

A member of Frasers Property Group



SUSTAINING VALUE CREATION

Annual
Report 2024



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GLOSSARY

For ease of reading, this glossary provides definitions of abbreviations that are frequently used throughout this report.

ADR or ARR	: Average Daily Rate or Average Room Rate
AGM	: Annual General Meeting
ARCC	: Audit, Risk and Compliance Committee
Board	: FHT's Board of Directors
DI	: Income Available for Distribution to Stapled Securityholders
DPS	: Distribution per Stapled Security
ESG	: Environmental, Social and Governance
FF&E	: Furniture, Fixtures and Equipment
FH-BT	: Frasers Hospitality Business Trust
FH-REIT	: Frasers Hospitality Real Estate Investment Trust
FHT	: Frasers Hospitality Trust
Frasers Property or the Sponsor	: Frasers Property Limited
Frasers Property Group or the Group	: Frasers Property and its subsidiaries
FY	: Financial Year Ended 30 September
GOP	: Gross Operating Profit
GOR	: Gross Operating Revenue
GR	: Gross Revenue
MAS	: Monetary Authority of Singapore
MICE	: Meetings, Incentives, Conferences and Exhibitions
NPI	: Net Property Income
NRC	: Nominating and Remuneration Committee
REIT	: Real Estate Investment Trust
REITAS	: REIT Association of Singapore
RevPAR	: Revenue per available room
Stapled Securities	: Stapled Securities of FHT
Stapled Securityholders	: FHT's Stapled Securityholders
The Managers	: The REIT Manager and the Trustee-Manager
The REIT Manager	: REIT Manager of FH-REIT or Frasers Hospitality Asset Management Pte. Ltd.
The Trustee-Manager	: Trustee-Manager of FH-BT, or Frasers Hospitality Trust Management Pte. Ltd.
YoY	: Year-on-Year
YTD	: Year-to-Date

SUSTAINING VALUE CREATION

At Frasers Hospitality Trust, we focus on creating long-term sustainable value for our stakeholders. In an evolving global landscape, we strategically manage our diverse portfolio and adapt to market shifts.

As we face macroeconomic uncertainties, the next phase of our journey is on delivering sustainable value creation. We work collaboratively to build greater resilience, ensuring the stability and long-term value of our assets.

Our Purpose - *Inspiring experiences, creating places for good.* - guides us in ensuring our decisions drive financial performance and benefit businesses, communities and the planet.



InterContinental
Singapore

ABOUT FRASERS HOSPITALITY TRUST

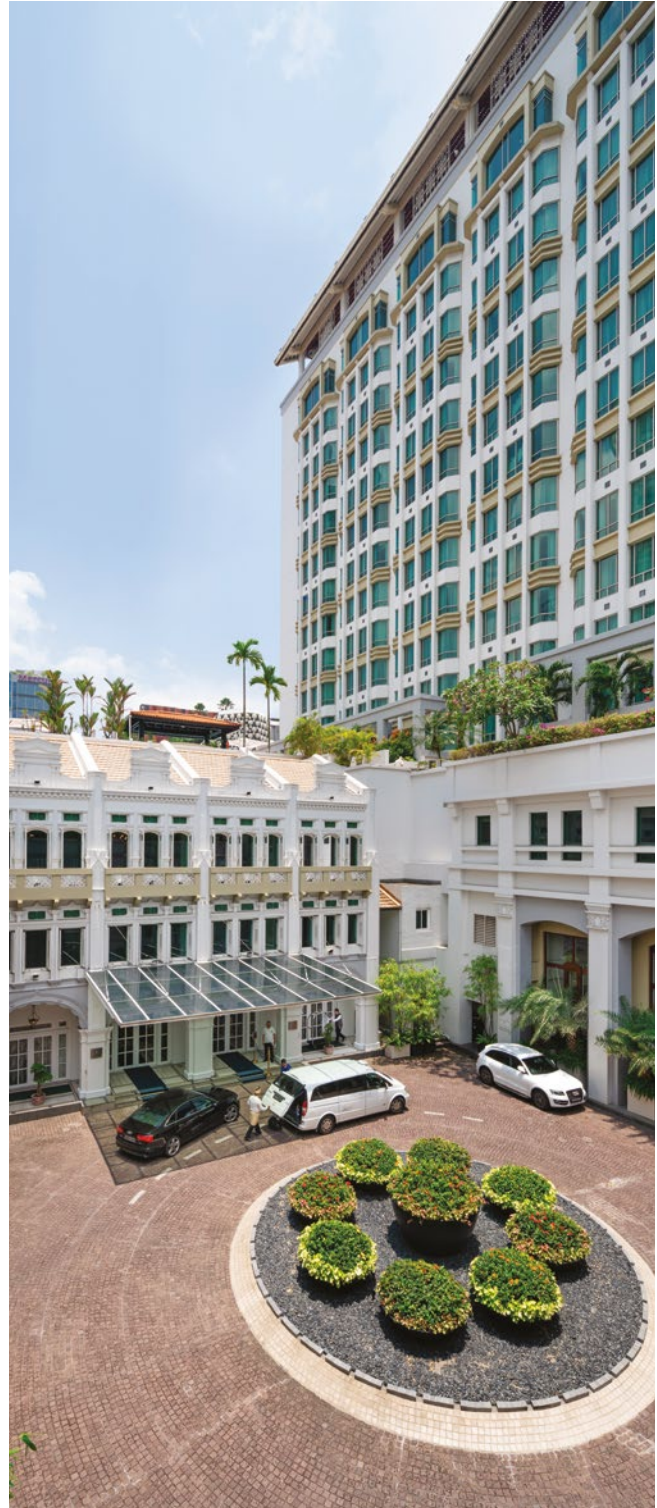
Fraser's Hospitality Trust ("FHT") is a global hotel and serviced residence trust, established with the principal strategy of investing globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. Listed on the Mainboard of the Singapore Exchange since 14 July 2014, FHT provides investors with exposure to a well-diversified portfolio of 14 quality assets, comprising eight hotels and six serviced residences, in prime locations across nine key cities in Asia, Australia and Europe. FHT's global hospitality portfolio has 3,477 keys, comprising 2,635 hotel rooms and 842 serviced residence units.

With a combined appraised value of approximately S\$2.0 billion as at 30 September 2024, the portfolio comprises: InterContinental Singapore, Fraser Suites Singapore, Fraser Suites Sydney, Novotel Sydney Darling Square, Novotel Melbourne on Collins, Fraser Suites Queens Gate London, Park International London, Fraser Place Canary Wharf London, ibis Styles London Gloucester Road, Fraser Suites Edinburgh, Fraser Suites Glasgow, ANA Crowne Plaza Kobe (including the retail component, Koto no Hako), The Westin Kuala Lumpur and Maritim Hotel Dresden.

These properties are managed by renowned international hospitality chains such as AccorHotels, InterContinental Hotels Group, Marriott International, as well as Fraser's Hospitality, one of the largest serviced residence operators globally.

FHT's sponsor is Fraser's Property Limited ("Fraser's Property" or the "Sponsor"), a multinational investor-developer-manager of real estate products and services across five asset classes, namely commercial & business parks, hospitality, industrial & logistics, residential and retail. FHT's strategic partner, the TCC Group*, is one of the largest conglomerates in Southeast Asia engaged in a variety of businesses including real estate.

FHT, a stapled group comprising Fraser's Hospitality Real Estate Investment Trust ("FH-REIT") and Fraser's Hospitality Business Trust ("FH-BT"), is managed by Fraser's Hospitality Asset Management Pte. Ltd., the REIT Manager of FH-REIT (the "REIT Manager") and Fraser's Hospitality Trust Management Pte. Ltd., the Trustee-Manager of FH-BT (the "Trustee-Manager") (collectively known as the "Managers").



InterContinental Singapore

* The TCC Group refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi.

OUR STRATEGY

The Managers' main objectives are to deliver stable, long-term growth in distribution and net asset value to FHT's Stapled Securityholders ("Stapled Securityholders"), while maintaining an appropriate capital structure.

ACQUISITION GROWTH

The Managers actively pursue asset acquisitions that will provide attractive cash flows and yields in line with their investment mandate to enhance the returns to FHT's Stapled Securityholders and improve the future income and capital growth prospects of FHT.

The Managers seek opportunities in key cities with sound economic fundamentals, favourable hospitality market conditions, and a good mix of both business and leisure guests. With FHT's global investment mandate (excluding Thailand), the Managers have maximum flexibility in seeking opportunities within the hotel and serviced residence asset classes in various regions.

FHT's acquisition strategy is further complemented by the right of first refusal to a pipeline of hospitality assets owned by both the Sponsor and the TCC Group, which provides access to future opportunities to acquire income-producing properties.

ACTIVE ASSET MANAGEMENT AND ENHANCEMENT STRATEGY

The Managers continue to identify opportunities and implement strategies to enhance the operational cash flow of the properties. Working closely with the hotel and serviced residence operators, the Managers focus on the areas of revenue optimisation, cost control and operating efficiency while prioritising strategies that have the greatest impact on the overall performance of the properties.

In addition to active asset management of the properties, the Managers proactively identify opportunities for asset enhancement initiatives to successfully reposition the properties, generate higher cash flows and further increase the value of the properties within the portfolio.

CAPITAL AND RISK MANAGEMENT STRATEGY

The Managers endeavour to maintain a strong balance sheet and manage exposure to risks prudently by employing various strategies and measures to optimise the returns to Stapled Securityholders. These measures may involve employing an appropriate mix of debt and equity in financing acquisitions, securing diversified funding sources by accessing both financial institutions and capital markets, and utilising interest rate and foreign exchange hedging strategies, where appropriate, to minimise exposure to market volatility.

OUR PORTFOLIO

FHT has a well-diversified portfolio of 14 quality assets, most of which are located in prime locations within key gateway cities across Asia, Australia and Europe.

S\$2.0 BILLION
Total Portfolio Value¹



9

Key Cities



14

Properties



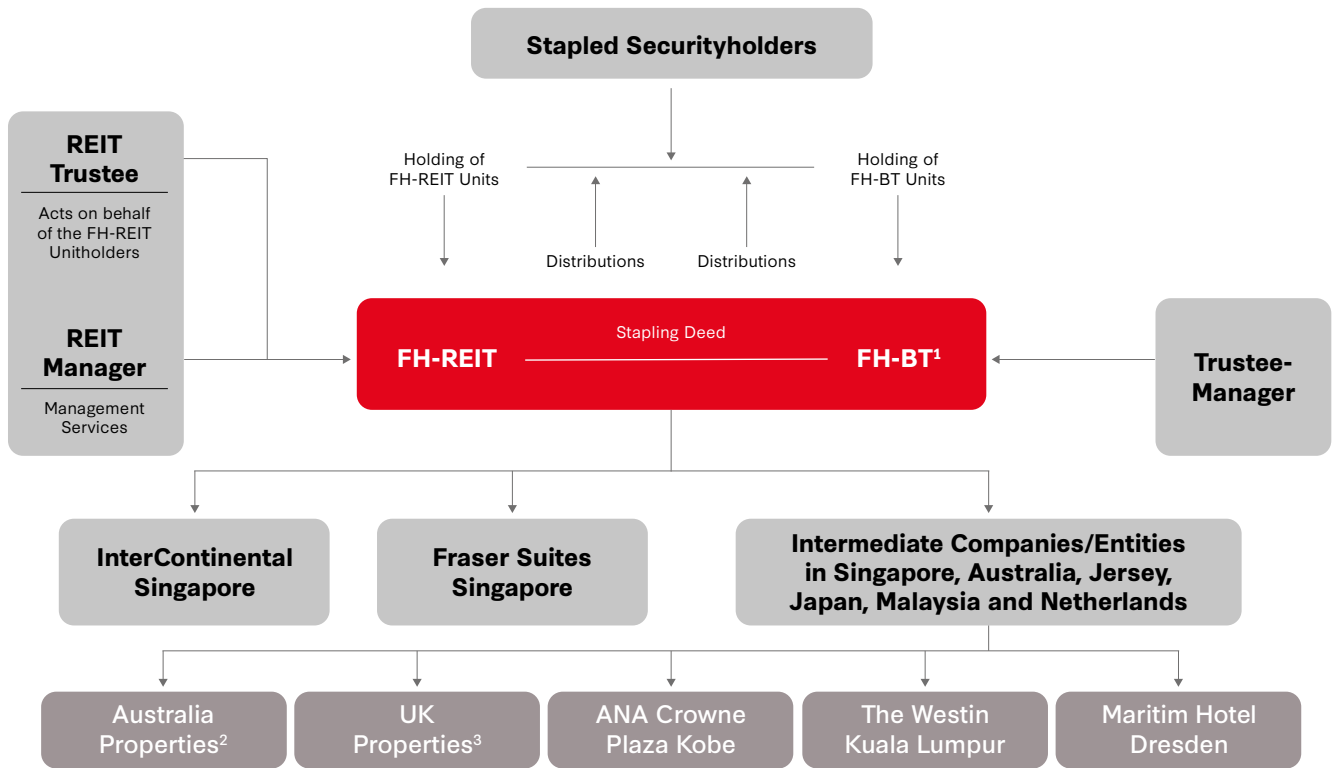
3,477

Keys

¹ As at 30 September 2024



TRUST STRUCTURE

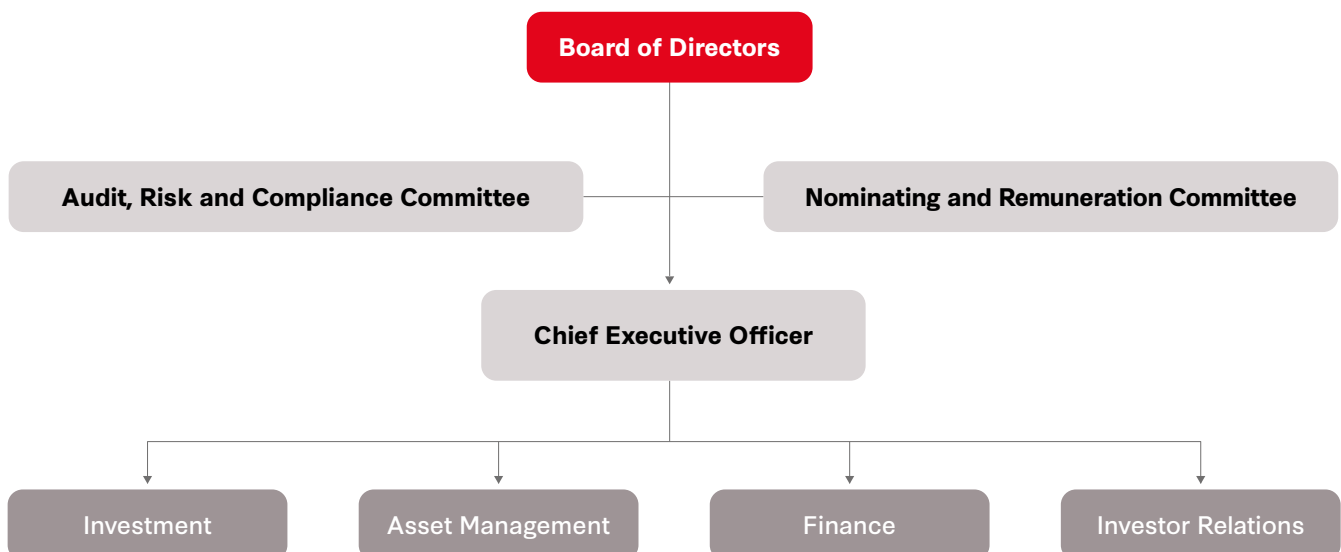


¹ FH-BT is the master lessee of Novotel Melbourne on Collins under the Master Lease Agreement.

² Australia Properties refer to Fraser Suites Sydney, Novotel Sydney Darling Square and Novotel Melbourne on Collins.

³ UK Properties refer to Fraser Suites Queens Gate London, Park International London, Fraser Place Canary Wharf London, ibis Styles London Gloucester Road, Fraser Suites Edinburgh and Fraser Suites Glasgow.

ORGANISATION STRUCTURE



CORPORATE INFORMATION

As at 30 September 2024

REIT MANAGER OF FH-REIT

Frasers Hospitality Asset Management Pte. Ltd.

TRUSTEE-MANAGER OF FH-BT

Frasers Hospitality Trust Management Pte. Ltd.

REGISTERED ADDRESS OF REIT MANAGER AND TRUSTEE-MANAGER

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
Tel: (65) 6276 4882 | Fax: (65) 6276 6328
Website: www.frasershospitalitytrust.com

DIRECTORS OF THE REIT MANAGER AND TRUSTEE-MANAGER

Panote Sirivadhanabhakdi

Chairman, Non-Executive and Non-Independent Director

Soong Hee Sang¹

Non-Executive and Lead Independent Director

Quah Ban Huat

Non-Executive and Independent Director

Nagaraj Sivaram

Non-Executive and Independent Director

David Wong See Hong

Non-Executive and Non-Independent Director

Chang Tou Chen¹

Non-Executive and Independent Director

Ho Hon Cheong¹

Chairman, Non-Executive and Non-Independent Director

AUDIT, RISK AND COMPLIANCE COMMITTEE OF THE REIT MANAGER AND TRUSTEE-MANAGER

Nagaraj Sivaram (Chairman)

Soong Hee Sang¹

Quah Ban Huat

David Wong See Hong¹

Chang Tou Chen¹

Ho Hon Cheong¹

NOMINATING AND REMUNERATION COMMITTEE OF THE REIT MANAGER AND TRUSTEE-MANAGER

Soong Hee Sang (Chairman)¹

Quah Ban Huat

Nagaraj Sivaram

Panote Sirivadhanabhakdi

David Wong See Hong

Ho Hon Cheong (Chairman)¹

COMPANY SECRETARY

Catherine Yeo

TRUSTEE

Perpetual (Asia) Limited
16 Collyer Quay #07-01
Singapore 049318
Tel: (65) 6908 8203
Fax: (65) 6438 0255

STAPLED SECURITY REGISTRAR AND STAPLED SECURITY TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360

AUDITOR

KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Tel: (65) 6213 3388
Fax: (65) 6225 0984
Partner-in-charge: Tan Chun Wei (Chen Junwei)
(Appointed since FY2023)

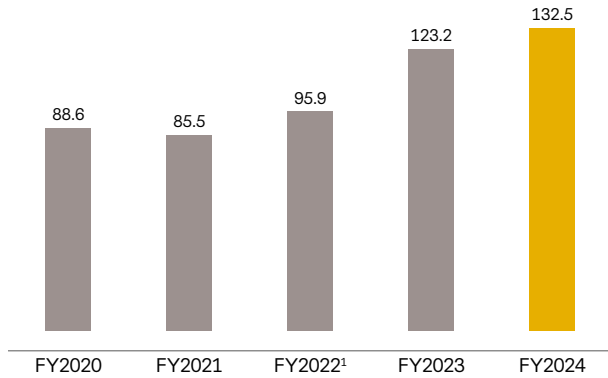
PRINCIPAL BANKERS

Bank of China Limited, Singapore Branch
DBS Bank Ltd
Malayan Banking Berhad, Singapore Branch
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
United Overseas Bank Limited, Tokyo Branch

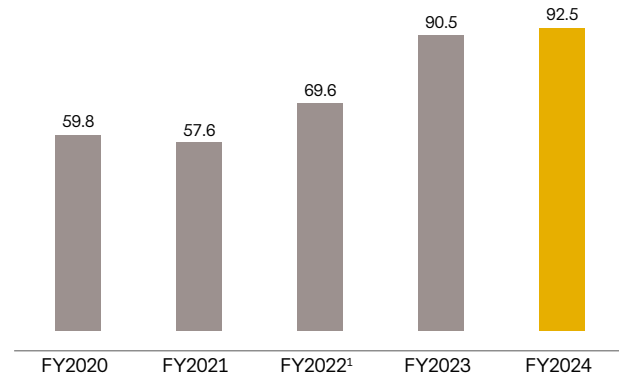
¹ Please refer to the section on "Changes to the Boards and Board Committees after FY2024" on page 126.

FINANCIAL HIGHLIGHTS

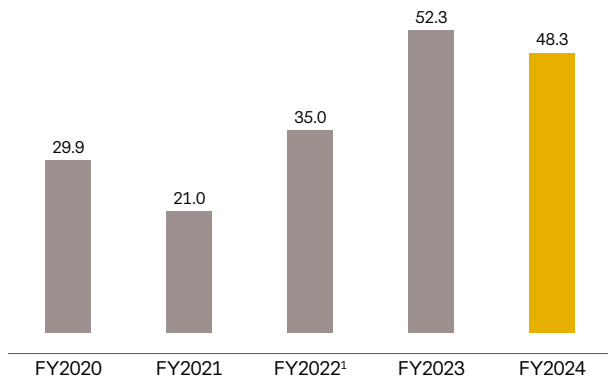
Gross Revenue (S\$ million)



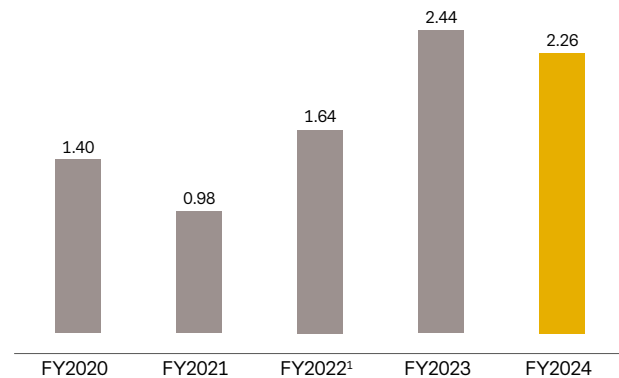
Net Property Income (S\$ million)



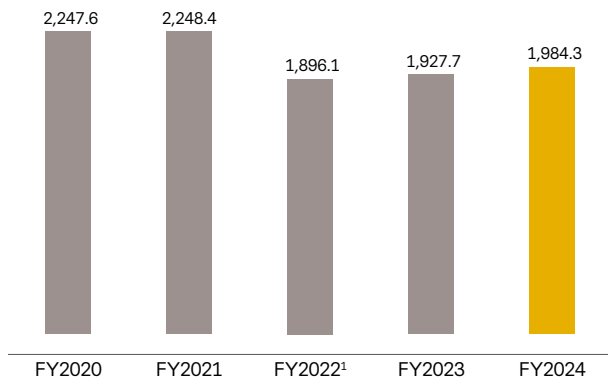
Income Available For Distribution attributable to Stapled Securityholders (Distributable Income) (S\$ million)



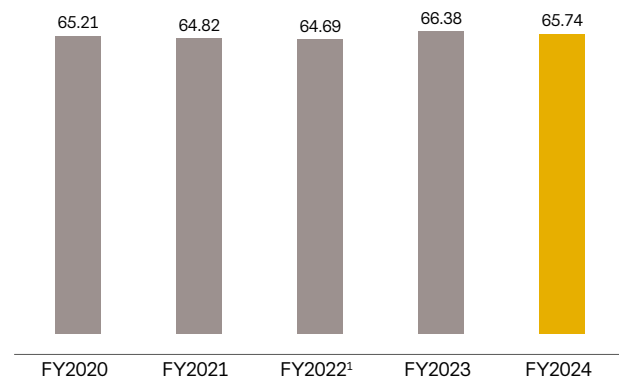
Distribution per Stapled Security (Singapore cents)



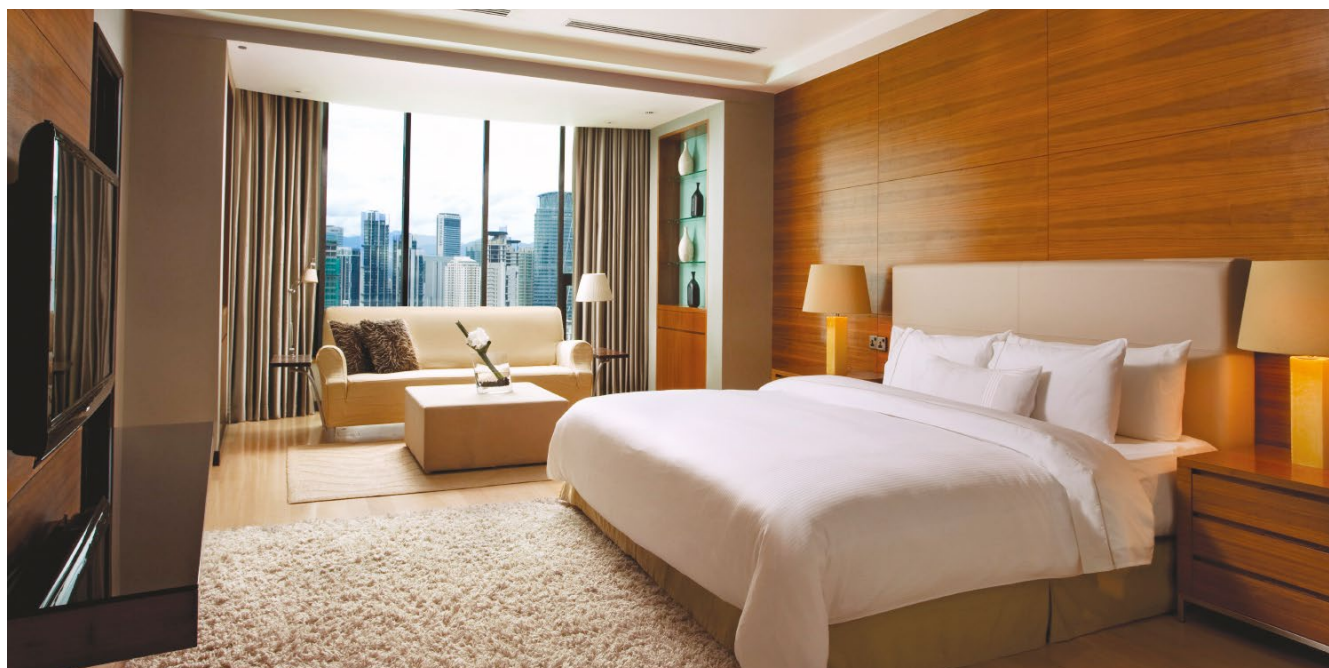
Total Portfolio Valuation (S\$ million)



Net Asset Value per Stapled Security (Singapore cents)



¹ Sofitel Sydney Wentworth was divested in April 2022



The Westin Kuala Lumpur

	FY2020	FY2021	FY2022 ¹	FY2023	FY2024
Statement of Total Return (\$ million)					
Gross Revenue	88.6	85.5	95.9	123.2	132.5
Net Property Income	59.8	57.6	69.6	90.5	92.5
Distributable Income	29.9	21.0	35.0	52.3	48.3
Balance Sheet Highlights (as at 30 September) (\$ million)					
Total Assets	2,361.3	2,349.2	2,085.6	2,073.0	2,134.5
Total Portfolio Valuation ²	2,247.6	2,248.4	1,896.1	1,927.7	1,984.3
Total Liabilities	1,008.2	1,100.7	839.7	794.5	868.3
Total Borrowings (gross)	889.4	991.2	758.4	703.2	744.3
Net Assets	1,353.2	1,248.5	1,245.9	1,278.5	1,266.2
Key Financial Indicators					
Distribution per Stapled Security (Singapore cents)	1.40	0.98	1.64	2.44	2.26
Net Asset Value per Stapled Security (Singapore cents)	65.21	64.82	64.69	66.38	65.74
Gearing	37.7%	42.2%	36.4%	34.0%	34.9%
Interest Cover (times)	2.3	2.2	2.6	3.6	3.0
Effective Cost of Borrowing	2.3%	2.0%	2.3%	3.1%	3.5%
Borrowings on Fixed Rates	74.9%	77.2%	81.7%	75.5%	71.1%
Unsecured Debt	96.3%	96.7%	96.0%	96.1%	96.0%
Unencumbered Assets as a % of Property Portfolio	94.3%	94.7%	93.8%	93.3%	92.2%
¹ Sofitel Sydney Wentworth was divested in April 2022 ² Excludes right-of-use assets recognised under FRS116 (adopted since 1 October 2019)					

LETTER TO STAPLED SECURITYHOLDERS



Panote Sirivadhanabhakdi
Chairman



Eric Gan
Chief Executive Officer

Dear Stapled Securityholders,

On behalf of the Board of Directors of the Managers and management, we are pleased to present our annual report for the financial year ended 30 September 2024 ("FY2024").

TOURISM RECOVERY CONTINUES AMIDST PERSISTENT CHALLENGES

The World Tourism Organization reported that international tourism bounced back to 96% of pre-pandemic levels in the seven months through July 2024, driven by strong demand in Europe and the re-opening of markets in Asia and the Pacific. Around 790 million tourists travelled internationally in the first seven months of 2024, about 11% more than in 2023 and only 4% less than in 2019.

The results are in line with UN Tourism's projection of a full recovery in international arrivals in 2024

despite ongoing economic and geopolitical risks. Inflation in travel and tourism, namely high transport and accommodation prices, continues to present challenges to the tourism sector, as well as the global economic situation, staff shortages and extreme weather events.

FINANCIAL PERFORMANCE

In FY2024, FHT reported gross revenue ("GR") of S\$132.5 million and net property income ("NPI") of S\$92.5 million, up year-on-year ("YoY") by 7.6% and 2.1% respectively, reflecting continued recovery in the hospitality portfolio. Finance costs remained elevated due to the higher interest rate environment and coupled with an increase in tax expenses, resulted in a lower income available for distribution attributable to Stapled Securityholders ("DI") of S\$48.3 million and Distribution Per Stapled Security ("DPS") of 2.2592 Singapore cents, marking a YoY decline of 7.5% and 7.5% respectively.

Based on the closing price of FHT's Stapled Securities of S\$0.47 as at 30 September 2024, this translated to a distribution yield of 4.8% for FY2024. As FHT's distributions are paid on a semi-annual basis, we have distributed an interim DPS of 1.0910 Singapore cents on 28 June 2024 and the final DPS of 1.1682 Singapore cents will be paid on 27 December 2024.

PORTFOLIO PERFORMANCE

As at the end of FY2024, FHT's global portfolio comprised 14 quality assets and majority of these assets are in prime locations within key gateway cities in Asia, Australia and Europe.

As at 30 September 2024, our portfolio valuation increased by 2.9% YoY to S\$2.0 billion. The increase was mainly due to the inclusion of Koto no Hako (the retail component of ANA Crowne Plaza Kobe) and growth in valuation of The Westin Kuala Lumpur. On a same store basis (excluding Koto no Hako), the valuation of FHT's portfolio of asset would have increased by 1.2% or S\$23.6 million YoY.

In FY2024, the performance of our geographical portfolios was largely in line with the respective market trends. Notwithstanding that the pent-up demand has been normalising in most markets, we are pleased that revenue per available room ("RevPAR") growth has been achieved across our properties in Malaysia, Japan and Australia.

In FY2024, our Singapore portfolio experienced a softer performance, due to the easing of pent-up travel demand, cost inflation and relatively strong Singapore dollar, which affected inbound travel. While average daily rate ("ADR") remained stable, a decline in occupancy resulted in a YoY decrease in RevPAR by 6.3%. Fraser Suites Singapore's extended stay segment was faced with increased competition from a rising supply of private residential units, while the normalising of the average length of stay of visitors to Singapore affected the overall demand for both the extended stay and hotel segments. Consequently, the GOR and GOP of the Singapore portfolio decreased by 4.0% and 5.8% YoY respectively.

Our Australia portfolio achieved an occupancy-driven RevPAR growth, which was supported by major city-wide events and stronger demand across the corporate, group and leisure segments. However, ADR was muted due to the Melbourne market, which is still in the midst of absorbing the new supply. As a result, the portfolio's GOR and GOP increased by 4.3% and 0.5% YoY respectively.

In the UK, demand for corporate and transient travel continued to recover gradually amidst challenging market and economic conditions, whilst demand in the extended-stay segment weakened. Our portfolio experienced a moderate decline in performance, with a marginal RevPAR decline of 0.8% YoY, weighed down by a decrease in ADR to maintain optimal occupancy levels in the midst of repair and maintenance work across some properties. Consequently, GOR decreased by 0.3% YoY, while GOP increased by 11.3% YoY. The improvement in GOP arose from proactive cost rationalisation of out of order rooms for repair and maintenance and refurbishment, moderation in energy costs due to lower tariff rates, coupled with a reversal of over provision of expenses accrued.

In Japan, ANA Crowne Plaza Kobe continued to benefit from strong inbound tourism, resulting in a 15.0% YoY increase in RevPAR. Our portfolio's performance was further enhanced by maiden contributions from Koto no Hako, the retail component of ANA Crowne Plaza Kobe. These factors combined, further aided by improved cost efficiency, contributed to a 17.7% and 35.1% YoY increase in GOR and GOP respectively.

The Westin Kuala Lumpur reported a RevPAR growth of 18.6% YoY, supported by strong ADR and occupancy rates, driven by robust corporate and leisure demand, despite overall tourism numbers remaining below pre-pandemic levels. The relatively weaker Malaysian Ringgit also benefitted overseas visitor arrivals while capturing the domestic market. As a result, GOR increased by 16.7% YoY, while GOP increased by 32.6% YoY due to higher profit flowthrough supported by higher ADR and cost management.

Maritim Hotel Dresden's operating performance was supported by the recovery in domestic travel and the return of Meetings, Incentives, Conferences and Exhibitions ("MICE") business. In FY2024, the hotel reported an increase in GOR by 9.5% YoY.

Our Australian portfolio would not qualify as a withholding Managed Investment Trust ("MIT") for FY2024 due to a change in effective ownership by one of our Stapled Securityholders during the year. As a result, this has reduced our distributable income for FY2024 by approximately S\$1.3 million, coupled with an additional deferred tax liability of S\$21.6 million. Consequently, distributions from FHT Australia Trust will now be subject to an effective tax rate of 37.5%, compared to the previous concessionary tax rate of 15%, affecting future distributions if MIT status, which is assessed every financial year, is not restored.

