



Frasers Hospitality Trust
(Constituted in the Republic of Singapore pursuant to a
stapling deed dated 20 June 2014)

Condensed Interim Financial Statements
For the six months ended 31 March 2023

CONDENSED INTERIM STATEMENTS OF TOTAL RETURN OF FHT AND THE FH-REIT GROUP AND STATEMENT OF PROFIT OR LOSS OF THE FH-BT GROUP

Six months ended 31 March 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
		31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Master lease rental	8	45,993	35,700	52,539	39,263	-	-
Room revenue		12,620	2,248	-	-	12,620	2,248
Food and beverage revenue		2,414	974	-	-	2,414	974
Other income		1,193	5,181	-	-	1,193	5,181
Revenue		62,220	44,103	52,539	39,263	16,227	8,403
Property tax		(3,943)	(3,177)	(3,943)	(3,177)	-	-
Property insurance		(615)	(804)	(563)	(752)	(52)	(52)
Property management fees		(2,700)	(1,733)	(2,700)	(1,733)	-	-
Other property expenses		(1,090)	(1,159)	(1,090)	(1,159)	-	-
Reversal of impairment loss/(Impairment loss) on trade receivables		367	(1,071)	367	(1,071)	-	-
Operations and maintenance expenses		(3,485)	(1,482)	(28)	(59)	(3,919)	(1,515)
Energy and utilities expenses		(322)	(261)	-	-	(322)	(261)
Hotel management fee		(409)	(249)	-	-	(409)	(249)
Rental expense		-	-	-	-	(3,867)	(666)
Staff costs		(3,041)	(2,022)	-	-	(3,041)	(2,022)
Marketing expenses		(1,336)	(297)	-	-	(1,336)	(297)
Administrative expenses		(402)	(186)	-	-	(402)	(186)
Property operating expenses		(16,976)	(12,441)	(7,957)	(7,951)	(13,348)	(5,248)
Net property income		45,244	31,662	44,582	31,312	2,879	3,155
Depreciation		(1,949)	(2,137)	-	-	(2,037)	(2,225)
REIT Manager's management fees	4	(3,076)	(2,466)	(3,076)	(2,466)	-	-
Trustee-Manager's management fees	4	(22)	(30)	-	-	(22)	(30)
Other management fees	4	(1,476)	(1,834)	(1,476)	(1,834)	-	-
Trustees' fees		(215)	(244)	(215)	(244)	-	-
Other trust expenses	5	(1,835)	(1,017)	(1,798)	(976)	(37)	(41)
Finance income		617	43	557	43	60	-
Amortisation of debt upfront costs		(430)	(545)	(430)	(545)	-	-
Finance costs		(9,047)	(10,000)	(9,047)	(10,000)	(1,021)	(1,165)
Total return/(Loss) before foreign exchange differences, fair value changes and tax		27,811	13,432	29,097	15,290	(178)	(306)
Foreign exchange (loss)/gain, net		(1,011)	347	(980)	317	(31)	30
Net change in fair value of derivative financial instruments		(15)	(3,012)	(15)	(3,012)	-	-
Realised (loss)/gain on derivative financial instruments, net		(181)	3	(181)	3	-	-
Total return/(Loss) for the period before tax		26,604	10,770	27,921	12,598	(209)	(276)
Taxation	6	(3,118)	(1,390)	(3,009)	(1,458)	(109)	68
Total return/(Loss) for the period after tax		23,486	9,380	24,912	11,140	(318)	(208)
Total return/(Loss) for the period after tax attributable to:							
– Stapled Securityholders		23,486	9,380	24,912	11,140	(318)	(208)
Earnings per Stapled Security (cents)							
Basic	7	<u>1.22</u>	<u>0.48</u>				
Diluted	7	<u>1.22</u>	<u>0.48</u>				

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME OF THE FH-BT GROUP
Six months ended 31 March 2023

	FH-BT Group	
	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000
Loss for the period after tax	(318)	(208)
Other comprehensive income		
Items that may be reclassified to statement of profit or loss:		
Foreign currency translation differences	(37)	66
Total comprehensive income for the period, net of tax	(355)	(142)
Total comprehensive income for the period attributable to		
– Stapled Securityholders	(355)	(142)

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM DISTRIBUTION STATEMENTS

Six months ended 31 March 2023

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
Note	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of total return/(loss) to income available for distribution						
Total return/(Loss) for the period after tax, attributable to Stapled Securityholders	23,486	9,380	24,912	11,140	(318)	(208)
Non-tax deductible/(non-taxable) items and other adjustments:						
Amortisation of debt upfront costs	430	545	430	545	-	-
Depreciation	1,949	2,137	-	-	2,037	2,225
Foreign exchange loss/(gain), net	1,011	(347)	980	(316)	31	(30)
Net change in fair value of derivative financial instruments	15	3,012	15	3,012	-	-
Realised gain on derivative financial instrument	181	-	181	-	-	-
Trustee's fee in relation to FH-REIT	126	142	126	142	-	-
Interest expense on lease liabilities	60	63	60	63	1,021	1,165
Lease payments	-	-	-	-	(2,679)	(2,897)
Other adjustments	(186)	132	276	223	-	-
Net effect of non-tax deductible/(non-taxable) items and other adjustments	3,586	5,684	2,068	3,669	410	463
Income available for distribution	27,072	15,064	26,980	14,809	92	255
Income available for distribution attributable to:						
- Stapled Securityholders	27,072	15,064	26,980	14,809	92	255

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM DISTRIBUTION STATEMENTS

Six months ended 31 March 2023

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000
Amount available for distribution to Stapled Securityholders at the beginning of the period	17,949	15,490	17,948	15,074	1	416
Income available for distribution attributable to Stapled Securityholders	27,072	15,064	26,980	14,809	92	255
Distribution to Stapled Securityholders during the period						
Distribution of 0.8041 cents per Stapled Security for the period from 1 April 2021 to 30 September 2021	-	(15,488)	-	(15,070)	-	(418)
Distribution of 0.9316 cents per Stapled Security for the period from 1 April 2022 to 30 September 2022	(17,949)	-	(17,949)	-	-	-
	(17,949)	(15,488)	(17,949)	(15,070)	-	(418)
Amount retained for working capital purposes	(2,707)	(1,506)	(2,614)	(1,481)	(93)	(25)
Amount available for distribution to Stapled Securityholders at the end of the period	24,365	13,560	24,365	13,332	-	228
Distribution per Stapled Security (cents)	1.2649	0.7039	1.2649	0.6920	-	0.0119

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		31 Mar 2023 \$'000	30 Sep 2022 \$'000	31 Mar 2023 \$'000	30 Sep 2022 \$'000	31 Mar 2023 \$'000	30 Sep 2022 \$'000
Non-current assets							
Investment properties	8	1,686,499	1,683,220	1,894,599	1,898,078	-	-
Property, plant and equipment	9	207,508	215,918	-	-	51,734	55,476
Derivative financial instruments		25,745	32,422	25,745	32,422	-	-
Rental deposits		-	-	-	-	1,918	1,980
Deferred expense		-	-	-	-	1,405	1,450
Deferred tax assets		567	586	-	-	1,868	1,929
		<u>1,920,319</u>	<u>1,932,146</u>	<u>1,920,344</u>	<u>1,930,500</u>	<u>56,925</u>	<u>60,835</u>
Current assets							
Inventories		27	25	-	-	27	25
Prepayments		1,962	1,491	1,659	1,302	303	189
Trade and other receivables		12,809	9,284	15,587	11,471	1,257	420
Derivative financial instruments		9,551	18,816	9,551	18,816	-	-
Cash and cash equivalents		83,044	123,883	76,108	118,775	6,936	5,108
		<u>107,393</u>	<u>153,499</u>	<u>102,905</u>	<u>150,364</u>	<u>8,523</u>	<u>5,742</u>
Total assets		<u>2,027,712</u>	<u>2,085,645</u>	<u>2,023,249</u>	<u>2,080,864</u>	<u>65,448</u>	<u>66,577</u>
Current liabilities							
Trade and other payables		17,768	19,330	13,482	16,112	9,260	6,630
Lease liabilities		-	-	-	-	3,325	3,373
Derivative financial instruments		20	-	20	-	-	-
Borrowings	10	118,822	173,832	118,822	173,832	-	-
Income tax payables		2,269	980	2,142	953	127	27
		<u>138,879</u>	<u>194,142</u>	<u>134,466</u>	<u>190,897</u>	<u>12,712</u>	<u>10,030</u>
Net current liabilities		<u>(31,486)</u>	<u>(40,643)</u>	<u>(31,561)</u>	<u>(40,533)</u>	<u>(4,189)</u>	<u>(4,288)</u>
Non-current liabilities							
Rental deposits		20,592	20,451	22,510	22,431	-	-
Other payables		199	204	-	-	199	204
Lease liabilities		2,970	3,006	2,970	3,006	52,964	56,415
Deferred income		4,367	4,383	5,772	5,833	-	-
Derivative financial instruments		1,521	-	1,521	-	-	-
Borrowings	10	587,935	582,900	587,935	582,900	-	-
Deferred tax liabilities		34,829	34,625	34,829	34,625	-	-
		<u>652,413</u>	<u>645,569</u>	<u>655,537</u>	<u>648,795</u>	<u>53,163</u>	<u>56,619</u>
Total liabilities		<u>791,292</u>	<u>839,711</u>	<u>790,003</u>	<u>839,692</u>	<u>65,875</u>	<u>66,649</u>
Net assets/(liabilities)		<u>1,236,420</u>	<u>1,245,934</u>	<u>1,233,246</u>	<u>1,241,172</u>	<u>(427)</u>	<u>(72)</u>
Represented by:							
Stapled Securityholders' funds							
Stapled Securities in issue	11	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		(89,441)	(94,978)	(77,788)	(84,751)	(9,344)	(9,026)
Hedging reserve		9,452	18,404	9,452	18,404	-	-
Foreign currency translation reserve		(203,190)	(197,091)	(202,947)	(197,010)	(669)	(632)
Revaluation reserve		5,484	5,484	-	-	-	-
		<u>1,236,420</u>	<u>1,245,934</u>	<u>1,233,246</u>	<u>1,241,172</u>	<u>(427)</u>	<u>(72)</u>
Number of Stapled Securities in issue ('000)		<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>
Net asset value per Stapled Security (cents)		<u>64.19</u>	<u>64.69</u>	<u>64.03</u>	<u>64.44</u>	<u>-</u>	<u>-</u>
Net tangible assets/(liabilities) attributable to Stapled Securityholders		<u>1,236,420</u>	<u>1,245,934</u>	<u>1,233,246</u>	<u>1,241,172</u>	<u>(427)</u>	<u>(72)</u>
Net tangible asset per Stapled Security (cents)		<u>64.19</u>	<u>64.69</u>	<u>64.03</u>	<u>64.44</u>	<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

