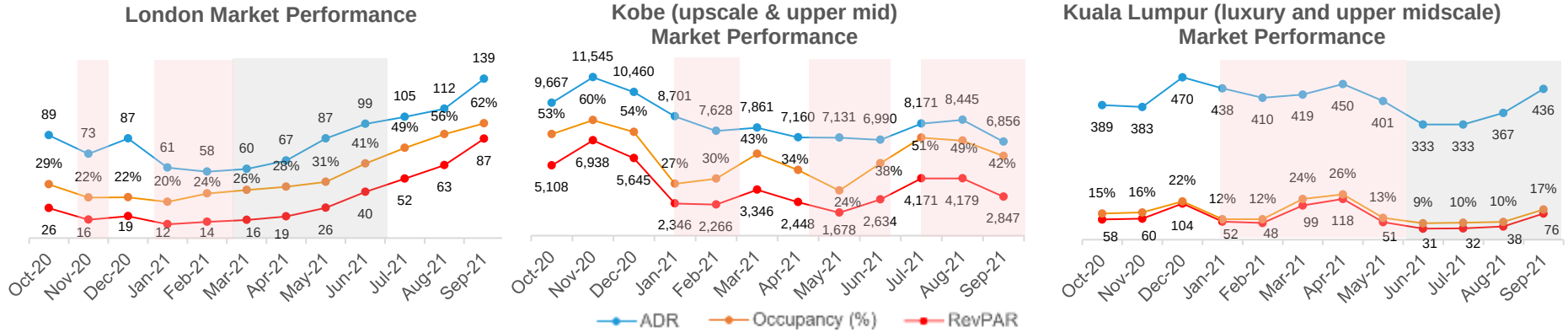

- Singapore hotels' occupancy rates have been supported by the business generated by the government's Stay-Home facility business, despite borders remaining shut to short-term visitors
- Sydney market occupancies affected by 107-day lockdown which started in Jun 2021
- It exited lockdown on 11 Oct 2021
- Melbourne market occupancies affected by repeated lockdowns; 4 lockdowns within a year

All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies; ADR, Occupancy and RevPAR data from STR
Sources: CBRE, "Singapore Hotel Marketview", 1H 2021 and Straits Times, "Sydney reopens as Australia looks to live with COVID-19", 11 Oct 2021

# Adverse impact of lockdowns/restrictions on market performance

**Hospitality market performance by country** for FY2021

Lockdown period / state of emergency / movement control orders | Phased exit




- UK hotels' occupancies were boosted by the lifting of all social distancing and domestic travel restrictions on 19 Jul 2021

- The government's "Go to Travel" campaign had boosted domestic travel in Oct-Dec 2020
- Kobe hotels went through three rounds of state of emergency within a year, which affected occupancies

- Kuala Lumpur hotels' occupancies were depressed by the long periods of movement control order restrictions and lockdowns

All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies; ADR, Occupancy and RevPAR data from STR

Sources: ABC News, "Freedom Day celebrated by revellers in England, with end of most COVID-19 restrictions", 20 Jul 2021 and Xinhua Net, "Japan to extend domestic travel campaign to boost economy", 4 Dec 2020

# Portfolio Performance

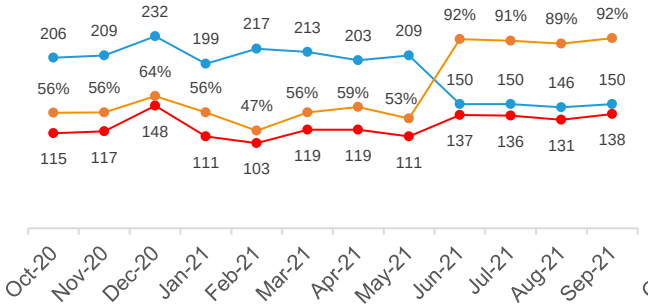


*InterContinental Singapore*

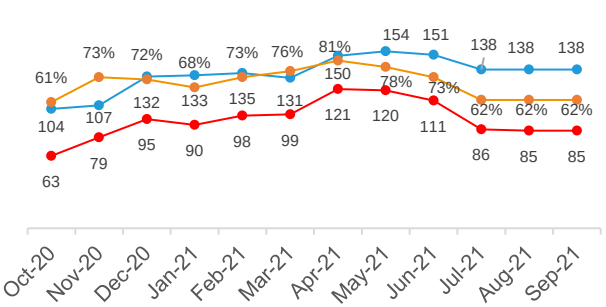
# Operating metrics showing some signs of improvement