LETTER TO STAPLED SECURITYHOLDERS

PRUDENT RISK AND CAPITAL MANAGEMENT

Our financial position remained stable in FY2024, reflecting our commitment to a disciplined risk management and proactive approach to capital management. We ended the year with a gearing ratio of 34.9%, up from 34.0% in FY2023. This ratio remains well below the 50% limit set by the Monetary Authority of Singapore and the increase in the aggregate leverage ratio does not have a material impact to the risk profile of FHT as there is ample debt headroom of S\$647.6 million (based on the regulatory leverage limit of 50%) as at 30 September 2024.

As at 30 September 2024, the proportion of our fixed-rate borrowings to total borrowings was 71.1% while 96.0% of our borrowings were unsecured debt, providing FHT with greater financial flexibility. Our debt maturity profile averaged 2.1 years, with loan maturities well spread out from 2025 to 2029.

Due to refinancing in a rising interest rate environment, our effective cost of borrowing rose from 3.1% as at 30 September 2023 to 3.5% as at 30 September

2024. Our interest coverage ratio has moderated to 3.0 times (30 September 2023: 3.6 times), and we continue to have ample headroom and liquidity to meet our operational needs and financial commitments.

SUSTAINABILITY

Throughout FY2024, FHT strengthened our commitment to sustainability by working closely with hotel and serviced residence operators, business partners, employees, and key stakeholders. Notably, all of our UK properties achieved BREEAM-In-Use (BIU) certifications, while our three Australian properties secured Green Star Certification. In Malaysia, The Westin Kuala Lumpur completed its GreenRE assessment and is awaiting certification.

Our dedication to environmental sustainability remains a priority, as evidenced by our continued 4-Star Rating in the 2024 GRESB Real Estate Assessment. We are also proud to have achieved first place in the 'Asia Pacific Hotel - Listed' category, rising from third place last year.



Novotel Sydney Darling Square

AWARDS

We are pleased to share that many of our properties continue to be recognised for their excellence in hospitality and sustainability.

Fraser Suites Sydney was named Oceania's Leading Serviced Apartments at the 2024 World Travel Awards, while InterContinental Singapore was ranked among the Top 10 Best Hotels & Resorts in Singapore in the 2024 DestinAsian Readers' Choice Awards.

Several of our properties, including Novotel Sydney Darling Square, Fraser Suites Glasgow, and The Westin Kuala Lumpur, received accolades in the 2024 Tripadvisor Travellers' Choice Awards.

Additionally, on the sustainability front, Novotel Melbourne on Collins and Novotel Sydney Darling Square have both been accorded the ECO Tourism Australia: Sustainable Tourism Certified 2024, while Maritim Hotel Dresden received the HolidayCheck Award 2024.

LOOKING AHEAD

The International Monetary Fund's October 2024 World Economic Outlook highlights that global inflation has significantly eased, with headline rates projected to decline to 3.5% by the end of 2025, below the pre-pandemic average. Despite tight monetary policies, the global economy has remained resilient, with growth forecasted at 3.2% in 2024 and 2025. However, risks such as persistent inflation in some regions, geopolitical tensions and continue to cloud the outlook.

ACKNOWLEDGEMENTS

On behalf of the Board and management team, we would like to extend sincere appreciation to our Stapled Securityholders, hotel and serviced residence guests, business partners, advisers, bankers and the Trustee for their continued trust and support.

We wish to express our gratitude to Mr. Liu Qingbin, our former Head of Finance, for his dedicated service and contributions to FHT. At the same time, we warmly welcome our new Chief Financial Officer, Mr Benjamin Kuah, and look forward to his contributions.

We also like to welcome Mr. Chang Tou Chen as our new Non-Executive and Independent Director, appointed with effect from 1 November 2024, and thank Mr. Soong Hee Sang, our Non-Executive and Lead Independent Director, who has resigned with effect from 1 December 2024, for his dedicated service.

Lastly, we would also like to thank the Board for their invaluable advice, and the management and staff of the Managers for their contribution and dedication to FHT.

We look forward to meeting our Stapled Security Holders at our annual general meetings on 15 January 2025.

Panote Sirivadhanabhakdi
Chairman

Eric Gan
Chief Executive Officer

18 November 2024

FINANCIAL REVIEW

GR AND NPI

The continued recovery of international tourism and the MICE (Meetings, Incentives, Conferences, and Exhibitions) sector has supported FHT’s properties across various regions. In FY2024, this supportive backdrop helped to drive financial and operational improvements across the portfolio, building on the progress achieved in FY2023.

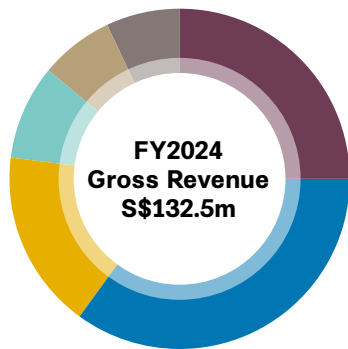
For FY2024, FHT’s GR rose 7.6% YoY to S\$132.5 million, supported by growth in Europe, Malaysia and Japan markets as well as maiden contributions of S\$3.2m from Koto no Hako.

FHT’s GR primarily comprises master lease income, revenue from Koto no Hako and GOR from Novotel Melbourne on Collins.

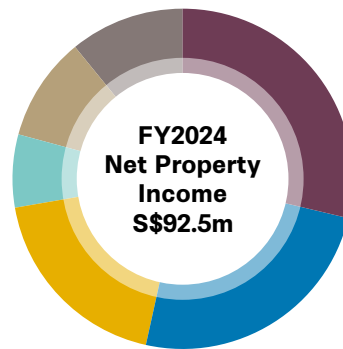
In FY2024, master lease income increased by S\$7.6 million (+8.2% YoY) to S\$100.4 million, supported by an improved operating environment. Novotel Melbourne on Collins, reported a challenging year with a S\$0.7 million YoY decline in GOR (which comprises primarily room and food & beverage revenue) and a S\$1.7 million YoY decrease in GOP, as the market continues to adjust to the surge in new hotel supply.

Overall, FHT’s NPI rose by S\$1.9 million (+2.1%) YoY to S\$92.5 million, on the back of an increase in GR by S\$9.3 million (+7.6%) YoY to S\$132.5 million. This growth was partially offset by higher property tax, coupled with higher operating expenses for Novotel Melbourne on Collins.

In FY2024, foreign exchange movements had an unfavourable net impact of 1.1% and 0.8% on both GR and NPI respectively whereby certain key operational currencies depreciated against the Singapore Dollar.



● Singapore	25%
● Australia	35%
● UK	17%
● Japan	9%
● Malaysia	7%
● Germany	7%



● Singapore	28%
● Australia	25%
● UK	19%
● Malaysia	10%
● Japan	7%
● Germany	11%

DISTRIBUTIONS

In FY2024, FHT recorded a DI of S\$48.3 million, a decrease of S\$4.0 million or 7.5% YoY. This decline was primarily due to higher finance costs, due to refinancing in a higher interest rate environment, as well as increase in withholding tax arising from FHT's wholly-owned Australian subsidiary, FHT Australia Trust ("FHTAT") not qualifying as a withholding managed investment trust for the year ended 30 September 2024.

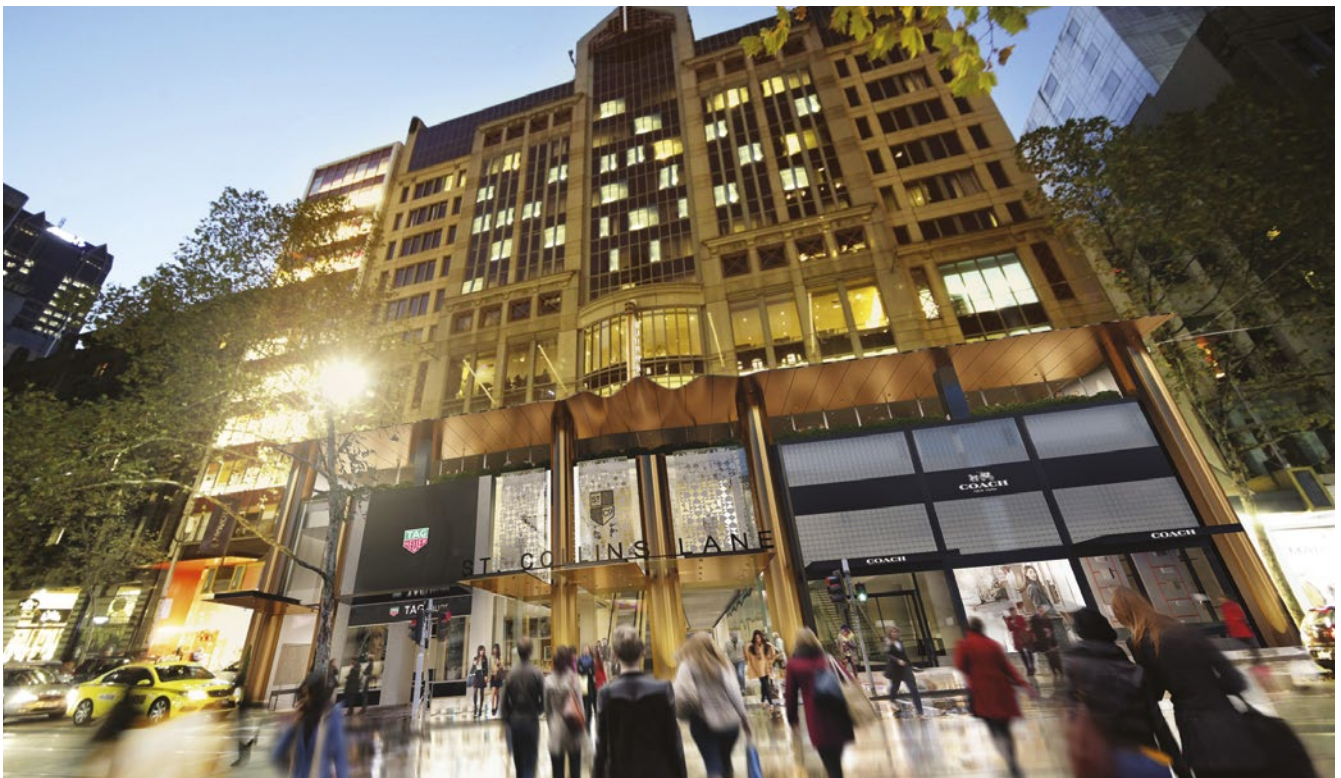
In line with FHT's distribution policy of paying at least 90.0% of DI, the DPS for FY2024 was 2.2592 Singapore cents (FY2023: 2.4426 Singapore cents), with the remaining undistributed DI retained for working capital purposes.

PRUDENT CAPITAL AND RISK MANAGEMENT

FHT maintains a disciplined approach to managing capital structure and financial risks. Its key objectives

are to preserve a strong balance sheet through prudent and dynamic capital and financial management, to maintain access to diverse funding sources at optimal cost and deliver stable distributions to its Stapled Securityholders.

Underpinning these objectives, the Managers adhere to a framework of policies and guidelines to actively manage FHT's capital structure and loan portfolio mix, which has a direct impact on its gearing and distributions to Stapled Securityholders. The Managers continue to tap into different sources of financing for FHT's funding requirements. As at 30 September 2024, FHT's weighted average debt maturity was 2.1 years (30 September 2023: 2.3 years). The loan maturities are widely spread out across FY2025 to FY2029, which minimises refinancing risk. In addition, 92.2% (30 September 2023: 93.3%) of FHT's assets were unencumbered, allowing for financial flexibility. In FY2024 both interest coverage ratio and adjusted interest coverage ratio stood at 3.0 times (FY2023: 3.6 times).



Novotel Melbourne on Collins

FINANCIAL REVIEW

In December 2023 and May 2024, FHT established a new 5-year S\$100.0 million loan facility (comprising S\$50.0 million term and S\$50.0 million revolving credit) and a new 3-year S\$220.0 million revolving credit facility respectively, to refinance S\$270.0 million of loan facilities that matured during the year. FHT also successfully obtained a new 3-year JPY 6.6 billion bond in February 2024 and a new 5-year MYR 95.0 million Medium Term Note in July 2024, to refinance JPY and MYR borrowings that matured during the year.

As at 30 September 2024, FHT's total gross borrowings were S\$744.3 million (30 September 2023: S\$703.2 million). Effective cost of borrowing rose to 3.5% per annum (30 September 2023: 3.1% per annum) due to refinancing in a rising interest rate environment. FHT had approximately 71.1% (30 September 2023: 75.5%) of total borrowings on fixed interest rates, which acted as a safeguard against rising interest rates and provided certainty of interest expenses.

Leverage ratio as at 30 September 2024 increased slightly to 34.9% (30 September 2023: 34.0%). The increase in the leverage ratio was mainly driven by additional borrowings secured to finance capital expenditures.

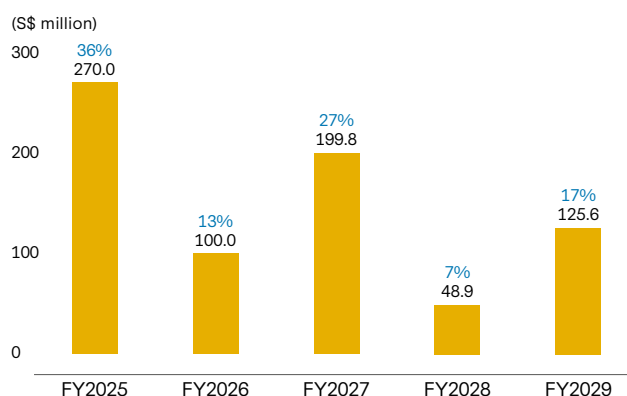
This ratio remains well below the 50% limit set by the Monetary Authority of Singapore and the increase in the aggregate leverage ratio does not have a material impact to the risk profile of FHT.

As at 30 September 2024, FHT has undrawn committed revolving credit facilities of S\$220.8 million and the flexibility to tap on the unutilised balance of S\$880 million from the S\$1.0 billion Multicurrency Debt Issuance Programme that was established in January 2016.

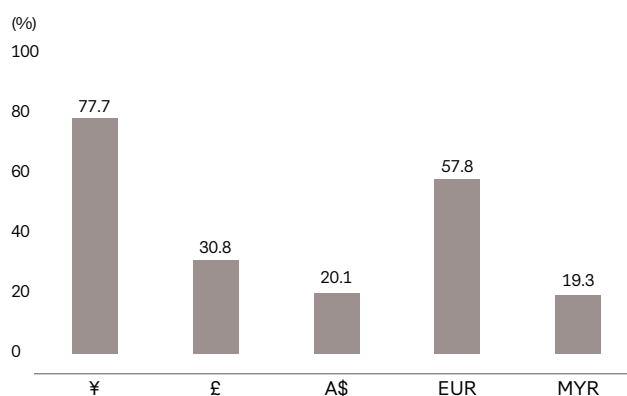
FHT continued to manage foreign currency risks through a mix of natural hedges, by borrowing in the same currency as the underlying asset, or hedges using cross currency swaps. As at 30 September 2024, FHT achieved between 19.3% to 77.7% hedging for its portfolio of assets denominated in foreign currencies.

The Managers' commitment to sound capital management and proactive risk mitigation remains central to FHT's long-term strategy, in pursuing sustainable value creation for its Stapled Securityholders.

Debt Maturity Profile



Balance Sheet Hedging



PORTFOLIO VALUATION

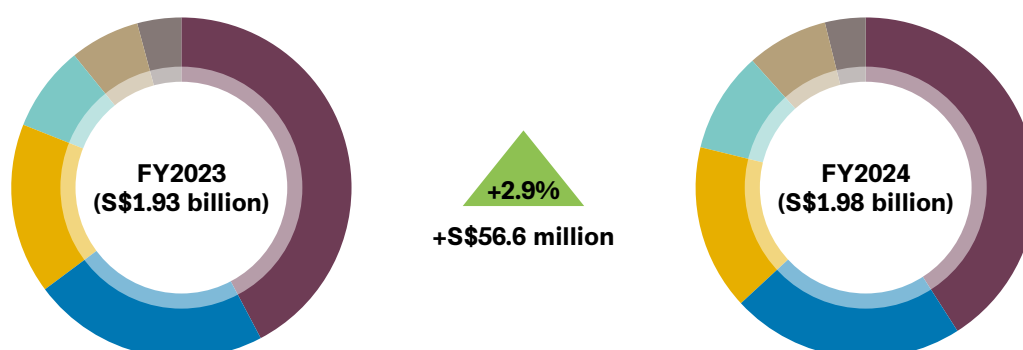
ASSET PORTFOLIO VALUATION

FHT has a portfolio of 14 quality assets, comprising eight hotels and six serviced residences, in prime locations across nine key cities in Asia, Australia and Europe. FHT's global hospitality portfolio has 3,477 keys, comprising 2,635 hotel rooms and 842 serviced residence units.

As at 30 September 2024, FHT's portfolio valuation increased by 2.9% YoY to S\$2.0 billion. The increase

was mainly due to the inclusion of Koto no Hako and growth in valuation of The Westin Kuala Lumpur. On a same store basis (excluding Koto no Hako), the valuation of FHT's portfolio of asset would have increased by 1.2% or S\$23.6 million YoY.

In local currency terms, the valuation for the UK and Germany portfolios registered a decrease, which was offset by higher valuation from the Japan, Malaysia and Australia portfolios.



● Singapore	815.0	42%
● Australia	434.1	23%
● UK	312.7	16%
● Japan	156.9	8%
● Malaysia	128.2	7%
● Germany	80.7	4%

● Singapore	815.0	41%
● Australia	441.3	22%
● UK	306.3	15%
● Japan	190.7	10%
● Malaysia	154.0	8%
● Germany	77.0	4%

Country	30 Sep 2023	30 Sep 2024	Variance (%)	30 Sep 2023	30 Sep 2024 ¹	Variance (%)
	Local Currency			S\$		
Singapore	815.0	815.0	-	815.0	815.0	-
Australia	494.0	496.8	0.6%	434.1	441.3	1.7%
UK	187.6	178.2	(5.0)%	312.7	306.3	(2.1)%
Japan	17,100.0	21,400.0	25.1%	156.9	190.7	21.5%
Malaysia	440.0	493.0	12.0%	128.2	154.0	20.1%
Germany	55.9	53.8	(3.8)%	80.7	77.0	(4.6)%

1 Translated at an exchange as at 30 September 2024 of MYR1.00 = S\$0.3124; A\$1.00 = S\$0.8884; ¥1.00 = S\$0.00891; £1.00 = S\$1.7188; €1.0 = S\$1.4309

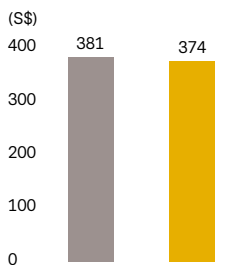
OPERATIONS REVIEW

■ SINGAPORE

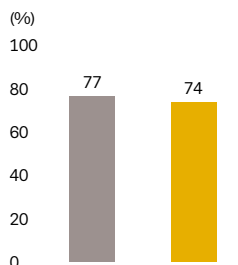


InterContinental
Singapore

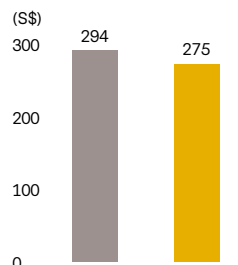
ADR



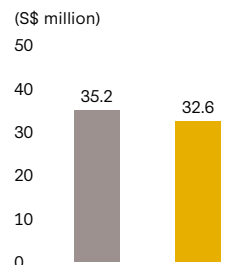
Occupancy



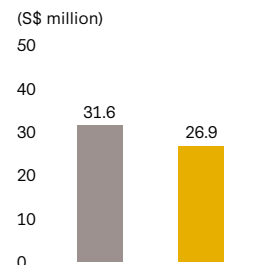
RevPAR



GR



NPI



FY2023 | FY2024

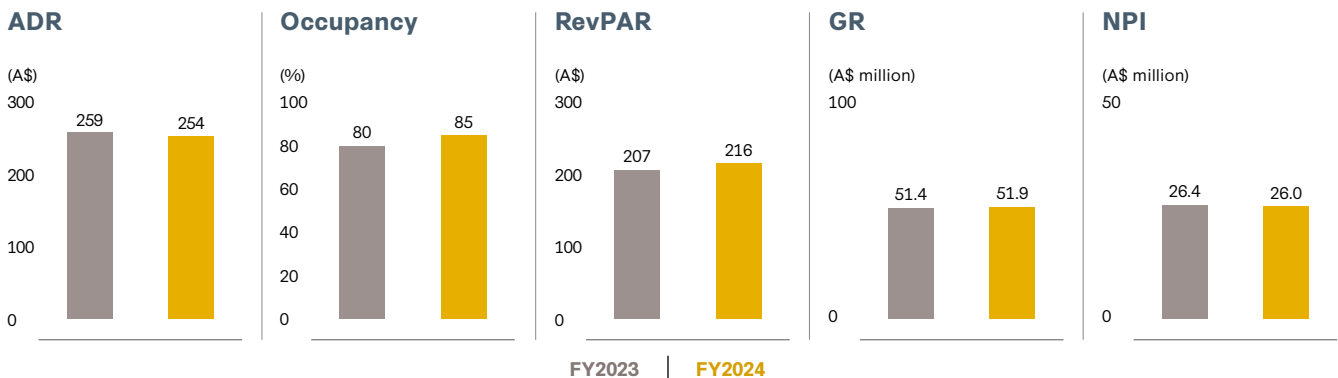
Singapore's tourism sector recovered strongly post-pandemic with the resumption of marquee events and concerts. According to the Singapore Tourism Analytics Network, the country received 16.1 million visitors in FY2024, representing an increase of 26.8% YoY, but still remaining 14.3% behind FY2019. In FY2024, an easing of pent-up travel demand that boosted performance in FY2023 was observed. 1Q FY2024 saw a decline in citywide occupancy, which resulted in an industry-wide RevPAR decline. The following quarter saw an uptick in performance driven by events such as the Singapore Airshow and Taylor Swift concert, but an increase in hotel rooms supply by the end of 3Q FY2024 added further ADR pressures to the already softening market. Market-wide occupancy levels then recovered back above 80% in 4Q FY2024, aided by major events such as the Singapore Grand Prix, as well as the recovery of the China inbound market.

FHT's Singapore portfolio experienced a decline in RevPAR by 6.3% YoY in FY2024, as the portfolio was impacted by factors such as the easing pent-up demand, an increase in hotel rooms available and more rental properties. Notwithstanding the decline, the Singapore portfolio's RevPAR remains 9.5% higher as compared to FY2019, driven by the higher ADR achieved. As a result, the Singapore portfolio recorded GR of \$32.6 million and NPI of \$26.9 million for FY2024, representing a decrease of 7.4% and 14.9% YoY.

AUSTRALIA



Novotel Sydney Darling Square



According to the Tourism Research Australia, international visitation to Australia continues to recover. For the year ending June 2024 there were 7.4 million trips to Australia (85% of June 2019 levels), while the total spend in Australia was 3% higher than June 2019 levels, at A\$31.7 billion. Sydney and Melbourne, as the largest markets, have seen robust recovery, particularly in corporate and leisure segments as the rebound of international travelers visiting gateway cities and tourist hotspots. Domestic travel within Australia also continued its recovery in 2024. Based on the Australian Domestic Aviation Activity publication, for the year ended July 2024 there were 58.8 million Regular Public Transport passengers, an increase of 5.9% on the year ended July 2023. The return of major city events has

further supported the recovery, as economic pressures make it more expensive for outbound travel.

The Australia portfolio's ADR decreased by 2.0% YoY, mainly due to the continued adjustment to the surge in new hotel supply in Melbourne. Occupancy grew 5.1 percentage points due to greater demand in the corporate, group and leisure segment which was supported by major city events, such as Formula 1 Grand Prix, Australia Tennis Open, coupled with major concerts such as Taylor Swift, Bruno Mars and P!nk. Consequently, RevPAR for FY2024 grew by 4.3% YoY. While GR for the Australia portfolio edged up 1.0% YoY to A\$51.9 million, NPI was 1.4% lower YoY at A\$26.0 million due to higher property tax and operating cost.

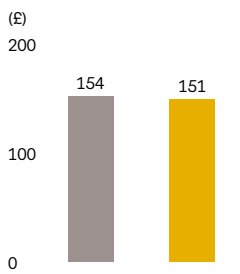
OPERATIONS REVIEW

UK

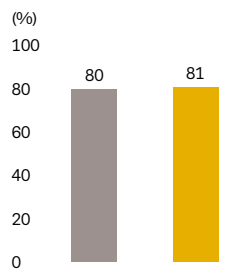


Fraser Suites
Glasgow

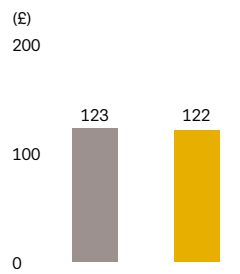
ADR



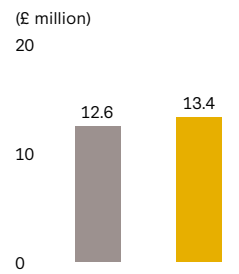
Occupancy



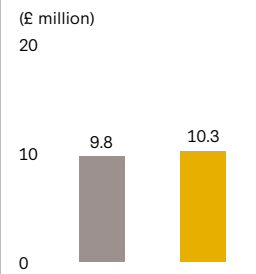
RevPAR



GR



NPI



FY2023 | FY2024

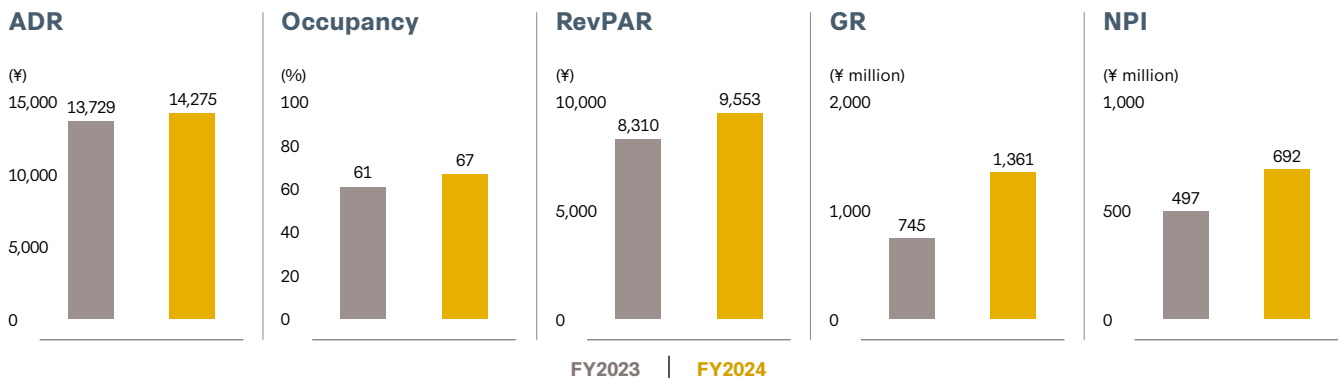
The UK welcomed 38.0 million inbound visits in 2023, driven by pent-up demand for travel due to the impact of COVID-19. However, the overall pace of recovery plateaued in the fourth quarter of 2023. VisitBritain forecasts 38.7 million inbound visits in 2024, representing a moderate 1.8% growth over 2023. Accordingly, RevPAR growth for most hotels in the UK has largely normalised in 2024 after showing double digit YoY growth in 2023. According to STR, YTD September 2024 RevPAR was up 1.7% YoY in London. Outside London, Edinburgh performed exceptionally strong in 2024, showing 25.6% YoY increase in RevPAR in YTD September 2024, making it one of the strongest performing city markets in Europe.

The UK portfolio recorded a 2.5% YoY decline in ADR, reflecting increased price competition from new hotel supply, as well as shift in guest profile towards the more price sensitive corporate, group and leisure demand segments. The weaker ADR was partially cushioned by a 1.4 percentage point increase in occupancy, resulting in a marginal RevPAR decline of 0.8% YoY in FY2024. The portfolio's GR increased by 6.3% YoY to £13.4 million while NPI grew by 5.2% YoY to £10.3 million.

JAPAN



ANA Crowne Plaza
Kobe



According to the Japan National Tourism Organization, Japan received 26.9 million visitor arrivals during YTD September 2024, representing an increase of 54.7% YoY and exceeding YTD September 2019 by 10.1%. Notably, the strong performance was achieved despite the number of tourists from China has yet to fully recover to pre-pandemic levels.

ANA Crowne Plaza Kobe benefitted from the positive trends in the sector. The hotel's occupancy improved by 6.4 percentage points YoY while ADR grew 4.0% YoY,

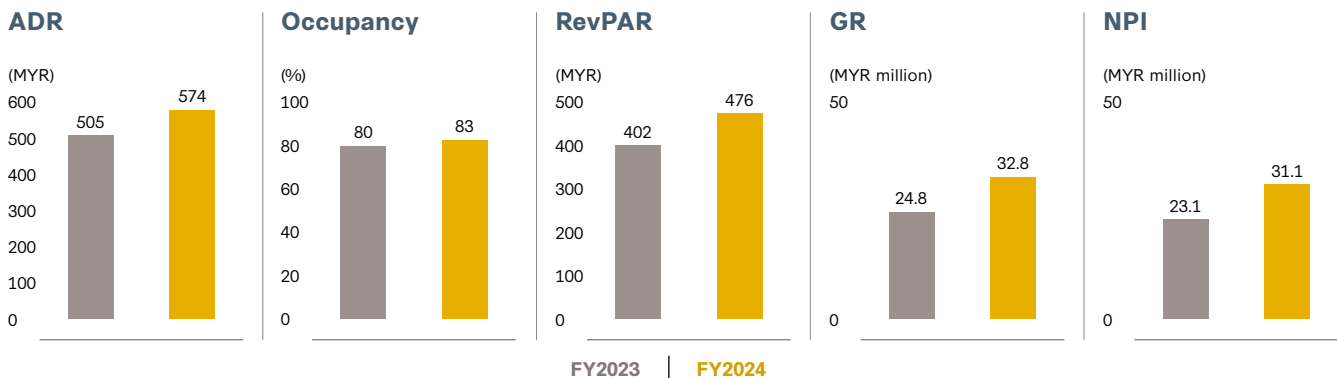
contributing to a RevPAR increase of 15.0% YoY. In addition to the strong leisure market, the Para Athletics World Championships that was held in Kobe in May 2024 further boosted the performance of the hotel. Koto no Hako (the retail component of ANA Crowne Plaza Kobe) also contributed to the performance of the Japan portfolio in FY2024. Overall, the Japan portfolio recorded an increase in GR by 82.7% YoY to ¥1.4 billion, while NPI increased by 39.1% YoY to ¥692 million.

OPERATIONS REVIEW

MALAYSIA



The Westin
Kuala Lumpur



According to Tourism Malaysia, the country welcomed 20.1 million international tourists in 2023, falling short of the robust figures seen in 2019, when 26.1 million international tourists visited the country. In 2024, Tourism Malaysia expects to grow this figure to 27.3 million tourists, with new visa-free policies with China and India aimed at accelerating the post-pandemic recovery.

Driven by the continued recovery of the transient and corporate segments demand, The Westin Kuala Lumpur achieved RevPAR growth of 18.6% YoY, while exceeding FY2019 by 32.3%. The significant gain was driven by a 13.7% YoY increase in ADR and a 3.4 percentage point increase in occupancy. As a result of the favourable trading conditions, the hotel was able to deliver a growth in GR by 32.6% YoY to MYR32.8 million and higher NPI by 34.5% YoY to MYR31.1 million for FY2024.

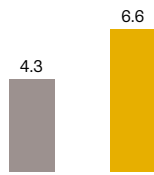
GERMANY



Maritim Hotel
Dresden

GR

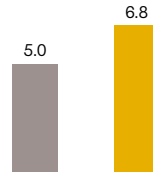
(€ million)
10
0



FY2023

NPI

(€ million)
10
0



FY2024

According to the Dresden Marketing and Tourism Authority, Dresden recorded 1.2 million visitations and 3.0 million overnight stays in YTD July 2024, representing increases of 9.0% and 4.0% YoY respectively. Dresden continues to stand out as a top venue for both domestic and overseas tourism, driving the return of inbound tourism and MICE events.

Maritim Hotel Dresden, which is a triple-net leased property, recorded a GR of €6.6 million and NPI of €6.8 million.

The operational statistics for the hotel are not reported due to restrictions imposed by the master lease agreement.

MARKET OVERVIEW

Report by Colliers

■ SINGAPORE



TOURISM MARKET

The tourism sector is a vital contributor to Singapore's economy, accounting for approximately 4.0% of the nation's GDP. It encompasses a diverse range of attractions, travel agencies, hotels, restaurants, and transportation services, solidifying Singapore's status as a premier holiday destination in Asia. This industry not only enhances the city's global appeal but also attracts investments and talent.

Following the reopening of borders, Singapore's tourism industry has shown robust recovery. In 2022, international visitor arrivals reached 6.3 million, surpassing forecasts, while 2023 saw arrivals soar to 13.6 million and length of stay increasing to approximately 3.8 days in 2023, up from 3.4 days in 2019. As of August 2024, international visitor arrivals totaled 11.3 million, a 25.5% increase YoY, with Chinese tourists leading arrivals.

In terms of economic impact, tourism receipts reached S\$27.2 billion in 2023, reflecting a remarkable 91.5% year-over-year increase and nearing pre-COVID levels. Projections for 2024 estimate tourism receipts between S\$26 billion and S\$27.5 billion. As of Q1 2024, receipts were S\$8.1 billion, up 34.7% from the previous year, with key contributions from sightseeing and entertainment (23.9%), accommodation (16.7%), and food and beverage (13.8%).

The outlook for Singapore's tourism sector remains positive, despite ongoing challenges such as strong exchange rates and the gradual recovery of outbound travel from China.