Six months ended 31 March 2023

FHT	Attributable to Stapled Securityholders						Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	
At 1 October 2022	1,539,879	(25,764)	(94,978)	18,404	(197,091)	5,484	1,245,934
<u>Operations</u>							
Total return for the period	-	-	23,486	-	-	-	23,486
<u>Other reserves</u>							
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4,719)	-	-	(4,719)
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(4,233)	-	-	(4,233)
Foreign currency translation differences	-	-	-	-	(6,099)	-	(6,099)
Movements in other reserves	-	-	-	(8,952)	(6,099)	-	(15,051)
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders	-	-	(17,949)	-	-	-	(17,949)
Total transactions with Stapled Security holders	-	-	(17,949)	-	-	-	(17,949)
At 31 March 2023	1,539,879	(25,764)	(89,441)	9,452	(203,190)	5,484	1,236,420
At 1 October 2021	1,539,879	(25,764)	(124,250)	(9,509)	(131,862)	-	1,248,494
<u>Operations</u>							
Total return for the period	-	-	9,380	-	-	-	9,380
<u>Other reserves</u>							
Effective portion of changes in fair value of cash flow hedges	-	-	-	17,870	-	-	17,870
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(2,719)	-	-	(2,719)
Foreign currency translation differences	-	-	-	-	1,033	-	1,033
Movements in other reserves	-	-	-	15,151	1,033	-	16,184
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders	-	-	(15,488)	-	-	-	(15,488)
Total transactions with Stapled Security holders	-	-	(15,488)	-	-	-	(15,488)
At 31 March 2022	1,539,879	(25,764)	(130,358)	5,642	(130,829)	-	1,258,570

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS
Six months ended 31 March 2023

FH-REIT Group	Attributable to Stapled Securityholders					Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	
At 1 October 2022	1,530,288	(25,759)	(84,751)	18,404	(197,010)	1,241,172
<u>Operations</u>						
Total return for the period	-	-	24,912	-	-	24,912
<u>Other reserves</u>						
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4,719)	-	(4,719)
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(4,233)	-	(4,233)
Foreign currency translation differences	-	-	-	-	(5,937)	(5,937)
Movements in other reserves	-	-	-	(8,952)	(5,937)	(14,889)
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	(17,949)	-	-	(17,949)
Total transactions with Stapled Security holders	-	-	(17,949)	-	-	(17,949)
At 31 March 2023	1,530,288	(25,759)	(77,788)	9,452	(202,947)	1,233,246
At 1 October 2021	1,530,288	(25,759)	(120,195)	(9,509)	(132,205)	1,242,620
<u>Operations</u>						
Total return for the period	-	-	11,140	-	-	11,140
<u>Other reserves</u>						
Effective portion of changes in fair value of cash flow hedges	-	-	-	17,870	-	17,870
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(2,719)	-	(2,719)
Foreign currency translation differences	-	-	-	-	958	958
Movements in other reserves	-	-	-	15,151	958	16,109
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	(15,070)	-	-	(15,070)
Total transactions with Stapled Security holders	-	-	(15,070)	-	-	(15,070)
At 31 March 2022	1,530,288	(25,759)	(124,125)	5,642	(131,247)	1,254,799

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

Six months ended 31 March 2023

FH-BT Group	Attributable to Stapled Securityholders					Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	
At 1 October 2022	9,591	(5)	(9,026)	-	(632)	(72)
Loss for the period	-	-	(318)	-	-	(318)
<u>Other comprehensive income</u>						
Foreign currency translation differences	-	-	-	-	(37)	(37)
Movements in other reserves	-	-	-	-	(37)	(37)
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	-	-	-	-
Total transactions with Stapled Security holders	-	-	-	-	-	-
At 31 March 2023	9,591	(5)	(9,344)	-	(669)	(427)
At 1 October 2021	9,591	(5)	(7,627)	-	(532)	1,427
Loss for the period	-	-	(208)	-	-	(208)
<u>Other comprehensive income</u>						
Foreign currency translation differences	-	-	-	-	66	66
Movements in other reserves	-	-	-	-	66	66
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	(418)	-	-	(418)
Total transactions with Stapled Security holders	-	-	(418)	-	-	(418)
At 31 March 2022	9,591	(5)	(8,253)	-	(466)	867

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Six months ended 31 March 2023

Note	FHT		FH-REIT Group		FH-BT Group	
	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Total return/(Loss) before tax	26,604	10,770	27,921	12,598	(209)	(276)
Adjustments for:						
Amortisation of debt upfront costs	430	545	430	545	-	-
Depreciation	1,949	2,137	-	-	2,037	2,225
Finance costs	9,047	10,000	9,047	10,000	1,021	1,165
Finance income	(617)	(43)	(557)	(43)	(60)	-
(Reversal of impairment loss)/Impairment loss on trade receivables	(367)	1,071	(367)	1,071	-	-
Net change in fair value of derivative financial instruments	15	3,012	15	3,012	-	-
Property, plant and equipment written off	8	-	-	-	8	-
Unrealised (gain)/loss on foreign exchange, net	(27)	(323)	(58)	(292)	31	(31)
Cash generated from operations before working capital changes	37,042	27,169	36,431	26,891	2,828	3,083
Changes in working capital:						
Inventories	(2)	(7)	-	-	(2)	(7)
Prepayments	(471)	(2,045)	(357)	(1,490)	(114)	(555)
Trade and other receivables	(3,189)	6,266	(3,780)	6,233	(837)	2,431
Trade and other payables	(277)	522	(1,428)	1,507	2,740	(3,338)
Cash generated from operations	33,103	31,905	30,866	33,141	4,615	1,614
Tax (paid)/refund	(1,520)	(776)	(1,514)	(850)	(6)	74
Interest income received	617	43	557	43	60	-
Net cash generated from operating activities	32,200	31,172	29,909	32,334	4,669	1,688

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Six months ended 31 March 2023

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	Note 31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions to investment properties	(1,059)	(4,062)	(1,059)	(4,084)	-	-
Additions to property, plant and equipment	(301)	-	-	-	-	-
Purchase of reversionary interest on investment property held for divestment	-	(10,693)	-	(10,693)	-	-
Settlement of hedging instruments designated as net investment hedge	7,022	(70)	7,022	-	-	-
Net cash generated from/(used in) investing activities	5,662	(14,825)	5,963	(14,777)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES						
Distributions paid to Stapled Securityholders	(17,949)	(15,488)	(17,949)	(15,070)	-	(418)
Finance costs paid	(9,091)	(12,185)	(9,091)	(12,185)	-	-
Payment of lease liabilities	-	-	-	-	(2,679)	(2,897)
Proceeds from borrowings, net of debt upfront costs	154,903	84,895	154,903	84,895	-	-
Repayment of borrowings	(205,000)	(84,000)	(205,000)	(84,000)	-	-
Net cash used in financing activities	(77,137)	(26,778)	(77,137)	(26,360)	(2,679)	(3,315)
Net (decrease)/increase in cash and cash equivalents	(39,275)	(10,431)	(41,265)	(8,803)	1,990	(1,627)
Cash and cash equivalents at the beginning of the financial period	123,883	78,187	118,775	73,715	5,108	4,472
Effect of exchange rate changes on cash and cash equivalents	(1,564)	(1,232)	(1,402)	(1,379)	(162)	146
Cash and cash equivalents at the end of the financial period	83,044	66,524	76,108	63,533	6,936	2,991

	FHT		FH-REIT Group		FH-BT Group	
	As at	As at	As at	As at	As at	As at
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Cash and cash equivalents at the end of the period comprise the following:</u>						
Cash and bank balances	70,889	63,775	63,953	60,784	6,936	2,991
Fixed deposits	12,155	2,749	12,155	2,749	-	-
Cash and cash equivalents	83,044	66,524	76,108	63,533	6,936	2,991

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 31 March 2023

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					31 March 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
InterContinental Singapore	14 July 2014	75 period leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	509,290	41.19	509,000	40.85
Fraser Suites Singapore	14 July 2014	75 period leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	294,000	23.78	294,000	23.60
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	114,456	9.26	117,686	9.45
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	165,167	13.36	161,627	12.97
Novotel Sydney Darling Square	14 July 2014	84 period leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	100,162 ⁽¹⁾	8.10	103,155 ⁽¹⁾	8.28
Fraser Suites Sydney	14 July 2014	75 period leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	118,360	9.57	122,200	9.81
Park International London	14 July 2014	75 period leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	67,486	5.46	65,912	5.29
ibis Styles London Gloucester Road	14 July 2014	75 period leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	32,564	2.63	31,753	2.55
Fraser Place Canary Wharf London	14 July 2014	75 period leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	62,070	5.02	60,620	4.87
Fraser Suites Queens Gate London	14 July 2014	75 period leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	95,151	7.70	92,694	7.44

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 31 March 2023

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					31 March 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
Fraser Suites Glasgow	14 July 2014	75 period leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	15,766	1.28	15,396	1.24
Fraser Suites Edinburgh	14 July 2014	75 period leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	26,765	2.16	26,140	2.10
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	85,262	6.90	83,037	6.66
Investment properties					1,686,499	136.41	1,683,220	135.11
Property, plant and equipment								
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	207,508 ⁽²⁾	16.78	215,918 ⁽²⁾	17.33
Property, plant and equipment					207,508	16.79	215,918	17.33
Other net liabilities					(657,587)	(53.19)	(653,204)	(52.44)
Net assets of FHT					1,236,420	100.00	1,245,934	100.00

⁽¹⁾ Includes the right-of-use ("ROU") asset recognised on adoption of FRS 116.

⁽²⁾ Includes the net book value of capitalised furniture, fittings and equipment.

The accompanying notes form an integral part of these financial statements.

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 31 March 2023

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					31 March 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
<u>Investment properties</u>								
InterContinental Singapore	14 July 2014	75 period leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	509,290	41.30	509,000	41.01
Fraser Suites Singapore	14 July 2014	75 period leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	294,000	23.84	294,000	23.69
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	114,456	9.28	117,686	9.48
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	165,167	13.39	161,627	13.02
Novotel Sydney Darling Square	14 July 2014	84 period leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	100,162 ⁽¹⁾	8.12	103,155 ⁽¹⁾	8.31
Fraser Suites Sydney	14 July 2014	75 period leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	118,360	9.60	122,200	9.85
Park International London	14 July 2014	75 period leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	67,486	5.47	65,912	5.31
ibis Styles London Gloucester Road	14 July 2014	75 period leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	32,564	2.64	31,753	2.56
Fraser Place Canary Wharf London	14 July 2014	75 period leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	62,070	5.03	60,620	4.88
Fraser Suites Queens Gate London	14 July 2014	75 period leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	95,151	7.72	92,694	7.47

The accompanying notes form an integral part of these financial statements

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 31 March 2023

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					31 March 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
Fraser Suites Glasgow	14 July 2014	75 period leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	15,766	1.28	15,396	1.24
Fraser Suites Edinburgh	14 July 2014	75 period leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	26,765	2.17	26,140	2.11
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	85,262	6.91	83,037	6.69
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	208,100	16.87	214,858	17.31
Investment properties					1,894,599	153.62	1,898,078	152.93
Other net liabilities					(661,353)	(53.62)	(656,906)	(52.93)
Net assets of FH-REIT Group					1,233,246	100.00	1,241,172	100.00

⁽¹⁾ Includes the ROU asset recognised on adoption of FRS 116.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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 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.