## FHT's portfolio performance by country for FY2021

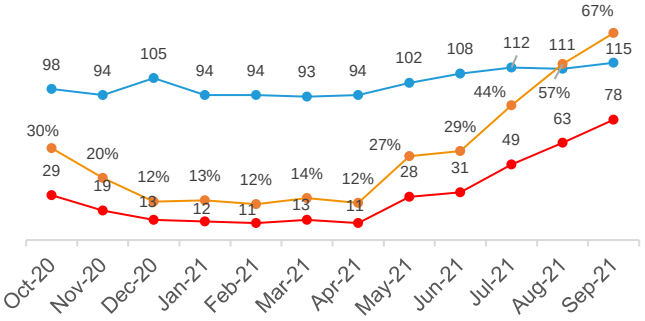
### Singapore Portfolio Performance




### Australia Portfolio Performance

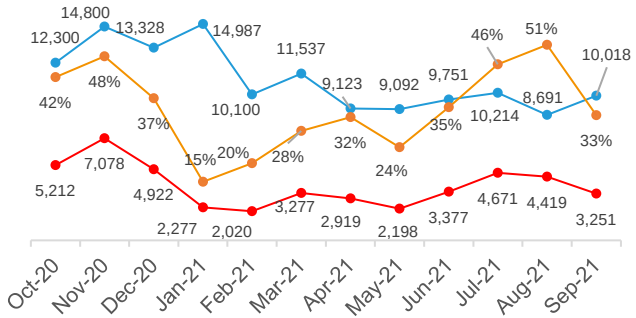



### UK Portfolio Performance

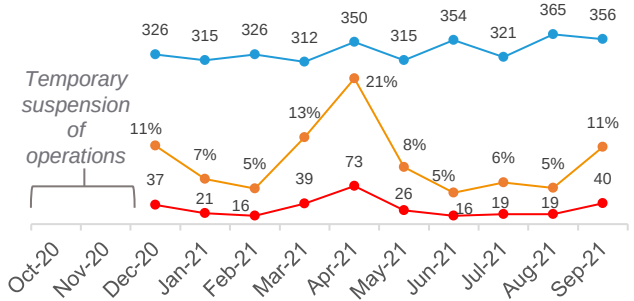



ADR — Occupancy (%) — RevPAR

### Japan Portfolio Performance




### Malaysia Portfolio Performance




All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies.

# Portfolio contribution by country for 2H FY2021

| Country | Gross Operating Revenue (GOR) | | | Gross Operating Profit (GOP) | | |
|---|---|---|---|---|---|---|
| | Local Currency (m) | | YoY Change | Local Currency (m) | | YoY Change |
| | 2H FY2021 | 2H FY2020 | (%) | 2H FY2021 | 2H FY2020 | (%) |
| **Singapore** | 21.3 | 17.8 | ▲ 20.1 | 8.3 | 9.0 | ▼ 7.7 |
| **Australia** | 32.2 | 17.1 | ▲ 88.2 | 16.4 | 6.3 | ▲ >100.0 |
| **UK** | 5.3 | 1.7 | ▲ >100.0[1] | 2.0 | (0.9) | NM[2] |
| **Japan** | 1,074.6 | 584.1 | ▲ 84.0 | 281.1 | (67.5) | NM[2] |
| **Malaysia** | 4.9 | 1.2 | ▲ >100.0[1] | (4.0) | (7.5) | ▲ 46.5 |
| **Germany** | 3.7 | 3.6 | ▲ 3.9 | 1.5 | 1.3 | ▲ 12.0 |

- Singapore portfolio's 2H FY2021 GOR increased 20.1% YoY as InterContinental Singapore secured Stay-Home Notice business. However, the GOP declined 7.7% YoY due to lower government wage support.

1. In the UK, all 6 properties were closed during the third quarter of FY2020. In Malaysia, the Westin Kuala Lumpur's operations were temporarily suspended in May 2020 and resumed operation in Dec 2020.
2. Not meaningful

# Portfolio contribution by country for FY2021

| Country | Gross Operating Revenue (GOR) | | | Gross Operating Profit (GOP) | | |
|---|---|---|---|---|---|---|
| | Local Currency (m) | | YoY Change | Local Currency (m) | | YoY Change |
| | FY2021 | FY2020 | (%) | FY2021 | FY2020 | (%) |
| **Singapore** | 42.5 | 54.5 | ▼ 22.1 | 15.5 | 21.9 | ▼ 29.4 |
| **Australia** | 59.2 | 77.8 | ▼ 23.9 | 30.1 | 32.0 | ▼ 6.2 |
| **UK** | 7.2 | 13.0[1] | ▼ 44.5 | 1.8 | 4.4 | ▼ 59.5 |
| **Japan** | 2,119.0 | 3,220.6 | ▼ 34.2 | 395.0 | 623.7 | ▼ 36.7 |
| **Malaysia** | 7.5 | 37.8[1] | ▼ 80.3 | (12.8) | 1.9 | NM[2] |
| **Germany** | 5.1 | 8.8 | ▼ 42.0 | 1.6 | 3.2 | ▼ 50.0 |

- The impact of COVID-19 pandemic began in Feb 2020 and has not fully abated to date. The operating performance for FY2021 was impacted by the pandemic for full 12 months (FY2020: 7 months).

1. In the UK, all 6 properties were closed during the third quarter of FY2020. In Malaysia, the Westin Kuala Lumpur's operations were temporarily suspended in May 2020 and resumed operation in Dec 2020.
2. Not meaningful

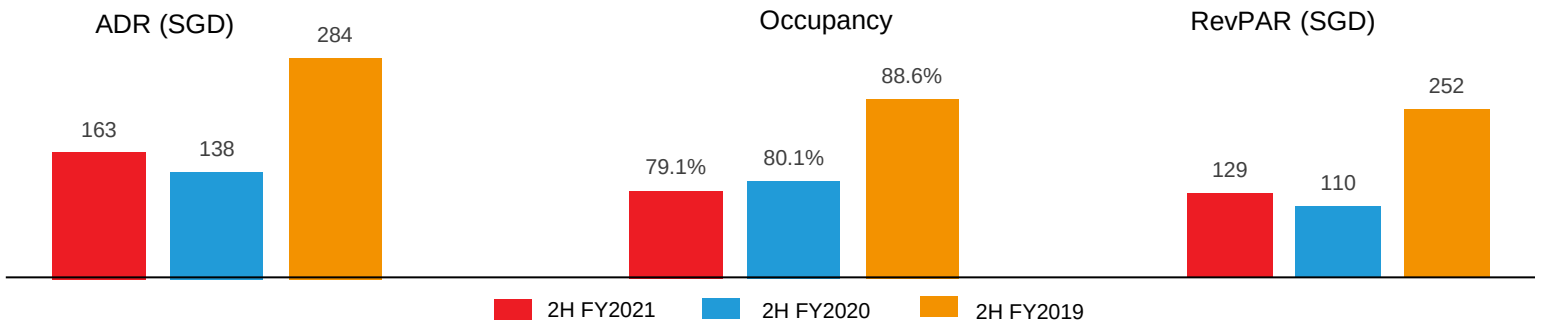
# Singapore

- **InterContinental Singapore (ICSG)**
- **Fraser Suites Singapore (FSSG)**

> Singapore portfolio's revenue per available room (**RevPAR**): 16.8% YoY higher in 2H FY2021. RevPAR for FY2020 had benefitted from ICSG's deal to be a Stay-Home facility from Mar-Sep 2020. ICSG has re-secured the Stay-Home Notice business from Jun-Sep 2021, helping to boost RevPAR for the last 4 months of FY2021.