HOTEL SUPPLY

As of September 2024, Singapore's hotel landscape comprises 451 licensed accommodation properties with a total of 73,345 rooms.

The hotel room stock has grown significantly over the years, increasing from 45,840 rooms in 2013 to 62,630 rooms in 2020, despite a temporary decline to 60,620 rooms in 2021 due to refurbishments and construction halts during the pandemic. Recovery began in 2022 with 61,900 rooms and increased to 64,170 rooms in 2023. As of July 2024, the total has risen to 66,690 rooms, with mid-tier hotels comprising the largest segment at 24,820 rooms, followed by economy (18,040), upscale (13,390), and luxury (10,730).

Looking ahead, the Urban Redevelopment Authority (URA) projects an additional 8,525 hotel rooms by 2028 and beyond. In the second half of 2024, 982 new rooms are expected, with further growth in subsequent years—1,316 rooms in 2025 and 2,985 rooms in 2026.

HOTEL MARKET PERFORMANCE

From 2013 to 2019, Singapore hotels maintained an average occupancy rate above 83.1%. Following the pandemic-induced drop, occupancy rates began recovering in 2022, increasing to 75.2% from 57.3% in 2020 and 56.9% in 2021, which were the lowest recorded performance over the past decade. As of September 2024, the YTD occupancy rate stands at 83.0%, marking the highest level in the past three years. This reflects an increase from 81.7% during the same period in 2023 but still 3.9 percentage points below 2019 rates.

According to the Singapore Tourism Analytics Network (“STAN”), the average room rate (“ARR”) in Singapore rebounded to S\$251 in 2022 which increased from S\$155 in 2020 and S\$161 in 2021. In 2023, the ARR rose to S\$278 which was up 11.0% from the previous year. As of YTD September 2024, the average room rate stands at \$276, a drop of 2.2 percentage point from the same period of the previous year but remaining higher than the pre-pandemic level of \$221 achieved in 2019.

During the pandemic, Singapore’s RevPAR reached a decade’s lowest, S\$89 in 2020 and S\$91 in 2021. However this recovered to almost pre-covid levels in 2022 where RevPAR was up 106.6% to S\$189. This increased by 18.5% to S\$224 in 2023, which was the first time RevPAR surpassed pre-pandemic levels. According to STAN, as of YTD September 2024, RevPAR has increased to S\$230 representing an increase of 0.8% from the same period in the previous year. In 2024, Singapore hotel’s RevPAR has grown on the back of stronger occupancy levels. In addition, this was supported by the large increase in ARR, which has outpaced rising operating costs. As a result, Singapore hotels’ profitability has exceeded pre-pandemic levels.

HOTEL MARKET OUTLOOK

Discussions with owners and investors indicate that the improved market performance in 2024, alongside clearer future travel conditions, has reinforced a “Hold” strategy for their assets. Investors generally view asset prices as stable, with potential for appreciation due to the limited supply of quality properties.

We maintain a positive outlook on Singapore’s tourism and hospitality sectors as international travel resumes. The

country is poised to reaffirm its position as the business epicenter of Asia and as a key transit, MICE, and leisure destination. Singapore’s leadership remains committed to enhancing tourism initiatives, ensuring its appeal as a top tourist destination in the post-pandemic environment.

With sustained market transparency and strong political support, we expect continued investor interest in hotel assets. However, the global economic climate remains uncertain, characterised by a slowdown in key source markets and rising geopolitical tensions.

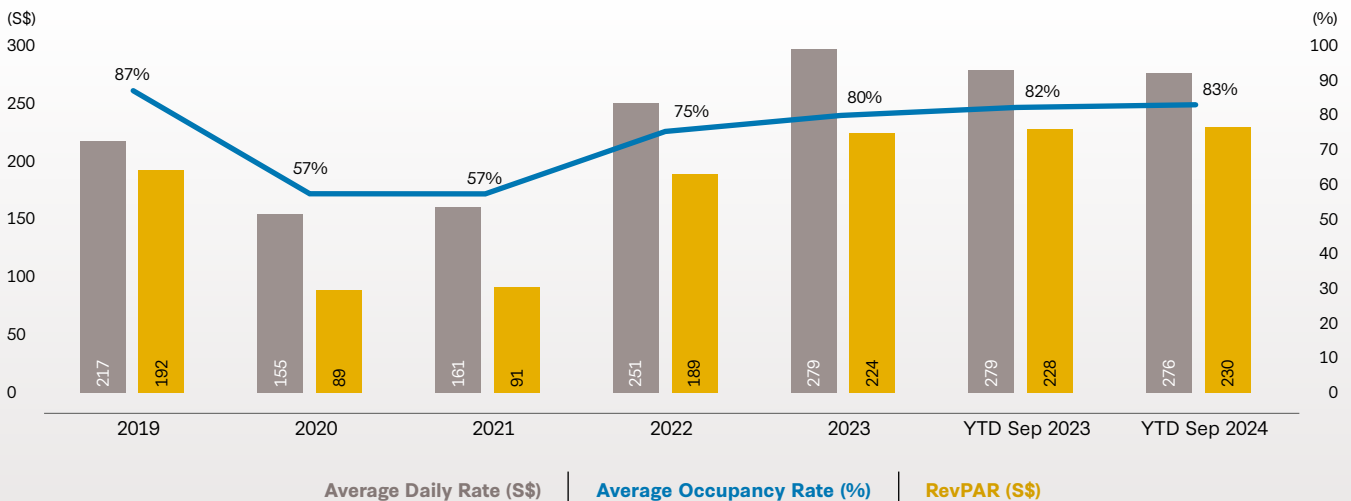
SINGAPORE SERVICE APARTMENT MARKET

The service apartment sector continues to evolve, gaining popularity with both users and investors following the pandemic. Performance data shows that it was one of the more resilient accommodation sectors, with room occupancy remaining above 80% per annum between 2022 and 2023. Premium brands continue to drive performance with ARR exceeding S\$313 in 2023, a 9.1% increase from 2019 levels.

The existing supply of serviced apartments is estimated at around 7,000 units, mainly located across the Core Central Region of Singapore. This figure is not expected to increase significantly in the coming years. Despite the government’s push to increase serviced apartment supply through government land sales, progress has been slow due to less attractive locations being offered.

The outlook for the sector remains positive, as it is closely linked to tourism arrivals and net movement in foreign workers, both of which are expected to increase in the near term.

Singapore Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ SYDNEY, AUSTRALIA



TOURISM MARKET

Sydney is Australia's premier destination city and the gateway to New South Wales, attracting 38.5 million visitors staying in the city for the year ending March 2024. After the lift of COVID-19 pandemic restrictions and the reopening of its borders in February 2022, Sydney has seen a surge in visitors which increased to 32.6 million in the year ending December 2022 from 20.5 million in the year ending December 2021.

Sydney is recognised as Australia's premier destination, celebrated for its stunning natural harbour, iconic landmarks, and world-class events. This appeal attracts approximately half of all international visitors to Australia, reinforcing its status as the nation's sole global city. The tourism sector plays a crucial role in enhancing Sydney's economy, positively impacting local businesses and communities. The growing cruise industry and a rise in major business events are expected to drive demand for tourist accommodation in the city.

According to Tourism Research Australia, for the year ending March 2024, total visitation expenditure reached A\$26.4 billion. Of this amount, 41% was contributed by international visitors, while domestic overnight and day tourists accounted for 44% and 15%, respectively. During this period, international visitors contributed A\$10.7 billion, surpassing the pre-COVID expenditure of A\$10.2 billion recorded for the year ending March 2019. The top five source markets for visits to Sydney were the USA (13%), China (11%), New Zealand (11%), the United Kingdom (9%), and Korea (7%).

HOTEL SUPPLY

As of 2024, Sydney is estimated to have approximately 24,500 hotel rooms, with around 950 additional rooms currently under construction, expected to be delivered in 2024 and 2025. This positions Sydney as having the second-largest pipeline of hotel stock under construction in Australia. As of September 2023, 18% of hotels in Sydney were classified as luxury accommodations. Upscale and upper upscale categories accounted for 58% of total hotel rooms, while midscale and upper midscale categories comprised 9%. The remaining 15% included serviced apartments and other types of accommodation.

Prominent hotel development projects in Sydney include The Eve Hotel Sydney, a new 102-room boutique hotel in Surry Hills slated to open in late 2024 and the country's first Waldorf Astoria, located at a premium position with views across Sydney Harbour offering 220-rooms, set to open in 2025. Additionally, IHG and City Tattersalls Club are scheduled to open Hotel Indigo Sydney Center in 2025, offering approximately 110-room hotel rooms and 246 residential apartments.

HOTEL MARKET PERFORMANCE

As of YTD September 2024, Sydney's room occupancy rate stands at 76.9%, representing a 1.2% increase from 75.7% in the same period in 2023. This marks a substantial increase from 2022, when the occupancy rate was 76.9%. However, it still falls short of the pre-COVID occupancy rate of 82.2% recorded in 2019. This shortfall can be attributed to

significant new supply, coupled with a slower recovery in corporate demand and the MICE sector.

Sydney's ADR has fully recovered to pre-2019 levels, primarily supported by the domestic leisure segment. Over the past two years, Sydney's hotel ADR has outperformed pre-COVID levels, driven by a rebalancing of business and rate structures, enhanced market offerings, and a willingness among guests to pay higher rates due to pent-up demand. According to STR, as of YTD September 2024, the ADR in Sydney stood at A\$264, reflecting a 1.9% increase from A\$259 in YTD September 2023. This current ADR represents a healthy growth of 19.7% compared to A\$220 in 2019. Events such as Vivid Sydney and the Sydney Film Festival, along with global artist concerts, have significantly boosted the city's hotel performance this year.

Despite being one of the hardest-hit cities in terms of occupancy during the COVID-19 pandemic, Sydney has demonstrated remarkable resilience and growth in RevPAR with the return of international tourism and events. For YTD September 2024, Sydney's RevPAR was A\$203, reflecting a 3.6% rise compared to A\$196 during the same period in 2023. This performance also marks a 12.0% improvement from 2019, when the RevPAR was A\$181. Sydney's hotel RevPAR surpassed pre-COVID levels in 2023, driven by a significant surge in ADR over the past two years. As Sydney's hotel occupancy recovers, operators have held strong on ADR which contributed to the stellar RevPAR growth.

HOTEL MARKET OUTLOOK

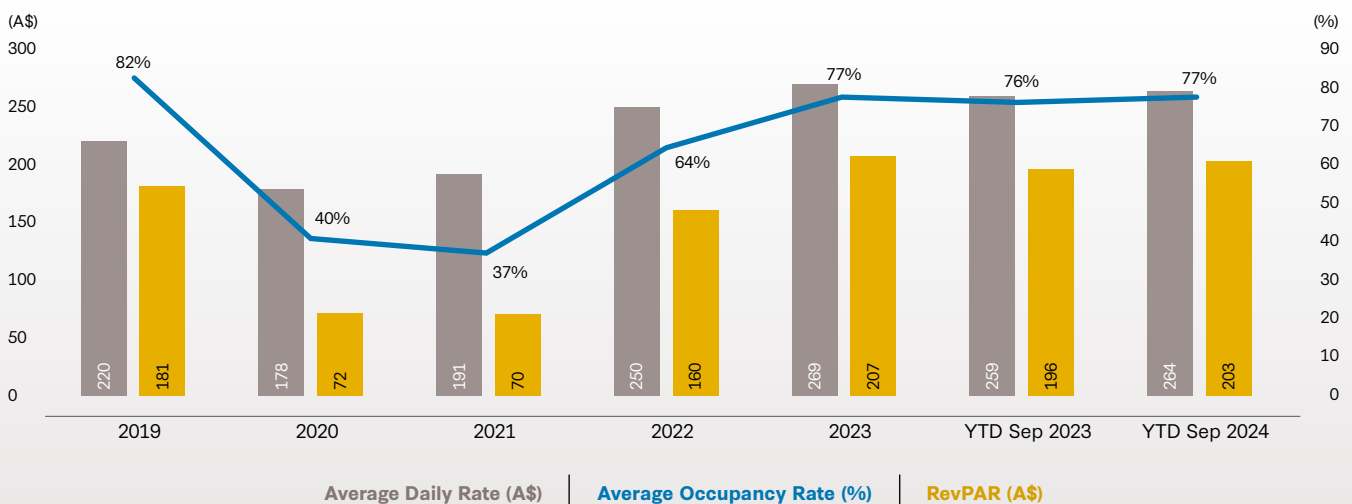
Despite challenging domestic and global economic conditions and rising borrowing costs, investor interest in Sydney hotels remains robust, supported by favorable market fundamentals. Higher debt and construction costs may limit the development pipeline, focusing activity on strategic mixed-use sites.

Sustainability concerns are rising among developers and operators due to increasing utility costs and the global emphasis on ESG criteria. Once market conditions stabilise, opportunities for further development may arise, allowing existing hotels a temporary reprieve in the near term.

The ongoing recovery in corporate and MICE demand, coupled with a resurgence of inbound visitors, particularly from China, is expected to drive demand in Sydney's hospitality sector. The recovery of inbound arrivals is therefore anticipated to relieve pressure on occupancy.

ADR is forecasted to see more modest gains in 2024 and 2025 after record growth in recent years. Additionally, new luxury supply is expected to enhance rate performance, with several premium projects set to elevate ADR. While overall ADR growth may moderate, operators are likely to maintain strong rate policies.

Sydney Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ MELBOURNE, AUSTRALIA



TOURISM MARKET

Melbourne, the capital city of Victoria and a key gateway to Australia, is recognised as a premier cultural destination both within Australia and the Asia Pacific region. Tourism plays a vital role in driving the economy of Victoria, supported by its rich array of cultural and creative activities.

According to data from *Melbourne Airport*, approximately 35.1 million passengers traversed its terminals in the twelve months leading up to June 2024. This figure includes 24.1 million domestic travellers and 11.0 million international tourists. This represents a remarkable 14.1% increase compared to the same period in the previous year, when the total passenger count was estimated at 30.1 million. Notably, this surge was significantly fuelled by a 33.3% rise in international tourist arrivals. According to the Bureau of Infrastructure and Transport Research Economics, Melbourne ranks as the second-busiest airport in Australia, surpassed only by Sydney.

Melbourne's Minister for Tourism, Sport, and Major Events, announced that the city has been recognised as Australia's leading overnight interstate leisure destination, based on data from the *National and International Visitor Survey*. The city excels in terms of visitor numbers, length of stay, and expenditure, with approximately 3.9 million visitors contributing an estimated A\$5 billion to the local economy during their stay in Melbourne. *The Victorian State Government*, in collaboration with *Tourism Research Australia*, reported that nominal expenditure by domestic daytrip, domestic overnight, and international overnight visitors

contributed A\$22.8 billion to the city for the year ending June 2024. The top ten international overnight visitor markets for the Victoria region are New Zealand, China, the United States of America, the United Kingdom, India, Singapore, Hong Kong, Vietnam, Indonesia, and Malaysia.

HOTEL SUPPLY

Melbourne currently stands as Australia's largest hotel market, featuring over 25,000 available rooms, with an additional 5,875 rooms in the development pipeline. According to the Melbourne Convention Bureau, the city has welcomed 4,889 new rooms through the establishment of 21 hotels over the past four years, bringing the total inventory to approximately 26,500 rooms. Furthermore, with 22 new hotels projected to open between 2024 and 2029, the total room count is expected to exceed 30,000.

Notable hotel developments in the pipeline are Lanson Place Parliament Gardens (137 rooms, opening late 2024), Shangri-La Melbourne (496 rooms, opening late 2024), Melbourne Place Hotel (191 rooms, opening late 2024), 1 Hotels & Homes Melbourne (277 rooms, opening in 2025), Hyatt House South Melbourne (97 rooms, opening in 2025), the Collection by TEE hotel (188 rooms, opening in 2026) and Crowne Plaza (200 rooms, opening in 2026).

HOTEL MARKET PERFORMANCE

As of YTD September 2024, Melbourne's hotel occupancy rate is 69.8%, representing a 2.2% increase from 67.6% in the same period last year. Although

occupancy has risen by approximately 40.4% since the pandemic period in 2020, it remains considerably below pre-pandemic occupancy levels of 80.3%. Melbourne serves as a key gateway city, heavily reliant on corporate MICE as well as sports and cultural events, leading to seasonal fluctuations in hotel occupancy and tourist demand. Furthermore, the rate of improvement in hotel occupancy in Melbourne has been constrained by significant growth in new supply.

As of YTD September 2024, ADR has decreased by 1.5% to A\$216, down from A\$220 during the same period in the previous year. Despite this slight decline, the current ADR remains significantly higher than the pandemic level of A\$151 recorded in 2020, and has surpassed pre-pandemic levels of A\$186 in 2019. According to CoStar, events such as Taylor Swift's Eras Tour have contributed to an increase in Melbourne's hotel ADR, enabling the city to achieve its highest monthly ADR on record. Additionally, events such as the Formula 1 Rolex Australian Grand Prix, which attracted 452,055 visitors in 2024, have contributed significantly to the increase in Melbourne's ADR.

According to STR's YTD data for September 2024, Melbourne's hotel RevPAR increased to A\$151, representing a 2.1% rise from A\$148 during the same period last year. This current RevPAR has fully recovered to pre-COVID levels, as the RevPAR in 2019 was A\$149. There are significant opportunities for future growth, as international meetings, large-scale events, and corporate leisure travel continue to rebound. While some corporate sectors are experiencing pent-up demand, the recovery for finance

and professional services corporate travellers has been slower compared to other industries. Given the anticipated improvement in international and corporate demand, Melbourne's hotel RevPAR is projected to continue its upward trajectory.

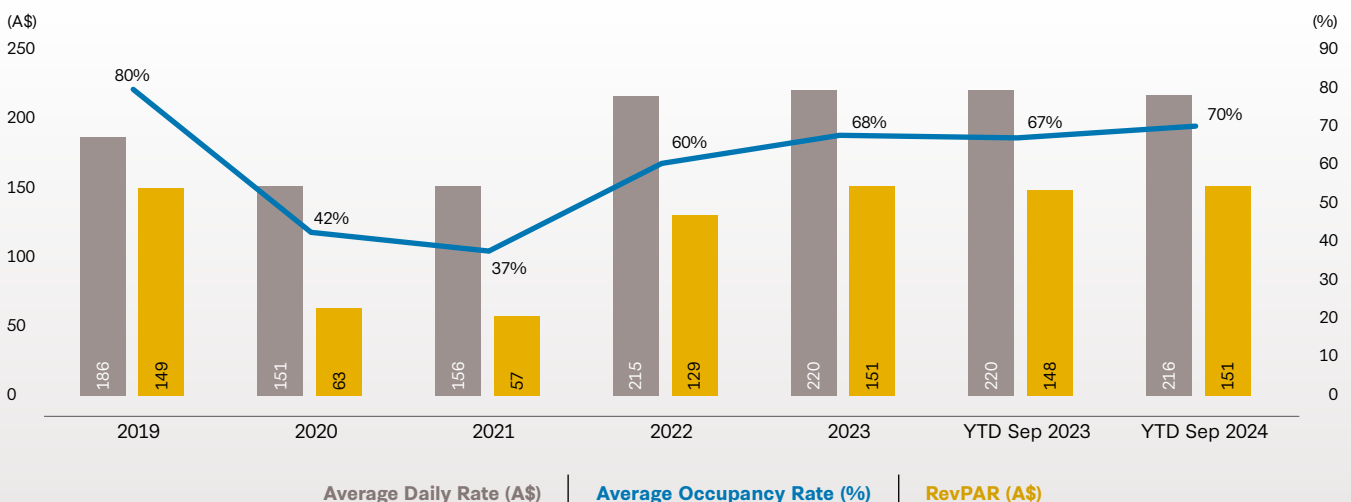
HOTEL MARKET OUTLOOK

Melbourne's hotel market is steadily returning to pre-COVID operating levels, although growth rates are expected to slow or decline in the second half of 2023 due to the gradual recovery of corporate travel, a vital demand source. This impact may be offset by strong demand from the MICE sector and an influx of Chinese visitors.

In the coming years, hotels will face challenges in maintaining occupancy as they absorb new supply. However, Melbourne has a history of adapting to increased supply, which may lead to the closure of older, less maintained hotels, thereby rebalancing supply and demand.

The city's supply pipeline is moderating following years of growth. The market is poised to benefit from a recovery in visitation demand, with international arrivals expected to drive growth alongside a strong calendar of events in 2024 and 2025. Additionally, significant investments in infrastructure, including A\$3 billion investment for a third runway at Melbourne Airport, are anticipated to enhance the airport's capacity, contributing nearly A\$6 billion to the Victorian economy annually and supporting over 51,000 jobs.

Melbourne Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ LONDON, UNITED KINGDOM



TOURISM MARKET

London, the capital and largest city of England and the United Kingdom ("UK"), is a bustling, vibrant, and cosmopolitan metropolis that seamlessly blends historical charm with modern innovation. Renowned for its rich cultural heritage and dynamic economy, London stands as a pivotal global business and financial center, attracting both leisure and business travellers.

Key attractions such as the British Museum, London Eye, Buckingham Palace, and Houses of Parliament highlight the city's rich history and modern significance, while diverse neighbourhoods, including Shoreditch and Bond Street, cater to various interests. Major events like the Wimbledon Tennis Championships, London Marathon, and Notting Hill Carnival further enhance London's appeal to global visitors.

According to the British Tourist Authority, the UK welcomed 38.0 million inbound visits in 2023, marking a notable 21.0% increase compared to the previous year. Despite this growth, visitor numbers remained 7.0% below pre-pandemic levels recorded in 2019.

In 2023, visitors to the UK contributed £32.2 billion to the economy, marking a 17.0% increase compared to 2022 and a 9.0% rise compared to pre-pandemic levels in 2019. In London alone, inbound visitors spent a record £16.7 billion, reflecting an 18.0% growth from the previous year and surpassing pre-pandemic spending levels. This significant increase underscores the robust recovery and continued appeal of the UK as a premier travel destination.

HOTEL SUPPLY

As of 2024, London's hotel supply is estimated at approximately 147,000. Of this, approximately 50.0% is within the upscale and upper upscale segments, with 20.0% being in the budget category.

Currently, there are 128 hotel properties in the development pipeline for London, anticipated to add nearly 17,000 new rooms by 2028. Of these, 5,150 new rooms from 36 projects are expected to come online in 2024.

According to The Hotel Pipeline Report (Europe), the UK is poised to lead Europe in terms of new hotel projects, with a total of 444 projects and an estimated 59,646 additional rooms. London will spearhead this expansion with 90 projects planned, outpacing other major UK cities such as Manchester and Edinburgh.

The pipeline for future developments remains robust, with several prominent projects scheduled to debut in the coming years. Among these are the Park Hyatt London River Thames, which will offer 203 rooms in late 2024. Other notable future openings include the Chancery Rosewood (137 rooms, 2025), Waldorf Astoria London (96 rooms, 2025), Arundel Great Court Hotel (113 rooms, 2025), and Hotel Indigo London - K West Shepherd's Bush (255 rooms, 2026).

HOTEL MARKET PERFORMANCE

As of year-to-date September 2024, London’s occupancy rate stands at 80.1%, reflecting a 0.9 percentage point increase compared to the same period in 2023. Moreover, this figure indicates a substantial rise of nearly 6.3 percentage points from the occupancy rate of 73.4% recorded in 2022.

According to STR, London hotels saw a significant boost in performance during Taylor Swift’s Eras Tour during the concert period. ADR for YTD September 2024 stands at £189, reflecting a 2.2% increase from £185 during the same period in 2023. However, the current ADR remains 26.2% ahead of that achieved in 2019.

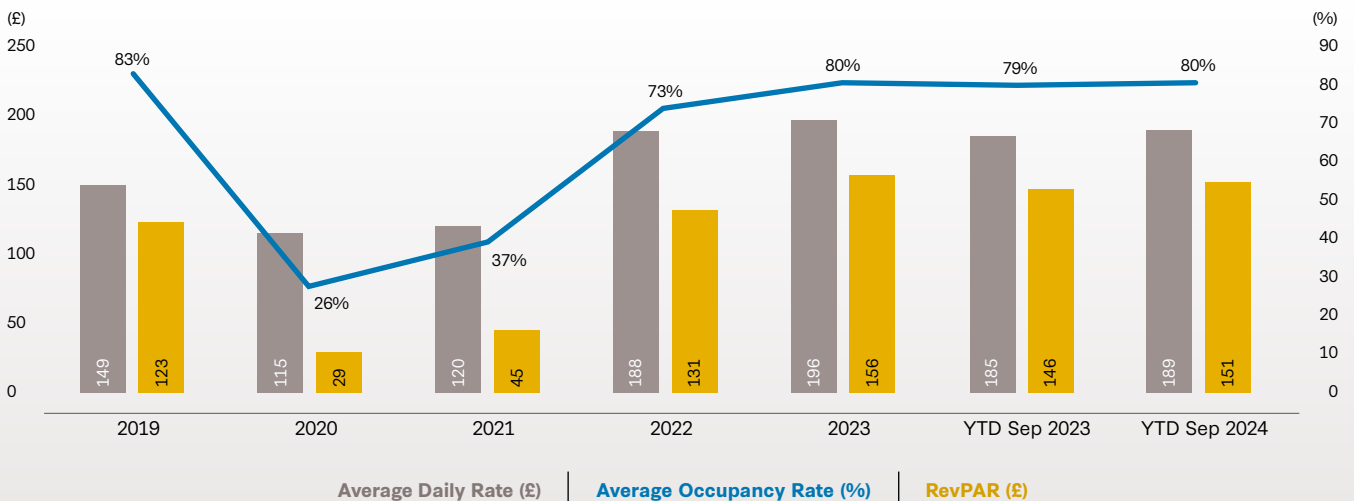
The recovery of London’s hotel RevPAR is underpinned by rising occupancy rates and a substantial increase in the ADR. Demand from domestic, corporate, and leisure tourism in the post-pandemic landscape remained stable, RevPAR for YTD September 2024 reached £151, representing a flat performance from £146 during the same period in 2023. Notably, this figure reflects a significant improvement from £123 in 2019, underscoring the ongoing recovery and sustainable growth within the market.

HOTEL MARKET OUTLOOK

London is expected to lead the UK’s performance going forward as the fundamental drivers of demand remain unchanged. With a projected increase in overseas arrivals, London is expected to witness a robust uplift in occupancy. The city’s occupancy still lags its pre-pandemic performance but has a positive outlook in the months ahead.

In the next few years, hoteliers in London will continue to track inflation better than regional UK. London’s hotel ADR growth is expected to continue but remain at lower levels than the spikes witnessed in the previous two years. Based on current demand dynamics, a correction in ADR back to pre-pandemic levels is highly unlikely. London hotel ADRs reflects the new norm and is expected to remain at this level going forward.

London Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ EDINBURGH, UNITED KINGDOM



TOURISM MARKET

Edinburgh, the capital of Scotland, serves as a dynamic hub for business and innovation, blending rich historical heritage with a forward-thinking environment. Renowned for its iconic landmarks, including the historic Edinburgh Castle and the scenic Arthur's Seat, the city also hosts a thriving cultural scene and a robust infrastructure conducive to enterprise.

According to Colliers' annual UK Hotel Market Index, Edinburgh continues to rank as the leading destination, highlighting its robust performance in both occupancy rates and ADR throughout 2023. The city has also demonstrated remarkable growth in RevPAR since 2019, solidifying its status as a highly attractive market for investment. This consistent upward trajectory underscores Edinburgh's appeal and resilience in the hospitality sector, positioning it as a prime opportunity for stakeholders seeking to capitalise on the city's thriving tourism landscape.

According to the Office for National Statistics, Edinburgh has consistently ranked among the top five cities for overnight visits by inbound travellers. In 2023, the city welcomed a remarkable 4.98 million international and domestic visitors, who collectively spent £2.2 billion. This represents a significant increase from 2022, when the city recorded 1.8 million visitors and £1.1 billion in spending. The resurgence highlights Edinburgh's enduring appeal as a premier tourist destination and underscores its vital role in driving economic growth and recovery in the hospitality sector post-pandemic.

HOTEL SUPPLY

In the first quarter of 2024, Edinburgh's hotel supply experienced an increase of nearly 4%, surpassing the national average growth rate. According to the Europe Hotel Pipeline report by Top Hotel Projects, published in October 2023, the city currently offers a total of 3,736 hotel rooms, with a significant proportion of upcoming developments being independent establishments. From 2013 to 2019, Edinburgh's hotel room supply expanded at an average annual rate of 3%, culminating in a total of 15,425 rooms by September 2022. Of this, some 9.1% of room supply was in the luxury category, with 38.0% in the upscale and upper upscale categories. The Economy sector represented 20.2% of total room stock.

Notable hotel developments in the pipeline include the NYX Hotel Edinburgh by Leonardo Hotels (125 rooms, opening in December 2024), The Hoxton Edinburgh (214 rooms, opening in 2025), Hyatt Centric Edinburgh Haymarket (349 rooms, opening in Mid-2025), Ruby Hotel (347 rooms, opening in Mid-2026) and Clayton Hotel (172 rooms, opening in Mid-2026).

HOTEL MARKET PERFORMANCE

Edinburgh's hotel room occupancy reached 84.1% in YTD in September 2024, an increase of 2 percentage points compared to the same period in the previous year, when occupancy stood at 82.1%. The data reflects a robust recovery from the pandemic's impact. In 2021 and 2020, occupancy rates were markedly lower at 44.4% and 13.9%, respectively, before bouncing back to 64.3% in 2022, and exceeding

pre-pandemic levels in 2023 as the Edinburgh’s Fringe Festival returned in full swing. This upward trend highlights Edinburgh’s resurgence as a leading destination in the hospitality market.

According to STR, the three-day weekend in June during which Edinburgh hosted the Taylor Swift Eras Tour resulted in a significant boost to ADR. While the occupancy gain was lower compared to other European cities, actual occupancy reached 92%. Additionally, occupancy levels remained above 85% in the four weeks surrounding the concert, highlighting the positive influence of major events on the city’s hospitality sector.

Edinburgh ranked as the second-best performing city in in the UK in 2023, behind London, achieving the highest ADR growth. As of YTD September 2023, the city reported an ADR of £150, reflecting a 22.2% increase compared to the previous year. By YTD September 2024, this figure rose to £167, marking an additional 11.2% growth and demonstrating remarkably stronger performance than pre-pandemic levels.

As a result, RevPAR increased by 13.9% in YTD September 2024 compared to the corresponding period in the previous year, making it one of the UK’s strongest performing markets.

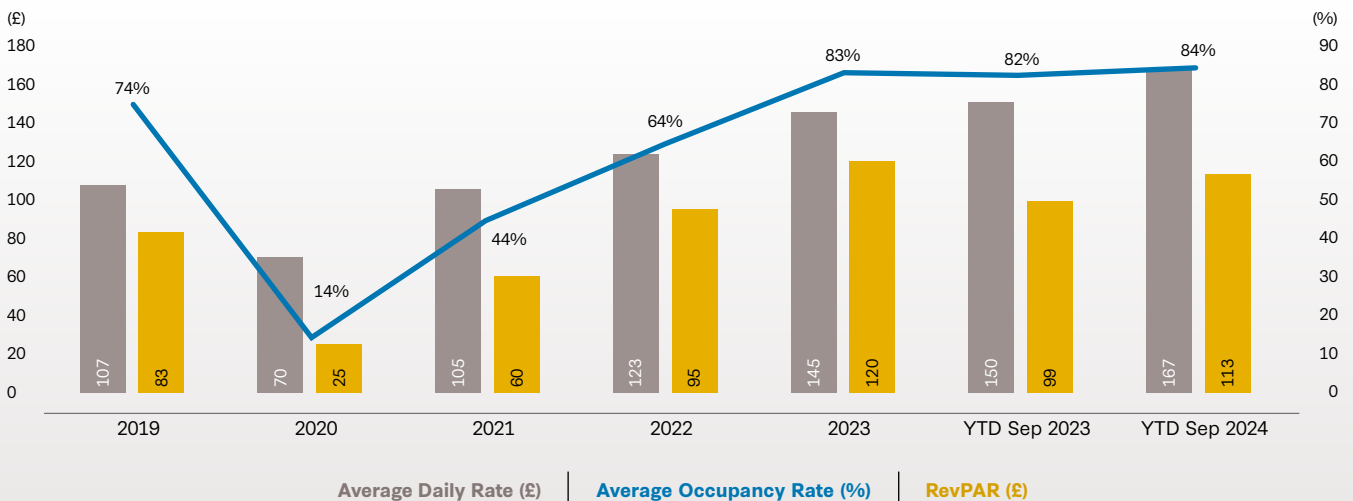
HOTEL MARKET OUTLOOK

The long-term outlook for Edinburgh’s hotel sector is positive, primarily driven by domestic leisure demand. While recovery in MICE and international visitor numbers may take longer, the full return of events has been crucial. As a leisure-led destination, Edinburgh is expected to see summer gains, bolstered by events like the Edinburgh International Jazz and Blues Festival.

While leisure demand may soften due to seasonal changes and rising living costs, urban markets like Edinburgh could benefit from a resurgence in group business travel, though moderate growth in business transient room nights is anticipated as companies reassess travel needs.

Edinburgh remains the UK’s top destination for hotel development, supported by high occupancy rates and a strong RevPAR trend. Redevelopment projects along Princes Street and St Andrew Square, along with plans for a new music arena at Edinburgh Park, will enhance the city’s appeal. However, the lack of available sites may limit the development pipeline, thus providing a continued boost to the performance of existing hotels.

Edinburgh Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ GLASGOW, SCOTLAND



TOURISM MARKET

Glasgow, Scotland's largest city and the third largest in the United Kingdom, serves as a vital economic and cultural hub. Over the past 30 to 40 years, Glasgow has benefitted from substantial regeneration efforts focused on transforming former industrial sites and the city center. Early initiatives, such as the Scottish Event Campus (SEC) and the SSE Hydro Arena, have positioned Glasgow as one of Europe's leading conference destinations. Furthermore, Glasgow is recognized for having one of the UK's premier Convention Bureaus, which plays a crucial role in securing major domestic and international conference business.