These condensed interim consolidated financial statements as at and for the six months ended 31 March 2023 comprise the FH-REIT Group, the FH-BT Group and FHT. The condensed interim consolidated financial statements of FH-REIT Group relates to FH-REIT and its subsidiaries. The condensed interim consolidated financial statements of FH-BT Group relates to FH-BT and its subsidiaries. The condensed interim consolidated financial statements of FHT relates to FH-REIT Group and FH-BT Group.

2. Basis of preparation

The condensed interim financial statements of the FH-REIT Group and FHT for the six months ended 31 March 2023 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 in Singapore (“FRSs”).

The condensed interim financial statements of the FH-BT Group for the six months ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore, the applicable requirements of the Business Trust Act, Chapter 31A of Singapore and the provisions of FH-BT Trust Deed.

The condensed interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with RAP7/FRSs/SFRS(I)s and should be read in conjunction with FHT’s annual consolidated financial statements as at and for the period ended 30 September 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the FH-REIT Group, the FH-BT Group and FHT’s financial position and performance since the last annual consolidated financial statements for the year ended 30 September 2022.

The accounting policies applied in these condensed interim financial statements are the same as those applied in FHT’s annual consolidated financial statements as at and for the year ended 30 September 2022, except for the adoption of new and amendments to FRSs/SFRS(I)s that are effective for annual periods beginning on 1 October 2022. The adoption of these new and revised standards did not have any material impact on FHT’s condensed interim financial statements.

The condensed interim financial statements of the FH-REIT Group, the FH-BT Group and FHT are presented in Singapore Dollars (“S\$”), which is the functional currency of the FH-REIT and FH-BT, and rounded to the nearest thousand (S\$’000), unless otherwise stated.

Going concern

The consolidated financial statements of FHT, the FH-REIT Group and the FH-BT Group have been prepared on a going concern basis. The Trustee-Manager has assessed that FH-BT Group will be able to discharge its obligations as and when they fall due having regard to its cash liquidity and the unutilised committed revolving credit facility from FH-REIT to FH-BT.

2.1 Use of judgements and estimates

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised, if the revisions affect only that period, or in the period of the revisions and future periods, if the revision affect both current and future periods.

The significant judgements made by management in applying the FHT's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of FHT as at and for the year ended 30 September 2022.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 6 Taxation
- Note 8 Valuation of investment properties
- Note 9 Valuation of property, plant and equipment

3. Seasonal operations

FHT's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Management fees

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) REIT Manager's management fees						
- Base fee	2,219	2,203	2,219	2,203	-	-
- Performance fee	857	263	857	263	-	-
	3,076	2,466	3,076	2,466	-	-
(b) Trustee-Manager's management fees						
- Base fee	17	16	-	-	17	16
- Performance fee	5	14	-	-	5	14
	22	30	-	-	22	30
(c) Other management fees						
- MIT Manager's base fee	693	1,137	693	1,137	-	-
- MIT Manager's performance fee	653	551	653	551	-	-
- Kobe Asset Manager's management fee	75	88	75	88	-	-
- ABS Servicer fee	55	58	55	58	-	-
	1,476	1,834	1,476	1,834	-	-

5. Other trust expenses

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees paid and payable to auditor of the Trusts	245	236	213	202	32	34
Non-audit fees paid and payable to:						
- Auditor of the Trusts	134	135	132	129	2	6
- Other auditors	70	10	70	9	-	1
Valuation fees	64	127	64	127	-	-
Other expenses	1,322	509	1,319	509	3	-
	<u>1,835</u>	<u>1,017</u>	<u>1,798</u>	<u>976</u>	<u>37</u>	<u>41</u>

6. Taxation

Income tax expense has been calculated at rates of taxation prevailing in the territories in which FHT operates.

The major components of tax expense/(credit) in the condensed interim statements of total return for the interim period ended 31 March 2023 are:

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax expense/(credit)						
- Current period income tax	2,466	915	2,363	983	103	(68)
- (Over)/under provision in respect of prior period	(154)	15	(154)	15	-	-
	<u>2,312</u>	<u>930</u>	<u>2,209</u>	<u>998</u>	<u>103</u>	<u>(68)</u>
Withholding tax expense	806	460	800	460	6	-
	<u>3,118</u>	<u>1,390</u>	<u>3,009</u>	<u>1,458</u>	<u>109</u>	<u>(68)</u>

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.

Uncertain tax position

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 FHREIT, 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 withholding tax from 1 October 2017 to 31 March 2023 approximates Malaysian Ringgit ("MYR") 5.6 million (approximately S\$1.7 million).

In addition, the IRBM completed its tax audit of NVSB for the period 2014 to 2019 and had issued a notice of assessment for income tax and penalties amounting to an aggregate of MYR 2.6 million (approximately S\$0.8 million) which comprise (i) disallowed income tax deductions previously claimed on the interest payments made by NVSB to FHTM and (ii) penalties for claiming such income tax deductions when NVSB had not originally withheld tax on such payments.

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. The High Court of Malaysia had on 24 May 2022 delivered its decision to allow NVSB's application for leave to commence judicial review proceedings, with the date of the hearing scheduled in the second half of 2023.

The Managers 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.

7. Earnings per Stapled Security

The calculation of basic earnings per Stapled Security is based on:

	FHT	
	6 months ended 31 Mar 2023	6 months ended 31 Mar 2022
Total return for the period attributable to Stapled Securityholders (\$'000)	23,486	9,380
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security ('000):		
Issued Stapled Securities at beginning of the period ('000)	1,926,074	1,926,074
Basic Earnings per Stapled Security (cents)	1.22	0.48

The calculation of diluted earnings per Stapled Security is based on:

	FHT	
	6 months ended 31 Mar 2023	6 months ended 31 Mar 2022
Total return for the period attributable to Stapled Securityholders (\$'000)	23,486	9,380
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	1,926,074
Diluted Earnings per Stapled Security (cents)	1.22	0.48

8. Investment properties

	FHT		FH-REIT Group		FH-BT Group	
	31 Mar 2023 \$'000	30 Sep 2022 \$'000	31 Mar 2023 \$'000	30 Sep 2022 \$'000	31 Mar 2023 \$'000	30 Sep 2022 \$'000

Condensed interim statements of financial position:

Investment properties

At beginning of period/year	1,683,220	2,024,826	1,898,078	2,250,126	-	-
Capital expenditure	1,059	6,067	1,059	6,089	-	-
Purchase of reversionary interest	-	10,693	-	10,693	-	-
Net change in fair value	-	24,199	-	28,340	-	-
Divestment of investment property	-	(276,398)	-	(276,398)	-	-
Translation differences	2,220	(106,167)	(4,538)	(120,772)	-	-
At end of period/year	1,686,499	1,683,220	1,894,599	1,898,078	-	-

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000	6 months ended 31 Mar 2023 \$'000	6 months ended 31 Mar 2022 \$'000
Rental revenue from investment properties						
- Minimum lease payments	23,877	28,513	26,556	31,410	-	-
- Variable rent based on lessees' gross operating revenue and/or gross operating profit	22,116	7,187	25,983	7,853	-	-
	45,993	35,700	52,539	39,263	-	-

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

Measurement of fair value

	FHT		FH-REIT Group	
	31 Mar 2023	30 Sep 2022	31 Mar 2023	30 Sep 2022
	\$'000	\$'000	\$'000	\$'000
Fair value of investment properties	1,683,529	1,680,214	1,891,629	1,895,072
Add: Carrying amount of lease liabilities	2,970	3,006	2,970	3,006
Carrying amount of investment properties	1,686,499	1,683,220	1,894,599	1,898,078

The carrying amount of the investment properties as at 31 March 2023 were based on valuations determined by independent external valuers as at 30 September 2022, adjusted for capital expenditure incurred and translation differences. FHT has assessed that the carrying amount of the investment properties as at 31 March 2023 approximate their fair values.

The fair value of the investment properties as at 30 September 2022 were based on independent valuations undertaken by Savills Valuation and Professional Services (S) Pte Ltd for the Singapore properties, Savills (Malaysia) Sdn Bhd for the Malaysia property, Savills Japan Co., Ltd. for the Japan property, Savills Valuations Pty Ltd for the Australia properties and Savills (UK) Limited for the UK properties and the Germany property, as at the date.

The fair value of properties as 30 September 2022 were 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 FHT's 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.

Fair value hierarchy

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

9. Property, plant and equipment

FHT	Freehold land and building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
Cost			
At 1 October 2021	223,598	8,649	232,247
Additions	22	296	318
Written off	-	(15)	(15)
Net change in revaluation recognised in Stapled Securityholders' funds	6,452	-	6,452
Net change in revaluation recognised in Statement of Total Return	1,347	-	1,347
Elimination of accumulated depreciation on revaluation	(3,626)	-	(3,626)
Translation differences	(14,498)	(564)	(15,062)
At 30 September 2022	<u>213,295</u>	<u>8,366</u>	<u>221,661</u>
At 1 October 2022	213,295	8,366	221,661
Additions	-	301	301
Written off	-	(37)	(37)
Translation differences	(6,670)	(270)	(6,940)
At 31 March 2023	<u>206,625</u>	<u>8,360</u>	<u>214,985</u>
Accumulated depreciation			
At 1 October 2021	-	(5,544)	(5,544)
Depreciation	(3,626)	(598)	(4,224)
Written off	-	15	15
Elimination of accumulated depreciation on revaluation	3,626	-	3,626
Translation differences	-	384	384
At 30 September 2022	<u>-</u>	<u>(5,743)</u>	<u>(5,743)</u>
At 1 October 2022	-	(5,743)	(5,743)
Depreciation	(1,673)	(276)	(1,949)
Written off	-	29	29
Translation differences	-	186	186
At 31 March 2023	<u>(1,673)</u>	<u>(5,804)</u>	<u>(7,477)</u>
Carrying amounts			
At 1 October 2021	<u>223,598</u>	<u>3,105</u>	<u>226,703</u>
At 30 September 2022	<u>213,295</u>	<u>2,623</u>	<u>215,918</u>
At 31 March 2023	<u>204,952</u>	<u>2,556</u>	<u>207,508</u>

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

FH-BT Group	Building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
Cost			
At 1 October 2021	73,948	5,960	79,908
Written off	-	(15)	(15)
Translation differences	(4,716)	(381)	(5,097)
At 30 September 2022	<u>69,232</u>	<u>5,564</u>	<u>74,796</u>
At 1 October 2022	69,232	5,564	74,796
Written off	-	(37)	(37)
Translation differences	(2,178)	(174)	(2,352)
At 31 March 2023	<u>67,054</u>	<u>5,353</u>	<u>72,407</u>
Accumulated depreciation			
At 1 October 2021	(11,673)	(4,556)	(16,229)
Depreciation	(4,117)	(269)	(4,386)
Written off	-	15	15
Translation differences	974	306	1,280
At 30 September 2022	<u>(14,816)</u>	<u>(4,504)</u>	<u>(19,320)</u>
At 1 October 2022	(14,816)	(4,504)	(19,320)
Depreciation	(1,928)	(109)	(2,037)
Written off	-	29	29
Translation differences	511	144	655
At 31 March 2023	<u>(16,233)</u>	<u>(4,440)</u>	<u>(20,673)</u>
Carrying amounts			
At 1 October 2021	<u>62,275</u>	<u>1,404</u>	<u>63,679</u>
At 30 September 2022	<u>54,416</u>	<u>1,060</u>	<u>55,476</u>
At 31 March 2023	<u>50,821</u>	<u>913</u>	<u>51,734</u>

Measurement of fair value

The carrying amounts of freehold land and building of FHT are stated at their revalued amounts less accumulated depreciation and impairment losses. The freehold land and building were last revalued as at 30 September 2022.