> Singapore has achieved ~80% vaccination rate for its population at end-Aug 2021. From 19 Oct 2021, Singapore's Vaccinated Travel Lane (VTL) arrangement has been extended to 9 more countries, in addition to Germany and Brunei, which were the first 2 countries to come under the VTL arrangement in Sep 2021.

> The government has extended its local job support scheme by 6 months, to Mar 2022, which continues to help the properties preserve jobs and conserve cashflow.

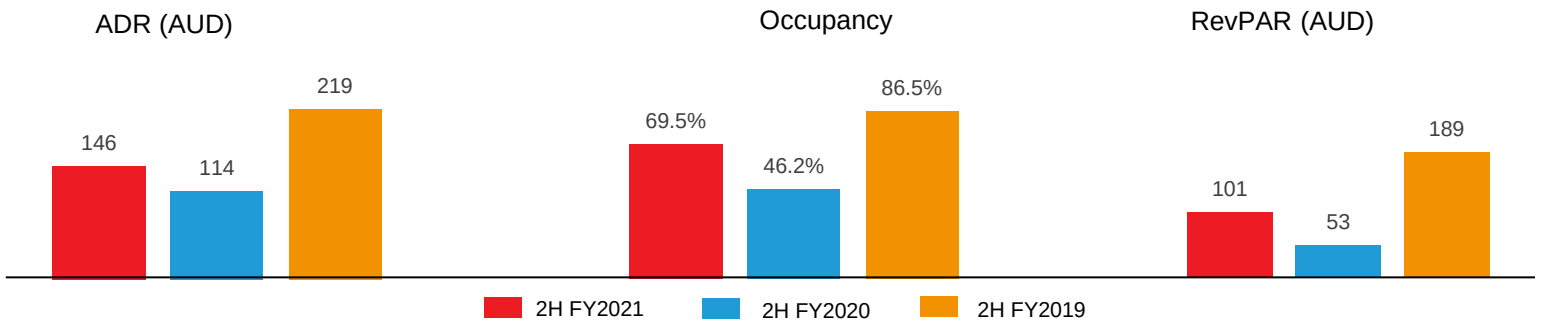


# Australia

- **Novotel Melbourne on Collins (NMOC)**
- **Sofitel Sydney Wentworth (SSW)**
- **Novotel Sydney Darling Square (NSDS)**
- **Fraser Suites Sydney (FSS)**

> Australia portfolio's RevPAR in 2H FY2021 was 90.5% higher YoY, driven by improving portfolio occupancy and average daily rate (**ADR**). The improvement was mainly contributed by NMOC and SSW which continued to secure further contracts for the isolation business for 2H FY2021.

> Sydney has lifted restrictions for its vaccinated population from 11 Oct 2021 as 70% of its eligible population has been vaccinated. Melbourne has implemented a road map to lifting of restrictions, once 80% of its population is fully vaccinated in Nov 2021.



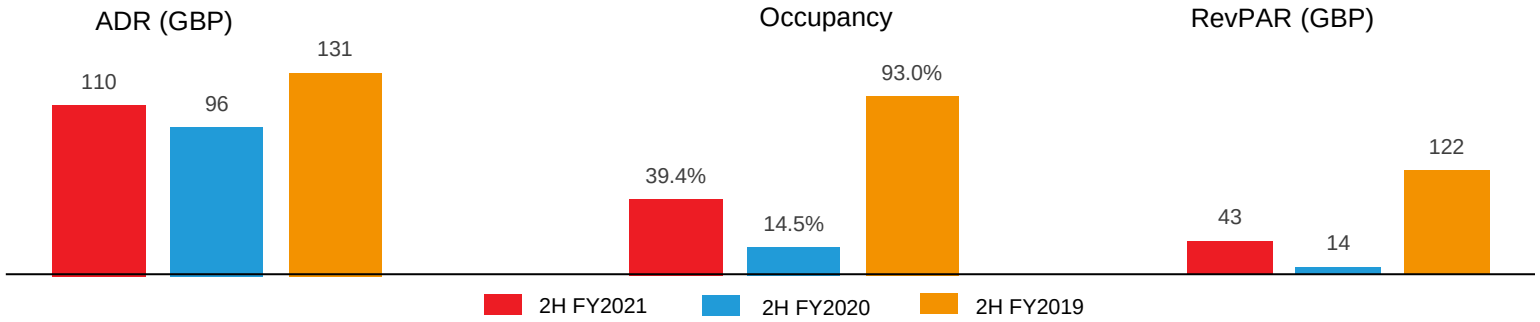
# UK

- **ibis Styles London Gloucester Road (ISLG)**
- **Fraser Place Canary Wharf (FPCW)**
- **Fraser Suites Glasgow (FSG)**
- **Park International London (PIL)**
- **Fraser Suites Edinburgh (FSE)**
- **Fraser Suites Queens Gate (FSQG)**

> UK has lifted most of its COVID-19 pandemic restrictions from 19 Jul 2021. Despite the lifting of restrictions, this did not result in a spike in cases in the country[1]. Due to the high vaccination rate, hospitalization and mortality rates have also declined.

> UK portfolio's RevPAR: >100% increase YoY in 2H FY2021; RevPAR has improved in Jul-Sep 2021 with all FHT's properties back to full operation since mid-May 2021 after more than 4 months of lockdown. All properties continue to benefit from the UK government's furlough scheme (extended till end-Sep 2021).