The city's well-developed infrastructure, including a major international airport and extensive public transport options, further bolsters its appeal for international conferences and corporate events. The local government actively promotes entrepreneurship and innovation, providing essential support to both startups and established enterprises. In 2024, the city was ranked #8 in the Colliers' UK Hotel Market index.

Recognised as a UNESCO City of Music, Glasgow features a variety of iconic music venues, which host globally renowned artists year round. The city's bustling nightlife, along with a rich calendar of festivals and major concerts further enhance its appeal. The city's ability to deliver major events was also showcased in 2023, when Banksy's Cut & Run exhibition drew 180,000 visitors and Glasgow hosted the inaugural UCI World Cycling Championships. Moreover, the city has hosted prominent events,

including the World Science Fiction Convention and the prestigious Space Comm Expo.

In 2023, Glasgow successfully attracted 2.74 million domestic and international visitors. According to VisitScotland, both international and domestic overnight visits contributed £935 million to the local economy, with international visitors accounting for 57% of all overnight stays.

HOTEL SUPPLY

Following the success of the 2014 Commonwealth Games, which welcomed 5,000 athletes, the city has experienced steady growth in its hotel supply. As of 2023, Glasgow is the second largest hotel market in Scotland in terms of room count, with 150 hotels offering approximately 13,000 rooms. This number is projected to rise to 158 hotels by 2025, with an anticipated addition of around 2,000 new rooms, reflecting the city's expanding accommodation capacity.

According to STR and MSCI, the supply of hotel rooms in Glasgow in 2023 was primarily concentrated in the upscale and upper-midscale segments, which together accounted for nearly half of the total.

Further developments include House of Gods, Glasgow (22 rooms, April 2024), Crossbasket Castle (40 rooms, late 2024) and Room2 Glasgow (134 rooms, 1Q2025).

HOTEL MARKET PERFORMANCE

Occupancy rates in Glasgow have steadily increased and stabilised following the influx of hotel openings in 2023. As of YTD September 2024, occupancy rates has reached 70.0%, compared to 57.5% in 2023, though still below the pre-pandemic rate of 78.9% in 2019. This positive trend underscores the recovery of Glasgow’s hotel market.

As of YTD September 2024, Glasgow’s ADR stands at £80, a decline from the peak ADR of £101 recorded in 2023. This decrease can be attributed to significant one-off tourism events that served as catalysts for the ADR in 2023. Notable examples include the Banksy’s Cut & Run exhibition and the UCI World Cycling Championships. Despite this drop, the 2023 ADR marked a substantial 44.0% increase, surpassing the pre-pandemic benchmark of £70.

In 2023, Glasgow’s RevPAR demonstrated a remarkable recovery, reaching £58—an impressive increase of 188.9% from the all-time low of £20 recorded in 2020. This resurgence not only reflects the city’s rebound from the pandemic but also surpasses the RevPAR of £54 achieved in 2019, indicating a stellar return over pre-pandemic performance levels.

On the back of strong room occupancy levels, YTD September 2024 RevPAR has increased slightly to £56, a 9.3% growth on the corresponding period in the prior year.

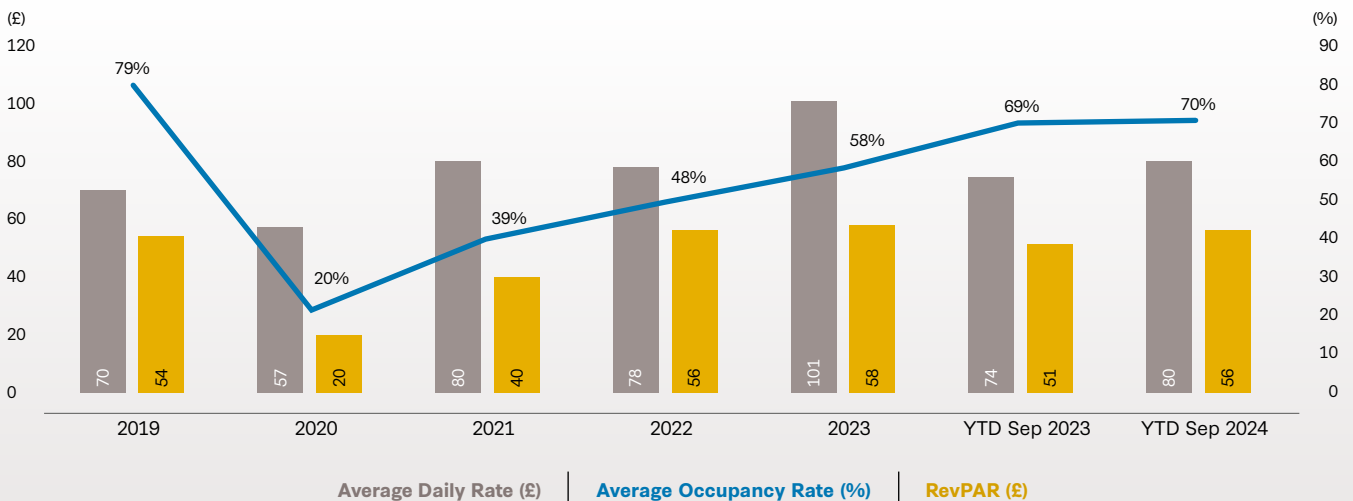
HOTEL MARKET OUTLOOK

According to the Glasgow 2030 Tourism Strategy, key drivers of tourism demand include art, culture, festivals, major events and concerts, as well as nightlife. This diverse demand landscape is expected to contribute to strong occupancy performance in the coming years. While the overall trajectory is positive, it is important to note that the international conference and sports event markets are cyclical, leading to fluctuations in both conference and leisure-driven demand. Glasgow has a proven track record of successfully hosting major international conferences and high-profile sporting events. With a wealth of world-class facilities and a rich heritage, Glasgow has established itself as a premier global destination for conferences and sporting events. Future international conferences and events, such as the 2026 Commonwealth Games, are anticipated to have a significant impact on the city’s hospitality sector.

The size, quality, and diversity of Glasgow’s hotel offerings are continually expanding. Over 20 new hotels are planned for development between 2023 and 2025, with nearly half categorised as four and five-star accommodations. This influx will enhance the range and quality of available lodging, attracting higher-spending guests to the city and improving perceptions among both investors and visitors.

As Glasgow’s popularity as a leisure and shopping destination grows, the pace of new hotel deliveries and the subsequent absorption of market supply will be crucial to monitor as the city continues its trading recovery.

Glasgow Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ KOBE, JAPAN



TOURISM MARKET

Kobe is Japan's sixth-largest city with a population of about 1.5 million and serves as the capital of Hyogo Prefecture. Situated between the sea and the Rokko mountain range on the northern shore of Osaka Bay, Kobe has established itself as a prominent destination for international events. The Kobe Convention Center acts as the central hub for the Global MICE Strategic City of Kobe, facilitating large-scale events and international conferences. In 2019, Kobe hosted 438 conferences, ranking second in Japan, behind Tokyo, which hosted 531 conferences that year.

In 2023, the city welcomed numerous international conferences, including the ATRS World Conference, the International Industrial Fair, CCP2023, ICMF, and CVMW 2023. As a result, Kobe is increasingly recognised as a preferred location for large-scale international events in Japan, positioning itself among the top five MICE destinations alongside Tokyo, Yokohama, Kyoto, and Nagoya. In 2019, the total number of conference participants in Kobe reached 158,094, with overseas attendees accounting for 9.9% of this figure.

According to data from the Japan National Tourism Organization, Japan welcomed 25.1 million visitors in 2023, marking a remarkable increase of 554.1% compared to the 3.8 million visitors in the previous year, though still below the pre-pandemic levels of 31.8 million visitors in 2019. As of YTD August 2024, the total number of visitors reached 24.0 million, reflecting a YoY growth rate of 36.0% compared to the same period last year.

HOTEL SUPPLY

According to Metro Engines Research, the majority of hotels within the city are concentrated in the Chuo Ward, where there are currently approximately 242 hotels offering a total of 17,056 rooms as of February 2024. This concentration of accommodation highlights Chuo Ward's significance as a key destination for both business and leisure travellers.

In particular, the landscape of business hotels has experienced a substantial transformation since the pre-COVID era. The number of business hotels has increased from 47 in January 2019 to 54 in 2024, signifying a 14.9% growth. This expansion not only reflects a recovery and resurgence in travel demand but also underscores the city's commitment to catering to the needs of business travelers.

Furthermore, the increase in business hotels has led to the introduction of an additional 1,760 rooms specifically designed to meet the requirements of professionals visiting the city. This growth in room capacity enhances the overall hospitality infrastructure and supports the city's economic development by accommodating a larger influx of business visitors. Collectively, these trends indicate a positive trajectory for the hospitality sector, positioning the city as an attractive hub for both business and tourism.

HOTEL MARKET PERFORMANCE

According to research conducted by Colliers, Kobe's hotel market has demonstrated significant recovery since the COVID-19 pandemic. However, performance has not yet returned to pre-pandemic levels. The occupancy rate in Kobe has followed a trend consistent with the national occupancy rate, with recovery beginning in 2022. September 2024, Kobe's occupancy rate stands at 87.5%, reflecting a 10.8 percentage point increase from the previous year's occupancy of 76.7% during the same period. While this marks the highest occupancy rate recorded since the onset of the pandemic, it still falls short of pre-pandemic levels, where occupancy rates were 80.1% in 2018 and 78.8% in 2019, respectively.

ADR have shown a steady upward trend, reaching ¥15,200.0 as of YTD September 2024. In 2023, the ADR was ¥12,000, marking a significant increase of 19.2% from the previous year's figure of ¥10,061. While the current YTD figures indicate an improvement compared to the pandemic period, the ADR has yet to recover to the pre-pandemic level of ¥15,856 recorded in 2019. This ongoing growth in ADR reflects a positive trajectory for the hospitality sector in Kobe, although further recovery is needed to reach historical highs.

As of YTD September 2024, the RevPAR for Kobe has reached ¥8,346, representing a remarkable increase from the historical low of ¥2,642 recorded in 2021. This substantial recovery reflects the ongoing rebound of the hotel market. However, despite this consistent upward trend, the current RevPAR still

significantly lags behind the pre-COVID levels of ¥12,519 in 2018 and ¥12,495 in 2019. This disparity highlights the ongoing challenges the hospitality sector faces in fully recovering to its previous performance benchmarks.

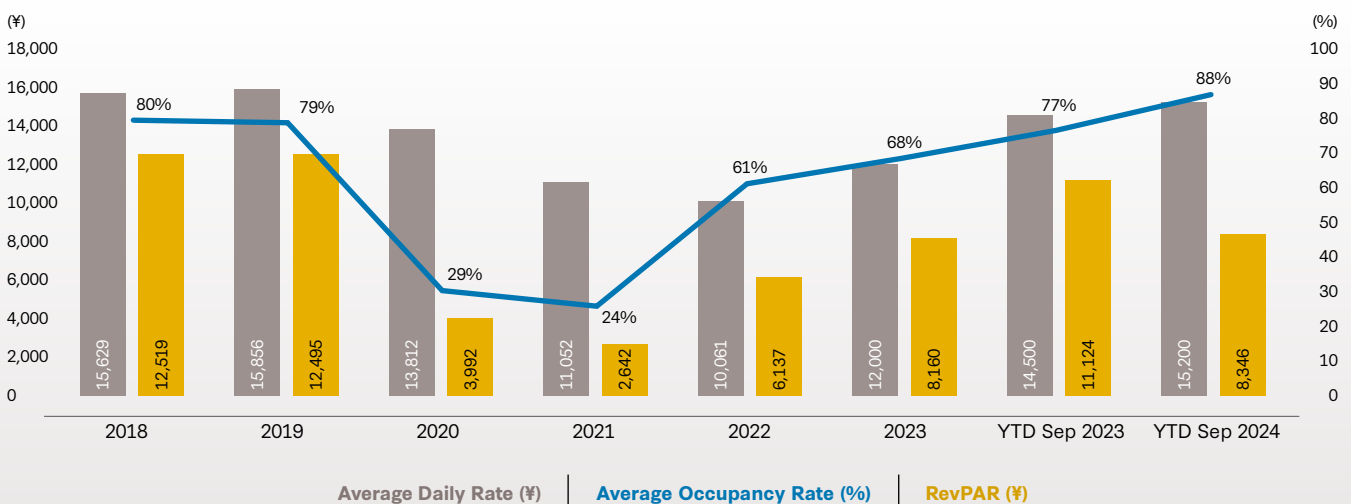
HOTEL MARKET OUTLOOK

Kobe's hotel operating performance is poised for further improvement, largely driven by the resurgence of inbound tourism to the Kansai region. ADR and RevPAR are anticipated to experience moderate growth, with projections indicating that they may surpass pre-pandemic levels within the next few years. The upcoming holiday season, along with the anticipated return of Chinese tourists, is expected to contribute positively to the hotel market in Kobe.

However, the industry-wide labor shortage continues to hinder many hotels from operating at full capacity, which has necessitated a focus on optimizing room rates. While higher room rates may enhance revenue for hotels, they could also pose challenges for average domestic travellers and corporate business visitors who operate with more constrained budgets.

Looking ahead, Kobe has the potential to develop into an international gateway city for Japan. With Kobe Airport set to commence regular international flights around 2030 and accommodate foreign entries for the 2025 World Expo, the airport is expected to target different customer segments than those served by Kansai International Airport. Business travelers seeking premium full-service and private airline options may favor Kobe Airport due to its convenient

Kobe Hotel Performance (2018 to September 2024)



MARKET OVERVIEW

access to Kobe City, as well as Osaka and Kyoto via JR trains. Furthermore, alternative transportation options, such as the Hankyu Railway and Hanshin Railway lines, provide efficient access to Osaka, enhancing the city's appeal.

The upcoming 'Osaka-Kansai Expo 2025' is anticipated to attract a substantial influx of tourists

from around the world and across Japan. Although the expo will take place in Osaka Prefecture, its proximity to Kobe makes it likely that many travellers will choose to visit Kobe for the event, potentially serving as a significant catalyst for the city's hospitality sector. Overall, the combination of these developments is expected to positively reshape Kobe's hotel landscape in the coming years.



RETAIL MARKET

As reported by the Japan Department Stores Association, Kobe's total department store sales reached ¥1.39 trillion, accounting for 2.6% of nationwide spending. This figure also reflects a YoY increase of 12%.

RETAIL SUPPLY

Kobe is estimated to have a total of 10,514 retail stores, which includes approximately 245 large retail establishments, 14 department stores, and 182 shopping streets.

The Sannomiya-Motomachi area serves as Kobe's premier commercial and entertainment district, housing the city's main attractions. This vibrant area is celebrated for its diverse shopping, dining, and entertainment options, effectively blending modern retail with traditional Japanese culture, thereby appealing to both locals and tourists.

Noteworthy transactions in the retail sector include Japan Retail Fund Investment's sale of Round One Sannomiya, featuring a gross floor area of 10,054 sqm, to a domestic company for ¥3.0 billion, yielding a capital gain of ¥800 million. Additionally, Financial Partners Group recently acquired FPG Links Kobe Motomachi, which is home to the Italian high-fashion brand Miu Miu, in April 2024.

Kobe Fashion Plaza reopened in March 2024, welcoming anchor tenants such as Kirindo, Daiso, and GIGA Factory Gear Kobe. Furthermore, Kobe Suma Sea World reopened on 1 June 2024, introducing a new aquarium, the Kobe Suma Sea World Hotel, and Matsu no Mori Village, which features a variety of shops and restaurants.

Mitsui Outlet Park Marine Pier Kobe, developed by Mitsui Fudosan Co., Ltd., is scheduled to reopen in November 2024, adding 150 new shops to the retail landscape. The project will encompass a site area of 99,400 sqm and a total store area of 30,000 sqm.

RETAIL MARKET PERFORMANCE

As of the end of 2022, rental rates in Kobe remained stagnant, with a slight decline in vacancy rates observed by 1Q 2023. The lack of significant redevelopment initiatives has resulted in continued weakness in demand within secondary retail areas post-pandemic. Prime rents showed no change through 1Q and 2Q 2023, while the vacancy rate experienced a modest reduction of 0.8%, settling at 5.2%.

In 2Q 2023, foot traffic in the Center-gai area began to recover gradually, leading to increased interest from retailers. By 3Q 2023, rents in Kobe rebounded to pre-COVID levels, coinciding with a drop in vacancy to an all-time low of 4%. This increase in leasing activity was largely fuelled by sectors such as casual fashion, overseas pastry shops, and capsule toy retailers.

The upward trend in rental rates continued into 4Q 2023, driven by heightened interest from luxury brands, jewelry retailers, beauty salons, and fitness centers, although vacancy rates saw a slight uptick of 0.2%.

As of 1Q 2024, the vacancy rate rose further by 0.5% to 4.7%, attributed to retailers relocating to more prime areas with smaller retail spaces. Concurrently, average rents increased to ¥250,000 per tsubo, maintaining this level through 2Q 2024. Demand in the first half of 2024 has been primarily driven by high-end watch retailers, indicating a shift towards more premium retail offerings in the market.

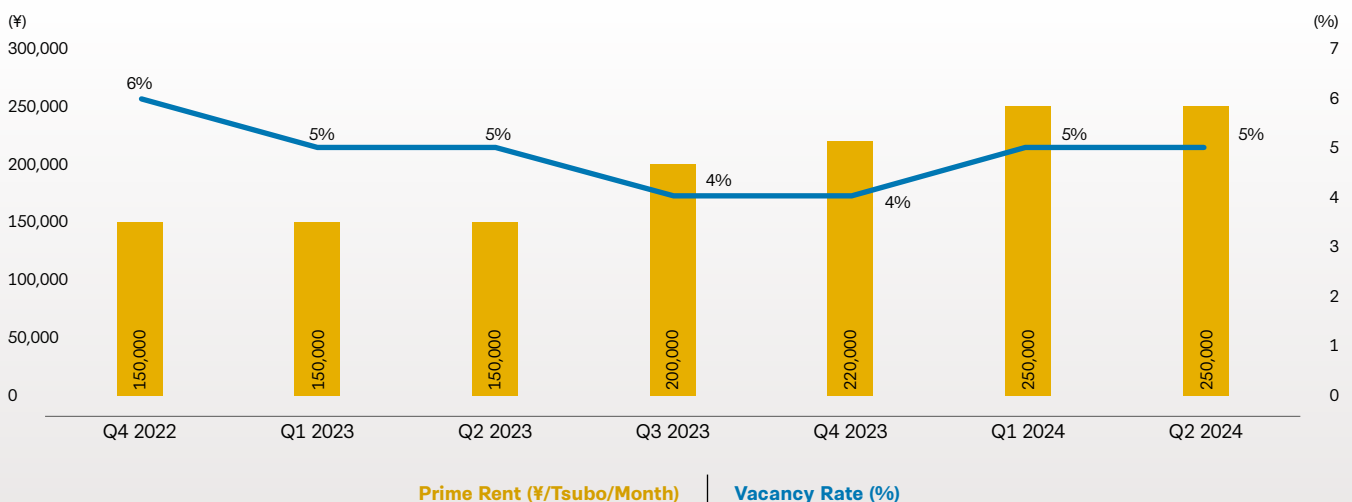
RETAIL MARKET OUTLOOK

Kobe has witnessed rents rise above pre-pandemic levels, indicating a strong rebound in consumer confidence and economic activity. The increase in tourism is expected to significantly benefit the retail sector. However, local retail associations express concern over a lack of successors for existing businesses, which may result in higher vacancy rates due to the city's aging population.

The improving MICE landscape is poised to generate further positive effects on the market, particularly with the upcoming Osaka Expo 2025 and the development of Osaka's new integrated resort. These events are likely to drive additional foot traffic and enhance the attractiveness of Kobe as a retail destination.

In summary, while there are challenges regarding succession and demographic shifts in the long term, the overall investment outlook for Kobe remains promising, bolstered by rising rents, increased tourism, and significant upcoming events that are likely to stimulate further growth in the retail sector.

Kobe Retail Performance (Q4 2022 to Q2 2024)



MARKET OVERVIEW

■ KUALA LUMPUR, MALAYSIA



TOURISM MARKET

Malaysia is a leading Southeast Asian destination, known for its rich cultural diversity, stunning natural landscapes, and vibrant urban attractions. Recent developments in reopening to international travellers position the country to revitalise its tourism sector. Kuala Lumpur, the capital, has benefited significantly from this recovery, with YTD June 2024 tourism arrivals surpassing the 2023 performance. Strategic government initiatives to enhance visitor experiences, extending visa-free travel, and promoting sustainable tourism further strengthen Malaysia's appeal for future tourism growth.

According to the Strategic Planning Division of Tourism Malaysia, the country witnessed a significant resurgence in tourism in 2023, welcoming 20.1 million tourist arrivals—nearly double the 10.1 million recorded in the previous year. This influx resulted in substantial revenue of MYR71.3 billion from tourist expenditure in 2023, representing a remarkable 153% increase in total expenditure compared to MYR28.2 billion in the prior year. These figures underscore Malaysia's growing appeal as a preferred travel destination.

As of June 2024, Malaysia has welcomed 11.8 million international tourists, maintaining a positive momentum in the tourism sector. The introduction of a 30-day visa-free entry for citizens of China and India, implemented in December 2023, has served as a significant catalyst for this growth. This robust upward trajectory not only enhances the economic landscape but also reinforces Malaysia's resilience and appeal within the global tourism market.

HOTEL SUPPLY

As of June 2024, Kuala Lumpur's hotel supply, as reported by Tourism Malaysia, is estimated at approximately 62,639 hotel rooms across 455 hotels. This represents nearly 18.4% of Malaysia's total room inventory. The inventory has increased by 2.9% since December 2023, when the state recorded 60,872 rooms. Notably, this growth reflects a rising demand for accommodations in the post-COVID era, with the current inventory up by nearly 6,305 rooms since 2021, when it stood at 56,334 rooms. Of the current inventory, over 68% of room supply is within the upscale and upper upscale segments, while under 5% are classified as luxury.

Major hotel developments in the pipeline includes Waldorf Astoria Kuala Lumpur (279 rooms, late 2024), Park Hyatt Kuala Lumpur (232 rooms, Q2 2025), Hyatt Regency Kuala Lumpur (306 rooms, 2025), and Marriott Edition (350 rooms, 2026).

HOTEL MARKET PERFORMANCE

From January to September 2024, Kuala Lumpur achieved an average occupancy rate of 68.7%, ranking as the second highest in the country, surpassed only by Pahang. This positive trend underscores the city's resilience and a return to form for the city's tourism sector.

As of YTD September 2024, Kuala Lumpur's ADR has increased to MYR392, reflecting an 8.0% rise from MYR363 during the same period in 2023. Furthermore, this figure represents a substantial increase from MYR336 achieved in 2022. This notable surge in ADR is primarily attributed to the pent-up demand from both domestic and international travellers. Hoteliers are also now less willing to discount rates significantly, faced with a high inflationary environment in recent years.

As reported by STR, RevPAR experienced a notable increase as of YTD September 2024, reaching MYR269. This represents an 17.0% rise compared to MYR230 for the same period in 2023. Furthermore, RevPAR has increased by 24.2% compared to the 2019 performance.

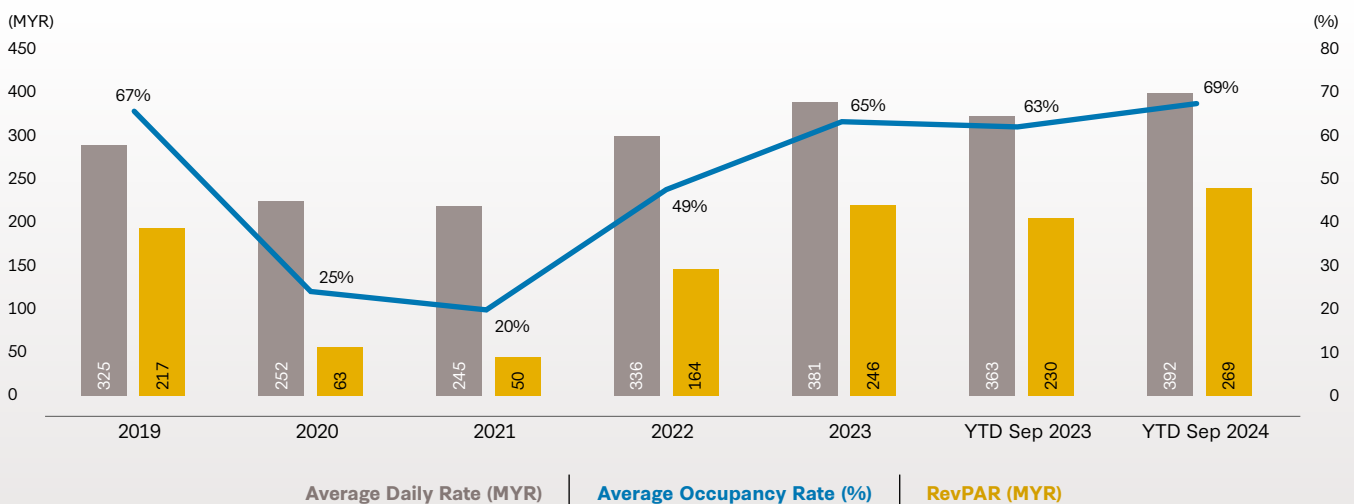
HOTEL MARKET OUTLOOK

As travel confidence gradually improves, Malaysia's tourism industry is poised for substantial growth, with the Kuala Lumpur hotel market continuing its recovery. The rising popularity of boutique hotels, fuelled by the expansion of digital information and social media, highlights a growing demand for authentic travel experiences.

The hospitality sector is undergoing significant changes, presenting opportunities for new entrants while encouraging existing players to reassess and innovate their offerings.

The long-term outlook for Kuala Lumpur's hotel market remains optimistic, supported by ongoing infrastructure development. The Budget 2025 commitment to invest in infrastructure, including the potential revival of the MRT 3 project, will enhance connectivity across the city and facilitate increased tourist arrivals, improved flight options, and a broader range of tourism products. Malaysia Airports Holdings is set to welcome three new airlines – British Airways, Thai VietJet, and 9 Air – by year-end, enhancing the country's connectivity. Additionally, Kuala Lumpur International Airport now serves 70 airlines, exceeding its pre-pandemic total of 69 airlines.

Kuala Lumpur Hotel Performance (2019 to September 2024)



MARKET OVERVIEW

■ DRESDEN, GERMANY



TOURISM MARKET

Dresden, the capital of the German state of Saxony, has consistently been recognised as a premier travel destination. In 2023, it was listed among the world's top travel destinations by Lonely Planet, and in 2024, it earned a place on The New York Times' annual list of "52 Places to Go". The city's remarkable cultural treasures, situated just a stone's throw from the Elbe River, offer a blend of history and architecture.

Dresden is renowned for its iconic landmarks such as the Baroque Zwinger Palace, the Semperoper Opera House, and the Church of Our Lady. Other notable attractions include Brühl's Terrace, the Royal Palace, the Elbe Castle on the Loschwitz hillside, the exclusive villas of the Blasewitz borough, the garden city of Hellerau, and the twelve Dresden State Art Collections.

According to the Dresden Tourism Report, the city recorded a total of 4.4 million overnight stays in 2023, a 16.0 % increase from 3.8 million in 2022. There was a total of 2.5 million overnight stays for the first seven months of 2024. While this figure indicates a recovery from the pandemic period, during which the city experienced only 2.2 million overnight stays in the whole of 2021, it still falls short of the pre-pandemic level of 4.7 million overnight stays for full year 2019.

In 2023, tourism spending in Dresden reached €1.3 billion, significantly contributing to the local economy and supporting 20,284 full-time jobs within the city.

During the first seven months of 2024, the State Statistical Office of Saxony indicated that Poland led

in visitor numbers, accounting for 67,715 overnight stays. This was followed by the United States (40,782), Austria (38,928), and Switzerland (38,609). Other key markets included the Netherlands (35,074), the Czech Republic (26,991), the United Kingdom (20,071), Denmark (15,564), France (14,585), and Spain (13,705).

HOTEL SUPPLY

According to the State Statistical Office of Saxony, the total number of accommodation establishments in 2023 reached 179, reflecting an increase of 10 establishments compared to 169 in 2022. However, this figure remains below the pre-COVID level of 186 establishments recorded in 2019. The total number of available beds in 2023 was 24,955, a slight increase from 24,687 beds in 2022. Despite the decrease in the number of accommodation establishments compared to pre-pandemic offerings, the number of beds has rebounded since 2022, exceeding the 23,970 beds available in 2019.

The sole significant development in Dresden is the Hampton by Hilton Dresden City Centre, which is set to contribute 203 rooms to the city in April 2025. Dresden's room pipeline remains significantly lower than that of other major German cities, including Munich, Hamburg, Cologne, Düsseldorf, Stuttgart, and Leipzig. The pandemic led to the postponement of several hotel openings, initially alleviating pressure on RevPAR levels. However, as new inventory enters the market, RevPAR is expected to experience increased pressure in the near term as the market adjusts to absorb this additional supply.

HOTEL MARKET PERFORMANCE

Dresden's hotel market began to show signs of gradual recovery in 2022 and 2023. As of YTD September 2024, the city's hotel room occupancy reached 68.0%, representing an increase from 65.0% during the same period in the previous year. In 2023, hotel occupancy peaked at 64.1%, marking the highest rate since the onset of the pandemic. However, this figure remains below the pre-pandemic level of 70.2% recorded in 2019.

According to STR, the ADR for YTD September 2024 reached €110, representing an increase of 4.8% compared to the same period last year. In 2023, the city recorded an ADR of €95, significantly exceeding the pre-pandemic level of €81 in 2019. The revenue losses experienced during the pandemic, combined with sharply rising costs for energy, food, and labor, have compelled hotel operators in Dresden to raise room rates.

As of YTD September 2024, the RevPAR for Dresden was €75. In 2023, RevPAR peaked at €61, surpassing the pre-pandemic level of €57. Notably, RevPAR increased significantly in 2022 by 107.0%, from €25 in 2021 to €51.

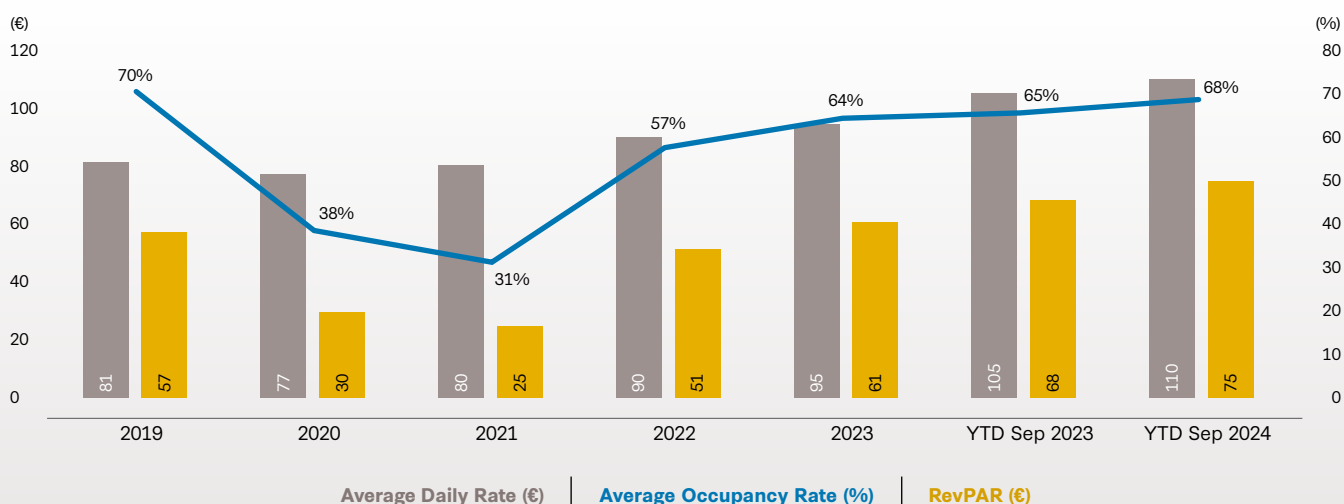
HOTEL MARKET OUTLOOK

Dresden is showing clear signs of recovery, contingent upon the increasing number of airport passenger arrivals, MICE, as well as domestic visitation, all of which contribute to higher room occupancy levels. In the near term, the new supply of accommodation in Dresden will continue to be absorbed, driven by an anticipated influx of business travellers and international students.

Compared to other major German cities, Dresden's limited new supply in the pipeline alleviates some operating pressures associated with current labour shortages, which is likely to exert less pressure on ADR. As a result, the outlook for the city remains cautiously optimistic.

Dresden is well-positioned to recover quickly as a tourist destination, benefiting from an advantageous position and strong domestic appeal.