The carrying amounts of the freehold land and building of FHT as at 30 September 2022 were based on independent valuations undertaken by Savills Valuations Pty Ltd for the Australia properties as at the date. 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.

The fair value of the freehold land and building as 30 September 2022 were determined using discounted cash flow and capitalisation methods. These fair values may differ from the prices at which FHT's freehold land and building 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 FHT's 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 the FHT's freehold land and building as at 31 March 2023 would be S\$190.2 million (30 September 2022: S\$198.1 million) if the properties had been measured using the cost model.

The carrying amount of the FH-BT Group's building as at 31 March 2023 and 30 September 2022 pertains to right-of-use asset.

Fair value hierarchy

The fair value measurement for freehold land and building has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

10. Borrowings

	FHT		FH-REIT Group		FH-BT Group	
	31 Mar 2023 \$'000	30 Sep 2022 \$'000	31 Mar 2023 \$'000	30 Sep 2022 \$'000	31 Mar 2023 \$'000	30 Sep 2022 \$'000
Non-current						
Medium term notes (secured)	28,614	29,422	28,614	29,422	-	-
Fixed rate notes (unsecured)	120,000	120,000	120,000	120,000	-	-
Bonds (unsecured)	23,943	23,445	23,943	23,445	-	-
Bank loans (unsecured)	416,743	411,500	416,743	411,500	-	-
	<u>589,300</u>	<u>584,367</u>	<u>589,300</u>	<u>584,367</u>	-	-
Less: unamortised debt upfront costs	(1,365)	(1,467)	(1,365)	(1,467)	-	-
	<u>587,935</u>	<u>582,900</u>	<u>587,935</u>	<u>582,900</u>	-	-
Current						
Bank loans (unsecured)	119,000	174,000	119,000	174,000	-	-
Less: unamortised debt upfront costs	(178)	(168)	(178)	(168)	-	-
	<u>118,822</u>	<u>173,832</u>	<u>118,822</u>	<u>173,832</u>	-	-
Total borrowings	<u>706,757</u>	<u>756,732</u>	<u>706,757</u>	<u>756,732</u>	-	-

Medium Term Notes (secured)

A Medium Term Note – Senior Bond of MYR 95.0 million (equivalent to S\$28.6 million) (30 September 2022: MYR 95.0 million (equivalent to S\$29.4 million)) is secured by The Westin Kuala Lumpur with a carrying amount of S\$114.5 million (30 September 2022: S\$117.7 million).

11. Stapled Securities in issue

	FHT		FH-REIT Group		FH-BT Group	
	Number of Stapled Securities \$'000	\$'000	Number of Stapled Securities \$'000	\$'000	Number of Stapled Securities \$'000	\$'000
Total Stapled Securities in issue as at 1 October 2022 and 31 March 2023	1,926,074	1,539,879	1,926,074	1,530,288	1,926,074	9,591

12. Significant related party transactions

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
With related companies of the Managers						
- Rental income received and receivable	42,684	32,643	42,684	32,643	-	-
- Reimbursement of expenses paid on behalf	(452)	(12,158)	(452)	(12,158)	-	-
- Servicer fee paid and payable	(25)	(27)	(25)	(27)	-	-
With the REIT Manager						
- Base management fee paid and payable	(2,219)	(2,203)	(2,219)	(2,203)	-	-
- Performance management fee paid and payable	(857)	(263)	(857)	(263)	-	-
- Reimbursement of expenses paid on behalf	(727)	(14)	(727)	(14)	*	-
- Servicer fee paid and payable	(55)	(58)	(55)	(58)	-	-
With the MIT Manager						
- Base management fee paid and payable	(693)	(1,137)	(693)	(1,137)	-	-
- Performance management fee paid and payable	(653)	(551)	(653)	(551)	-	-
With the Trustee-Manager						
- Base management fee paid and payable	(17)	(16)	-	-	(17)	(16)
- Performance management fee paid and payable	(5)	(14)	-	-	(5)	(14)
With the Property Managers						
- Property management fees paid and payable	(2,700)	(1,733)	(2,700)	(1,733)	-	-
With the Trustee						
- FH-REIT Trustee fees paid and payable	(126)	(142)	(126)	(142)	-	-
- Other trustee fees paid and payable	(90)	(102)	(90)	(102)	-	-
Between FH-REIT Group and FH-BT Group						
- Master lease rental received and receivable/(paid and payable)	-	-	6,546	3,563	(6,546)	(3,563)
- Reimbursement of expenses (paid on behalf)/received	-	-	(206)	(268)	206	268

* Denotes amount less than \$1,000

13. Capital commitments

- (a) 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	
	31 Mar 2023	30 Sep 2022	31 Mar 2023	30 Sep 2022	31 Mar 2023	30 Sep 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Commitments in respect of:						
- Contracted capital expenditure for properties	5,053	2,241	4,907	1,858	146	383

- (b) Pursuant to the retail master lease agreement ("Retail MLA") between FH-REIT Group and Y.K. Toranomon Properties ("YKTP"), the master lessee of the retail component of ANA Crowne Plaza Kobe ("Kobe Retail Mall") and a related company of the Managers, YKTP committed up to JPY 4.25 billion towards various asset enhancement initiatives to uplift the Kobe Retail Mall. From the date when the net operating income of the Kobe Retail Mall turns positive and in any case, no later than 31 December 2023, FH-REIT Group is obliged to submit a written notice to YKTP (the "Termination Notice") to terminate the Retail MLA, with such Termination Notice to set out the proposed date of termination of the Retail MLA (the "Termination Date"). The Termination Date shall be a date falling as soon as reasonably practicable after the date of the Termination Notice. FH-REIT Group shall pay YKTP a termination sum, which is calculated based on the fair value of the retail master lease on Termination Date as determined by a qualified independent valuer, taking into consideration of other terms as stipulated in the Retail MLA, up to JPY 4.25 billion (S\$43.3 million).

14. Fair value of assets and liabilities

(a) Fair value hierarchy

A number of FHT's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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.

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).

(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.

	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
FHT					
31 March 2023					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	10,687	-	-	10,687	-
- cross currency swaps	24,609	-	-	24,609	-
	35,296	-	-		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	12,731		
Cash and cash equivalents	-	-	83,044		
	-	-	95,775		
Financial liabilities measured at fair value:					
Derivative financial instruments					
- cross currency swaps/cross currency interest rate swaps	(1,526)	-	-	(1,526)	-
- foreign currency forward contracts	-	(15)	-	(15)	-
	(1,526)	(15)	-		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(15,520)		
Borrowings	-	-	(706,757)	(705,139)	-
Rental deposits	-	-	(20,592)	-	(15,758)
	-	-	(742,869)		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

	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
FHT					
30 September 2022					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	18,404	-	-	18,404	-
- cross currency swaps	32,834	-	-	32,834	-
	<u>51,238</u>	<u>-</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	8,708		
Cash and cash equivalents	-	-	123,883		
	<u>-</u>	<u>-</u>	<u>132,591</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(16,759)		
Borrowings	-	-	(756,732)	(755,396)	-
Rental deposits	-	-	(20,451)	-	(18,389)
	<u>-</u>	<u>-</u>	<u>(793,942)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

	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
FH-REIT Group					
31 March 2023					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	10,687	-	-	10,687	-
- cross currency swaps	24,609	-	-	24,609	-
	<u>35,296</u>	<u>-</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	15,509		
Cash and cash equivalents	-	-	76,108		
	<u>-</u>	<u>-</u>	<u>91,617</u>		
Financial liabilities measured at fair value:					
Derivative financial instruments					
- cross currency swaps/cross currency interest rate swaps	(1,526)	-	-	(1,526)	-
- foreign currency forward contracts	-	(15)	-	(15)	-
	<u>(1,526)</u>	<u>(15)</u>	<u>-</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(12,674)		
Borrowings	-	-	(706,757)	(705,139)	-
Rental deposits	-	-	(22,510)	-	(17,165)
	<u>-</u>	<u>-</u>	<u>(741,941)</u>		
FH-REIT Group					
30 September 2022					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	18,404	-	-	18,404	-
- cross currency swaps	32,834	-	-	32,834	-
	<u>51,238</u>	<u>-</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	10,895		
Cash and cash equivalents	-	-	118,775		
	<u>-</u>	<u>-</u>	<u>129,670</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(14,291)		
Borrowings	-	-	(756,732)	(755,396)	-
Rental deposits	-	-	(22,431)	-	(20,025)
	<u>-</u>	<u>-</u>	<u>(793,454)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

	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
FH-BT Group					
31 March 2023					
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	1,257		
Cash and cash equivalents	-	-	6,936		
Rental deposits	-	-	1,918	-	1,407
	-	-	10,111		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(7,820)		
FH-BT Group					
30 September 2022					
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	420		
Cash and cash equivalents	-	-	5,108		
Rental deposits	-	-	1,980	-	1,636
	-	-	7,508		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(5,880)		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

15. Segment information

Segment information is presented in respect of FHT's operating segments from two dimensions: (a) geographical; and (b) line of business.

Major Customers

Revenue from related companies of the Managers accounted for approximately S\$42.7 million (1H 2022: S\$32.6 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.