> As at end-Sep 2021, 65.8% of UK's population was fully vaccinated[2].

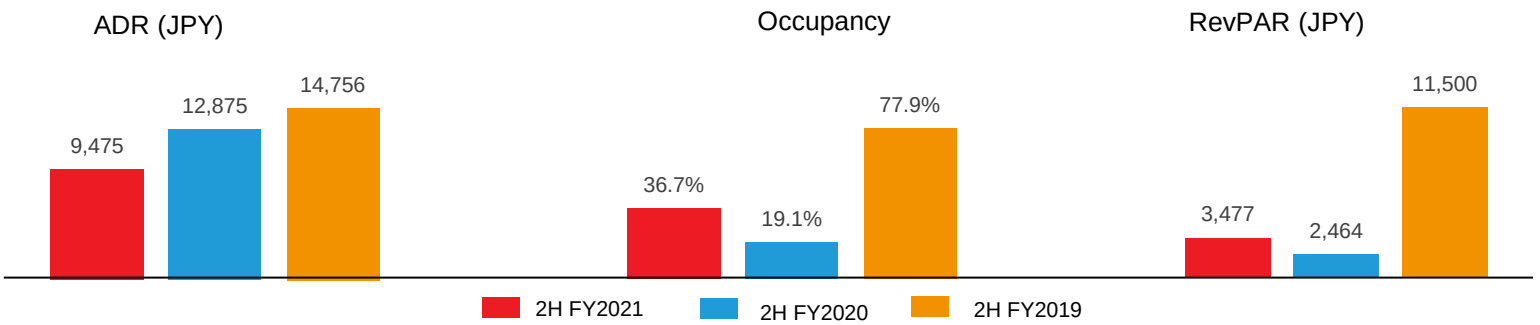



1. Source: CNN, "England dropped most of its COVID restrictions in July. One month on, here's how it's going", 20 Aug 2021
2. Source: Our World in Data, "Share of people vaccinated against COVID-19", 30 Sep 2021

# Japan

## ◆ ANA Crowne Plaza Kobe (CPK)

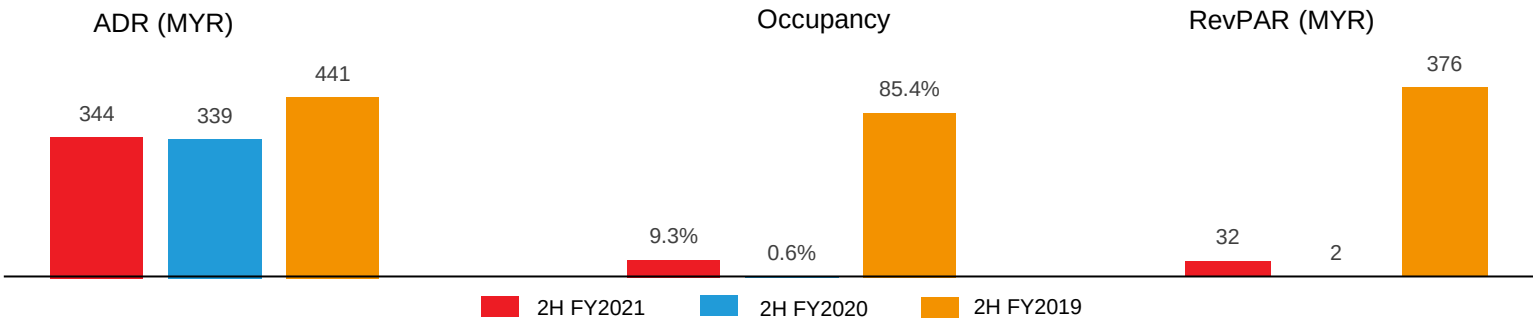
- CPK's RevPAR: 41.1% YoY increase in 2H FY2021 as its performance in 2H FY2020 was impacted by low occupancies during the initial stage of the COVID-19 outbreak in 2020. Japan entered into a state of emergency three times within the first 9 months of 2021, with the latest state of emergency lifted on 30 Sep 2021.
- As at end-Sep 2021, 60.1% of Japan's population was fully vaccinated[1].




1. Source: Our World in Data, "Share of people vaccinated against COVID-19", 30 Sep 2021

# Malaysia

- **The Westin Kuala Lumpur (TWKL)**
  - TWKL's RevPAR for 2H FY2021 increased >100% YoY. This was due to a temporary suspension of its operations for close to 5 months in 2020.
  - TWKL resumed operations on 18 Dec 2020 and the temporary suspension had helped to conserve cashflow for the property. The hotel also underwent cost restructuring during the temporary suspension period. The leaner operating structure has enabled the hotel to narrow its operating losses since reopening, despite the lower occupancies.
  - Malaysia's government has announced that inter-state and international travel are allowed from 11 Oct 2021.



# Germany

- **Maritim Hotel Dresden (MHD)**

> In 2H FY2021, MHD's performance showed signs of improvement YoY from Jul to Sep 2021. The adjoining International Congress Centre has re-opened and has been holding small-scale domestic events. However, the property's performance has yet to recover with the absence of international conferences.

> As at 30 Sep 2021, 64.0% of the country's population was fully vaccinated[1].

Note: Maritim Hotel Dresden has been excluded from reporting of ADR, occupancy and RevPAR due to limitations imposed by the master lease agreement.