Dresden Hotel Performance (2019 to September 2024)



BOARD OF DIRECTORS

As at 30 September 2024



Panote Sirivadhanabhakdi, 46

Chairman, Non-Executive and Non-Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager
10 June 2014

Length of service as director (as at 30 September 2024)
10 years 3 months

Board committees served on

- Nominating and Remuneration Committee

Academic & professional qualifications

- Master of Science in Analysis, Design and Management of Information Systems, The London School of Economics and Political Science, UK
- Bachelor of Science in Manufacturing Engineering, Boston University, USA
- Certificate in Industrial Engineering and Economics, Massachusetts University, USA

Present directorships in other companies (as at 30 September 2024)

Listed companies

- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

Listed REITs/Trusts

- Frasers Logistics & Commercial Asset Management Pte. Ltd., Manager of Frasers Logistics & Commercial Trust

Others

- Adelfos Company Limited
- Asian Capital Company Limited
- Athimart Company Limited (Vice-Chairman)
- Beer Thip Brewery (1991) Company Limited
- Baanboun Vetchakij Company Limited
- Blairmhor Distillers Limited
- Blairmhor Limited
- Chiva-Som International Health Resort Company Limited
- Cristalla Company Limited
- F and B International Company Limited
- Frasers Assets Company Limited
- Frasers Property (UK) Limited
- Frasers Property Corporate Services (Thailand) Company Limited
- Frasers Property Holdings (Thailand) Company Limited
- Golden Land Property Development Public Company Limited
- InterBev (Singapore) Limited
- International Beverage Holdings (China) Limited
- International Beverage Holdings (UK) Limited
- International Beverage Holdings Limited

- Kankwan Company Limited (Vice-Chairman)
- Kasem Subsiri Company Limited
- Kasemsubbhakdi Company Limited
- Lakeview Golf and Yatch Club Hotel Company Limited
- Must Be Company Limited
- Namjai Thaibev (Social Enterprise) Company Limited
- N.C.C. Exhibition Organizer Company Limited
- N.C.C. Image Company Limited
- N.C.C. Management and Development Company Limited
- Norm Company Limited
- NY Property Development Company Limited
- One Bangkok Company Limited
- Plantheon Company Limited
- Quantum Innovation Company Limited
- Quantum Trading Company Limited
- S.S. Karnsura Company Limited (Vice-Chairman)
- Siribhakhaditham Company Limited
- Sirivadhanabhakdi Company Limited
- SMJC Development Company Limited
- Sura Bangyikhan Company Limited (Vice-Chairman)
- T Fertilizer Corporation Company Limited
- TCC Assets (Thailand) Company Limited
- TCC Exhibition and Convention Centre Company Limited
- TCC Technology Company Limited
- TCC X Company Limited
- Thaibev Company Limited
- The Cha-Am Yacht Club Hotel Company Limited
- Theparunothai Company Limited (Vice-Chairman)
- TRA Land Development Company Limited
- Vadhanabhakdi Company Limited

Major appointments

(other than directorships)

- Frasers Property Limited (Group Chief Executive Officer)
- Singapore Management University (Director/Board of Trustees)
- National Gallery Singapore (Board Member)

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)
Nil

Past major appointments

- Univentures Public Company Limited (Chief Executive Officer)
- Real Estate Developers' Association of Singapore (REDAS) (Management Committee)

Others

Nil



Soong Hee Sang, 65

Non-Executive and
Lead Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager

29 May 2023

Length of service as director (as at 30 September 2024)

1 year 4 months

Board committees served on

- Audit, Risk and Compliance Committee
- Nominating and Remuneration Committee (Chairman)

Academic & professional qualifications

- Bachelor of Science (Honours) in Estate Management, National University of Singapore
- Master of Business Administration, National University of Singapore

Present directorships in other companies (as at 30 September 2024)

Listed companies

- Metro Holdings Limited

Listed REITs/Trusts

Nil

Others

Nil

Major appointments (other than directorships)

Nil

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)

- Keppel Pacific Oak US REIT Management Pte. Ltd., manager of Keppel Pacific Oak US REIT

Past major appointments

- Chairman of the Board, Investment and Establishment Committees, Mercatus Co-operative Limited
- Board member, Mercatus Strategic Investment Management LLP
- Managing Director (London), GIC Real Estate Private Limited
- Managing Director (Deputy Head Asia), GIC Real Estate Private Limited
- Country and Managing Director (London), CapitaLand
- Deputy Chief Executive Officer, CapitaLand Commercial
- Chief Executive Officer, CapitaLand Commercial Trust
- Chief Executive Officer (New Markets), CapitaLand Residential

Others

Nil

BOARD OF DIRECTORS

As at 30 September 2024



Quah Ban Huat, 57

Non-Executive and Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager

6 June 2023

Length of service as director (as at 30 September 2024)

1 year 3 months

Board committees served on

- Audit, Risk and Compliance Committee
- Nominating and Remuneration Committee

Academic & professional qualifications

- Fellow, Institute of Chartered Accountants in England and Wales
- Fellow, Association of Chartered Certified Accountants

Present directorships in other companies (as at 30 September 2024)

Listed companies

- Amcorp Global Limited

Listed REITs/Trusts

Nil

Others

- Primeur Holdings Pte Ltd
- Primeur Cellars Pte Ltd

Major appointments (other than directorships)

- Senior Advisor to Chairman of Sunjoy Group

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)

- Samudera Shipping Line Ltd
- Grindrod Shipping Holdings Ltd.

Past major appointments

- Principal Consultant, KPMG Services Pte. Ltd.
- Director, AP Oil International Limited
- Director, Croesus Retail Asset Management Pte. Ltd., trustee-manager of Croesus Retail Trust
- Director, mDR Limited
- Director and Chairman of Audit Committee, Deutsche Boerse Asia Holdings Pte Ltd
- Director and Chairman of Audit Committee, Eurex Clearing Asia Pte Ltd
- Director and Chairman of Audit Committee, Eurex Exchange Asia Pte Ltd
- Business Area Controller, Deutsche Bank
- Group Finance Director, IMC Group
- Chief Financial Officer, City Gas Pte. Ltd.
- Chief Financial Officer, Rickmers Trust Management Pte. Ltd., trustee-manager of Rickmers Maritime Trust
- Director, Sunjoy UK Service and Distribution Co. Ltd

Others

Nil



Nagaraj Sivaram, 65

Non-Executive and
Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager
29 May 2023

Length of service as director (as at 30 September 2024)
1 year 4 months

Board committees served on

- Audit, Risk and Compliance Committee (Chairman)
- Nominating and Remuneration Committee

Academic & professional qualifications

- Bachelor of Commerce, University of Bombay
- Fellow, Institute of Chartered Accountants in England and Wales
- Fellow, Institute of Singapore Chartered Accountants

Present directorships in other companies (as at 30 September 2024)

Listed companies

- British and Malayan Holdings Limited
- Thakral Corporation Ltd

Listed REITs/Trusts

- ESR-LOGOS Funds Management (S) Limited, manager of ESR LOGOS REIT

Others

- Land Transport Authority

Major appointments (other than directorships)
Nil

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)

- G. K. Goh Holdings Limited

Past major appointments

- Member, Board of Trustees, Singapore Institute of Technology
- Audit Partner, Ernst & Young LLP
- Board Member, Urban Redevelopment Authority

Others

Nil

BOARD OF DIRECTORS

As at 30 September 2024



David Wong See Hong, 71

Non-Executive and
Non-Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager

10 June 2014

Length of service as director (as at 30 September 2024)

10 years 3 months

Board committees served on

- Audit, Risk and Compliance Committee
- Nominating and Remuneration Committee

Academic & professional qualifications

- Doctor in Transformational Leadership, Bethel Bible Seminary, Hong Kong
- Master of Science in Investment Management, Hong Kong University of Science and Technology
- Bachelor of Business Administration, University of Singapore
- Financial Industry Certified Professional, Institute of Banking and Finance, Singapore

Present directorships in other companies (as at 30 September 2024)

Listed companies

- Frasers Property Limited
- China Merchants Bank Co., Ltd

Listed REITs/Trusts

- EC World Asset Management Pte Ltd, Manager of EC World REIT

Others

- Frasers Property Industrial Holdings Pte. Ltd.
- Tullett Prebon Sitico (China) Limited

Major appointments (other than directorships)

- Chairman, Halftime Hong Kong Limited
- Finance Management Committee Member, Hong Kong Management Association

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)

Nil

Past major appointments

- Chairman, HDR Global Trading Limited
- Deputy Chief Executive, Bank of China (Hong Kong) Group
- Director, Tahoe Life Assurance Company Limited
- Director, EKPAC International Group (Holdings) Limited
- Director, BOC Group Life Assurance Company Limited
- Chairman, BOC International - Prudential Trustee Limited
- Chairman, BOCHK Asset Management Limited
- Board Member, Civil Service College, Singapore
- Board Member, Energy Market Authority
- Customer Advisory Board Member, Thomson Reuters
- Corporate Executive Vice President and Chief Executive (South-East Asia) and Managing Director (Hong Kong Branch) of ABN AMRO Bank

Others

Nil



Chang Tou Chen, 55*

Non-Executive and
Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager

1 November 2024

Length of service as director (as at 1 November 2024)

-

Board committees served on

- Audit, Risk and Compliance Committee

Academic & professional qualifications

- Bachelor of Science (First Class Honours) in History of Medicine and Basic Medical Sciences, University of London

Present directorships in other companies (as at 1 November 2024)

Listed companies

Nil

Listed REITs/Trusts

Nil

Others

- Samudrau Capital Partners Management Limited

Major appointments (other than directorships)

- 316 Church, Exco Member, Honorary Secretary and Assistant Pastor

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)

Nil

Past major appointments

- Managing Director, Head of Banking South East Asia, The Hongkong and Shanghai Banking Corporation Limited
- Managing Director, Head of Investment Banking, Asia Pacific, The Hongkong and Shanghai Banking Corporation Limited
- Director, Head of M&A South East Asia, Citigroup Investment Banking
- Director, Head of Consumer & Retail Asia Pacific, Citigroup / Schroders Investment Banking
- Board Member and Honorary Treasurer, Rhema Bible Training Center Singapore

Others

Nil

* Mr Chang Tou Chen was appointed as a non-executive and independent Director, and a member of the Audit, Risk and Compliance Committee with effect from 1 November 2024.

BOARD OF DIRECTORS



Ho Hon Cheong, 70*
Chairman, Non-Executive and
Independent Director

Date of appointment as director of the REIT Manager and Trustee-Manager
1 December 2024

Length of service as director (as at 1 December 2024)
-

Board committees served on

- Audit, Risk and Compliance Committee
- Nominating and Remuneration Committee (Chairman)*

Academic & professional qualifications

- Master of Business Administration (Accounting and Finance), McGill University, Canada
- Bachelor of Engineering (Honours), University of Malaya, Malaysia

Present directorships in other companies (as at 1 December 2024)

Listed companies

- PT Chandra Asri Petrochemical Tbk

Listed REITs/Trusts

Nil

Others

Nil

Major appointments (other than directorships)
Nil

Past directorships in listed companies held over the preceding 3 years (from 1 October 2021 to 30 September 2024)

- Fraser's Logistics & Commercial Asset Management Pte. Ltd. (manager of Fraser's Logistics & Commercial Trust)

Past major appointments

- Chief Executive Officer/President Director of PT Bank Danamon Indonesia Tbk
- Chief Executive Officer of PT Bank Internasional Indonesia Tbk
- Managing Director, Special Investments at Temasek Holdings Pte. Ltd.
- Non-Executive Chairman of Rothschild (Singapore) Pte Ltd
- Non-Executive and Non-Independent Director of Alliance Bank Malaysia Bhd
- Non-Executive and Independent Director of AIA Singapore Pte. Ltd.

Others

Nil

* Mr Ho Hon Cheong was appointed as a non-executive and independent Director, Chairman of the Board in place of Mr Panote Sirivadhanabhakdi, Chairman of the NRC and member of the ARCC, with effect from 1 December 2024.

MANAGEMENT TEAM

Eric Gan

Chief Executive Officer

Eric is the Chief Executive Officer of the Managers and is responsible for the overall business, investment and operational strategies of FHT.

Eric joined the Managers in October 2018 as Designate Chief Financial Officer (CFO). Prior to his current appointment, he was the CFO of the Managers from January 2019 to January 2023 and was responsible for FHT's financial and capital management.

Eric has over 25 years of experience in financial reporting, corporate finance, treasury management, audit, taxation and company secretarial matters. Before joining FHT, he was the CFO of OUE Hospitality REIT Management Pte. Ltd., the REIT Manager of OUE Hospitality Real Estate Investment Trust from August 2014 to September 2018. Prior to that, he was the CFO of Meritus Hotels & Resorts (Hospitality Division) of OUE Limited.

Eric has extensive experience in the field of financial management. He started his professional career with international accounting firms and later moved on to public listed companies in real estate, manufacturing and food businesses, where he held key positions such as Senior Vice President, Company Secretary and CFO.

Eric is a Fellow of The Association of Chartered Certified Accountants (UK) and a member of the Institute of Singapore Chartered Accountants.

Benjamin Kuah

Chief Financial Officer

Benjamin oversees the finance, taxation and treasury functions of FHT. With over 20 years of experience in finance and accounting, he brings a wealth of expertise to his role.

Prior to his current appointment, Benjamin was Head of Finance at Frasers Hospitality. Previously, he served as the Chief Financial Officer and Head of Investor Relations at PARAGON REIT for the last five years. In this role, he was responsible for capital management, including tax and treasury matters, as well as overseeing finance and accounting functions, such as statutory reporting and the implementation of PARAGON REIT's financial business plans. Additionally, he managed investor relations, facilitating communication and liaising with unitholders.

Benjamin began his career at PricewaterhouseCoopers Singapore, where he also completed a two-year secondment at the PricewaterhouseCoopers Macao office. He holds a Bachelor of Accountancy degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

Wong Soon Year

Head of Investment

Soon Year is responsible for sourcing, evaluating, recommending and executing acquisition and divestment transactions for FHT. He has over 30 years of experience in the real estate industry and has been with Frasers Property Group for the last 17 years.

In Frasers Property Group, he has held various senior positions including Head of Investment for Frasers Commercial Asset Management Ltd, the manager for Frasers Commercial Trust prior to its merger with Frasers Logistics and Industrial Trust. He was also Head of Business Development of Frasers Property Singapore, responsible for its strategy and residential and commercial land tenders. Before that, he was with a Singapore-listed property company where he undertook investment, asset management and business development work in Singapore and Malaysia.

Soon Year holds a Bachelor of Science (Honours) in Estate Management from the National University of Singapore and an Executive Master of Science in Finance from the Zicklin School of Business, Baruch College, City University of New York. He is also a member of the Royal Institute of Chartered Surveyors.

MANAGEMENT TEAM

Caris Ang

Head of Asset Management

Caris is responsible for the asset management of FHT's portfolio. Her role includes optimising and executing asset management strategies to improve portfolio income through working with the various hotels and serviced residence operators. She is also responsible for identifying and implementing asset enhancement initiatives that are yield accretive.

Caris has over 20 years of experience in the real estate industry. Prior to her current appointment, she was Senior Manager of Business Development at Fraser's Hospitality Pte. Ltd., responsible for its business development and investments across the Asia-Pacific region. Previously at Mapletree Logistics Trust Management Ltd., the manager of Mapletree Logistics Trust, she was the asset manager for a portfolio of logistics properties in Singapore and Malaysia. She started her career at City Developments Limited, focusing on property management of its commercial assets.

Caris holds a Bachelor of Science (Honours) degree in Building from the National University of Singapore.

Joey Ho

Investor Relations Manager

Joey manages the investor relations function of FHT and serves as the primary point of contact for its stapled securityholders, the investment community, and the media. He leads the preparation of public disclosures, ensuring clear and consistent communication about FHT's performance, strategy, and growth prospects. He also provides the management team with market intelligence and research, enabling informed decision-making, and oversees the sustainability reporting, ensuring adherence to ESG standards and practices.

Prior to his current appointment, he was the Investor Relations Manager at managers of CDL Hospitality Trusts, where he managed a wide range of investor relations activities. Earlier in his career, he served as Principal Consultant at Citigate Dewe Rogerson, where he provided external investor relations and corporate communications services to a diverse portfolio of publicly listed companies in Singapore.

Joey holds a Bachelor of Commerce in Banking and Finance from Murdoch University.



PORTFOLIO SUMMARY

Property	Tenure	Remaining Lease Term (year)	Purchase price (million)
InterContinental Singapore	75-year leasehold commencing 14 Jul 2014	65	S\$497.1
Fraser Suites Singapore	75-year leasehold commencing 14 Jul 2014	65	S\$327.0
Fraser Suites Sydney	75-year leasehold commencing 14 Jul 2014	65	A\$103.5
Novotel Sydney Darling Square	84-year leasehold commencing 14 Jul 2014	74	A\$66.0
Novotel Melbourne on Collins	Freehold	-	A\$237.0
Fraser Suites Queens Gate London	75-year leasehold commencing 14 Jul 2014	65	£46.3
Park International London	75-year leasehold commencing 14 Jul 2014	65	£39.3
Fraser Place Canary Wharf London	75-year leasehold commencing 14 Jul 2014	65	£31.5
ibis Styles London Gloucester Road	75-year leasehold commencing 14 Jul 2014	65	£17.0
Fraser Suites Edinburgh	75-year leasehold commencing 14 Jul 2014	65	£11.5
Fraser Suites Glasgow	75-year leasehold commencing 14 Jul 2014	65	£7.5
ANA Crowne Plaza Kobe	Freehold	-	¥11,200.0
Koto no Hako (retail component of ANA Crowne Plaza Kobe)	Freehold	-	¥3,680.0
The Westin Kuala Lumpur	Freehold	-	MYR455.0
Maritim Hotel Dresden ³	Freehold	-	€58.4

1 Excludes right-of-use assets recognised under FRS116.

2 Unutilised furniture, fixtures and equipment (FF&E) reserve will be carried forward to the following year, if any.

3 Maritim Hotel Dresden's fixed rent was excluded due to limitations imposed by master lease agreement.

Top 10 Tenants	Industry	Percentage of GR ¹
BCH Hotel investment Pte Ltd	Hotel	19.4%
River Valley Apartments Pte Ltd	Serviced residence	13.1%
Maritim Hotelgesellschaft mbH	Hotel	9.5%
JBB Hotels Sdn Bhd	Hotel	9.5%
Fraser's Townhall Residences Operations Pty Ltd	Serviced residence	9.4%
K.K. Shinkobe Holding	Hotel	8.9%
Fraser's Sydney ML Hotel Pty Ltd	Hotel	7.5%
P I Hotel Management Limited	Hotel	7.3%
Fairdace Limited	Serviced residence	6.7%
39QGG Management Limited	Serviced residence	5.5%

1 Based on GR derived from the master leases and exclude the GR from Novotel Melbourne on Collins for FY2024.

Valuation as at 30 Sep 2024 (million)	Master Lessee	Fixed rent per annum (million)	Variable rent per annum ²
S\$515.0	BCH Hotel investment Pte Ltd	S\$8.0	76.0% GOP less Fixed Rent plus FF&E reserve
S\$300.0	River Valley Apartments Pte Ltd	S\$7.7	20.0% GOR + 59.0% GOP less Fixed Rent plus FF&E reserve
A\$143.8	Frasers Townhall Residences Operations Pty Ltd	A\$4.2	20.0% GOR + 54.5% GOP less Fixed Rent plus FF&E reserve
A\$118.0 ¹	Frasers Sydney ML Hotel Pty Ltd	A\$2.5	84.0% GOP less Fixed Rent plus FF&E reserve
A\$235.0	FH-BT NMCS Operations Pty Ltd	A\$5.9	86.0% GOP less Fixed Rent plus FF&E reserve
£56.8	39QGG Management Limited	£1.8	20.0% GOR + 67.0% GOP less Fixed Rent plus FF&E reserve
£46.7	P I Hotel Management Limited	£1.3	91.5% GOP less Fixed Rent plus FF&E reserve
£27.0	Fairdace Limited	£1.4	20.0% GOR + 65.0% GOP less Fixed Rent plus FF&E reserve
£20.9	P I Hotel Management Limited	£0.6	91.5% GOP less Fixed Rent plus FF&E reserve
£18.8	Frasers (St Giles Street) Management Limited	£0.5	20.0% GOR + 45.0% GOP less Fixed Rent plus FF&E reserve
£8.0	Fairdace Limited	£0.4	20.0% GOR + 50.0% GOP less Fixed Rent plus FF&E reserve
¥17,700.0	K.K. Shinkobe Holding	¥600.0	77.8% GOP less Fixed Rent plus FF&E reserve
¥3,700.0	Japan Mall G.K.	-	-
MYR493.0	JBB Hotels Sdn Bhd	MYR14.8	78.5% GOP less Fixed Rent plus FF&E reserve
€53.8	Maritim Hotelgesellschaft mbH	-	-

TENANCY

As at 30 September 2024, there are 15 master leases for FHT's investment properties, with only one lease accounting for 6.7% of gross revenue expiring in the next five years.

The weighted average lease expiry (WALE) of FHT's investment properties (excluding the master lease for Novotel Melbourne on Collins and Koto no Hako) was 9.5 years. The WALE was computed based on the gross annual revenue from each of the investment properties.

It does not assume the renewal of the master leases after the initial lease term, although some of the master lease agreements are renewable at the option of the master lessee on the same terms and conditions (save for amendments required due to any change in law) for an additional lease term.

As at 30 September 2024, the WALE of the retail leases for Koto no Hako was 3.8 years, while the WALE of new leases entered into during the year was 6.7 years.

ASSET PROFILES



INTERCONTINENTAL SINGAPORE

Singapore

NO. OF ROOMS

406

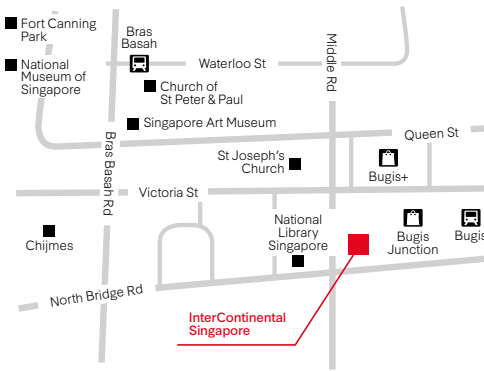
GROSS FLOOR AREA

49,987 sqm

ADDRESS
80 Middle Road,
Singapore 188966

InterContinental Singapore is nestled in a retail and commercial area comprising Bugis Junction Shopping Mall, Bugis+ Shopping Mall and other commercial complexes along Victoria Street, Middle Road and North Bridge Road. Situated approximately 2 km from the CBD, the hotel is close to key tourist hubs such as Orchard Road, Chinatown and Marina Bay. It is conveniently located above the Bugis Mass Rapid Transit station, providing connectivity to attractions around Singapore.

The 16-storey hotel is the only luxury hotel in Singapore with rooms in a shophouse-style setting, preserving its Peranakan heritage. It offers 406 guest rooms, meeting rooms, a gym, a swimming pool, an all-day-dining restaurant, a bar, a Chinese restaurant and a Japanese restaurant. The hotel has ample parking, which is a shared facility within Bugis Junction.



FRASER SUITES SINGAPORE

Singapore

NO. OF ROOMS

255

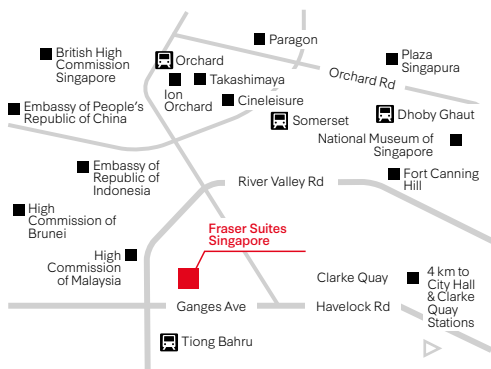
GROSS FLOOR AREA

27,018 sqm

ADDRESS
491A River Valley Road,
Singapore 248372

Fraser Suites Singapore is located in River Valley, a prime residential district, approximately 2 km from the Orchard Road shopping belt and about 3.5 km from the CBD. The serviced residence is also close to the Dempsey, Boat Quay and Clarke Quay entertainment areas.

The property offers a range of unit sizes, from 50 sqm for a 1-bedroom apartment to 350 sqm for a penthouse. Each unit is fully furnished with separate living, dining, kitchen and bedroom areas, as well as a state-of-the-art home entertainment system. Fraser Suites Singapore offers a wide range of recreational and business facilities, including an extensive indoor and outdoor playzone, a 24-hour fully equipped gym, a jet pool, a swimming pool, and steam and sauna facilities.



FRASER SUITES SYDNEY

Australia

NO. OF ROOMS

201

GROSS FLOOR AREA

12,137 sqm

ADDRESS

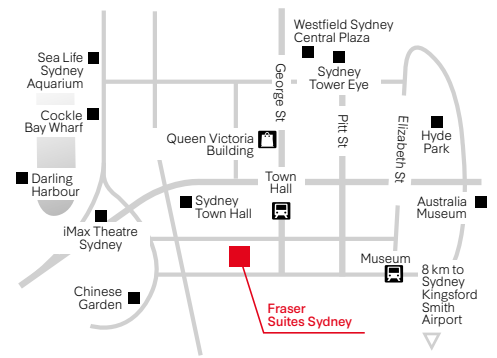
488 Kent Street,
Sydney, NSW 2000,
Australia

Fraser Suites Sydney is situated within the western corridor of Sydney's CBD, close to major landmarks such as Sydney Town Hall, Chinatown, Darling Harbour and the World Square retail, office and entertainment precinct. The serviced residence is also within walking distance of Cockle Bay Wharf, which features the IMAX theatre, the International Convention Centre, and a variety of restaurants and entertainment options. Sydney's Kingsford Smith Airport is approximately a 20-minute drive away.

Designed by the internationally renowned architects Foster and Partners, Fraser Suites

Sydney is directly connected to Regent Place, a 3-storey retail plaza. The property features 201 fully furnished apartments comprising studios, 1-bedroom apartments and 2 penthouses, each providing spacious living areas and panoramic views of the city's skyline.

Fraser Suites Sydney offers a wide range of recreational and business facilities, including a leisure centre with a gym, heated lap pool, spa and sauna facilities. The business facilities include conference rooms with internet access and secretarial services. Additionally, the serviced residence provides a securely covered carpark for guests.



NOVOTEL SYDNEY DARLING SQUARE

Australia

NO. OF ROOMS

230

GROSS FLOOR AREA

12,128 sqm

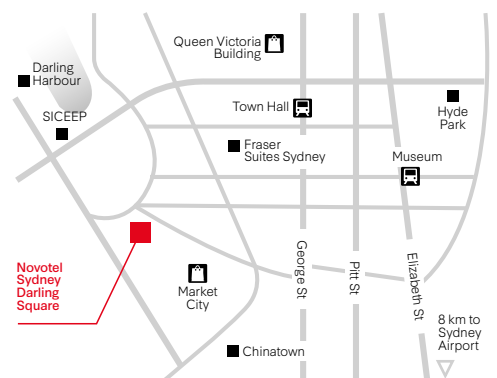
ADDRESS

17 Little Pier Street,
Darling Harbour, NSW
2000, Australia

Novotel Sydney Darling Square is located in the heart of the newly developed Darling Square urban neighbourhood, a vibrant area connecting Ultimo, Darling Harbour and Haymarket. This precinct is a dynamic hub for retailers, residents, shoppers and working professionals.

The hotel is within walking distance of many shops and restaurants at Darling Harbour, Cockle Bay, King Street Wharf and the International Convention Centre.

The hotel offers a range of dining and meeting facilities, including an all-day dining restaurant, a lobby bar, and six meeting rooms, making it an ideal venue for corporate luncheons and business meetings. The hotel also features PumpHouse, a heritage-listed microbrewery offering an extensive selection of craft and premium brews, and Australian cuisine.



ASSET PROFILES



NOVOTEL MELBOURNE ON COLLINS Australia

NO. OF ROOMS

380

**GROSS FLOOR
AREA**

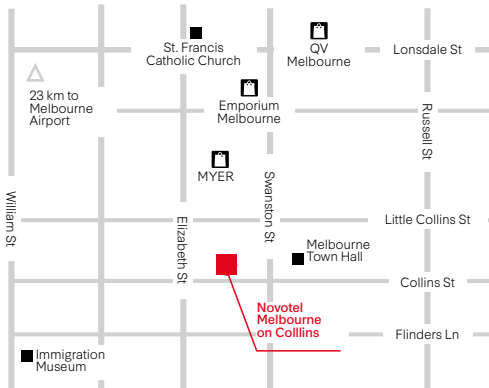
20,860 sqm

ADDRESS

270 Collins Street,
Melbourne, VIC3000,
Australia

Novotel Melbourne on Collins is located in the heart of Melbourne's CBD, just minutes away from the city's main shopping district. The hotel is within walking distance of Melbourne's theatre district, including Her Majesty's Theatre and Princess Theatre, as well as The National Gallery of Victoria. Renowned sporting venues such as the Melbourne Cricket Ground and the Rod Laver Arena are only a few minutes' drive away. The hotel is approximately 25 km from Melbourne International Airport and is easily accessible by public transport.

Novotel Melbourne on Collins features 380 guest rooms, ranging from 26 sqm to 40 sqm, each with views of either the hotel's glass atrium or the bustling Collins Street. The hotel features nine conference and event spaces, a fully equipped business centre, a restaurant, a bar and a fitness centre. It is also situated directly above St. Collins Lane mall.



FRASER SUITES QUEENS GATE LONDON UK

NO. OF ROOMS

105

**GROSS FLOOR
AREA**

6,416 sqm

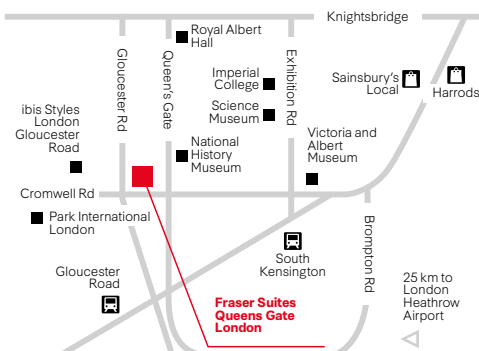
ADDRESS

39B Queens Gate Gardens,
South Kensington,
London, SW7 5RR, UK

Fraser Suites Queens Gate London is conveniently situated within walking distance of Knightsbridge, Chelsea, Hyde Park, Royal Albert Hall and Harrods. The serviced residence is near Gloucester Road Underground Station, which is served by the Piccadilly, District and Circle lines, and is approximately 23 km from London Heathrow Airport.

Housed in a preserved 19th century historical building, the 7-storey serviced residence, which offers 105 rooms ranging from studio deluxe units to 2-bedroom deluxe units, features elegant interiors and a dining conservatory.

Fraser Suites Queens Gate London provides a range of recreational and business facilities such as a gym and a meeting room that can accommodate up to 30 people. Other amenities include a guest laundry and a business zone with internet workstations.



PARK INTERNATIONAL LONDON UK

NO. OF ROOMS

171

GROSS FLOOR AREA

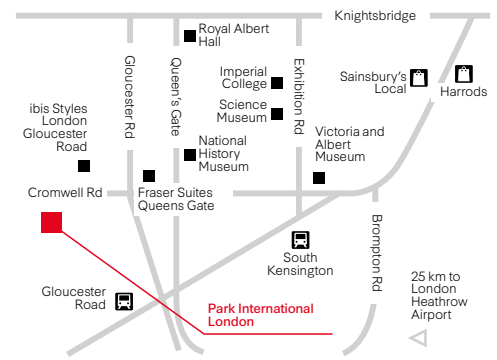
6,825 sqm

ADDRESS

117-129 Cromwell Road, South Kensington, London, SW7 4DS, UK

Park International London is an elegant Victorian-style hotel located in the heart of Kensington and Chelsea. The hotel is in close proximity to key tourist attractions such as the Natural History Museum, Royal Albert Hall, South Kensington, and Earl's Court Exhibition Centre. It also benefits from the nearby Gloucester Road Underground Station.

The hotel's strategic location allows it to capture demand from both leisure and business travellers. Park International London features 171 guest rooms, ranging from single rooms to junior suites, and offers a variety of recreational and business facilities, including a gym and a business centre.



FRASER PLACE CANARY WHARF LONDON UK

NO. OF ROOMS

108

GROSS FLOOR AREA

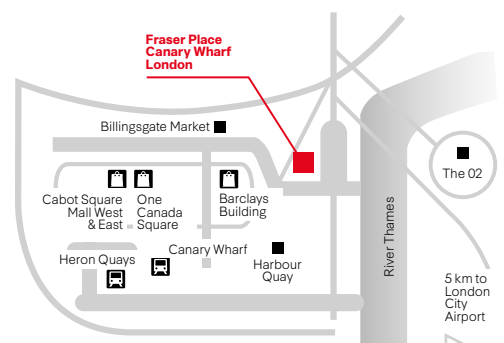
5,659 sqm

ADDRESS

80 Boardwalk Place, London, E14 5SF, UK

Fraser Place Canary Wharf London is located by the River Thames in Canary Wharf, London's modern financial centre, with a wide range of chic restaurants, bars and shops. It is a 5-minute stroll from the Canary Wharf shopping and entertainment complex, as well as a 10-minute walk from Canary Wharf Underground Station (Jubilee Line) and Docklands Light Railway. London City Airport is also within an easy 10-minute ride.

The 14-storey Fraser Place Canary Wharf London offers units ranging from 21 sqm studio apartments to a 200 sqm penthouse. Each unit is fully furnished with spacious living areas and affords views of Canary Wharf, the River Thames and The O2 in Greenwich. The property also features a 24-hour gym and a full-service business centre.



ASSET PROFILES



IBIS STYLES LONDON GLOUCESTER ROAD UK

NO. OF ROOMS

84

**GROSS FLOOR
AREA**

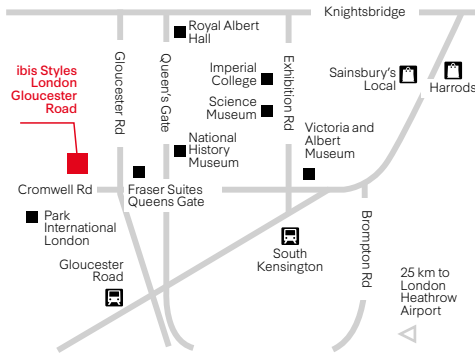
2,512 sqm

ADDRESS

108, 110 and 112
Cromwell Road, South Kensington,
London, SW7 4ES, UK

ibis Styles London Gloucester Road is set in a Victorian-style building along Cromwell Road in the South Kensington borough. The hotel is conveniently located near Gloucester Road Underground Station, which is served by the Piccadilly, Circle, and District lines. Nearby attractions include the Science Museum, the Natural History Museum, and the Victoria & Albert Museum, as well as shopping destinations such as Harrods and Harvey Nichols.