Information regarding FHT's reportable segments is presented in the following tables:

(a) By geographical segments

FHT 1 October 2022 to 31 March 2023	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Revenue from external parties (outside FHT)	17,959	24,855	3,494	3,402	9,201	3,309	62,220
Property operating expenses	(1,926)	(11,469)	(253)	(1,200)	(2,460)	332	(16,976)
Segment net property income	16,033	13,386	3,241	2,202	6,741	3,641	45,244
Depreciation	-	(1,949)	-	-	-	-	(1,949)
Total reportable segment return							43,295
Unallocated items:							
Finance income							617
Trust expenses							(6,624)
Amortisation of debt upfront costs							(430)
Finance costs							(9,047)
Foreign exchange loss, net							(1,011)
Net change in fair value of derivative financial instruments							(15)
Realised loss on derivative financial instruments, net							(181)
Total return for the period, before tax							26,604
Taxation							(3,118)
Total return for the period							23,486
Reportable segmental non-current assets	829,036	426,596	114,456	165,167	299,801	85,263	1,920,319
Reportable segmental current assets	16,804	40,947	8,919	16,208	16,310	8,205	107,393
Total assets for reportable segments	845,840	467,543	123,375	181,375	316,111	93,468	2,027,712
Capital expenditure	290	562	-	103	298	107	1,360

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

FHT 1 October 2021 to 31 March 2022	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Revenue from external parties (outside FHT)	9,057	18,844	2,389	3,509	7,247	3,057	44,103
Property operating expenses	(713)	(7,226)	(267)	(1,391)	(1,709)	(1,135)	(12,441)
Segment net property income	8,344	11,618	2,122	2,118	5,538	1,922	31,662
Depreciation	-	(2,137)	-	-	-	-	(2,137)
Total reportable segment return							29,525
Unallocated items:							
Finance income							43
Trust expenses							(5,591)
Amortisation of debt upfront costs							(545)
Finance costs							(10,000)
Foreign exchange loss, net							347
Net change in fair value of derivative financial instruments							(3,012)
Realised gain on derivative financial instruments, net							3
Total return for the period, before tax							10,770
Taxation							(1,390)
Total return for the period							9,380
Reportable segmental non-current assets	814,942	479,662	118,629	180,282	308,681	88,903	1,991,099
Reportable segmental current assets	5,369	315,244	6,508	14,896	14,644	4,597	361,258
Total assets for reportable segments	820,311	794,906	125,137	195,178	323,325	93,500	2,352,357
Capital expenditure	117	3,057	59	95	804	-	4,132

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

(b) By business segments

FHT 1 October 2022 to 31 March 2023	Master leases \$'000	Hotel under management contract \$'000	Consolidation adjustments \$'000	Total \$'000
Revenue	52,539	16,227	(6,546)	62,220
Property operating expenses	(7,957)	(13,348)	4,329	(16,976)
Segment net property income	44,582	2,879	(2,217)	45,244
Depreciation	-	(2,037)	88	(1,949)
Finance income	557	60	-	617
Trust expenses	(6,565)	(59)	-	(6,624)
Amortisation of debt upfront costs	(430)	-	-	(430)
Finance costs	(9,047)	(1,021)	1,021	(9,047)
Foreign exchange loss, net	(980)	(31)	-	(1,011)
Net change in fair value of derivative financial instruments	(15)	-	-	(15)
Realised gain on derivative financial instruments, net	(181)	-	-	(181)
Total return for the period, before tax				26,604
Taxation				(3,118)
Total return for the period				23,486
Inter-segment revenue	6,546	-	(6,546)	-
Revenue from external parties	45,993	16,227	-	62,220
Total segment revenue	52,539	16,227	(6,546)	62,220
Reportable segmental non-current assets	1,920,344	56,925	(56,950)	1,920,319
Reportable segmental current assets	102,905	8,523	(4,035)	107,393
Total assets for reportable segments	2,023,249	65,448	(60,985)	2,027,712
Capital expenditure	1,059	301	-	1,360

FHT 1 October 2021 to 31 March 2022	Master leases \$'000	Hotel under management contract \$'000	Consolidation adjustments \$'000	Total \$'000
Revenue	39,263	8,403	(3,563)	44,103
Property operating expenses	(7,951)	(5,248)	758	(12,441)
Segment net property income	31,312	3,155	(2,805)	31,662
Depreciation	-	(2,225)	88	(2,137)
Finance income	43	-	-	43
Trust expenses	(5,520)	(71)	-	(5,591)
Amortisation of debt upfront costs	(545)	-	-	(545)
Finance costs	(10,000)	(1,165)	1,165	(10,000)
Foreign exchange (loss)/gain, net	317	30	-	347
Net change in fair value of derivative financial instruments	(3,012)	-	-	(3,012)
Realised gain on derivative financial instruments, net	3	-	-	3
Total return for the period, before tax				10,770
Taxation				(1,390)
Total return for the period				9,380
Inter-segment revenue	3,563	-	(3,563)	-
Revenue from external parties	35,700	8,403	-	44,103
Total segment revenue	39,263	8,403	(3,563)	44,103
Reportable segmental non-current assets	1,991,065	69,379	(69,345)	1,991,099
Reportable segmental current assets	359,110	4,989	(2,841)	361,258
Total assets for reportable segments	2,350,175	74,368	(72,186)	2,352,357
Capital expenditure	4,062	70	-	4,132

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months ended 31 March 2023

16. Disaggregation of revenue

FHT 1 October 2022 to 31 March 2023	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Master lease rental	17,959	8,629	3,494	3,402	9,201	3,308	45,993
Room revenue	-	12,620	-	-	-	-	12,620
Food & beverage revenue	-	2,414	-	-	-	-	2,414
Other income	-	1,193	-	-	-	-	1,193
Total revenue	17,959	24,856	3,494	3,402	9,201	3,308	62,220

FHT 1 October 2021 to 31 March 2022	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Master lease rental	9,057	10,441	2,389	3,509	7,247	3,057	35,700
Room revenue	-	2,248	-	-	-	-	2,248
Food & beverage revenue	-	974	-	-	-	-	974
Other income	-	5,181	-	-	-	-	5,181
Total revenue	9,057	18,844	2,389	3,509	7,247	3,057	44,103

17. Financial ratios

	FHT		FH-REIT Group	
	6 months ended 31 Mar 2023 %	6 months ended 31 Mar 2022 %	6 months ended 31 Mar 2023 %	6 months ended 31 Mar 2022 %
Expense to weighted average net assets ⁽¹⁾				
- with performance fee of the Managers	0.53	0.45	0.53	0.44
- without performance fee of the Managers	0.41	0.38	0.41	0.38
Total operating expenses to net asset value ⁽²⁾	2.07	1.60	1.18	1.07
Portfolio turnover ratio ⁽³⁾	-	-	-	-

⁽¹⁾ 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.

⁽²⁾ The expense ratios are computed based on total operating expense of S\$25,549,000 and S\$14,522,000 (1H 2022: S\$20,169,000 and S\$13,471,000) of FHT and the FH-REIT Group respectively, as a percentage of its respective net asset value as at the end of March (including all fees and charges paid/payable to the Managers and the interested parties).

⁽³⁾ 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.

18. Subsequent events

- On 28 April 2023, the REIT Manager and Trustee-Manager declared a distribution of 1.2649 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 October 2022 to 31 March 2023.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1(a)(i) Consolidated Statements of Total Return for FHT and FH-REIT Group and Consolidated Statement of Comprehensive Income for FH-BT Group for 1H 2023 and 1H 2022

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	1H 2023			1H 2022			Variance		
Note	1 Oct 2022 to 31 Mar 2023			1 Oct 2021 to 31 Mar 2022			Increase/(Decrease)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%
Master lease rental	45,993	52,539	-	35,700	39,263	-	28.8	33.8	-
Room revenue	12,620	-	12,620	2,248	-	2,248	>100.0	-	>100.0
Food and beverage revenue	2,414	-	2,414	974	-	974	>100.0	-	>100.0
Other income	1,193	-	1,193	5,181	-	5,181	(77.0)	-	(77.0)
Revenue	62,220	52,539	16,227	44,103	39,263	8,403	41.1	33.8	93.1
Property tax	(3,943)	(3,943)	-	(3,177)	(3,177)	-	24.1	24.1	-
Property insurance	(615)	(563)	(52)	(804)	(752)	(52)	(23.5)	(25.1)	-
Property management fees	(2,700)	(2,700)	-	(1,733)	(1,733)	-	55.8	55.8	-
Other property expenses	(1,090)	(1,090)	-	(1,159)	(1,159)	-	(6.0)	(6.0)	-
Reversal of impairment loss/(Impairment loss) on trade receivables	367	367	-	(1,071)	(1,071)	-	N.M	N.M	-
Operations and maintenance expenses	(3,485)	(28)	(3,919)	(1,482)	(59)	(1,515)	>100.0	(52.5)	>100.0
Energy and utilities expenses	(322)	-	(322)	(261)	-	(261)	23.4	-	23.4
Hotel management fee	(409)	-	(409)	(249)	-	(249)	64.3	-	64.3
Rental expense	-	-	(3,867)	-	-	(666)	-	-	>100.0
Staff costs	(3,041)	-	(3,041)	(2,022)	-	(2,022)	50.4	-	50.4
Marketing expenses	(1,336)	-	(1,336)	(297)	-	(297)	>100.0	-	>100.0
Administrative expenses	(402)	-	(402)	(186)	-	(186)	>100.0	-	>100.0
Property operating expenses	(16,976)	(7,957)	(13,348)	(12,441)	(7,951)	(5,248)	36.5	0.1	>100.0
Net property income	45,244	44,582	2,879	31,662	31,312	3,155	42.9	42.4	(8.7)
Depreciation	(1,949)	-	(2,037)	(2,137)	-	(2,225)	(8.8)	-	(8.4)
REIT Manager's management fees	(3,076)	(3,076)	-	(2,466)	(2,466)	-	24.7	24.7	-
Trustee-Manager's management fees	(22)	-	(22)	(30)	-	(30)	(26.7)	-	(26.7)
Other management fees	(1,476)	(1,476)	-	(1,834)	(1,834)	-	(19.5)	(19.5)	-
Trustees' fees	(215)	(215)	-	(244)	(244)	-	(11.9)	(11.9)	-
Other trust expenses	(1,835)	(1,798)	(37)	(1,017)	(976)	(41)	80.4	84.2	(9.8)
Finance income	617	557	60	43	43	-	>100.0	>100.0	N.M
Amortisation of debt upfront costs	(430)	(430)	-	(545)	(545)	-	(21.1)	(21.1)	-
Finance costs	(9,047)	(9,047)	(1,021)	(10,000)	(10,000)	(1,165)	(9.5)	(9.5)	(12.4)
Total return/(Loss) before foreign exchange differences, fair value changes and tax	27,811	29,097	(178)	13,432	15,290	(306)	>100.0	90.3	(41.8)
Foreign exchange gain/(loss), net	(1,011)	(980)	(31)	347	317	30	N.M	N.M	N.M
Net change in fair value of derivative financial instruments	(15)	(15)	-	(3,012)	(3,012)	-	(99.5)	(99.5)	-
Realised (loss)/gain on derivative financial instruments, net	(181)	(181)	-	3	3	-	N.M	N.M	-
Total return/(Loss) for the period after tax	26,604	27,921	(209)	10,770	12,598	(276)	>100.0	>100.0	(24.3)
Taxation	(3,118)	(3,009)	(109)	(1,390)	(1,458)	68	>100.0	>100.0	N.M
Total return/(Loss) for the period after tax	23,486	24,912	(318)	9,380	11,140	(208)	>100.0	>100.0	52.9

N.M – Not meaningful

1(a)(i) Consolidated Statements of Total Return for FHT and FH-REIT Group and Consolidated Statement of Comprehensive Income for FH-BT Group for 1H 2023 and 1H 2022 (Cont'd)

Note	FH-BT Group		
	1H 2023	1H 2022	Variance
	1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022	Increase/(Decrease) %
	\$'000	\$'000	%
Loss for the period after tax	(318)	(208)	52.9
Other comprehensive income			
Items that may be reclassified to statement of profit or loss:			
Foreign currency translation differences	(37)	66	N.M
Total comprehensive income for the period, net of tax	(355)	(142)	>100.0
Total comprehensive income for the period attributable to – Stapled Securityholders	(355)	(142)	>100.0