1. Source: Our World in Data, "Share of people vaccinated against COVID-19", 30 Sep 2021

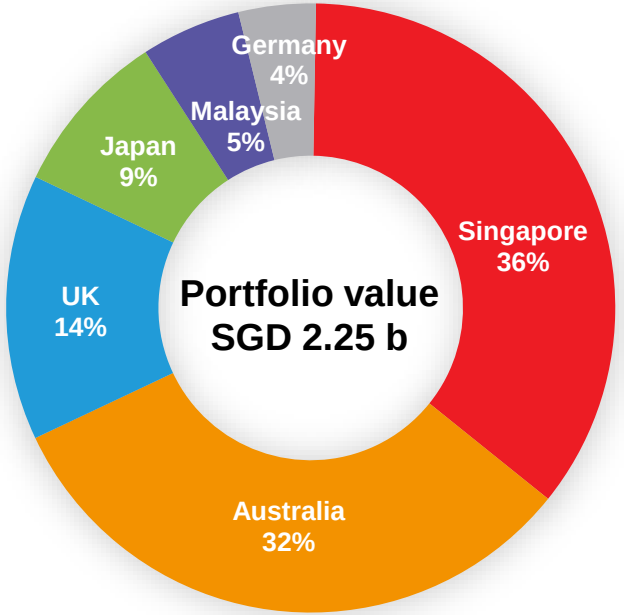
# Portfolio Valuation



*Fraser Suites Glasgow*

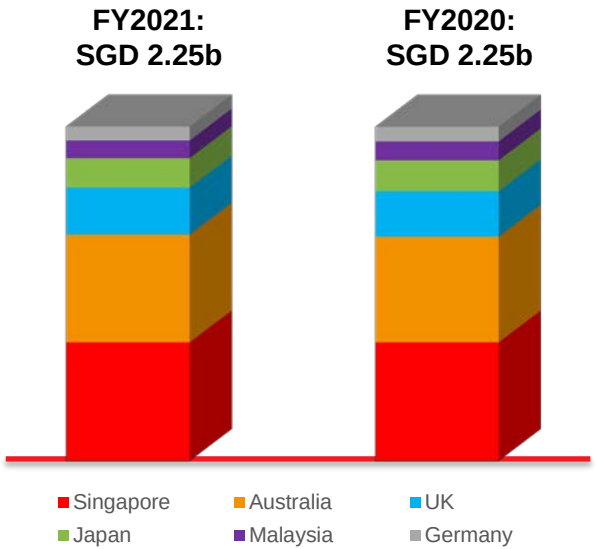
# Portfolio value as at 30 Sep 2021

| Country | Portfolio Value as at 30 Sep 2021 |
|---|---|
| **Singapore** | SGD 798.0m |
| **Australia** | AUD 737.5m |
| **UK** | GBP 173.0m |
| **Japan** | JPY 16,200.0m |
| **Malaysia** | MYR 368.0m |
| **Germany** | EUR 59.3m |
| **Total** | **SGD 2,248.4m** |



# Change in portfolio value

| Country | Valuation as at 30 Sep 2021 (SGD m) | Valuation as at 30 Sep 2020 (SGD m) | Variance in SGD | Variance in Local Currency |
|---|---|---|---|---|
| **Singapore** | 798.0 | 798.0 | 0.0% | 0.0% |
| **Australia** | 723.8 | 709.9 | 1.9% | 1.6% |
| **UK** | 316.5 | 306.3 | 3.3% | -0.3% |
| **Japan** | 198.1 | 207.5 | -4.5% | 1.9% |
| **Malaysia** | 118.8 | 127.2 | -6.6% | -4.4% |
| **Germany** | 93.2 | 98.7 | -5.6% | -3.9% |
| **Total** | **2,248.4** | **2,247.6** | **0.0%** | |




- The cap rates and discount rates were either unchanged or largely similar to those of last year. However, Malaysia portfolio's valuation had the biggest decline in local currency due to weaker performance on the back of challenging market conditions.
- Compared to last year, AUD and GBP have appreciated against SGD this year, whilst MYR, JPY and EUR weakened against SGD. This resulted in no change in total portfolio valuation in SGD terms.

# Risk & Capital Management



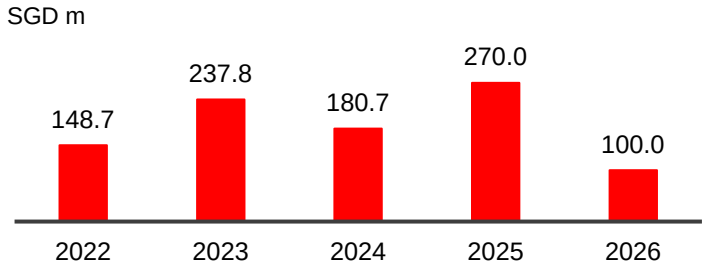
*ANA Crowne Plaza Kobe*

# Proactive capital management

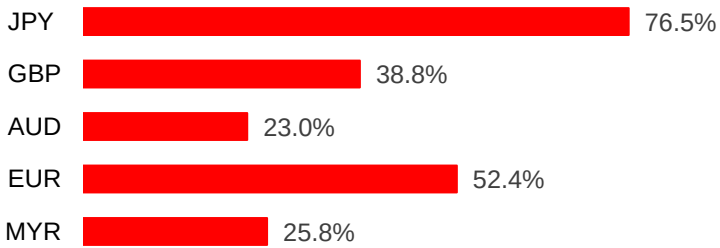
**As at 30 Sep 2021**

| | |
|---|---|
| **Investment properties** | SGD 2,024.8m |
| **Property, plant and equipment** | SGD 226.7m |
| **Total assets** | SGD 2,349.2m |
| **Total borrowings** | SGD 988.5m |
| **Gearing[1,2]** | 42.2% |
| **Net asset value per stapled security** | SGD 0.65 |
| **Weighted average debt to maturity** | 2.56 years |
| **Unsecured debt** | 96.7% |
| **Effective cost of borrowing[2]** | 2.0% |
| **Borrowings on fixed rates** | 77.2% |
| **Interest cover[3,4]** | 2.2 times |

**Debt maturity profile (excludes short-term loans)**




**Balance sheet hedging**




1. MAS' leverage limit for S-REITs has been set at 50% since Apr 2020.
2. The impact of FRS 116 Leases has been excluded for the purpose of computing gearing and effective cost of borrowing.
3. Interest coverage ratio is as prescribed under the MAS' Property Funds Appendix (last revised on 16 Apr 2020).
4. For the 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.