The hotel's strategic location allows it to capture demand from both business and leisure travellers. The hotel offers a variety of double rooms, a breakfast area on the lower ground floor, and a lobby bar serving drinks and snacks throughout the day.



FRASER SUITES EDINBURGH UK

NO. OF ROOMS

75

**GROSS FLOOR
AREA**

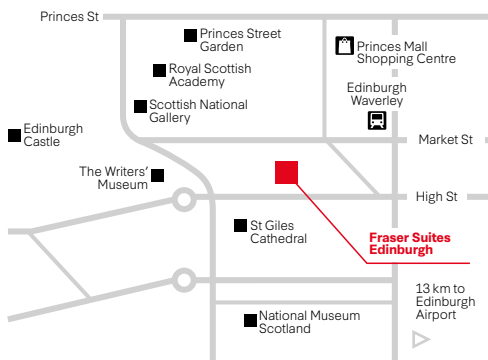
3,952 sqm

ADDRESS

12-26 St Giles Street,
Edinburgh, EH1 1PT,
Scotland, UK

Fraser Suites Edinburgh is set in a 1750s sandstone building on the historic St Giles Street, off the Royal Mile in Edinburgh's Old Town. The serviced residence is within walking distance of Princes Street and Edinburgh Castle, and is surrounded by restaurants, bars, cafes, and shops. Nearby attractions include Holyrood Palace, the National Gallery of Art, the National Museum of Scotland, and Arthur's Seat. Edinburgh Airport is approximately 13 km away.

Fraser Suites Edinburgh comprises 8 storeys with 75 rooms, with unit sizes ranging from 24 sqm for a studio apartment to 51 sqm for a bespoke suite. The serviced residence also has a 24-hour fitness suite.



FRASER SUITES GLASGOW UK

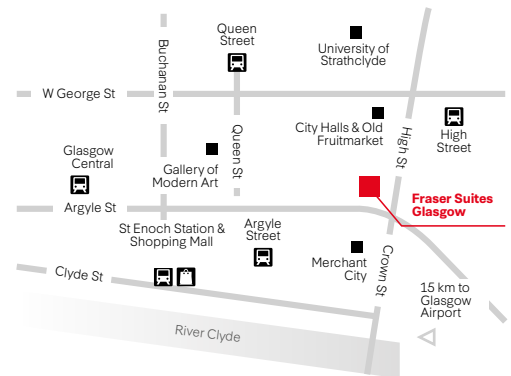
Fraser Suites Glasgow is located in Merchant City, Glasgow's historic centre, offering convenient access to restaurants, boutiques, theatres and pavement cafes. The serviced residence is also close to George Square, Glasgow Cathedral, the Gallery of Modern Art and the shopping destinations of Buchanan Street and St Enoch Centre.

NO. OF ROOMS
98

GROSS FLOOR AREA
7,386 sqm

ADDRESS
No 1-19 Albion Street,
Glasgow, G1 1LH,
Scotland, UK

Set in a restored 1850s building with a classic Victorian Scottish façade, Fraser Suites Glasgow once housed the city's bank and now comprises 98 rooms over 5 storeys. Unit sizes range from 41 sqm for a studio apartment to 59 sqm for a 2-bedroom apartment, each fully furnished with a kitchenette. The serviced residence also offers a 24-hour gym, self-service laundry and a meeting room.



ANA CROWNE PLAZA KOBE Japan

ANA Crowne Plaza Kobe is located close to the centre of Kobe City, the largest city in Hyogo Prefecture. The hotel is situated above Shin-Kobe Subway Station, just one subway stop from downtown Kobe, and has direct access to JR Shin-Kobe Shinkansen Station, providing easy access to Tokyo and Osaka. It is approximately 8 km from Kobe Airport and 71 km from Kansai International Airport.

ANA Crowne Plaza Kobe offers a variety of room options, ranging from 15 sqm single rooms to

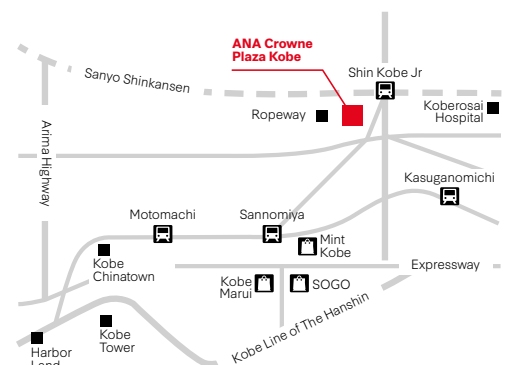
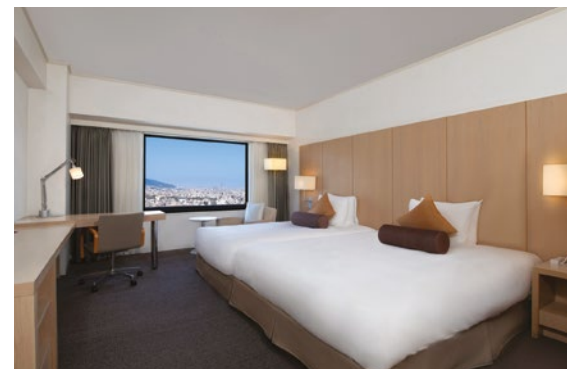
NO. OF ROOMS
593

GROSS FLOOR AREA
136,656 sqm

ADDRESS
1-Chome,
Kitano-Cho Chuo-Ku,
Kobe, 650-0002, Japan

125 sqm club suites. The hotel's event spaces cover 3,298 sqm, including exhibit areas and a ballroom that can accommodate up to 2,000 people.

Koto no Hako, the retail component of ANA Crowne Plaza Kobe, is a vibrant shopping and dining destination featuring a diverse tenant mix of over 20 establishments, offering a wide variety of options for both locals and visitors.



ASSET PROFILES



THE WESTIN KUALA LUMPUR Malaysia

NO. OF ROOMS

443

**GROSS FLOOR
AREA**

79,593 sqm

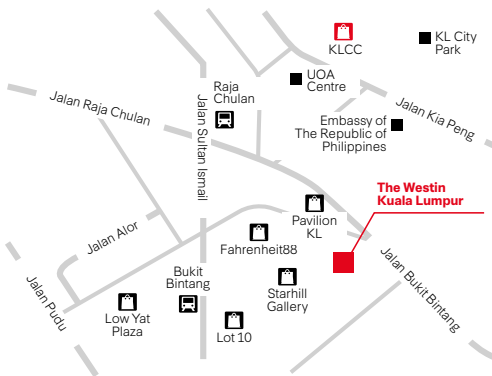
ADDRESS

199, Jalan Bukit Bintang,
Kuala Lumpur, 55100,
Malaysia

The Westin Kuala Lumpur is located in the bustling Golden Triangle, offering convenient access to the city's shopping malls and nightlife. The hotel is situated directly opposite the Pavilion mall, which features over 500 retail shops, and is in close proximity to Kuala Lumpur City Centre, where multinational corporations and leading financial institutions are located.

The 35-storey hotel offers 380 hotel rooms and 63 residential suites. It features a wide range of recreational and business facilities, including a gym, swimming pool, F&B outlets serving Chinese and international cuisines, and a bar lounge.

The Westin Kuala Lumpur provides extensive meeting and conference facilities, including 20 meeting rooms equipped with state-of-the-art audio-visual equipment, while the grand ballroom can accommodate up to 50 round tables. There are also two smaller meeting rooms catering to corporate travellers at the Executive Club Lounge.



MARITIM HOTEL DRESDEN Germany

NO. OF ROOMS

328

**GROSS FLOOR
AREA**

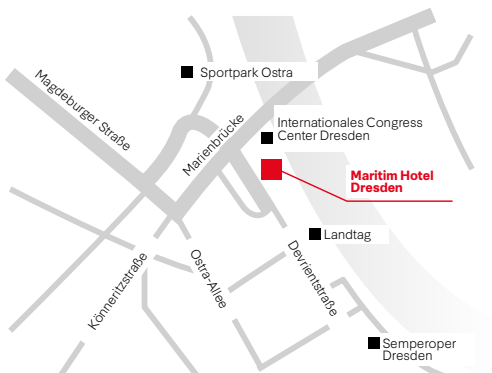
25,916 sqm

ADDRESS

Devrientstrasse 10-12, 01067
Dresden,
Germany

Maritim Hotel Dresden is situated between the International Congress Centre to the north and the Saxon Parliament to the south. It is conveniently located near the city centre, the Dresden Zwinger, and the Semper Opera. The hotel is easily accessible from Dresden International Airport, which is just 10 km away.

The hotel features 328 guest rooms, a restaurant, a bar, a gym, and an underground car park. Additionally, it is directly connected to the International Congress Centre, which offers 8,600 sqm of conference space and can accommodate up to 6,800 delegates.



ESG REPORT



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GLOSSARY

A glossary of the abbreviations used in this report

ARCC	: Audit, Risk and Compliance Committee
BCA	: Building and Construction Authority
BIU	: BREEAM In-Use
Board	: Board of Directors
BREEAM	: Building Research Establishment Environmental Assessment Method
CASBEE	: Comprehensive Assessment System for Built Environment Efficiency
CVaR	: Climate Value at Risk
DEI	: Diversity, Equity and Inclusion
ESG	: Environmental, Social and Governance
FH	: Frasers Hospitality
FHT	: Frasers Hospitality Trust
FY	: Financial Year ended 30 September 2024
GFA	: Gross Floor Area
GHG	: Greenhouse Gas
GJ	: Gigajoule
GRI	: Global Reporting Initiative
GWh	: Gigawatt hours
GWP	: Global Warming Potential
HACCP	: Hazard Analysis and Critical Control Points
HFCs	: Hydrofluorocarbons
IFRS	: International Financial Reporting Standards
ISSB	: International Sustainability Standards Board
kL	: Kilo litre
MAS	: Monetary Authority of Singapore
MW	: Megawatt
NABERS	: National Australian Built Environment Rating System
ODP	: Ozone Depletion Potential
OHS	: Occupational Health and Safety
REIT	: Real Estate Investment Trust
REITAS	: REIT Association of Singapore
SGX-ST	: Singapore Exchange Securities Trading Limited
SIAS	: Security Investors Association
SRC	: Sustainability and Risk Committee
S-REIT	: Singapore REIT
SSC	: Sustainability Steering Committee
TAFEP	: Tripartite Alliance for Fair and Progressive Employment Practices
TCFD	: Task Force on Climate-related Financial Disclosures
tCO ₂ e	: Tonnes of CO ₂ equivalent
The Group	: Frasers Property and its subsidiaries
The Sponsor	: Frasers Property Limited
The UK	: United Kingdom
YoY	: Year-on-year

INTRODUCTION

BOARD STATEMENT



Dear Stakeholders,

Recent years have seen growing stakeholder expectations for the hospitality industry to prioritise decarbonisation and incorporate responsible environmental, social and governance (“ESG”) practices within their business. With the rise of sustainable tourism among travellers and with regulators prioritising ESG aspects within national tourism policies, the Board of Directors (the “Board”) of FHT continues to oversee the advancement of sustainability commitments while strengthening the resilience of FHT’s high-quality asset portfolio.

In the past year, FHT has achieved several milestones that reflect its ongoing dedication to progress under the ESG pillars. In FY2024, all FHT properties in the UK have attained their BREEAM (Building Research Establishment Environmental Assessment Method) In-Use (“BIU”) certifications. In Australia, all three FHT properties have attained the Green Star Performance Certification. While in Malaysia, The Westin Kuala Lumpur has completed its GreenRE assessment and is awaiting its certification. Overall, 93% of FHT properties by gross floor area have attained or are pursuing green building certifications. Achieving and retaining these certifications is a reflection of FHT’s portfolio adopting sustainable design, reducing the environmental impact and aligning to the

Frasers Property Group-wide Purpose of ‘Inspiring experiences, creating places for good’.

In line with its Sponsor Frasers Property’s goal of achieving net-zero carbon emissions by 2050, FHT has developed a dedicated Sustainability Dashboard in FY2024 to track and analyse environment-related consumption data more effectively. FHT will also begin an assessment to identify and assess the extent of exposure of its asset portfolio to climate-related physical and transitional risks, by utilising the Sponsor’s in-house Climate Value at Risk (“CVaR”) platform.

As a testament to its continued ESG efforts, FHT maintained its 4-Star Rating in the Standing Investments category of the GRESB 2024 Real Estate Assessment, placing first in the ‘Asia Pacific Hotel - Listed’ peer category. This assessment, using GRESB, remains an important benchmark for FHT’s ESG performance relative to its peers and drives sustainability integration across the Business.

The Board of Directors will continue to fulfil our duties in providing strategic direction on sustainability, and determining, monitoring and managing our material ESG issues. We also oversee that the necessary standards and management processes are in place to reach our ESG objectives and goals. We invite you to read FHT’s tenth ESG Report 2024, that provides an overview of our sustainability performance throughout the year and is aligned with international frameworks including the GRI Universal Standards. This report continues to align climate-related disclosures with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and will be preparing to report in alignment to the International Sustainability Standards Board’s (“ISSB”) International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards in alignment with applicable SGX listing rules in the near future.

We look forward to working together with FHT and our stakeholders on this sustainability journey.

Board of Directors

Frasers Hospitality Asset Management Pte. Ltd.
REIT Manager of Frasers Hospitality Real Estate

Frasers Hospitality Trust Management Pte. Ltd.
Trustee-Manager of Frasers Hospitality Business Trust

INTRODUCTION

2024 ESG PERFORMANCE



- FHT achieved a score and rating of 85 and 4-star respectively in the 2024 GRESB Real Estate Assessment
- InterContinental Singapore retained the Building and Construction Authority (“BCA”) Green Mark GoldPLUS certification
- All properties in the UK attained BREEAM In-Use certifications
- All three properties in Australia attained Green Star Performance Certification and scored 3.5 stars for Water ratings and 3 stars for Energy ratings in the National Australian Built Environment Rating System (“NABERS”) assessment



- Dedicated Sustainability Dashboard developed in FY2024 to track and analyse FHT’s environment-related consumption data consumption
- Roadmap developed with plan for properties to conduct energy audits
- All UK properties’ electricity is powered by 100% renewable energy



- Implemented a Frasers Hospitality (“FH”)-wide Community Framework
- In FY2024, all properties managed by FH, a strategic business unit of the Sponsor, achieved a positive guest review score of 65.8% and a performance score of 84.3%
- The REIT Manager’s employees completed approximately 21.2 hours of learning on average

ABOUT THIS REPORT

REPORT SCOPE

GRI 2-2, 2-3, 2-4, 2-5

This ESG Report covers the progress made in FY2024 around our material ESG issues. The Report was published on 23 December 2024, aligned with our financial reporting cycle, which covers information and disclosures for the financial year from 1 October 2023 to 30 September 2024.

The Report describes the sustainability activities and performance of our 13 properties located across the UK, Malaysia, Singapore, Japan and Australia. Detailed information on our organisation and properties is located in the Overview section of this Report. The data disclosed extends to assets we own or manage, over which we have operational control.

Restatements of data and further notes to the performance data included in this Report can be found on pages 79, 80 and 98.

REPORTING STANDARDS, FRAMEWORKS AND RECOMMENDATIONS

To ensure disclosures within this Report are aligned with best practices and meet stakeholder needs, this Report has been prepared according to the following sustainability standards and frameworks:

- Global Reporting Initiative (“GRI”) Universal Standards 2021
- SGX-ST Listing Manual (Rules 711A and 711B)
- TCFD Framework, in preparation to report against the ISSB IFRS Sustainability Disclosure Standards in alignment with applicable SGX listing rules in upcoming years
- Monetary Authority of Singapore (“MAS”) Guidelines on Environmental Risk Management for Asset Managers

FHT has applied the Reporting Principles from the GRI Standards. For a full list of disclosures reported, please refer to the GRI Content Index on pages 93 to 98.

EXTERNAL ASSURANCE

To verify the reliability of the data and management approach disclosed in our ESG Report, an independent limited assurance was conducted by Verco Advisory Services Limited. The Independent Assurance Statement can be found on pages 88 to 90.

FEEDBACK

We welcome your feedback in our efforts to continuously improve our sustainability practices and performance. For feedback or queries, please reach out to:

Mr Joey Ho

Senior Manager, Investor Relations
Fraser's Hospitality Trust
Email: ir@frasershospitality.com

OUR APPROACH TO ESG

ESG FRAMEWORK AND GOALS

At FHT, we are cognisant of our ESG commitments and duty to operate in a responsible manner. We strive to safeguard the environmental and social well-being of the communities we operate in, while creating long-term shared value for our stakeholders.

Our ESG strategy is broadly aligned to our Sponsor's ESG Framework and ESG Goals, taking into account focus areas and targets material to FHT's business. FHT's ESG Framework guides our approach towards driving ESG efforts and progress, and focuses on three pillars – Acting Progressively, Consuming Responsibly and Focusing on People.

Pillars



Focus Areas

- Risk-based Management**
 Comprehensive assessment to address environmental, health and safety risks
- Responsible Investment**
 Incorporating social, environment and governance criteria in the evaluation process
- Resilient Properties**
 Strengthening the resilience and climate adaptive capacity
- Innovation**
 Fostering an innovation culture that creates value and strengthens our competitive edge
- Energy and Carbon**
 Increasing substantially energy efficiency and renewable energy used
- Water**
 Increasing substantially water efficiency and the recycling and safe reuse of water discharged
- Waste**
 Reducing substantially waste generation through prevention, reduction, recycling and reuse
- Materials and Supply Chain**
 Achieving the sustainable management and efficient use of materials along the supply chain
- Biodiversity**
 Enhancing the environment and ecosystem through our developments
- Diversity, Equity and Inclusion**
 Empowering and promoting the social inclusion of all, irrespective of age, gender, disability, race, ethnicity, origin, religion or economic or other status
- Skills and Leadership**
 Developing skills and leadership programmes that support productive activities, creativity and innovation to deliver high-value products and services
- Health and Well-being**
 Ensuring healthy and balanced work and community environments
- Community Connectedness**
 Considering social value principles for communities

FHT has established ESG targets which correspond to ESG focus areas identified as material and in alignment with our Sponsor. These targets have considered short-, medium- and long-term horizons consistent with those used for strategic planning and financial planning where applicable, and can be found on pages 73, 78 and 82 of this Report. We will continue to review our goals and targets to ensure they remain relevant to our operating and strategic context.

ESG GOVERNANCE

GRI 2-9, 2-12, 2-13, 2-14

FHT has put in place an ESG governance structure that enables us to align our ESG goals with our overall business strategy and integrate sustainability considerations into our long-term plans and operations.

At FHT, the Board is responsible for leading our ESG strategy with a focus on value creation, value protection and sustainability. The Board has set up committees to improve business efficiency across various topics. The FH-FHT Sustainability Steering Committee ("SSC"), led by senior management, is focused on regular environmental risk oversight. There is also a dedicated Sustainability Task Force, comprising department heads from Asset Management, Finance, Investment and Investor Relations, to drive the sustainability strategy. The Task Force is responsible for developing FHT's sustainability framework and targets, along with formulating specific strategies, staff engagement plans and resource allocation to execute these actions. The Task Force reports to the SSC every two to three months for approval and consults with and updates the Board on a quarterly basis. The Task Force also meets with the Group Sustainability team once every quarter to align on the Group's approach. The monitoring of property-level sustainability performance and indicators is entrusted to the Asset Management team and the General Managers of its hotels and serviced residences.

FHT works closely with our Sponsor to provide strategic oversight of ESG policies to ensure that our sustainability efforts are aligned with the overarching Group ESG goals. This alignment extends to our shared sustainability agenda, guided by the Group Sustainability and Risk Committee ("SRC"). The SRC is supported by the Frasers Property Group Sustainability team, which also provides support to FHT on the execution of our ESG strategies to ensure alignment between Group and business unit ESG activities.

MEMBERSHIP ASSOCIATIONS

GRI 2-28

Achieving net-zero carbon emissions by 2050 requires a united effort across the industry. FHT is dedicated to sharing our knowledge and experience with industry bodies to advance shared sustainability goals. We play an active role as a member of the REIT Association of Singapore ("REITAS"). REITAS serves as the representative advocate for the Singapore REIT ("S-REIT") sector. This involvement allows us to engage in policy consultations and contribute to discussions that shape the industry. FHT, via our Sponsor, is a member of the REITAS' Sustainability Taskforce, who advocates for the integration of sustainability into business strategies, responsible ownership and collaboration within the S-REIT industry to promote a resilient and responsible real estate sector. Furthermore, we engage in industry events organised by REITAS and participate in relevant surveys conducted by regulators to gather valuable feedback from S-REITs.

Through our Sponsor, we also align with industry, country-specific and international platforms to advance on standards and good industry practices including:

- GRESB Real Estate Assessment
- Science Based Targets initiative
- United Nations Global Compact
- United Nations Women's Empowerment Principles
- Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP")
- Net Zero Carbon Buildings Commitment of the World Green Building Council

OUR APPROACH TO ESG


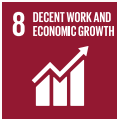









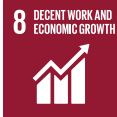

STAKEHOLDER ENGAGEMENT GRI 2-29

Engaging our stakeholders and addressing their concerns forms an important element of our approach to sustainability. We value stakeholder views and work to integrate their feedback within our practices. Stakeholders are identified and prioritised based on the impact that our operations have on them, their knowledge of the sector and FHT, and their importance to the success of our business.

We engage our stakeholders throughout the year via a variety of communication channels, to better understand stakeholder needs while seeking collaborative ways to achieve shared objectives.

MATERIALITY APPROACH GRI 3-1, 3-2

FHT regularly monitors our operating landscape for any changes or developments that may impact our business, stakeholders and our material ESG

Group Sustainability Framework Pillars	Corresponding United Nations Sustainable Development Goals	Material Topics
 <p>ACTING PROGRESSIVELY</p>	  	<p>Economic Performance</p> <hr/> <p>Anti-corruption</p>
 <p>CONSUMING RESPONSIBLY</p>	   	<p>Energy and Greenhouse Gas (GHG) Emissions Management</p> <hr/> <p>Water Management</p> <hr/> <p>Waste Management</p>
 <p>FOCUSING ON PEOPLE</p>	  	<p>Customer Experience</p> <hr/> <p>Talent Recruitment and Retention</p> <hr/> <p>Employee Well-being and Empowerment</p>

topics. In FY2022, Frasers Property led a group-wide review of material topics to determine if any new topics have emerged, or whether there has been a shift in the importance and impact of existing topics. The review process comprised a global market review of relevant key sustainability trends as well as surveys and interviews with internal and external stakeholders. The findings affirmed that FHT's material topics remain relevant and aligned to stakeholder expectations.

In FY2024, our Sponsor conducted a double materiality assessment to articulate the impact of our business on the economy, people and the environment as well as factors that have financial impacts on our business.

The double materiality assessment was conducted in alignment with the European Sustainability Reporting Standards (ESRS), GRI and Sustainability Accounting Standards Board (SASB), and will enable FHT to better address our impacts, risks and opportunities. The enhanced topics identified in the double materiality

Corresponding Group Focus Areas	Rationale	Material Factor Boundaries		
		FHT/ REIT Manager	Suppliers/ Contractors	Properties
Risk-based Management, Responsible Investment, Resilient Properties	Our strategic objective is to manage and expand our portfolio, within our risk capacity and appetite, to deliver long-term growth in distribution and net asset value to our Stapled Securityholders.	✓		
Risk-based Management	The foundation of our reputation lies in ethical and fair dealings. We maintain high standards of governance and accountability to earn the trust and confidence of our stakeholders.	✓	✓	✓
Energy & Carbon	Considering that energy consumption is one of the largest environmental impacts that our operations generate, we continue to actively monitor and manage energy consumption at our properties.			✓
Water	Water is a limited natural resource. It is essential for us to manage our consumption to reduce unnecessary usage.			✓
Waste	As the operations of our properties generate various types of waste, proper waste management is key in preventing adverse impact on the local environment and public health.			✓
Community Connectedness	Customer experience is a vital aspect in determining the success of our business. It is our utmost priority to meet and exceed the expectations of our customers and guests.	✓		✓
Skills & Leadership	It is important that the REIT Manager has the capacity to manage and expand FHT's portfolio to create value for our stakeholders. We seek to attract, develop and retain the right people who are the cornerstone of our success.	✓		
Diversity, Equity & Inclusion (DEI)	Employees are at the heart of hospitality operations. It is vital to ensure our hotel and serviced residence operators value staff well-being by providing a conducive and safe working environment. In turn, a motivated workforce can better deliver positive, memorable experiences to our customers and guests.	✓		✓

OUR APPROACH TO ESG

assessment will be incorporated in our ESG Reports from FY2025. In the interim, we have maintained our material focus areas for FY2024, which were assessed through stakeholder engagement surveys and industry analysis, taking into consideration business impact, emerging trends and alignment with our Sponsor's ESG priorities.

The following table reflects the material topics that we have identified in our FY2022 review and where we have caused or contributed to significant impacts for each of our material topics.

Key Stakeholders	Key Topics of Concern	Mode and Frequency of Engagement
Customers and Guests	<ul style="list-style-type: none"> • Customer satisfaction • Quality of facilities and services • Health and safety 	Throughout the year: <ul style="list-style-type: none"> • Bilateral communications • Guest satisfaction surveys • Events
Investment Community and Stapled Securityholders	<ul style="list-style-type: none"> • Financial and portfolio performance • Business strategy and outlook • Acquisitions and divestments • Asset enhancement initiatives • Capital and risk management • Corporate governance 	<ul style="list-style-type: none"> • Quarterly business updates, financial results briefings and earnings calls • Annual General Meeting Throughout the year: <ul style="list-style-type: none"> • Investor conferences and non-deal roadshows • Bilateral communications via emails, calls, company visits and site visits • Corporate website
Hotel and Serviced Residence Operators	<ul style="list-style-type: none"> • Asset management and enhancement initiatives • Business opportunities • Property maintenance programmes • ESG practices 	<ul style="list-style-type: none"> • Monthly ESG performance data collection and review Throughout the year: <ul style="list-style-type: none"> • Regular site meetings • Discussions via calls and emails
Employees	<ul style="list-style-type: none"> • Employee development and retention • Employee satisfaction • Occupational health and safety • Impact on the environment • Employee well-being • Organisation updates 	Annual <ul style="list-style-type: none"> • Performance appraisals • Employee culture or pulse survey • Group-wide Health and Safety Month and Environment Month Throughout the year: <ul style="list-style-type: none"> • Training, including courses and orientation programme for new staff • Team bonding activities as well as sports, volunteering and other events • Internal communications via emails, intranet, newsletters and townhall meetings
Suppliers and Business Partners	<ul style="list-style-type: none"> • Appropriate cost and budgeting • Adherence to terms and conditions of purchasing policies • Responsible sourcing practices 	As and when requested: <ul style="list-style-type: none"> • Quotations, proposals and tenders • Regular meetings • Discussions via calls and email
Local Community	<ul style="list-style-type: none"> • Social and community initiatives • Business impact on the environment and society 	Throughout the year: <ul style="list-style-type: none"> • Community engagement activities
Media	<ul style="list-style-type: none"> • Financial and operational performance • FHT's latest developments, including acquisitions, equity fund raising, and divestments 	Throughout the year: <ul style="list-style-type: none"> • Media releases
Regulators and Non-governmental Organisations	<ul style="list-style-type: none"> • Regulatory compliance • Regulatory and industry updates and trends • Corporate governance 	Throughout the year: <ul style="list-style-type: none"> • Briefings, discussions and consultations • Participation in relevant industry associations • Participation in relevant industry surveys which seek to gather feedback from market participants

ACTING PROGRESSIVELY



We strive to act progressively in everything we do by embracing flexibility, integrating ESG into our risk management mechanisms and challenging the way we operate. Built on the foundation of a strong governance system with robust policies in place, we look for ways to achieve long-term sustainable value through responsible investments and resilient properties that can withstand the impacts posed by various ESG risks, including climate change. We benchmark our properties against relevant green building certification schemes to uphold responsible business practices across our business operations. Furthermore, we believe in fostering a culture of innovation to strengthen our competitive edge and add value to our guests' experience.

Our Progress

Focus Area	Our Goals	Our Progress in FY2024
Risk-Based Management	<ul style="list-style-type: none"> To establish holistic overarching internal policies to govern and guide the senior management on the focus areas. 	<ul style="list-style-type: none"> ESG related risks are factored in our Risk Register in alignment with our Sponsor.
Responsible Investment	<ul style="list-style-type: none"> To have 85% of owned and asset-managed properties by gross floor area be either green-certified or pursuing green certification by 2030. 	<ul style="list-style-type: none"> 93% of FHT properties by gross floor area have attained or are pursuing green building certifications. All three of our properties in Australia have received the Green Star Performance Certification and scored an average 3.5-Star for Water rating (between Average and Good) and 3-Star for Energy rating (Average) for their NABERS assessment. InterContinental Singapore holds the BCA Green Mark GoldPLUS certification. The Westin Kuala Lumpur is in the process of attaining the GreenRE Certificate, while ANA Crowne Plaze Kobe is pursuing the CASBEE certification. Achieved 4-Star rating and a score of 85 at the 2024 GRESB Real Estate Assessment, ranking first in the 'Asia Pacific Hotel - Listed' category.
Resilient Properties	<ul style="list-style-type: none"> To carry out climate risk assessment and implement asset-level adaptation and mitigation plans in alignment with the TCFD framework by 2024. 	<ul style="list-style-type: none"> Our Sponsor deployed a Group-wide CVaR platform and decarbonisation tool. FHT utilises this tool to assess the climate risks to our asset portfolio.

RISK-BASED MANAGEMENT

Our Approach GRI 3-3

Risk management within FHT is overseen by our Board to ensure risk management systems, processes and

internal controls are well maintained and compliant with local regulatory requirements. The REIT Manager's established audit process, our Board's Audit, Risk and Compliance Committee ("ARCC") oversight and our Code of Business Conduct, guided by the Sponsor's internal audit function, supports us by providing an independent evaluation of the adequacy of our existing

ACTING PROGRESSIVELY

processes and controls. The REIT Manager is also responsible for identifying, reviewing and monitoring key risks, such as investment, environmental and climate change, fraud, foreign currency, interest rate, tax, credit, liquidity, operational, regulatory and compliance, information technology and human capital risks. The identified risks are mapped to our risk register, along with the potential business consequences and monitored quarterly.

To demonstrate our commitment to enhancing corporate governance, we continue to remain as a signatory of the annual Corporate Governance Statement of Support initiated by the Security Investors Association ("SIAS") since our listing on the Singapore Exchange ("SGX").

Our Actions and Progress

[GRI 2-23](#), [2-24](#), [2-25](#), [2-26](#), [2-27](#), [205-1](#), [205-2](#), [205-3](#), [206-1](#)

At FHT, we are committed to maintaining fair and ethical business practices coupled with our zero tolerance against corruption and fraud. This helps to instil trust and confidence in our stakeholders and unlocks new opportunities.

Our business practices and the way in which we operate are guided by a number of policies, which are reviewed periodically and updated to ensure that they remain relevant and aligned with our corporate purpose and operations. These include, but are not limited to FHT's Whistleblowing Policy, Board Diversity Policy (available in our Corporate Governance Report) available on our [corporate website](#), and the Group ESG Policy, Privacy Policy and Responsible Sourcing Policy available on our [Sponsor's corporate website](#).

Anti-Bribery, Anti-Corruption and Anti-Competition

Our policies and procedures, namely the Anti-Bribery Policy, the Competition Act Compliance Manual and the Policy for Prevention of Money Laundering and Countering the Financing of Terrorism detail our commitment to the highest standards of ethical business conduct and towards good faith business activities and regulatory compliance. In FY2024, there was no confirmed incident of corruption and bribery with our operations.

We strongly believe that communication and training is a necessity in building internal awareness to combat corruption. In the reporting period, 69% of all REIT Manager employees received training on anti-corruption including 77% of those based in Singapore.

Whistle-Blowing and Raising Concerns

Whistle-blowing is an important component of the corporate governance system of a company, and is intended to detect, prevent and address wrongdoing and improper conduct. Through the Whistle-Blowing Policy, we uphold an open and transparent corporate culture which promotes accountability, while encouraging employees and any other persons who are not employees to report in good faith and in confidence, concerns about possible improprieties, particularly on the following issues:

- Financial fraud or professional misconduct, including concerns about accounting, internal controls or auditing matters
- Improper conduct, dishonest, fraudulent or unethical behaviour
- Any criminal or regulatory offense, breach, irregularity or non-compliance with laws, regulations or FHT's policies, procedures and/or internal controls
- Violence at the workplace, or any workplace hazard/ violations which may threaten health and safety
- Corruption or bribery
- Conflicts of interest without proper disclosure
- Any deliberate attempt to cover up and/or conceal misconduct; and any other improprieties or matters that may adversely affect unitholders or shareholders' interests in, and assets of, FHT and its reputation

A report can be submitted through various channels, including by mail, electronic mail or by calling a hotline. Reports made in good faith are investigated and reported back to the Sponsor's Head of Group Internal Audit, on the investigation, findings and actions taken. In FY2024, we did not receive any cases via our whistle-blowing channels. We will continue to foster close collaboration with our stakeholders to ensure that we mitigate any wrongdoing and improper conduct in our value chain.

Supply Chain Management

Effective supply chain management is crucial for optimising operational efficiency while minimising risks across the supply chain. At FHT, we seek to forge close partnerships with our suppliers and service providers that share our sustainability vision. As detailed in our Responsible Sourcing Policy, we believe in raising the sustainability ideals across our value chain in partnership with our stakeholders to create a more resilient and sustainable business. The policy outlines our commitment to responsible sourcing, and what we expect of our suppliers in the areas of environmental management, human rights and labour management, health, safety and well-being and business ethics and integrity.