Consolidated Distribution Statements for 1H 2023 and 1H 2022

Reconciliation of Total return/(Loss) to income available for distribution

Note	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	1H 2023			1H 2022			Variance		
	1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022	Increase/(Decrease)	1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022	Increase/(Decrease)	%	%	%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%
Total return/(Loss) for the period after tax	23,486	24,912	(318)	9,380	11,140	(208)	>100.0	>100.0	52.9
Non-tax deductible/(non-taxable) items and other adjustments:									
Amortisation of debt upfront costs	430	430	-	545	545	-	(21.1)	(21.1)	-
Depreciation	1,949	-	2,037	2,137	-	2,225	(8.8)	-	(8.4)
Foreign exchange loss/(gain), net	1,011	980	31	(347)	(316)	(30)	N.M	N.M	N.M
Net change in fair value of derivative financial instruments	15	15	-	3,012	3,012	-	(99.5)	(99.5)	-
Realised gain on derivative financial instruments	181	181	-	-	-	-	N.M	N.M	-
Trustee's fee in relation to FH-REIT	126	126	-	142	142	-	(11.3)	(11.3)	-
Interest expense on lease liabilities	60	60	1,021	63	63	1,165	(4.8)	(4.8)	(12.4)
Lease payments	-	-	(2,679)	-	-	(2,897)	-	-	(7.5)
Other adjustments	(186)	276	-	132	223	-	N.M	23.8	-
Net effect of non-tax deductible/(non-taxable) items and other adjustments	3,586	2,068	410	5,684	3,669	463	(36.9)	(43.6)	(11.4)
Income available for distribution	27,072	26,980	92	15,064	14,809	255	79.7	82.2	(63.9)
Income available for distribution attributable to: – Stapled Securityholders	27,072	26,980	92	15,064	14,809	255	79.7	82.2	(63.9)
Distribution to Stapled Securityholders	24,365	24,365	-	13,560	13,332	228	79.7	82.8	(100.0)

N.M – Not meaningful

Footnotes:

- (a) Other income in 1H 2022 comprises mainly no-show revenue arising from bookings by government agencies to house returning residents serving stay-home notices at Novotel Melbourne on Collins ("NMOC") which ended in December 2022. There was no such income in 1H 2023.
- (b) Gross revenue comprises mainly master lease rental from master tenanted properties and hotel revenue from NMOC. The master lease rental earned by FH-REIT from FH-BT is eliminated at FHT level.
- (c) The increase in property tax expense is due to the one-time refund of property tax for Singapore properties in 1H 2022 only and higher annual values for FHT's properties for which the property tax is based on.
- (d) In 1H 2023, this relates mainly to the write back of rental receivables upon receipt of such receivables previously impaired in prior periods whereas for 1H 2022, it relates to impairment loss on rental receivables in 1H 2022.
- (e) The higher operations and maintenance expenses, energy and utilities expenses, hotel management fee, staff costs, marketing expenses and administrative expenses under FH-BT is mainly due to the re-opening of NMOC to the public from February 2022 onwards, resulting in higher expenses that are in line with higher hotel revenue from NMOC.
- (f) The increase in rental expense in 1H 2023 as compared to 1H 2022 is in line with better performance from NMOC in 1H 2022.
- (g) NMOC is being classified as property, plant and equipment in FHT's financial statements. The depreciation expense relates mainly to the depreciation of the building and furniture, fittings and equipment of NMOC.
- (h) Other management fees relate mainly to management fees payable to FHT Australia Management Pty Ltd (the "MIT Manager").
- (i) Other trust expenses relate mainly to professional fees, audit fees, tax fees and administrative expenses. The higher trust expenses largely relates to higher service fees, annual general meeting expenses and general expenses incurred.
- (j) Finance income relates to interest income received from fixed deposits and cash balances. The higher finance income is in line with the higher interest rate environment.
- (k) Finance costs comprise mainly interest expense on FH-REIT Group's borrowings in S\$, JPY, MYR and AUD, net interest expense or income arising from the interest rate swaps and cross currency swaps, and interest expense on lease liabilities recognised under FRS 116/SFRS(I) 16 Leases.
- (l) This relates mainly to net change in fair value of derivative financial instruments arising from the revaluation of foreign currency forward contracts.
- (m) This relates to net realised gain/(loss) arising from the settlement of foreign currency forward contracts.
- (n) This relates to master lease rental paid to FH-REIT and is eliminated at FHT level.
- (o) Other adjustments are in relation to other non-tax deductible and non-taxable items.
- (p) Distribution of FHT represents the aggregate of distributions by FH-REIT and FH-BT.

1(b)(i) Statements of Financial Position

Note	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	31 Mar 2023			30 Sep 2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets						
Investment properties	(a) 1,686,499	1,894,599	-	1,683,220	1,898,078	-
Property, plant and equipment	(b) 207,508	-	51,734	215,918	-	55,476
Derivative financial instruments	(c) 25,745	25,745	-	32,422	32,422	-
Rental deposits	-	-	1,918	-	-	1,980
Deferred expense	-	-	1,405	-	-	1,450
Deferred tax assets	(d) 567	-	1,868	586	-	1,929
	1,920,319	1,920,344	56,925	1,932,146	1,930,500	60,835
Current assets						
Inventories	27	-	27	25	-	25
Prepayments	1,962	1,659	303	1,491	1,302	189
Trade and other receivables	(e) 12,809	15,587	1,257	9,284	11,471	420
Derivative financial instruments	(c) 9,551	9,551	-	18,816	18,816	-
Cash and cash equivalents	(f) 83,044	76,108	6,936	123,883	118,775	5,108
	107,393	102,905	8,523	153,499	150,364	5,742
Total assets	2,027,712	2,023,249	65,448	2,085,645	2,080,864	66,577
Current liabilities						
Trade and other payables	(g) 17,768	13,482	9,260	19,330	16,112	6,630
Lease liabilities	(h) -	-	3,325	-	-	3,373
Derivative financial instruments	(c) 20	20	-	-	-	-
Borrowings	(i) 118,822	118,822	-	173,832	173,832	-
Income tax payables	2,269	2,142	127	980	953	27
	138,879	134,466	12,712	194,142	190,897	10,030
Net current liabilities	(j) (31,486)	(31,561)	(4,189)	(40,643)	(40,533)	(4,288)
Non-current liabilities						
Rental deposits	20,592	22,510	-	20,451	22,431	-
Other payables	199	-	199	204	-	204
Lease liabilities	(h) 2,970	2,970	52,964	3,006	3,006	56,415
Deferred income	4,367	5,772	-	4,383	5,833	-
Derivative financial instruments	(c) 1,521	1,521	-	-	-	-
Borrowings	(i) 587,935	587,935	-	582,900	582,900	-
Deferred tax liabilities	(k) 34,829	34,829	-	34,625	34,625	-
	652,413	655,537	53,163	645,569	648,795	56,619
Total liabilities	791,292	790,003	65,875	839,711	839,692	66,649
Net assets/(liabilities)	1,236,420	1,233,246	(427)	1,245,934	1,241,172	(72)
Represented by:						
Stapled Securityholders' funds						
Stapled Securities in issue	1,539,879	1,530,288	9,591	1,539,879	1,530,288	9,591
Issue costs	(25,764)	(25,759)	(5)	(25,764)	(25,759)	(5)
Revenue reserves	(89,441)	(77,788)	(9,344)	(94,978)	(84,751)	(9,026)
Hedging reserve	9,452	9,452	-	18,404	18,404	-
Foreign currency translation reserve	(203,190)	(202,947)	(669)	(197,091)	(197,010)	(632)
Revaluation reserve	(l) 5,484	-	-	5,484	-	-
	1,236,420	1,233,246	(427)	1,245,934	1,241,172	(72)

Footnotes:

- (a) Investment properties as at 31 March 2023 include the recognition of ROU assets, amounting to approximately S\$3.0 million (30 September 2022: S\$3.0 million).
- (b) In FHT's financial statements, the property, plant and equipment relates to the land, building, furniture, fittings and equipment of NMOC. This hotel is classified as property held for own use instead of as an investment property. Accordingly, this hotel is treated as property, plant and equipment and applied the revaluation model of *FRS 16 Property, Plant and Equipment* where the asset is depreciated during the period and revalued at least once a year at the end of financial year. The lower net book value as at 31 March 2023 at FHT is mainly due to depreciation of the asset.
- In FH-BT Group's financial statements, property, plant and equipment as at 31 March 2023 includes the recognition of ROU assets, amounting to approximately S\$50.8 million (30 September 2022: S\$54.4 million), arising from the adoption of *SFRS(I) 16 Leases* in relation to the operating lease that meets the definition of property, plant and equipment.
- (c) Derivative financial instruments relate mainly to fair value of foreign currency forward contracts, cross currency swaps, cross currency interest rate swaps and interest rate swaps.
- (d) Deferred tax assets of FHT and FH-BT Group relate mainly to the excess of the tax written down value over the net book value of the property, plant and equipment of NMOC. For FH-BT Group, they also include deferred tax on the temporary differences arising from the ROU assets and lease liabilities due to the adoption of *SFRS(I) 16 Leases*.
- (e) Trade and other receivables comprise mainly GST receivables, rental income receivables from master lessees and trade receivables from hotel operations. The higher trade and other receivables are due to increase in rental income receivables from master lessess.
- (f) For movement in cash balances, refer to the "Condensed Interim Statements of Cash Flows" on pages 9 to 10.
- (g) Trade and other payables comprise mainly trade creditors, GST payable, provision for withholding tax and property tax, interest expense payable to banks, and accruals for professional fees. The lower trade and other payables are due to settlement of payables in 1H 2023.
- (h) The lease liabilities represent lease payments to be made in relation to the ROU assets in respect of the ground lease for an investment property for FHT and FH-REIT Group and the building lease for NMOC for FH-BT Group.
- (i) For the breakdown of total borrowings into short-term and long-term borrowings, please refer to Section 1(b)(ii) below.
- (j) The net current liabilities position as at 31 March 2023 is mainly due to the current short-term unsecured borrowings of S\$119.0 million. Notwithstanding the net current liabilities position, FHT has S\$83.0 million in cash and cash equivalent and unutilised committed facilities of S\$121.0 million as at 31 March 2023, and has established a S\$1 billion Multicurrency Debt Issuance Programme, of which S\$880 million remains available to refinance its borrowings and meet its current obligations as and when they fall due.
- (k) This relates mainly to deferred tax on the cumulative revaluation gains on the investment properties.
- (l) The revaluation reserve relates to revaluation of land and building of NMOC, net of deferred tax.

1(b)(ii) Aggregate Amount of Borrowings

FHT		FHT	
As at 31 Mar 2023		As at 30 Sep 2022	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	118,822 ^(a)	-	173,832 ^(b)
28,577 ^(c)	559,358 ^(d)	29,369 ^(c)	553,531 ^(e)

Amount repayable in one period or less, or on demand *
Amount repayable after one period *

* net of transaction costs

As at 31 March 2023, FHT's aggregate leverage ratio¹ is 35.0% (30 September 2022: 36.4%), which is within the 50%² leverage limit allowed under the MAS' Property Funds Appendix. The interest coverage ratio^{3,4} and adjusted interest coverage ratio^{3,4} for the trailing 12 months ended 31 March 2023 are both 3.4 times.