# Market Outlook



*The Westin Kuala Lumpur*

# Singapore

- International visitor arrivals: 153,060 (-94.3% YoY) in Jan-Aug 2021
- In 2021, Singapore hotels' occupancy rates have been supported by the business generated by the government's Stay-Home facility business. Quarantine and staycation demand is expected to continue to support the industry in the short term.
- In the last quarter of 2021, gradual improvements in the number of visitor arrivals to Singapore is expected, given the high national vaccination rate. The recovery is likely to be on a firmer footing in 2022, following the ease of border of restrictions and resumption of travel confidence
- New hotel supply in Singapore is expected to be limited for the rest of 2021. Going forward, the pipeline is forecast to grow at a compound annual growth rate of 2.3% between 2021 to 2025, a moderate growth compared to historical growth rates. The well-managed pipeline will help alleviate the adverse impact from the pandemic and lend some support during the market recovery period.







Sources: Singapore Tourism Board; CBRE, "Singapore Hotel Marketview", 1H 2021 and JLL, "Asia Pacific Hotels Digest", 2Q 2021

# Australia

- International tourist arrivals: 143,230 (-92.0% YoY) in Jan-Aug 2021
- According to STR, Australia's hotel industry reported 30.8% occupancy in Aug 2021, the lowest level since May 2020, given prolonged lockdowns in the country. In Oct 2021, Sydney and Melbourne emerged from months of COVID-19 lockdowns as Australia aims to begin living with COVID-19 through higher vaccinations and to gradually re-open the country. However, the government will not be permitting international tourists to return to Australia until 2022.
- As Australia's largest hotel markets, both Sydney and Melbourne suffered the largest impacts from the pandemic, given prolonged impact on business-related travel and lack of international arrivals.
- STR estimated that approximately 31,500 rooms will open in 2021-2022 – majority of which will be in Sydney and Melbourne, adding pressure on the sector's recovery. Sydney's RevPAR has also been adversely affected by low-yielding quarantine business, as well as reduced international and corporate travellers. For Melbourne, RevPAR is not expected to recover until after 2025 due to the expected large hotel supply pipeline.
- Total revenue captured in both Sydney and Melbourne hotel markets is expected to recover to 2019 levels in 2023.







Sources: Tourism Australia; Straits Times, "Sydney reopens as Australia looks to live with COVID-19", 11 Oct 2021; Euronews, "International tourists won't be returning to Australia until 2022", 5 Oct 2021; The Urban Developer, "Domestic travel cannot sustain hotel market", 3 Mar 2021 and Horwath HTL, "Australia: Hotel market recovery from COVID-19", 23 Jun 2021

# UK

- UK's tourism agency, VisitEngland, has forecast inbound tourism spending in the UK in 2021 at GBP 6.2b, less than a quarter of the GBP 28.4b in 2019.
- Since hotels in UK were permitted to re-open in mid-May 2021 after more than 4 months of lockdown, the UK has been leading Europe in hotel performance recovery, due almost exclusively to domestic demand. However, London's occupancies remain low because of a lack of its usual demand drivers, such as international travel and corporate demand.
- UK has introduced more relaxed entry rules effective 4 Oct 2021, welcoming fully vaccinated residents of over 50 countries and territories and making international travel simpler with lower COVID-19 testing costs.







Sources: VisitBritain, "UK-wide campaign to boost domestic breaks ramps up as summer holidays get underway", 21 Jul 2021; STR, "UK leading Europe in hotel performance recovery", 22 Jul 2021 and GOV.UK, "UK's new simplified travel system takes off from today", 4 Oct 2021

# Japan

- International visitor arrivals: 173,292 (-95.6% YoY) in Jan-Aug 2021
- Japan has announced re-opening of borders to fully vaccinated travellers, with quarantine period reduced to 10 days from 14, from 1 Oct 2021 onwards
- Given the lifting of the state of emergency at end-Sep 2021, the trading performance of hotels in Japan is expected to improve when domestic leisure demand starts to resume alongside the wider vaccination rollout. Upscale hotels in gateway cities such as Tokyo, should see a more assured recovery due to strong pent-up demand.
- The domestic leisure segment should also see a stronger recovery than the domestic business segment, when the pandemic is eventually under control and economy improves. However, domestic business travel in Japan is unlikely to see a drastic decline as the importance of face-to-face meetings is still highly regarded.
- It is likely that the number of incoming international visitors will not recover to 30 million annually until after domestic accommodation demand has recovered.







Sources: Japan National Tourism Organization; Travel Daily, “Japan is reopening borders to fully vaccinated travellers but there’s a catch,” 5 Oct 2021; JLL, “Asia Pacific Hotels Digest”, 2Q 2021; Savills, “Japan Hospitality”, Aug 2021 and Colliers, “Hotel Insights”, 2Q 2021

# Malaysia

- Kuala Lumpur's (KL) top-tier hotels' performance was impacted by Malaysia's nationwide total or partial lockdown from Feb 2021 onwards. Following an acceleration of its national vaccination rate, Malaysia has allowed interstate and international travel from 11 Oct 2021 onwards
- However, domestic travels for rest of 2021 could remain subdued on the back of caution among Malaysians, driven mainly by the more virulent Delta variant. As such, the occupancy and ADR of KL's top-tier hotels are expected to worsen in 2021 compared to 2020. Upper upscale hotels' ADR fell by 20% YoY in 2020 and a further decline of 8% YoY is expected in 2021.
- Demand for hotel rooms in KL is expected to be dominated by domestic guests, at least until the second half of 2022 when international arrivals begin to pick up pace. Barring any unexpected events, KL's top-tier hotel demands is likely to return to pre-COVID 19 days in 2024.
- KL is projected to see several new hotels from 2023-2027. Although none of the new supply is opening in 2021 or 2022, there are over 3,600 rooms (13 projects) slated for completion over the next few years. The 13 upcoming projects are all international chain-affiliated brands.