In FY2024, we started preparing to onboard our key property managers and REIT Manager corporate office suppliers to a tailored Group-wide e-learning programme, designed to enhance our suppliers' understanding of sustainability and our expectations around responsible sourcing.

Data Privacy

At FHT, we have implemented our Personal Data Protection Policy which sets out how we protect our information assets and ensure maximum data confidentiality and security. It also sets out the responsibilities all employees must undertake towards safeguarding our information assets. In the event of a breach, FHT's Personal Data Breach Incident

Management Policy details clear procedures for employees to effectively manage and mitigate potential negative impacts.

In FY2024, there was no recorded incident concerning information security breach.

Aligning with MAS Guidelines on Environmental Risk Management for Asset Managers

Asset managers have been tasked to implement MAS guidelines across six key areas of environmental risk management. We have put in place processes and practices to align with these requirements and will continue to strive for further alignment.

Key Area	Status as of FY2024
Governance and strategy The Board and senior management to oversee integration of environmental risk considerations into asset managers' strategies, business plans and product offerings.	The ARCC assists the Board in carrying out its responsibility in determining ESG factors that are material to our business, monitoring and managing ESG factors and overseeing standards, management processes and strategies to achieve sustainability practices. The FH-FHT Sustainability Steering Committee, led by the Senior Management, has been designated to oversee and review environmental risk.
Research and portfolio construction Asset managers to evaluate the potential impact of environmental risk on the return potential of our investments.	We consider operational indicators (such as GHG emissions, energy, waste and water) that may affect tenant demand as well as operational efficiencies and costs. Please refer to the Energy and Carbon section of this Report for further details.
Portfolio risk management Asset managers to put in place appropriate processes and systems to assess, manage and monitor the impact of any risk.	We have put in place processes to assess, manage and monitor environmental risk. Please refer to the Risk-Based Management section of this Report for further information.
Scenario analysis Asset managers to develop capabilities in assessing environmental risk impact on their portfolios and their alignment with climate goals set under a range of scenario pathways.	In FY2024, our Sponsor has deployed an in-house Climate Value at Risk (CVaR) platform and decarbonisation tool, which aggregates asset- and development-level data and climate exposures up to geographic, portfolio, asset class and Group levels. This would enable FHT to understand the potential impacts of physical and transition climate risk under future climate scenarios and incorporate this data into investment, financial and strategic planning.
Stewardship Asset managers to engage investee companies to improve risk profile and support their efforts to transition towards more sustainable policies and practices.	We have progressively implemented asset enhancement initiatives with measures to improve energy and water efficiency and waste management.
Disclosures Clear and meaningful disclosures, referencing well-regarded international reporting frameworks.	We have disclosed our environmental risk management processes and its potential impacts through this Report. We continue to report climate disclosures aligned with TCFD recommendations and will prepare to report against ISSB IFRS Sustainability Disclosure Standards in coming years.

ACTING PROGRESSIVELY

RESPONSIBLE INVESTMENT

Our Approach GRI 3-3

Investing responsibly enables FHT to enhance our competitive advantage and generate long-term value for our business and our stakeholders. We endeavour to integrate ESG considerations into our investment strategies and decisions, and we benchmark our performance against the GRESB Real Estate Assessment, as well as recognised green building certifications such as BIU, Green Star Performance and BCA Green Mark. As of FY2024, 93% of our portfolio¹ by gross floor area have attained or are pursuing green building certifications, including all our UK properties which have received BIU certificates. We are also committed to regular assessments of all our properties to ensure that we continuously adapt to the diverse needs of our customers and guests.

Our Actions and Progress

Advancing Green Practices in our Portfolio

In Australia, we use NABERS to assess the environmental performance of all our properties, such as energy efficiency and water usage. In FY2024, we received an average of 3.5 stars for Water and 3 stars for Energy in NABERS ratings, demonstrating our commitment to sustainable operations. These properties have also been certified under the Green Star Performance scheme by the Green Building Council of Australia in FY2024.

In Singapore, our property, InterContinental Singapore, continues to retain its Green Mark GoldPLUS certification under the BCA Green Mark programme.

In the UK, we continue to obtain the Green Tourism certification, a recognition of our commitment to integrate sustainability into our operations by caring for the local communities and fostering eco-friendly practices. In FY2024, all six UK properties have additionally received the BIU Certification.

Benchmarking our Performance with the GRESB Real Estate Assessment

FHT has participated annually in the GRESB Real Estate Assessment since 2019, improving year on year. As a globally recognised industry benchmark, participating in the assessment helps us to affirm our ESG performance and encourage continuous improvement. We report a strong performance in the 2024 GRESB Real Estate Assessment, achieving a score of 85 and attaining and maintaining a 4-star rating. We aim to continue building on this momentum, learning from our experiences and the wider industry as ESG standards evolve in the near and long term.

RESILIENT PROPERTIES

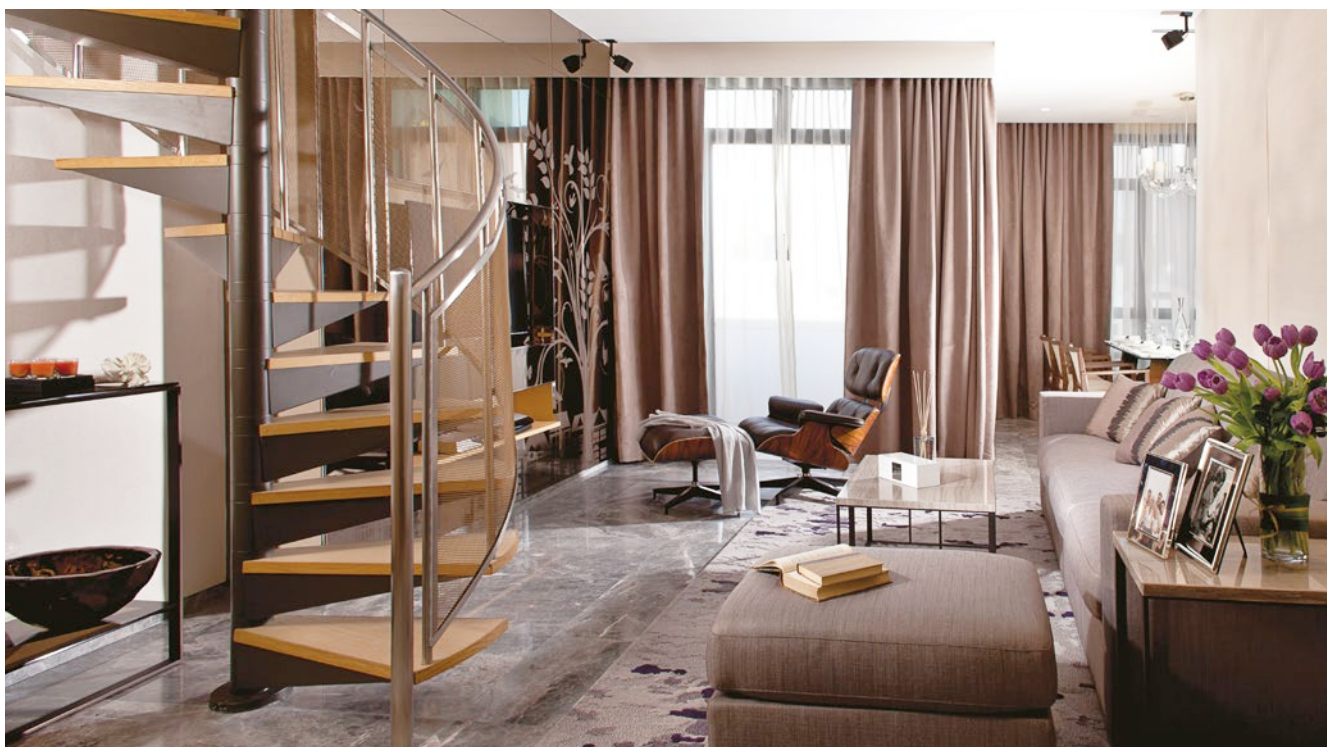
Our Approach GRI 3-3

FHT is committed to addressing climate-related risks by forging close partnerships with its customers, guests and suppliers across our value chain, in addition to communities that have the potential to be impacted by its operations. Through this approach, we believe that we can forge a more sustainable future and safeguard FHT from the direct financial impacts these risks may have on our assets.

As an investor in and manager of real estate, enhancing the resilience of our assets and operations against these impending climate-related threats is of the utmost priority. To this end, we proactively integrate these risks into FHT's financial risk management processes, harnessing climate risk data to identify, understand and manage FHT's portfolio's exposure to climate-related hazards. Through this effort, we believe we can effectively measure and manage our climate risks and opportunities, safeguarding and delivering long-term value for our stakeholders.

We have established a series of climate objectives that closely align with our Sponsor's overarching sustainability goals, including a commitment to achieving net-zero carbon emissions by 2050.

¹ Includes all properties in FHT's portfolio



Fraser Suites Singapore

In parallel with these goals, FHT has aligned its climate-related disclosures based on TCFD recommendations, available in TCFD Alignment table on pages 91 and 92. As the TCFD Framework is now incorporated into ISSB's IFRS S2 Sustainability Disclosure Standards, we continue to disclose key progress in FY2024 against the areas of Governance, Strategy, Risk Management and Metrics and Targets. In upcoming years, we will transition to disclosing with reference to IFRS Sustainability Disclosure Standards in alignment with applicable SGX Listing Rules.

Our Actions and Progress

We continue to make progress and mitigate key physical and transition risks and prioritised strategies to achieve net-zero carbon by 2050. In FY2024, our Sponsor deployed an in-house CVaR platform and decarbonisation tool, which aggregates asset- and

development-level data and climate exposures up to geographic, portfolio, asset class and Group levels. This enables FHT to understand the potential impacts of physical and transition climate risk to our asset portfolio under future climate scenarios and incorporate this data into investment, financial and strategic planning.

CONSUMING RESPONSIBLY



At FHT, we are dedicated to responsible tourism and environmental leadership within our hotels and serviced residences. We incorporate sustainability into our everyday functions and across our supply chain. Year after year, we aim to optimise our resource use efficiency through adoption of renewable energy, waste reduction and energy and water conservation via environmental and social frameworks. Additionally, we strive to reduce our overall environmental impact by promoting sustainable practices amongst our staff, clients, guests and property operators.

In FY2024, we developed and launched the Fraser's Hospitality Sustainability Dashboard to track and analyse our environment-related consumption data more effectively. This dedicated platform analyses all our consumption data at the portfolio, cluster and property levels, enabling us to identify hotspots and develop targeted approaches to reduce our carbon footprint.

Within our supply chain, we adhere to our Sponsor's Responsible Sourcing Policy, which guides our approach for sourcing and procurement decisions. We are actively exploring pathways to align with our Sponsor's refreshed Group-wide ESG goal of engaging 75% of all suppliers by spend on the Responsible Sourcing Policy by FY2025. We also recognise the dependence of operational resources on nature and the impact of our consumption on the biodiversity. Emphasis is placed on responsible consumption across operations to minimise dependencies and impacts. In line with this, we are committed to supporting our Sponsor's biodiversity roadmap to develop a framework which guides the assessment and prioritisation of biodiversity risks and opportunities by FY2025.

Our Progress

Focus Area	Our Goals	Our Progress in FY2024
Energy & Carbon	<ul style="list-style-type: none"> To develop a net-zero carbon roadmap and establish carbon targets in line with a science-based approach to achieve net-zero carbon emissions by 2050. 	<ul style="list-style-type: none"> FHT has started conducting energy audits in its properties as part of its roadmap.
Water	<ul style="list-style-type: none"> To engage operators in water efficiency standards. 	<ul style="list-style-type: none"> 34% of our properties by gross floor area have installed water efficiency fittings. Water management practices for corporate office are aligned with and under our Sponsor within the Singapore office.
Waste	<ul style="list-style-type: none"> To establish a waste recycling target and expand waste data coverage from current 10 properties to 14 properties. 	<ul style="list-style-type: none"> Our waste data coverage has increased to 12 properties. Waste management and recycling practices for corporate office are aligned with and under our Sponsor within the Singapore office.

ENERGY AND CARBON

Our Approach

GRI 3-3, 302-5

The hospitality sector has a significant reliance on energy-intensive operations for heating, cooling, lighting and powering amenities resulting in GHG emissions. With increasing instances of global warming, we recognise the climate-related physical and transitional risks which can impact on our business and operations as detailed in the TCFD alignment section below. In response to these risks, we are aligned to our Sponsor's goal of attaining net-zero emissions by 2050 and have refreshed our goals for FY2024 to align with our net-zero carbon roadmap. The FHT Roadmap was developed with a customised plan for every property, with the directive to conduct energy audits and implement at least one decarbonisation strategy. To date, Fraser Suites Sydney, Fraser Suites Edinburgh, Park International London, Intercontinental Singapore and The Westin Kuala Lumpur have completed energy audits while the process for five other properties has started and is slated to be completed in 2025.

Our approach includes exploring innovation and technology to enhance energy efficiency across our properties, while actively monitoring consumption patterns to identify further opportunities for optimisation.

Our Actions and Progress

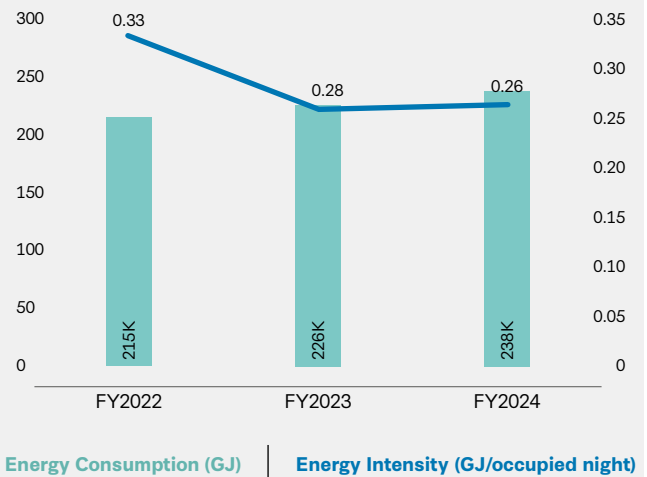
Energy

GRI 302-2, 302-3

Energy consumption within our portfolio primarily comprises electricity and natural gas used at our leased assets. In FY2024, natural gas consumption totaled approximately 84,300 GJ, while grid electricity usage reached 42.8 GWh. Overall, energy consumption across our tenanted assets amounted to 238,000 GJ, primarily driven by higher business activity and greater operational demand².

Despite the rise in overall energy usage, energy intensity remained stable at about 0.26 GJ per occupied room night, highlighting our focus on maintaining energy efficiency.

Energy Consumption (GJ) and Intensity (GJ per occupied night)



To assess our environmental performance and align with industry's best practices, our properties undergo verification against established frameworks. For example, all properties in Australia are evaluated using the Green Star Performance, which assesses building efficiency across four areas: energy, water, waste and indoor environment.

Our assets in the UK purchased over 3.5 GWh of green energy, which accounts for 8.2% of total electricity consumption. These initiatives reflect our commitment towards net zero by 2050 and we will continue to identify opportunities for improvement.

Carbon Emissions

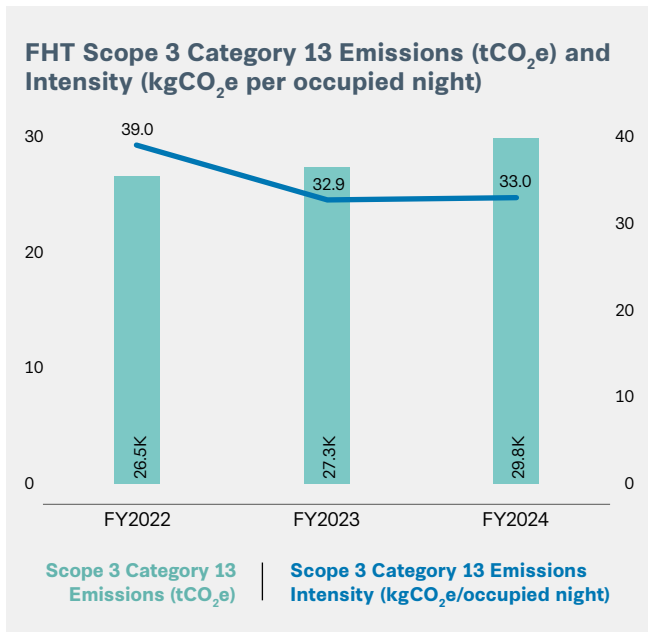
GRI 305-3, 305-4, 305-5

We have developed a carbon inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard as well as Corporate Value Chain (Scope 3) Accounting and Reporting Standard. As FHT does not have direct operational control over its assets, all energy-related emissions are classified as

² Energy data for the reported periods are restated to factor in replacement of previous estimates with actual data. All consumption and intensity values are based on energy consumption at tenanted areas, as FHT does not have direct operational control over its assets.

CONSUMING RESPONSIBLY

Scope 3 Category 13 - Downstream leased assets, as per the GHG Protocol. This category emissions considers only electricity and natural gas consumed at our hotels³. Our carbon emissions for Scope 3, Category 13 increased from FY2023 mainly due to increase in the occupied room nights across the year. Our emissions intensity has remained similar to previous year intensity, despite an increase in total emissions.



In FY2024, our total Scope 3 carbon emissions and carbon intensity amounted to 29,800 tCO₂e⁴ and 33.0 kgCO₂e per occupied night respectively.

WATER

Our Approach GRI 3-3, 303-1

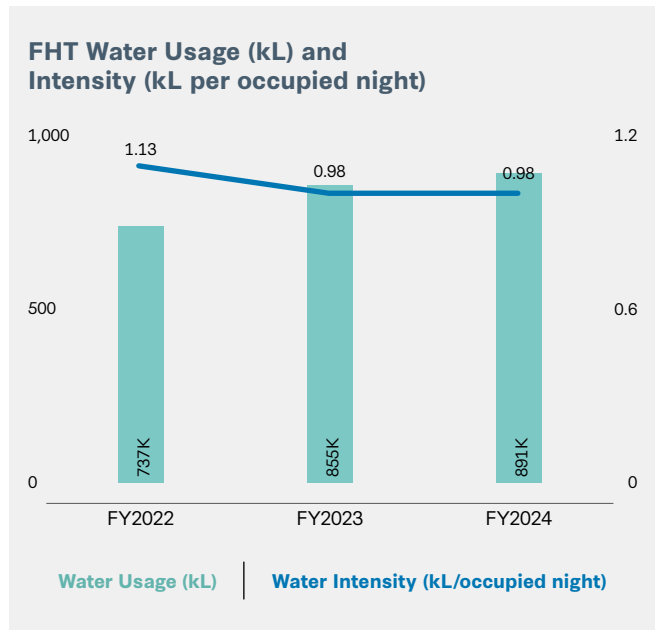
As part of our water management strategy, we regularly engage with our operators to drive effective water stewardship and aligning with local water conservation standards. While we continue to monitor our water usage and its impact on local resources, we ensure that all water withdrawal across our properties is sourced from municipal water supplies. Additionally, we are committed to responsibly discharging all wastewater through municipal facilities.

Our Actions and Progress GRI 303-1, 303-3

Performance in water consumption and recycling at our properties is validated through certification against established standards. All our properties in Australia are evaluated using the NABERS rating and have obtained an average of 3.5 stars, reflecting our commitment to sustainable water management practices.

We engage with our operators at different properties to ensure the properties are aligned to the local or regional water efficiency standards. At our corporate office in Singapore, we have adopted sustainable water management practices which are aligned to our Sponsor’s practices.

In FY2024, we observed an increase of 4.2% in total water consumption. From FY2023 to FY2024, water intensity remained stable at 0.98 kL per occupied night, despite a modest increase in total water usage from 855 kL to 891 kL due to increased number of occupied nights.



³ Scope 3 emissions included in the calculations are limited to Category 13 - Downstream Leased Assets. Scope 3 Category 7 - Employee Commuting has been excluded as it is considered de minimis based on the materiality threshold and has a minimal impact compared to Category 13. Other Scope 3 categories will be reported separately in the ESG Databook.
⁴ GHG emissions are calculated using the location-based method. Scope 3 GHG data for the reported periods are restated to factor in the replacement of previous estimates with actual data and updates in historical emissions factors.

WASTE

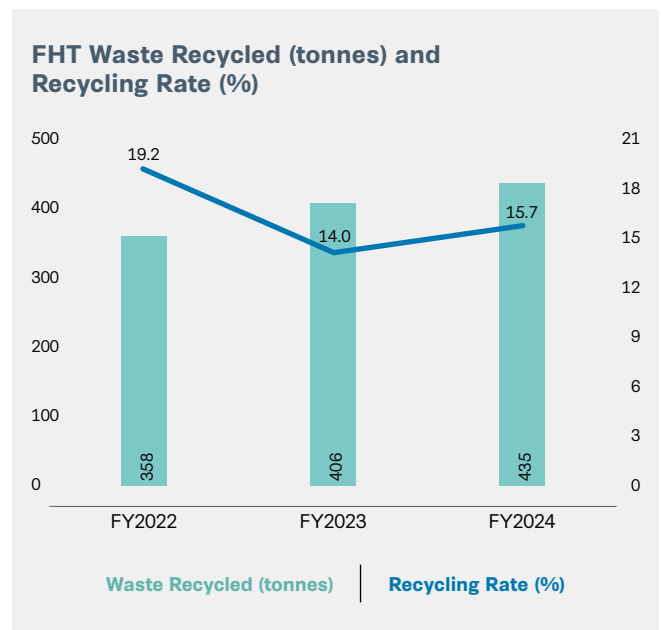
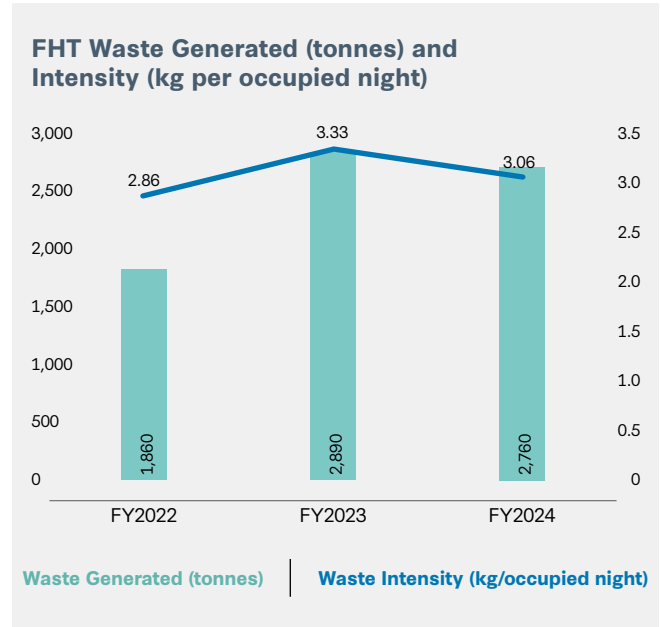
Our Approach GRI 3-3, 306-1, 306-3

The hospitality sector generates considerable amounts of waste, including plastic waste from guest amenities and organic waste from food services. To address this challenge, we identify opportunities to reduce waste generation and enhance recycling efforts before diverting materials to end-of-life waste streams. By practising effective waste management, we can minimise our environmental impact while also improving our operational efficiency, leading to significant cost savings. With improved waste data gaps and coverage across our portfolio, we are better positioned to work with our operators on targeted approaches to sharpen our tracking, reduce waste and increase recycling.

Our Actions and Progress GRI 306-2, 306-3, 306-4, 306-5

Approximately 400 million tonnes of plastic waste is generated globally each year, contributing significantly to pollution on land and in our oceans due to improper disposal⁵. At FHT, we recognise that we can reduce unsustainable plastic consumption and disposal by eliminating the use of single-use plastics. All FH-managed properties in our portfolio have successfully phased out single-use plastics across various operations, including food and beverage services, laundry and bathroom amenities. Additionally, Fraser Suites Singapore has collaborated with World Wildlife Fund Singapore to further its Plastic ACTION initiative, working towards transitioning to 100% reusable or at least 50% recyclable packaging design models by 2025. Fraser Suites Singapore will also support research projects and innovation efforts focused on improving plastics and recycling infrastructure.

We collected waste data from 12 properties in our portfolio, ensuring all waste was handled by licensed collectors and directed to municipal waste streams. In FY2024, our total waste generation reached 2,760 tonnes, with a waste intensity of 3.06 kg per occupied room night, marking a 8.1% decrease



in waste intensity. Additionally, of the total waste generated, 435 tonnes were successfully recycled, with the remainder sent to landfill or incineration. The total waste recycled in FY2024 is 7.1% higher than in FY2023, reflecting FHT’s commitment to enhancing its waste recycling efforts.

FOCUSING ON PEOPLE



The core of FHT's sustainability approach is a people-centric strategy that drives satisfaction and value for our customers, guests, employees and local communities. We recognise that our employees are our most invaluable asset, essential for driving our operations and ESG efforts. Therefore, we prioritise fostering a diverse and inclusive workplace environment where employees feel safe and empowered to thrive. Our unwavering commitment to the safety and well-being of our workforce motivates us to continuously improve our practices.

Our aim is to create meaningful long-term relationships that respect the communities we operate in and create lasting benefits. We continue to engage with communities to identify and support opportunities to contribute positively. Through these collaborative efforts, we aim to build a sustainable future for both our employees and the communities we serve.

Our Progress

Focus Area	Our Goals	Our Progress in FY2024
Diversity, Equity & Inclusion ("DEI")	<ul style="list-style-type: none"> To embed DEI in our culture through employee engagement. 	<ul style="list-style-type: none"> Conducted Phase 1 of DEI Training for employees of FH-managed properties and the corporate office.
Skills & Leadership	<ul style="list-style-type: none"> To conduct one cluster and one corporate function training on sustainability. To implement the Fraser's Living Innovation Challenge to support growth and development. 	<ul style="list-style-type: none"> Conducted two cluster- and two corporate-function training sessions on sustainability. The Fraser's Living Innovation Challenge was implemented, resulting in three project working teams to further innovation.
Health & Well-being	<ul style="list-style-type: none"> To implement a Health & Well-being programme in alignment with Fraser's Living. 	<ul style="list-style-type: none"> A wellness app was developed in alignment with our Sponsor to address mental wellbeing of staff.
Community Connectedness	<ul style="list-style-type: none"> To pilot one community place-making project targeted at owned properties and long stayers. 	<ul style="list-style-type: none"> Properties managed by FH have aligned under a new Community Framework launched in March 2024 with target volunteer hours from each property.

DIVERSITY, EQUITY AND INCLUSION

Our Approach

GRI 3-3, 2-7, 2-29, 404-3

Our employees are at the heart of driving sustainable operations and successful business performance. We recognise the importance of creating a workplace environment that values diverse perspectives and experiences, allowing all employees to feel respected and empowered. Our commitment is embedded in our Code of Business Conduct and the Group's Diversity and Inclusion Policy and aligned with the Group's DEI Framework, comprising four key equity areas: gender equity, generation equity, cultural equity and ability equity.

<p>GENDER EQUITY Continue to advance women at the workplace, enable flexible working arrangements and support all families</p>	<p>CULTURAL EQUITY Promote a positive environment where employees can deliver their best regardless of race, ethnicity or sexual orientation</p>
<p>GENERATION EQUITY Develop strategies and support for an age-diverse workforce, rethink learning and development for long-life learning</p>	<p>ABILITY EQUITY Develop awareness and understanding of recruiting and employing talent with disabilities, provide solutions at properties for inclusive spaces</p>

We are also a signatory of Singapore's TAFEP, underscoring our commitment to abide by all labour laws and implementing fair and progressive employment practices. This commitment begins with recruitment, where job opportunities are offered based on merit, regardless of age, race, gender, religion, marital status or disability.

We implement an open and transparent appraisal process through our yearly performance evaluation. This process not only provides employees with valuable insights into their career growth but also offers FHT opportunities for improvement. Our performance evaluation system is closely tied to our reward structure, which is rooted in meritocracy, ensuring that employees are recognised and incentivised based on their achievements and contributions. All staff eligible for incentives receive a performance and career development review.

We engage our employees through other platforms such as the biennial Group Culture Survey and Interim Pulse Surveys. Insights from the surveys are reviewed and translated into actionable plans aimed at enhancing our workplace culture.

While FHT remains committed to upholding our policy commitments throughout our operations, we acknowledge that there may be gaps that needs to be addressed. Our employees are empowered to report any incidents of discrimination or harassment through our established whistle-blowing channels. All reported incidents undergo thorough investigation, with findings communicated back to the ARCC to ensure accountability and transparency. For more information on our Whistle-blowing policy and how we handle reported incidences, please refer to the section on Risk-Based Management.

Our Actions and Progress

GRI 2-7, 401-1, 404-3, 405-1

We continue to monitor indicators of engagement and diversity within our workforce. In FY2024, the REIT Manager employs 16 individuals, all of whom are permanent employees. They comprise around 56% females and 44% males, with women representing 20% of management roles. Our workforce is also diversified across various age groups, with 75% of employees aged between 30 and 50, 6% under 30 and 19% above 50. These figures are based on headcount at the end of the reporting period. There were no significant fluctuations in the number of employees during this time.

FOCUSING ON PEOPLE

	Gender		Age			Region	
	Female	Male	Age under 30 Years Old	Age 30 - 50 Years Old	Age above 50 Years Old	Singapore	Rest of the World
Hiring rate⁶	6%	19%	6%	19%	0%	25%	0%
Turnover Rate^{7,8}	13%	6%	6%	6%	6%	19%	0%

In FY2024, four employees were hired and three employees contributed to the total turnover. A breakdown of hiring and turnover rates during the reporting period by gender, age group and region is presented in the table above.

To better equip our workforce with the knowledge and tools necessary to foster an inclusive workplace culture, a DEI e-learning course was made accessible to employees of properties managed by Frasers Hospitality and its corporate office. The module aims to raise awareness of unconscious bias and provide strategies to address bias in the workplace and promote a diverse and inclusive culture.

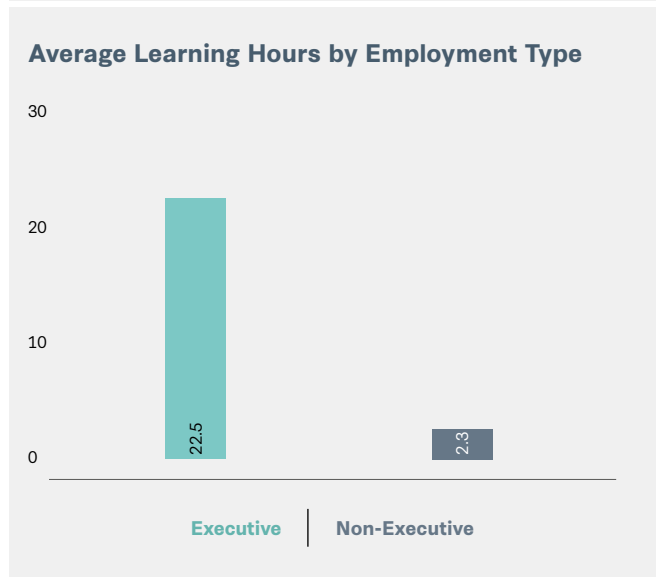
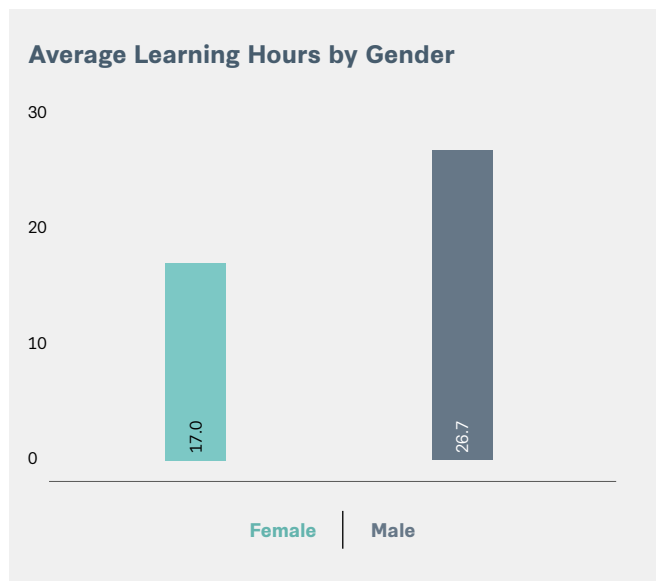
SKILLS AND LEADERSHIP

Our Approach GRI 3-3

With the evolving landscape of the real estate sector, it is crucial to stay relevant to the changing industry landscape. By continuously investing in our workforce, we enhance their capabilities to innovate and improve. As such, we collaborate closely with our Sponsor’s Talent & Learning team, which identifies and curates comprehensive training programmes to meet the diverse needs of our employees.

Our Actions and Progress GRI 404-1, 404-2

In FY2024, the REIT Manager’s employees participated in training programs to improve their skills and knowledge, with each employee undertaking an average of 21.2 learning hours. To scale up our ESG knowledge capacity, all new hires are required to undergo sustainability e-learning as part of their onboarding process. This ensures that employees are familiar with our ESG policies and practices from the outset of their employment. Additionally, as at the end of FY2024,



all Board Directors have participated in training on sustainability matters as prescribed by SGX, reinforcing our commitment to responsible governance.

6 Refers to the number of employees hired during the financial year divided by the total number of active employees at the end of the year.
 7 Refers to the number of turnovers during the financial year divided by the total number of active employees at the end of the year.
 8 Discrepancies between individual figures and aggregates, or derived values, in the charts and tables of this report are due to rounding.

HEALTH AND WELL-BEING

Our Approach

GRI 3-3

At FHT, we recognise that the health, safety and well-being of our employees are fundamental to our success. Our operations are built upon robust health and safety planning to ensure a safe environment for employees, customers and guests. Additionally, we have developed comprehensive initiatives aimed at promoting a supportive work environment that prioritises their physical, mental and emotional well-being.