Details of borrowings and collateral:

- The unsecured borrowings relate to (i) committed short-term facilities; (ii) S\$50 million bilateral committed revolving credit facility with a loan maturity of 9 months from 9 March 2023; and (iii) S\$69 million bilateral committed revolving credit facility with a loan maturity of 3 years from 10 March 2021.
- The unsecured borrowings relate to (i) committed short-term facilities; (ii) S\$50 million bilateral committed revolving credit facility with a loan maturity of 1.5 years from 10 September 2021, (iii) S\$40 million bilateral committed revolving credit facility with a loan maturity of 1.5 years from 15 December 2021 and (v) S\$70 million bilateral term facility with a loan maturity of 5 years from 12 March 2018.
- The secured borrowing relates to the MYR 95 million Class A Senior Bond issued under the Medium Term Notes Programme of up to MYR 750 million established by Notable Vision Sdn. Bhd., with bond maturity of 5 periods from 12 July 2019 and which is secured on a property known as The Westin Kuala Lumpur ("TWKL"). The interest rate on this borrowing is 4.85% p.a.
- The unsecured borrowings relate to (i) the S\$120 million 3.08% series 003 Notes due November 2024; (ii) S\$350 million of term loan facilities with loan maturities of 5 to 7 years from 5 July 2019; (iii) AUD75 million bilateral revolving facility with a loan maturity of 5 years from 12 March 2023; and (v) JPY 2.35 billion Kobe Excellence TMK series 1 Bonds whose final maturity is 16 July 2024.
- The unsecured borrowings relate to (i) S\$120 million 3.08% series 003 Notes due November 2024; (ii) S\$350 million of term loan facilities with loan maturities of 5 to 7 years from 5 July 2019; (iii) S\$61.5 million of committed revolving credit facility with a loan maturity of 3 years from 31 March 2021; and (iv) JPY 2.35 billion Kobe Excellence TMK series 1 Bonds whose final is 16 July 2024.

¹ The impact of FRS 116 Leases has been excluded for the purpose of computing the aggregate leverage ratio.

² On 16 April 2020, MAS has raised the leverage limit for S-REITs could exceed 45% (up to a maximum of 50%) only if adjusted interest coverage ratio exceeds 2.5 times.

³ Interest coverage ratio and adjusted interest coverage ratio as prescribed under the MAS' Property Funds Appendix (last revised on 3 March 2022).

⁴ 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.

1(c) Details of Changes in Issued and Issuable Stapled Securities

FHT	
1H 2023	1H 2022
1 October 2022 to 31 Mar 2023	1 October 2021 to 31 Mar 2022
No. of Stapled Securities	
Total issued Stapled Securities at beginning and at end of the period	Total issued Stapled Securities at beginning and at end of the period
1,926,073,869	1,926,073,869

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of FHT, FH-REIT Group and FH-BT Group as at 31 March 2023 and the related condensed interim statements of total return of FHT and FH-REIT Group, the condensed interim statement of profit or loss and statement of comprehensive income of FH-BT Group, and the condensed interim distribution statements, statements of changes in Stapled Securityholders' funds and statements of cash flows of FHT, FH-REIT Group and FH-BT Group for the first half ended 31 March 2023 and certain explanatory notes have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Review of performance

(a) 1H 2023 VS 1H 2022

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Revenue			Gross Operating Revenue		
		1H 2023	1H 2022	Variance	1H 2023	1H 2022	Variance
		1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022		1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Singapore	S\$	50,567	23,064	>100.0	-	-	N/A
Australia ^(a)	AUD	22,406	22,056	1.6	16,932	8,528	98.5
United Kingdom	GBP	13,154	8,696	51.3	-	-	N/A
Japan	JPY	1,823,779	1,341,961	35.9	-	-	N/A
Malaysia	MYR	44,839	13,564	>100.0	-	-	N/A
Germany	EUR	5,707	2,896	97.1	-	-	N/A

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Profit			Gross Operating Profit		
		1H 2023	1H 2022	Variance	1H 2023	1H 2022	Variance
		1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022		1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Singapore	S\$	21,831	8,798	>100.0	-	-	N/A
Australia ^(a)	AUD	11,052	10,486	5.4	8,353	4,204	98.7
United Kingdom	GBP	5,474	3,277	67.0	-	-	N/A
Japan	JPY	438,549	377,665	16.1	-	-	N/A
Malaysia	MYR	14,645	(415)	N.M	-	-	N/A
Germany	EUR	2,011	809	>100.0	-	-	N/A

Footnote:

(a) The Gross Operating Revenue ("GOR") and Gross Operating Profit ("GOP") of NMOC are excluded from FH-REIT Group and reflected under FH-BT Group.

Operational Performance

Review of performance for 1H 2023 compared to 1H 2022

During the financial period under review from 1 October 2022 to 31 March 2023 (“1H 2023”), Gross Revenue (“GR”) rose 41.1% year-on-year (“YoY”) to S\$62.2 million and Net Property Income (“NPI”) increased 42.9% YoY to S\$45.2 million. The increase in GR and NPI was supported by significant improvements in its operating environment in 1H 2023, compared to the same period a year ago, as travel demand further recovers with FHT’s operating markets fully re-opened.

In tandem with the higher revenue, FHT recorded Distributable Income (“DI”) and Distribution per Stapled Security (“DPS”) of S\$27.1 million and 1.2649 cents respectively in 1H 2023, both of which increased by 79.7%, compared to 1H 2022.

Singapore

In the second half of 2022, Singapore Tourism Board recorded 4.8 million international visitor arrivals, which is approximately 49.0% of the pre-pandemic level. Singapore has fully re-opened its borders since April 2022 to allow travellers to enter Singapore quarantine-free.

The Singapore portfolio recorded higher average daily rate (“ADR”) and occupancy rate YoY, which in turn led to a YoY increase of revenue per available room (“RevPAR”) by more than two times in 1H 2023. This was mainly supported by InterContinental Singapore’s transient business and Fraser Suites’ long-stay business. Consequently, the gross operating revenue (“GOR”) and gross operating profit (“GOP”) of the Singapore portfolio more than doubled YoY respectively in 1H 2023.

Australia

According to the Australian Bureau of Statistics, international tourist arrivals in the second half of 2022 reached approximately 46.9% of pre-pandemic level at 2.3 million. Domestic overnight visitation to Sydney and Melbourne totalled 5.4 million and 4.7 million and reached 65.1% and 82.5% of pre-pandemic levels respectively.

In 1H 2023, excluding Sofitel Sydney Wentworth which was divested on 29 April 2022, the Australia portfolio’s occupancy grew by 48.3 percentage points (“ppts”) YoY to 78.5% and ADR grew by 42.4%, resulting in RevPAR which more than tripled YoY. The portfolio’s GOR and GOP more than doubled and tripled YoY respectively in 1H 2023.

United Kingdom (“UK”)

The UK has fully lifted its COVID-19 pandemic restrictions and remaining international travel restrictions as part of the government’s “Living with COVID” plan since March 2022. The country has also ended the voluntary on-arrival testing programme and the requirement of negative pre-departure tests from Chinese travellers in April 2023.

The UK portfolio’s occupancy rose by 17.2 ppts to 77.8% and RevPAR grew by 50.8% YoY in 1H 2023, supported by a higher ADR YoY. The GOR increased 51.3% YoY while its GOP registered £5.5 million which was 67.0% higher compared to 1H 2022.

Japan

Japan has re-opened its international borders in October 2022, ending almost three years of tight border controls that kept tourists out of the country. According to Japan Tourism Statistics, international tourist arrivals in the second half of 2022 reached 21.7% of the pre-pandemic level at 3.3 million, with the highest arrivals recorded in December 2022 since the start of the pandemic. In April 2023, Japan also ended its testing requirements for Chinese travellers.

In 1H 2023, ANA Crowne Plaza Kobe’s RevPAR increased by 71.1% YoY. The hotel’s GOR and GOP were up 35.9% and 16.1% YoY respectively in 1H 2023.

Malaysia

Malaysia’s tourism industry has been experiencing recovery since travel restrictions were lifted in mid October 2021. According to statistics from Tourism Malaysia, international tourist arrivals in the second half of 2022 amounted to 7.9 million which is approximately 62.1% of the pre-pandemic level. The recovery in travel outlook in Malaysia has led to improved performance for the Westin Kuala Lumpur. The hotel’s RevPAR more than tripled YoY in 1H 2023. Consequently, the hotel’s GOR more than tripled YoY, with a GOP of MYR 14.6 million recorded in 1H 2023 as compared to a gross operating loss in 1H 2022.

Germany

The Federal Statistical Office of Germany reported a total of 450.8 million of overnight stays by domestic and foreign visitors in 2022, an increase of 45.3% YoY and only 9.1% below pre-pandemic level. Germany also ended its testing requirements for Chinese travellers in February 2023.

Maritim Hotel Dresden showed further signs of recovery in its performance. Despite ongoing challenges with the macroeconomic outlook, the hotel reported YoY increases of 97.1% and over 100% in GOR and GOP respectively in 1H 2023.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result

No forecast or prospect statement has been previously disclosed.

6. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The International Monetary Fund ("IMF") noted a broad-based and sharper-than-expected slowdown in global economic activity with global growth forecasted to slow to 2.8% in 2023 before rising modestly to 3.0% in 2024 due to the cost-of-living crisis, tightening financial conditions, conflict in Ukraine and lingering COVID-19 pandemic¹. Advanced economies are expected to see an especially pronounced growth slowdown from 2.7% in 2022 to 1.3% in 2023. IMF also warned of a potential hard landing for the global economy with persistently high inflation and interest rates as well as amplified financial risks. The economic outlook remains anaemic with the presence of downside risks including financial sector stress and high food and energy prices from continued conflict in Ukraine.

The World Tourism Organization ("UNWTO") anticipated a strong year ahead in 2023 for the tourism sector even in the face of diverse challenges including the economic situation and continued geopolitical uncertainty on the back of a stronger-than-expected recovery in 2022. Economic factors may influence how people travel in 2023 and UNWTO expects demand for domestic and regional travel to remain strong and help drive the sector's wider recovery². The recent lifting of travel restrictions in China, the world's largest outbound market in 2019, is a significant step for recovery in the tourism sector in Asia Pacific and worldwide. Based on UNWTO's forward-looking scenarios for 2023, tourist arrivals in Europe are expected to return to pre-pandemic levels. However, the economic situation and geopolitical uncertainty could translate to travellers adopting a more cautious travel attitude in 2023 with reduced spending, shorter trips and travel closer to home. Hence, downside risks could still weigh on the tourism sector's recovery in the months ahead.