Sources: Horwath HTL, "Kuala Lumpur – Top tier hotel market", Sep 2021 and Nikkei, "Malaysia lifts travel restrictions for fully vaccinated people", 10 Oct 2021

# Germany

- Germany's number of overnight stays by domestic and foreign visitors fell 15.0% YoY in Jan-Aug 2021.
- In Dresden, the total number of domestic and foreign visitors fell 64.5% YoY in Jan-Jun 2021.
- Since Jun 2021, Germany had already started admitting travellers who have taken European Medicines Agency vaccines. International tourists have lauded Germany's COVID-19 safety precautions with the country ranking lowest for risk of infection in a survey conducted by IPK International. Germany is seeing longer-stay tourists, with the average length stay for Jun-Jul 2021 recorded as 16.7 days, compared with 10 days in 2019.







Sources: Federal Statistical Office of Germany; Dresden's Official Tourist Information Centre; Schengen visa info, "Germany opens borders for vaccinated third-country travellers from June 25, but not for Brits", 18 Jun 2021 and Travel Daily, "Vacationer confidence in Germany's COVID-19 safety soars as it ranks lowest in infection risk", 24 Sep 2021

# Global travel expected to see further gradual recovery in 2022

Prospects for Sep-Dec 2021 remain mixed, according to UNWTO survey[1]

> The largest share of experts in the survey expect APAC's tourism to return to pre-COVID in 2024 or later

> For Europe, half of the survey's respondents indicated this could happen in 2023

For air travel, gradual recovery trends expected to continue in 2022, albeit an uneven recovery[2]

> Pace of vaccine rollout and government policies will determine course of international traffic while domestic travel will remain strong

**FHT well-positioned to capture upside when market recovers:**

## Quality assets in prime locations

- A rebound in domestic tourism will benefit assets in Australia, Japan and UK, countries which have sizeable domestic tourism markets
- Access to renowned global hotel operators with strong management expertise
- Portfolio reconstitution if opportunities arise

## Downside protection for portfolio

- Long-term master lease contracts provide downside protection
- No master leases due for renewal till 2024
- Long weighted average lease expiry of 12.8 years as at 30 Sep 2021

## Strengthening of portfolio fundamentals

- Collaborating with hotel and serviced residence operators to improve operational efficiencies
- Pursuing new revenue opportunities

1. Source: UNWTO, "Vaccines and Reopen Borders Driving Tourism's Recovery", 4 Oct 2021
2. Source: International Air Transport Association, "Economic performance of the Airline Industry", 4 Oct 2021

FRASERS HOSPITALITY TRUST



# Experience matters.

# Geographically diversified high-quality portfolio

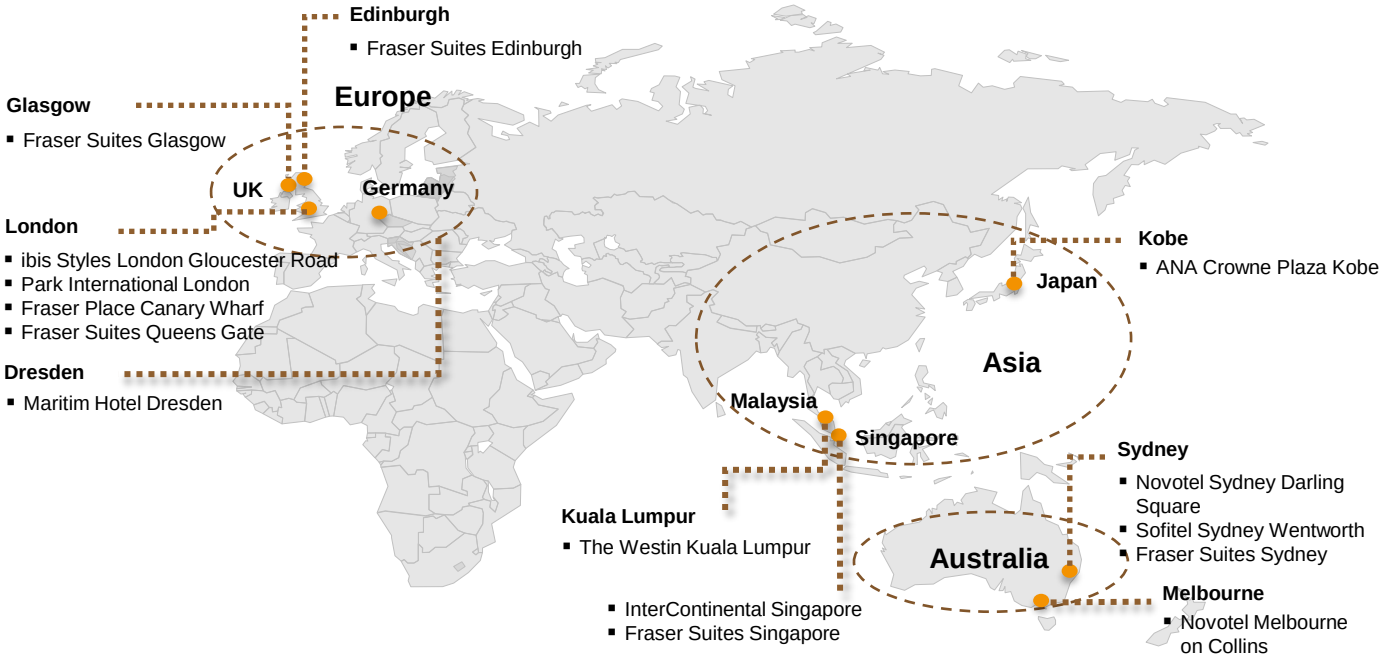
**9**
Cities

**15**
Properties

**3,913**
Keys

**SGD 2.25b**
Appraised portfolio value[1]

**15**
Master leases[1,2]




1. As at 30 Sep 2021
2. This includes a retail master lease for the retail space in ANA Crowne Plaza Kobe while the master lease for Novotel Melbourne on Collins is excluded as it is an internal master lease arrangement between FH-REIT and FH-BT.