¹ Source: World Economic Outlook, April 2023

² Source: UNWTO, World Tourism Barometer, January 2023

7. Distributions

(a) Current financial period

Any distribution declared for the current financial period?	Yes.	
Name of Distribution	(i) Distribution for period from 1 October 2022 to 31 March 2023	
Distribution Type	(a) Taxable income (b) Capital distribution	
Distribution Rate	(i) Distribution for period from 1 October 2022 to 31 March 2023	
		Cents
	(a) Taxable income distribution	(Per Stapled Security) 0.4429
	(b) Capital distribution	0.8220
		<hr/> 1.2649 <hr/>

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediately preceding financial period?

Distribution for period from 1 October 2021 to 31 March 2022

	Cents
	(Per Stapled Security)
(a) Taxable income distribution	0.0966
(b) Tax-exempt income distribution	0.2640
(c) Capital distribution	0.3433
	<hr/> 0.7039 <hr/>

(c) Tax Rate

Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities through a partnership) will receive pre-tax distributions. These distributions are exempted from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted at source from such distribution. The tax-exempt income relates to tax-exempt dividend income received from subsidiaries by FH-REIT.

Capital distribution

The capital distribution represents a return of capital to Stapled Securityholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Stapled Securityholders who are liable to Singapore income tax on profits from sale of Stapled Securities, the amount of capital distribution will be applied to reduce the cost base of their Stapled Securities for Singapore income tax purposes.

(d) Date payable

28 June 2023

(e) Record date

9 May 2023

8. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

FHT makes distributions to Stapled Securityholders on a semi-annual basis for every six-month period ending 31 March and 30 September.

9. If the Group has obtained a general mandate from holders for Interested Party Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, please make a statement to that effect.

FHT has not obtained a general mandate from Stapled Securityholders for IPTs.

10. Additional information

(i) FHT's interests in Australia Land Trust

Australia's foreign investment regime can apply to acquisitions of shares and units offshore. The rules are complex, particularly having regard to acquisitions in entities that are not in Australia but that have downstream Australian assets. The rules were amended significantly on 1 January 2021 (following previous reforms in December 2015, and July 2017 and March 2020). There is also administrative guidance from the Foreign Investment Review Board ("FIRB") as to how it interprets and applies these rules in practice.

Therefore, investors should seek their own legal advice on the application of the FIRB regime to their individual circumstances.

Noting the above, investors who are "foreign persons" that acquire Stapled Securities may be required under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) ("FATA") to notify and receive a no objection notification ("FIRB Clearance") prior to their investment in FHT with effect from 1 January 2021. This may be the case if:

- (a) FHT is an Australian Land Trust⁽¹⁾ ("ALT") or a "national security business" and the investor is a "foreign person" who, together with its "associates", would hold a "direct interest", which is generally:
- (i) an interest of more than 10% in FHT;
 - (ii) an increase to an existing holding of 10% or more in FHT; or
 - (iii) an interest of less than 10% where the investor is in a position to influence or participate in the central management and control of the land entity or to influence, participate in or determine the policy of FHT or has a legal arrangement relating to the business of the investor or FHT;
- noting no monetary threshold applies in the above circumstances; or
- (b) the investor is a "foreign person" who, together with its "associates", would hold a "substantial interest", which is generally :
- (i) an interest of more than 20% in FHT;
 - (ii) an increase to an existing holding of 20% or more in FHT; or
 - (iii) an interest of less than 20% where the investor has veto power, and the interest being acquired is valued in excess of the applicable monetary threshold being:
 - (i) nil, if the investor is also a "foreign government investor";
 - (ii) nil, if FHT holds any "national security land";
 - (iii) nil, if FHT has a downstream Australian trust that is an ALT and more than 10% of the land in that trust is considered to be vacant land, residential land, mining or production tenements;or
 - (iv) nil, if FHT has a downstream Australian trust that is an ALT and the ALT is valued in excess of A\$67.0 million if the trust holds sensitive commercial land or A\$310.0 million if the trust does not hold any sensitive commercial land, vacant land, residential land, mining or production tenements.

FHT has no reason to believe as at the date of this announcement that it is a "national security business" or that it holds any "national security land".

As at 31 March 2023, the value of the Australian assets comprised in FHT's portfolio is 23.1% of the total asset value of FHT. Consequently, FHT is not considered to be an ALT.

FHT has a number of downstream trusts that are ALTs in Australia and at least one of them holds interests in sensitive commercial land and is valued in excess of A\$67.0 million. Investors proposing to acquire an interest of 20% or more in FHT together with associates or to increase their interest to 20% or more are invited to inquire with FHT at the relevant time in respect of the composition of the assets held by FHT. While FHT does not expect that it will hold sufficient vacant land or residential land or any mining or production tenements in Australia to trigger a mandatory filing requirement, such investors will need to consider their position with respect to the broad 'tracing' provisions that apply to substantial interests.

Please note that, depending on which situation applies to an investor, prior notification to FIRB and FIRB Clearance may not be mandatory, but rather a voluntary notification may be made to the Australian Treasurer, either due to a "significant action", or where a "reviewable national security action" arises. Despite such notification being voluntary, the Australian Treasurer is able to call in and review such transactions that have not been cleared by FIRB for a period of up to 10 periods on national security grounds, even after they have completed. Accordingly, in some circumstances, it may be prudent for an investor to seek FIRB Clearance on a voluntary basis, as it will preclude the Australian Treasurer from using these call in powers. Nonetheless, the Australian Treasurer has also been given a 'last resort' power under the current FIRB regime to impose conditions, vary existing conditions, or even require the divestment, of an investment previously approved by FIRB in certain circumstances and where national security risks emerge.

The above is general guidance only and should not be relied on as definitive or as advice that is applicable to any investor's specific circumstances. Any investor acquiring Stapled Securities on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

10. Additional information (Cont'd)

(i) FHT's interests in Australia Land Trust (Cont'd)

The terms "foreign person", "foreign government investor", "direct interest", "associate", "reviewable national security action", "national security business", "vacant land", "residential land", "mining and production tenement", "national security land" and "substantial interest" have the meaning given to these terms in the FATA. Please note that these terms apply broadly and investors should seek their own legal advice regarding their application.

⁽¹⁾ An ALT is a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

(ii) Update on FH-REIT's Managed Investment Trust ("MIT") Status

Since the initial public offering ("IPO") in July 2014, FH-REIT's wholly-owned subsidiary, FHT Australia Trust ("FHTAT"), had qualified as a withholding managed investment trust ("MIT") to enjoy a concessional withholding tax rate at 15% on FHTAT's distributions to FH-REIT. To qualify as a withholding MIT and to enjoy this concessional Australian withholding tax rate, there are several conditions that must be met and, among other requirements, no individual (who is not a tax resident of Australia, i.e. "Foreign Individual") can directly or indirectly hold, control, or have the right to acquire an interest of 10.0% or more in FH-REIT (and therefore, FHTAT) at any time during the income period. As mentioned in the prospectus at IPO, there are no stipulated limits on how many Stapled Securities an investor may acquire. FH-REIT therefore continuously monitors investor percentage holdings to determine whether this requirement is met in respect of each period in which FHTAT seeks to qualify as a withholding MIT. If FHTAT does not qualify as a withholding MIT, the distributions from FHTAT would be subject to Australian tax at 30.0% (where the unitholder is a company) or 45.0% (where the unitholder is a trust). As FHTAT is 50% directly held by FH-REIT and 50% directly held by a wholly-owned subsidiary of FH-REIT, this brings the effective tax rate to 37.5% on distributions made by FHTAT if it does not qualify as a withholding MIT. This will have an adverse impact on the income of FH-REIT which will in turn impact the income available for distribution to the Stapled Securityholders.

On 10 February 2021, Frasers Property Limited ("FPL") announced a proposed renounceable rights issue to issue up to 1,085,291,114 shares in FPL ("FPL Shares") at S\$1.18 per share (the "FPL Rights Issue"). On 5 April 2021, FPL completed the FPL Rights Issue with a subscription rate of 90.6%, and issued 982,866,444 new FPL Shares. TCC Assets Limited ("TCCA") and InterBev Investment Limited ("IBIL") jointly held 86.63% stake in FPL prior to the FPL Rights Issue. Pursuant to the irrevocable undertakings issued by each of TCCA and IBIL, TCCA and IBIL had subscribed for their prorata entitlements under the FPL Rights Issue and were allotted and issued an aggregate of 940,172,872 FPL Shares. As the overall subscription rate in the FPL Rights Issue was at 90.6%, TCCA and IBIL's joint effective stake in FPL, had increased from 86.63% to 88.89% as a result of the FPL Rights Issue. This increase in TCCA and IBIL's effective stake in FPL consequently resulted in two Foreign Individuals, each in their individual capacity, to hold an effective indirect interest of more than 10.0% in FH-REIT, and also an effective indirect interest of more than 10.0% in FHTAT. Prima facie, this caused FHTAT to breach the 10% foreign resident individual test, which is a requirement to qualify as a withholding MIT for the income period ended 30 September 2021. This failure to meet the 10% foreign resident individual test was beyond the control of FHTAT and FH-REIT as it arose from a corporate exercise at FPL shareholder's level.

On 14 May 2021, TCCA sold 70 million FPL Shares to TCC Group Investments Limited based on the closing market price as at 14 May 2021. The completion of the FPL Share Sale on 14 May 2021 (with settlement occurring on 18 May 2021) resulted in a decrease in TCCA and IBIL's effective stake in FPL, and the relevant Foreign Individuals' effective interest in FH-REIT was reduced to less than 10.0% each. Consequently, FHTAT no longer breached the 10% foreign resident individual test.

On 8 June 2021, FHTAT made an application for a private ruling to the Australian Tax Office ("ATO") to confirm that FHTAT is a withholding MIT for period ended 30 September 2021, on the basis that FHTAT's technical breach of the 10% foreign resident individual test was temporary and was unintended as it arose purely from a corporate exercise at FPL shareholder's level issue, which was beyond the control of FHTAT and FH-REIT. To date, FHTAT is awaiting the ATO's formal written confirmation that FHTAT is a withholding MIT for the income period ended 30 September 2021.

Nevertheless, as FHTAT is in a tax loss position and is not making any distribution to its unitholders for the income period ended 30 September 2021, there should not be any Australian withholding tax which is applicable to FHTAT. Accordingly, whether or not the withholding MIT concessional withholding tax rate of 15% is available or not should not have any practical implications for FHTAT or its unitholders.

As FHTAT's withholding MIT status is assessed every income period, the temporary breach in the 2021 income period should not impact the withholding MIT status of FHTAT for the income period ending 31 March 2023.

11. Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Managers confirm that they have procured undertakings from all their Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

12. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of each of Frasers Hospitality Asset Management Pte. Ltd. (as manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of FH-BT) which may render these financial results to be false or misleading, in any material aspect.

For and on behalf of the Board of Directors of
Frasers Hospitality Asset Management Pte. Ltd.
Frasers Hospitality Trust Management Pte. Ltd.

Law Song Keng
Director

Panote Sirivadhanabhakdi
Director

BY ORDER OF THE BOARD

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
28 April 2023

IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses (including employee wages, benefits and training costs), property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view on future events.

The value of the Stapled Securities and the income derived from them, may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, Perpetual (Asia) Limited (the Trustee of FH-REIT) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of FHT is not necessarily indicative of the future performance of FHT.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.