# Hotels managed by third-party operators

| | Property | Country | Description | Tenure | Class | Rooms | Valuation, 30 Sep 2021 |
|---|---|---|---|---|---|---|---|
|  | Novotel Melbourne on Collins | Australia | Strategically located within Melbourne's core CBD area along Collins Street | Freehold | Upscale | 380 | AUD 231.0m (AUD0.6m/key) |
|  | Novotel Sydney Darling Square | Australia | 4.5-star hotel located within close proximity of Sydney's Darling Harbour and Chinatown | 84 years[1] | Mid-scale | 230 | AUD109.0m (AUD0.5m/key) |
|  | Sofitel Sydney Wentworth | Australia | Iconic 5-star hotel in Sydney's core CBD; within a short walk to major office buildings, tourist attractions and transport hubs | 75 years[2] | Luxury | 436 | AUD270.0 (AUD0.6m/key) |
|  | InterContinental Singapore | Singapore | Only 5-star luxury hotel in Singapore to preserve Peranakan heritage in a shop house style setting | 75 years[1] | Luxury | 406 | SGD506.0m (SGD1.2m/key) |
|  | ibis Styles London Gloucester Road | United Kingdom | Distinctive white Victorian facade located in the heart of London | 75 years[1] | Mid-scale | 84 | GBP19.2m (GBP0.2m/key) |

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)
2. Commencing from 5 Jul 2015

# Hotels managed by Frasers Hospitality and third-party operators

| | Property | Country | Description | Tenure | Class | Rooms | Valuation, 30 Sep 2021 |
|---|---|---|---|---|---|---|---|
|  | Park International London | UK | Elegant hotel ideally located in the heart of Kensington and Chelsea | 75 years[1] | Mid-scale | 171 | GBP38.6m (GBP0.2m/key) |
|  | ANA Crowne Plaza Kobe | Japan | Unique panoramic view of Kobe city from Rokko mountain | Freehold | Upper Upscale | 593 | JPY16,200.0 (JPY27.3m/key) |
|  | The Westin Kuala Lumpur | Malaysia | 5-star luxury hotel located in the centre of Kuala Lumpur's bustling Golden Triangle area | Freehold | Upper Upscale | 443 | MYR368.0m (MYR0.8m/key) |
|  | Maritim Hotel Dresden | Germany | Heritage-listed and located in the historical city centre of Dresden, the capital city of the eastern German state of Saxony | Freehold | Upscale | 328 | EUR59.3m (EUR0.2m/key) |

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)

# Serviced residences managed by Frasers Hospitality

| | Property | Country | Description | Tenure | Class | Rooms | Valuation, 30 Sep 2021 |
|---|---|---|---|---|---|---|---|
|  | Fraser Suites Sydney | Australia | First luxury apartments in Sydney designed by internationally renowned architects | 75 years[1] | Upper Upscale | 201 | AUD127.5m (AUD0.6m/key) |
|  | Fraser Suites Singapore | Singapore | Luxurious serviced residences in the prime residential district of River Valley | 75 years[1] | Upper Upscale | 255 | SGD292.0m (SGD1.1m/key) |
|  | Fraser Suites Edinburgh | UK | Rustic 1750s sandstone building located in the heart of Edinburgh's Old Town | 75 years[1] | Upper Upscale | 75 | GBP15.0m (GBP0.2m/key) |
|  | Fraser Suites Glasgow | UK | Stunningly restored 1850s building which was formerly the city bank of Glasgow | 75 years[1] | Upper Upscale | 98 | GBP9.2m (GBP0.1m/key) |
|  | Fraser Suites Queens Gate | UK | Beautiful Victorian apartment hotel in Kensington | 75 years[1] | Upper Upscale | 105 | GBP54.3m (GBP0.5m/key) |
|  | Fraser Place Canary Wharf | UK | Stunning apartments located by the River Thames, showcasing chic contemporary design | 75 years[1] | Upper Upscale | 108 | GBP36.7m (GBP0.3m/key) |

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)

# Sustainability

- Our primary sustainability focus for FHT continues to be to ensure the safety and well-being of our employees, guests and stakeholders. For FHT to remain relevant in this disruptive landscape, we need to develop strategic responses to ESG (environment, social and governance) issues and implement sustainability practices anchored on strong corporate governance.
- Our sustainability strategy is closely aligned with that of our sponsor, Frasers Property (or the Group). We continued to be guided by the Group's sustainability framework and goals, including our goal of achieving net zero carbon emissions across our value chain by 2050.

| Group Sustainability Framework Pillars | FHT's FY2020 Sustainability Performance |
|---|---|
| **Acting Progressively** | • Adopted and aligned our practices to the Group's new Diversity and Inclusion Policy, and Corporate Social Responsibility Policy<br>• Mapped out work plans and timeline for green building certifications<br>• No confirmed incidents of bribery and corruption |
| **Consuming Responsibly** | Achieved:<br>• 21.7% YoY decline in energy consumption;<br>• 23.8% YoY reduction in water consumption;<br>• Waste recycling rate of 13.2%, up from 11.8% in FY2019 |
| **Focusing on People** | Achieved:<br>• Zero incidents of non-compliance with regulations concerning customers' and employees' health and safety<br>• Average of 49 training hours per employee in FY2020, higher than the internal target of 40 hours |