Occupational Health and Safety

GRI 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

We are committed to implementing procedures that align with workplace health and safety regulations, working closely with appointed hotel operators to establish and maintain robust safety protocols across our portfolio.

At FH-managed properties, we implement a comprehensive safety and health governance structure. Each of these properties has a designated health and safety representative and a dedicated Environmental, Health and Safety Committee to review, assess and identify areas for improvement. Employees are provided with opportunities at a property level to freely report work-related hazards and dangerous situations, step away from tasks that they feel might cause injury or illness and share their safety concerns and ideas. Avenues to report such hazards include, but are not limited to, daily briefings, monthly department and Environmental Health and Safety meetings and regular safety site walks.

Safety incidents and near misses are discussed at each monthly Environment, Health and Safety meeting. When there is a safety incident, the relevant manager is notified, and a fact-finding process is initiated to determine the root causes and appropriate control measures. We also conduct regular hazard identification risk assessments.

To ensure our properties are well-prepared for various safety scenarios, relevant employees receive training on safety topics. For example, during the reporting year, key personnel across all FH-managed properties received training from legal consultants on their

obligations under local workplace safety and health regulations.

Alongside the previously mentioned initiatives, both of our properties in Singapore have obtained bizSAFE Level 3 certification from the Singapore Workplace Safety & Health Council. Additionally, The Westin Kuala Lumpur undergoes annual audits to comply with regulatory occupational safety and health standards. At ANA Crowne Plaza Kobe, all new employees undergo training on food safety while new joiners at Ibis Styles London Gloucester Road are additionally trained on food allergens, on top of food and fire safety.

Policies and Benefits for Employee Well-being

GRI 401-2, 401-3, 403-6

The REIT Manager's employees receive a comprehensive benefits package which covers life insurance, healthcare, disability coverage, childcare, parental and adoption leave and retirement provisions. In Singapore, our employees benefit from our Flexible Benefits Plan, enabling them to customise benefits according to their health and well-being needs.

Our remuneration practices are guided by fairness and equity, aligning compensation with employees' roles and performance. In addition to ensuring competitive and equitable pay, we assist retiring employees during their transition from work to retirement, providing employment support and post-retirement contracts when applicable.

We also provide employees with health and well-being programmes to support their needs, including access to mental health resources. In FY2024, we introduced "Intellect", a platform that offers learning resources, quizzes, mood check-ins and real-time coaching for all our employees. This programme allows for personalised support for mental well-being, enabling employees to connect with certified coaches, counsellors, and psychologists.

We have also implemented the StartWell@FH wellness programme for new hires at the REIT Manager to facilitate transition into their roles. Employees will take a questionnaire to gain insight into their own health and well-being against the wellness facets of sleep, nutrition, activity, connectedness, outlets and time out. Following this, regular impact assessments were conducted using practical tools to help them maintain well-being.

FOCUSING ON PEOPLE

Our Actions and Progress

GRI 401-3, 403-9, 403-10

In FY2024, there were zero work-related fatalities, high-consequence injuries, work-related ill health or significant safety-related non-compliance cases among staff and contractors at our properties. However, 28 recordable injuries were reported, resulting in 136 lost days. Appropriate follow-up actions were taken after the incidents to remediate, strengthen safety protocols and prevent recurrence.

A key employee benefit is our provision of parental leave, demonstrating our commitment to well-being. The REIT Manager has also implemented an inclusive, gender-neutral parental leave policy for all employees. In FY2024, none of the employees of the REIT Manager went on parental leave.

COMMUNITY CONNECTEDNESS

Our Approach

GRI 3-3

At FHT, we are committed to delivering service excellence and establishing meaningful relationships with our stakeholders including guests and customers, suppliers, employees and local communities, and aligning our initiatives with their needs. By building meaningful relationships and supporting local causes, we aim to create a positive impact that benefits the communities we serve.

We continue to innovate and transform our operations to enhance the sense of community connectedness, improve service quality and enhance guest experience through a three-pronged approach:

Monitoring Customer Feedback and Satisfaction

- This involves collating guest sentiments through various channels, such as in-room and post-stay surveys, and tracking reviews on major travel service platforms
- Targets have been set for response rates in relation to online reviews and direct guest communications
- Service protocols are in place to ensure complaints are addressed and treated with utmost care, and to strive for positive service delivery

Providing Training Targeted at Customer Service Excellence

- Staff at our properties attend curated trainings centred at raising hospitality standards
- Staff at FH-managed properties are given holistic training in areas such as front office excellence, housekeeping excellence and security, as well as on the job and functional department training through the Certified Departmental Trainers conducted by our Learning & Development team
- All staff in Intercontinental Singapore attend e-learning modules on a variety of subjects such as Managing Health & Safety, General Fire Training, Information Security and Code of Conduct
- New hires at Novotel Melbourne on Collins and Novotel Sydney Darling Square undergo Heartist training with the aim of focusing on customer service through a four-principle approach

Engaging external parties to evaluate service quality

- Deploying independent mystery guests to stay on property to assess service quality, where relevant
- Annual independent audits on brand standards and quality evaluation are commissioned annually by the hotel and serviced residence operators

Our Actions and Progress

Elevating Guest Experiences

To ensure we consistently deliver exceptional service, we conduct regular guest satisfaction surveys across our properties. In FY2024, all FHT properties managed by FH, a strategic business unit of the Sponsor, achieved a positive guest review score of 65.8% and a performance score of 84.3%.

- In terms of guest satisfaction, Novotel Sydney Darling Square has received a Reputation Performance Score of 84.6% while Novotel Melbourne on Collins has scored 79.4% in FY2024.
- Our properties managed by FH utilise an online reputation and post-stay survey management system. For example, Fraser Suites Singapore and Fraser Suites Sydney have received positive guest reviews of 84.5% and 78% respectively in FY2024.
- At The Westin Kuala Lumpur, all social media hotel reviews are through the Brand Standard Audit. Feedback is analysed to identify areas for improvement.

Giving Back to Local Communities

At FHT we have set up community investment initiatives which are designed to address the distinct needs of local communities. Some of our significant long-term community initiatives are highlighted below:

PARTNERSHIP WITH CLUB RAINBOW FOR FRASERS HOSPITALITY-MANAGED PROPERTIES

FH, a strategic business unit of our Sponsor, partners with Club Rainbow on a sustained effort to empower children with chronic illnesses and provide holistic support to their families. This collaboration is rooted in the shared values of compassion, inclusivity and desire to make a meaningful impact on the lives of beneficiaries.

Under the partnership, some employees of the REIT Manager participated in the following events in FY2024:

- August: Club Rainbow's annual Ride & Talk for Rainbows charity walk event which helped to raise a total of S\$12,000 through a dollar-to-dollar matching scheme
- September: A punch needle craft workshop where employees joined 20 children from Club Rainbow to learn the art of punch needle embroidery, and hosted lunch for the children and their parents



Our third party operated properties have also organized various community outreach activities over the year. ANA Crowne Plaza Kobe partnered with the Kansai Food Bank on food donations, Intercontinental

Singapore embarked on a Kayak & Klean activity to protect marine life while Novotel Sydney Darling Square participated in a nation-wide morning tea activity to support the Cancer Council.

INDEPENDENT ASSURANCE STATEMENT

VERIFICATION STATEMENT FOR FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST FOR FINANCIAL YEAR 2024

Verco Advisory Services Limited (Verco) was engaged by Fraser's Hospitality Real Estate Investment Trust (FHT), to provide independent verification of the greenhouse gas (GHG) emissions and broader sustainability reporting data disclosed in FHT's ESG Report for the period stated below. The verification process included a high-level analysis of the systems employed to manage data and a detailed risk-based assessment of the reported figures against evidence.

VERIFICATION BOUNDARY

Fraser's Hospitality Real Estate Investment Trust and all subsidiaries worldwide on an operational control basis.

PERIOD COVERED

1st October 2023 – 30th September 2024.

VERIFICATION REFERENCE STANDARDS

- ISAE 3000 International Standard on Assurance Engagements (ISAE) Revised, Assurance engagements other than audits or reviews of historical financial information (2013).
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas statements.

CRITERIA AGAINST WHICH THE GREENHOUSE GAS (GHG) VERIFICATION WAS CONDUCTED

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3).

LEVEL OF ASSURANCE

Limited.

MATERIALITY THRESHOLD

This verification sets a materiality threshold of $\pm 5\%$ inaccurate sampled data in the aggregate values for each of the indicators included in scope.

QUALIFICATIONS

No qualifications.

VERIFICATION COVERAGE

The target verification coverage for quantitative indicators was 20%, which was exceeded.

Table 1 - Quantitative indicators and coverage achieved

Category	Sub-category	Metrics	Coverage achieved
General	Property list	Property name, location, ownership interest, tenant or landlord control, gross floor area, utility floor area coverage.	Above 20% systematic checks
	Building certifications	Certification type, award date, star rating or equivalent, expiry date (if applicable).	30% of certified gross floor area (GFA)
	Operations	Occupancy, occupied room nights.	49% for occupancy rate 57% for occupied bed nights
Social & Governance	Human Resources	New hires, turnover, employee profile, manhours, training hours, anti-corruption learning hours, parental leave taken.	Above 20% systematic checks
	Safety	Safety incidents.	Above 20% systematic checks
	EHS compliance	Recording of each EHS non-compliance case.	Not applicable, as no EHS non-compliance cases were recorded in FY2024
Environment	Utilities	Energy consumption, renewable energy consumption.	79% of energy 85% of renewable energy
	Utilities	Water consumption.	74%
	Utilities	Waste generation by disposal route.	92%
	GHG emissions	Calculated GHG emissions for all scopes and categories included in the ESG Report.	Above 20% systematic checks

INDEPENDENT ASSURANCE STATEMENT

VERIFICATION OPINION

Based on the verification work undertaken by Verco, we consider that all disclosed sustainability metrics and information has been appropriately identified, measured, and reported.

All findings that were identified during the audit fell below the threshold of $\pm 5\%$ so were not considered material, and all were rectified prior to the issue of this report and the publishing of the final inventory of GHG emissions.

Following the audit activities, it is Verco's conclusion that there is no evidence to suggest that the information disclosed in this ESG Report is not materially correct, is not a fair representation of FHT's operations, and in the case of GHG emissions, was not prepared in accordance with the WRI/ WBCSD GHG Protocol and the WRI/ WBCSD Scope 3 Accounting and Reporting Standard.

A STATEMENT AS TO THE INDEPENDENCE, IMPARTIALITY, AND COMPETENCE OF THE VERIFIERS

Verco are a leading sustainability and carbon consultancy, with a track record in undertaking audit and verification programmes using a variety of methodologies and standards. Verco are highly qualified in ESG data collection and reporting and have extensive experience working with multi-national clients and delivering work for funds with a global coverage.



Verco Advisory Services Ltd

Office 222, 2nd Floor, Northgate House,
Upper Borough Walls, Bath, BA1 1RG, United Kingdom
Company registration number 01974812

Signed on 19th November 2024 by

A handwritten signature in black ink, appearing to read "Mark Challis".

Mark Challis
Operations Director
Independent Verifier

TASKFORCE FOR CLIMATE-RELATED DISCLOSURES APPENDIX

The table below outlines our approach and progress towards managing climate-related risks and opportunities, in alignment with the regulations of the TCFD.

Pillars	Climate-related disclosures for FY2024
Governance	
Describe the organisation's governance around climate-related risks and opportunities.	The Board is responsible for leading our ESG strategy with a focus on value creation, value protection and sustainability. Please refer to the ESG Governance section on page 69 for further details.
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The senior management manages climate risk and identifies potential opportunities through accountability linked to remuneration.</p> <p>We established sustainability metrics, including climate-related objectives, within 'Key Responsibility Areas' and linked them to executive remuneration via the balanced-scorecard methodology.</p>
Strategy	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	In FY2024, our Sponsor has deployed an in-house CVaR platform, which uses the latest available climate data to identify exposure to climate risks across business operations over short- (2030), medium- (2050) and long-term (2070) time horizons and multiple climate scenarios. FHT will begin utilising this platform to identify and assess the extent of exposure of its assets to climate risks.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>These climate risk assessments include an analysis of both the financial impacts to our major operating revenue and costs items in the absence of any mitigation actions and the potential value of damage to our assets in the face of extreme weather events.</p> <p>During FY2024, we executed our decarbonisation roadmap which included tools to analyse our carbon emission better and will lead us towards achieving net-zero carbon emissions by 2050.</p>
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Our Sponsor has initiated a group-wide readiness assessment of our practices as they relate to managing climate-related risk.</p> <p>Insights from the readiness assessment done on FHT have been used to develop a roadmap to align more closely with TCFD recommendations. Examples of actions within the roadmap include:</p> <ul style="list-style-type: none"> • Integrating climate change risks and opportunities into strategic decision making • Providing annual training for business leaders • Undertaking climate risk assessments on the asset level, including an assessment against different and longer-term time horizons, both low-emissions and high-emissions scenarios, and an assessment of financial impacts and materiality of climate related risks and opportunities • Improving the quality of climate-related financial disclosures This roadmap, approved by the Board, enables us to methodically address and mitigate physical and transition risks that are key to our business.

TASKFORCE FOR CLIMATE-RELATED DISCLOSURES APPENDIX

Pillars	Climate-related disclosures for FY2024
Risk Management	
Describe the organisation's processes for identifying and assessing climate-related risks.	In FY2024, our Sponsor deployed an in-house CVaR platform and decarbonisation tool, which aggregates asset- and development-level data and climate exposures up to geographic, portfolio, asset class and Group levels. This would enable FHT to understand the potential impacts of physical and transition climate risk under future climate scenarios and incorporate this data into investment, financial and strategic planning.
Describe the organisation's processes for managing climate-related risks.	<p>We identify key risks, assess their likelihood and materiality to our business and document corresponding mitigating controls in a risk register. The risk register is reviewed and updated regularly.</p> <p>Sustainability-related risks have been included in the FHT Risk Register for monitoring.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We have integrated climate-related risk identification activities within our Enterprise Risk Management processes and associated risk register practices.
Metrics and Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>To ensure that we are on track to meet our target of net-zero carbon emissions by 2050, we measure and report our energy consumption and Scope 3 GHG emissions. Please refer to the Energy and Carbon section on pages 79 and 80 for more detailed information on our metrics and targets.</p> <p>We measure and disclose our performance using metrics including:</p> <ul style="list-style-type: none"> • energy consumption (GJ) • energy intensity (GJ/Occupied night) • Scope 3 GHG emissions (tonnes of CO₂e) • Scope 3 GHG intensity (kgCO₂e/Occupied night) <p>This ESG Report is aligned with the recommended TCFD disclosures.</p>
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	<p>We measure and report our Scope 3 GHG emissions across our assets.</p> <p>Due to the nature of our business, we do not have direct operational control over our tenanted assets.</p> <p>Please refer to the Energy and Carbon section for full details of our metrics relating to GHG emissions.</p>
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Through our Sponsor, we have introduced goals to inspire climate actions, such as attaining net zero carbon emissions across our business and value chain by 2050.</p> <p>For further details on energy efficiency measures implemented in FY2024, please refer to the Energy and Carbon section.</p>

GRI CONTENT INDEX

Statement of use: Frasers Hospitality Trust has reported in accordance with the GRI Standards for the period 1 October 2023 to 30 September 2024 (FY2024).

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General disclosures					
GRI 2 General Disclosures 2021	2-1 Organizational details	Trust Structure and Organisational Structure, Page 6 Corporate Information, Page 7			
	2-2 Entities included in the organization's sustainability reporting	About This Report, Page 67			
	2-3 Reporting period, frequency and contact point	About This Report, Page 67			
	2-4 Restatements of information	Consuming Responsibly - Energy and Carbon, Pages 79 - 80 Notes on the Reporting Scope, Restatements, Page 98			
	2-5 External assurance	About This Report, Page 67			
	2-6 Activities, value chain and other business relationships	About Frasers Hospitality Trust, Page 2			
	2-7 Employees	Focusing on People - Diversity, Equity and Inclusion, Pages 83 - 84			
	2-8 Workers who are not employees		a, b, c	Not applicable	Not meaningful to disclose due to the nature of our business
	2-9 Governance structure and composition	Trust Structure and Organisational Structure, Page 6 Board of Directors, Pages 44 - 50 Management Team, Pages 51 - 52 Corporate Governance Reports - Board Composition, Pages 117 - 128			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Reports - Board Composition, Pages 117 - 128			
	2-11 Chair of the highest governance body	Board of Directors, Pages 44 - 50			
	2-12 Role of the governance body in overseeing the management of impacts	Board of Directors, Pages 44 - 50, Board Statement, Page 65, ESG Governance, Page 69			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Reports - Delegation of Authority Framework, Page 113 Management Team, Pages 51 - 52 ESG Governance, Page 69			
	2-14 Role of the highest governance body in sustainability reporting	Board Statement, Page 65 ESG Governance, Page 69			
	2-15 Conflicts of interest	Corporate Governance Reports - Conflict of Interest, Pages 127 - 128 Additional Information - Interested Person Transactions, Pages 291 - 294			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2 General Disclosures 2021	2-16 Communication of critical concerns	Corporate Governance Reports - Whistle-Blowing Policy, Page 141, Investor Relations, Pages 99 - 100 Conduct of General Meetings, Pages 143 - 144			
	2-17 Collective knowledge of the highest governance body	Board Statement, Page 65 Corporate Governance Reports - Training and Development of Directors, Pages 116 - 117			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Reports - Board Performance Evaluation, Pages 127 - 128			
	2-19 Remuneration policies	Corporate Governance Reports - Remuneration Matters, Pages 128 - 135			
	2-20 Process to determine remuneration	Corporate Governance Report - Remuneration Matters, Pages 128 - 135			
	2-21 Annual total compensation ratio		a, b, c	Confidentiality constraints	We are unable to disclose the ratio due to our highly competitive labor market
	2-22 Statement on sustainable development strategy	Board Statement, Page 65			
	2-23 Policy commitments	Acting Progressively - Risk-based Management, Pages 74 - 75			
	2-24 Embedding policy commitments	Acting Progressively - Risk-based Management, Pages 74 - 75			
	2-25 Processes to remediate negative impacts	Acting Progressively - Risk-based Management, Page 74	e	Information unavailable	We do not track the effectiveness of the mechanisms but we readily welcome feedback through our various communication channels
	2-26 Mechanisms for seeking advice and raising concerns	Acting Progressively - Risk-based Management, Page 74			
	2-27 Compliance with laws and regulations	Acting Progressively - Risk-based Management, Pages 74 - 75			
	2-28 Membership associations	Our Approach to ESG - Membership Associations, Page 69			
	2-29 Approach to stakeholder engagement	Our Approach to ESG - Stakeholder Engagement, Pages 70 - 72 Focusing on People - Diversity, Equity and Inclusion, Page 83			
2-30 Collective bargaining agreements		a, b	Confidentiality restraints	We do not publicly disclose this data	
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our ESG Approach - Materiality Approach, Pages 71 - 72			
	3-2 List of material topics	Our ESG Approach - Materiality Approach, Pages 71 - 72			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Acting Progressively					
Risk-based Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Acting Progressively - Risk-based Management, Pages 73 - 74			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Acting Progressively - Risk-based Management, Page 74	a, b	Information incomplete	Lack of data for meaningful disclosure
	205-2 Communication and training about anti-corruption policies and procedures	Risk Management - Fraud Risk, Page 103, Acting Progressively - Risk-based Management, Page 74			
	205-3 Confirmed incidents of corruption and actions taken	Risk Management - Fraud Risk, Page 103, Acting Progressively - Risk-based Management, Page 74			
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Acting Progressively - Risk-based Management, Page 74			
Responsible Investment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Acting Progressively - Responsible Investment, Page 76			
Resilient Properties					
GRI 3: Material Topics 2021	3-3 Management of material topics	Acting Progressively - Resilient Properties, Page 76			
Consuming Responsibly					
Energy and Carbon					
GRI 3: Material Topics 2021	3-3 Management of material topics	Consuming Responsibly, Energy and Carbon, Page 79			
GRI 302: Energy 2016	302-1 Energy consumption within the organization		a to g	Not applicable	Due to the nature of our business, we do not have direct operational control over our tenanted assets
	302-2 Energy consumption outside of the organization	Consuming Responsibly - Energy and Carbon, Page 79			
	302-3 Energy intensity	Consuming Responsibly - Energy and Carbon, Page 79			
	302-5 Reductions in energy requirements of products and services	Consuming Responsibly - Energy and Carbon, Page 79	a, b, c	Information incomplete	Due to the management of diverse properties and YoY fluctuations, we are unable to provide specific numerical reductions in energy consumption that are directly tied to initiatives. This complexity makes it challenging to precisely isolate the impact of its reduction measures

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		a to g	Not applicable	Due to the nature of our business, we do not have direct operational control over our tenanted assets
	305-2 Energy indirect (Scope 2) GHG emissions		a to g	Not applicable	Due to the nature of our business, we do not have direct operational control over our tenanted assets
	305-3 Other indirect (Scope 3) GHG emissions	Consuming Responsibly - Energy and Carbon, Pages 79 - 80			
	305-4 GHG emissions intensity	Consuming Responsibly - Energy and Carbon, Pages 79 - 80			
	305-5 Reduction of GHG emissions	Consuming Responsibly - Energy and Carbon, Pages 79 - 80			
Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	Consuming Responsibly - Water, Page 80			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Consuming Responsibly - Water, Page 80			
	303-2 Management of water discharge-related impacts		a	Information incomplete	All effluent discharge is handled by municipalities
	303-3 Water withdrawal	Consuming Responsibly - Water, Page 80	b, c	Information incomplete	FHT tracks total water withdrawal but currently does not break this down to water stress areas
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Consuming Responsibly - Waste, Page 81			
GRI 306: Waste 202	306-1 Waste generation and significant waste-related impacts	Consuming Responsibly - Waste, Page 81			
	306-2 Management of significant waste-related impacts	Consuming Responsibly - Waste, Page 81			
	306-3 Waste generated	Consuming Responsibly - Waste, Page 81			
	306-4 Waste diverted from disposal	Consuming Responsibly - Waste, Page 81			
	306-5 Waste directed to disposal	Consuming Responsibly - Waste, Page 81			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Focusing on People					
Diversity, Equity and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	Focusing on People - Diversity, Equity and Inclusion, Page 83			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Focusing on People - Diversity, Equity and Inclusion, Page 84			
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Focusing on People - Diversity, Equity and Inclusion, Page 83			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Focusing on People - Diversity, Equity and Inclusion, Pages 83 - 84			
	405-2 Ratio of basic salary and remuneration of women to men		a, b	Confidentiality constraints	We are unable to disclose the ratio due to our highly competitive labour market
Skills and Leadership					
GRI 3: Material Topics 2021	3-3 Management of material topics	Focusing on People - Skills and Leadership, Page 84			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Focusing on People - Skills and Leadership, Page 84			
	404-2 Programme for upgrading employee skills and transition assistance programmes	Focusing on People - Skills and Leadership, Page 84	b	Information incomplete	Lack of data for meaningful disclosure
Health and Well-being					
GRI 3: Material Topics 2021	3-3 Management of material topics	Focusing on People - Health and Well-being, Page 85			
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focusing on People - Health and Well-being, Page 85			
	401-3 Parental leave	Focusing on People - Health and Well-being, Page 85			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		a, b	Information incomplete	Lack of data for meaningful disclosure
	403-2 Hazard identification, risk assessment and incident investigation	Focusing on People - Health and Well-being, Page 85			
	403-4 Worker participation, consultation and communication on occupational health and safety	Focusing on People - Health and Well-being, Page 85			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Focusing on People - Health and Well-being, Page 85			
	403-6 Promotion of worker health	Focusing on People - Health and Well-being, Page 85			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focusing on People - Health and Well-being, Page 85			
	403-9 Work-related injuries	Focusing on People - Health and Well-being, Page 85			
	403-10 Work-related ill health	Focusing on People - Health and Well-being, Page 85			
Community Connectedness					
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus on People - Community and Connectedness, Page 86			

Notes on the Reporting Scope, Restatements

- Maritim Hotel Dresden's GFA is not included in the calculation of green building certification for FHT properties.
- Maritim Hotel Dresden and Koto no Hako (the retail component of ANA Crowne Plaza Kobe) are not included in environmental data disclosed.
- With the exceptions mentioned in the corresponding footnotes, all figures reported for energy consumption, GHG emissions, water consumption and waste generated are computed based on the entire building areas for all properties.
- The GHG emission factors are from Greenhouse Gas Reporting Conversion Factors by the United Kingdom's Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy; Singapore Energy Statistics from Energy Market Authority ("EMA") and International Energy Agency.
- As a complete dataset for waste collected and recycled, which was more representative of our business activities, was established in FY2019, the baseline year was set as such instead of FY2018.
- The FY2019 baseline was chosen because of the relatively complete dataset established and it was more representative of our usual business activities.
- Discrepancies between individual figures and aggregates, or derived values, in the charts and tables of this report are due to rounding.
- The assets in FHT's portfolio are externally managed, either by FH or by third parties outside of FPL's management. The landlord energy usage fall under FPL's operational control but not under FHT, as the relevant assets are managed by FH. This distinction is reflected in the data calculations: landlord account styles are categorised as tenant under FHT but as landlord under the Group.

INVESTOR RELATIONS

FAIR, TIMELY AND TRANSPARENT COMMUNICATIONS

The Managers of FHT are committed to providing timely, accurate and comprehensive information that will aid our Stapled Securityholders and the investment community in their investment decisions. To keep our stakeholders up-to-date on FHT's performance and progress, we strive to release our announcements, news releases, presentation slides, annual reports, circulars and all other disclosures promptly via SGXNET, and subsequently on FHT's website at www.frasershospitalitytrust.com.

Our stakeholders can subscribe to email alert service via FHT's website to receive notifications on our latest announcements and SGXNET filings. There is also a dedicated communication channel (via email and telephone) through which Stapled Securityholders and investors may direct their enquiries to.

FHT's website contains general information such as our property portfolio details, annual and sustainability reports, quarterly business updates and financial results, news releases, presentation slides, distribution payouts and financial calendar. Other information such as interactive stapled security price charts and historical stapled security price data are available too.

Underscoring our commitment to uphold and maintain high standards of corporate governance to deliver sustainable value to our stakeholders, we continue to support the SIAS Corporate Governance Statement of Support 2024.

AGM

AGMs provide important channels of communication between the Managers and our Stapled Securityholders. FHT's 9th AGM was convened on 23 January 2024. The meeting was held physically at the InterContinental Singapore Grand Ballroom.

Prior to the meeting, we invited Stapled Securityholders to submit their questions relating to the resolutions tabled for approval ahead of the AGM. At the meeting, opportunities were given to Stapled Securityholders to participate and communicate their views on matters relating to FHT. Our Board of Directors and Management were present to engage them and address their concerns.

Updates on FHT's performance, market outlook and growth strategies were covered during the AGM which was well attended. Resolutions for the AGM were then put to the vote by way of electronic polling. The results, showing the number of votes cast for and against each resolution, were promptly disclosed on SGXNet and FHT's website on the same day of the AGM. The AGM minutes were also published as soon as practicable on SGXNet and FHT's website for greater transparency.

ACTIVE ENGAGEMENTS VIA MULTIPLE PLATFORMS

Throughout the year, we actively engage the investment community through investor meetings, conference calls, non-deal roadshows and investor conferences. Such interactions help the investment community better understand our business and performance and provide us with valuable insights into the market perceptions and expectations of FHT.

For our interim and full-year results as well as business updates, virtual briefings for analysts are conducted on a quarterly basis. Property visits are arranged upon request to help the investment community better understand the key drivers of our portfolio performance.

Equity Research Coverage

The equity research firms which cover FHT are:

- DBS
- Maybank Kim Eng

INVESTOR RELATIONS

Investor Relations Calendar for FY2024

Event/Activity	Date
Analyst briefing for FY2023 results	7 November 2023
Investor conference call hosted by DBS Group Research	7 November 2023
Fraser's Day, Bangkok	22 November 2023
9 th AGM	23 January 2024
Analyst briefing for 1Q FY2024 business updates	2 February 2024
Investor conference call hosted by DBS Group Research	2 February 2024
Singapore REIT Day, Bangkok	21 February 2024
Analyst briefing for 1H FY2024 results	9 May 2024
Investor conference call hosted by DBS Group Research	9 May 2024
Analyst briefing for 3Q FY2024 business updates	2 August 2024
Investor conference call hosted by DBS Group Research	2 August 2024
Fraser's Analysts Luncheon	27 August 2024

Subsequent event: FHT's FY2024 Results Announcement was announced on 12 November 2024.

Financial Calendar

Event/Activity	Date
10 th Annual General Meeting	15 January 2025
1Q FY2025 Business Updates	February 2025
1H FY2025 Results Announcement	May 2025
3Q FY2025 Business Updates	August 2025
2H and FY2025 Results Announcement	November 2025

Note: The above dates are indicative and may be subject to change by the Managers without prior notice.

STAPLED SECURITY PRICE PERFORMANCE

FHT's stapled security price closed at \$0.47 on 30 September 2024, representing a decrease of 6.9% from the start of FY2024. From a total return perspective, FHT provided Stapled Securityholders

with a three-year total return of 16.6%, compared to 1.3% for the FTSE ST REIT Index and 35.6% for the Straits Times Index.

FHT Stapled Security Statistics

	FY2023	FY2024
Opening Price (S\$)	0.48	0.505
Closing Price (S\$)	0.505	0.47
Highest Price (S\$)	0.505	0.53
Lowest Price (S\$)	0.425	0.415
Total Volume of Stapled Securities Traded	213.2 million	217.5 million
Average Daily Volume of Stapled Securities Traded	0.9 million	0.9 million
Market Capitalisation as at End of Financial Year (S\$)	972.7 million	905.3 million

Comparative Total Returns

As at 30 September 2024	1 Year	3 Year	5 Year
FHT	-2.5%	16.6%	-20.2%
FTSE ST Real Estate Investment Trusts Index	+13.2%	1.3%	1.3%
Straits Times Index	+17.7%	35.6%	41.7%

Monthly Trading Performance in FY2024

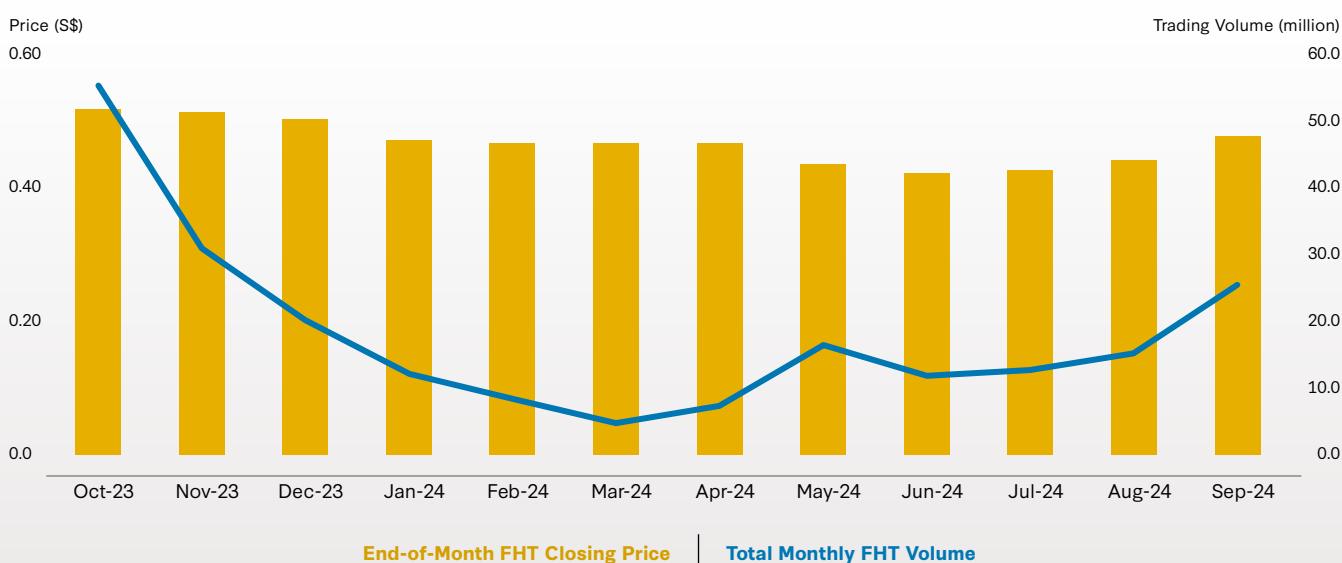
FHT's trading volume and the unit closing price for each month in FY2024 is shown in the chart below. The average daily trading volume in FY2024 was 0.9 million units, approximately 2.0% higher against FY2023.

Feedback

The Managers of FHT values and welcomes feedback from Stapled Securityholders and other stakeholders.

For enquiries or feedback on FHT, please contact:
Mr Joey Ho
Senior Manager, Investor Relations
Email: joey.ho@frasershospitality.com

FHT Monthly Trading Performance for FY2024



RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (“ERM”) is an essential part of FHT’s business strategy and it supports the achievement of FHT’s business objectives by instilling risk-based decision making. The Board of Directors, supported by the Audit, Risk and Compliance Committee (“ARCC”), is responsible for governing the overall risk strategy and ensuring the Managers implement a sound system of risk management and internal control. Management maintains a risk management framework to identify, assess and monitor risks, put in place mitigating measures, and allocate appropriate resources to proactively manage the risks. Through the framework, the Managers seek to create and preserve value for FHT and safeguard Stapled Securityholders’ interests and FHT’s assets.

has also been put in place which requires written certification by business units of the assessment of the risk management and internal control systems of their respective areas.

Other risk management processes include business continuity, disaster recovery planning and crisis management planning.

KEY RISKS IN 2024

The Managers actively monitor the key material risks, anticipate the potential outcomes and mitigate the exposures through risk management strategies and measures. Our financial performance and operations are impacted by key material risks, which include:

Investment Risk

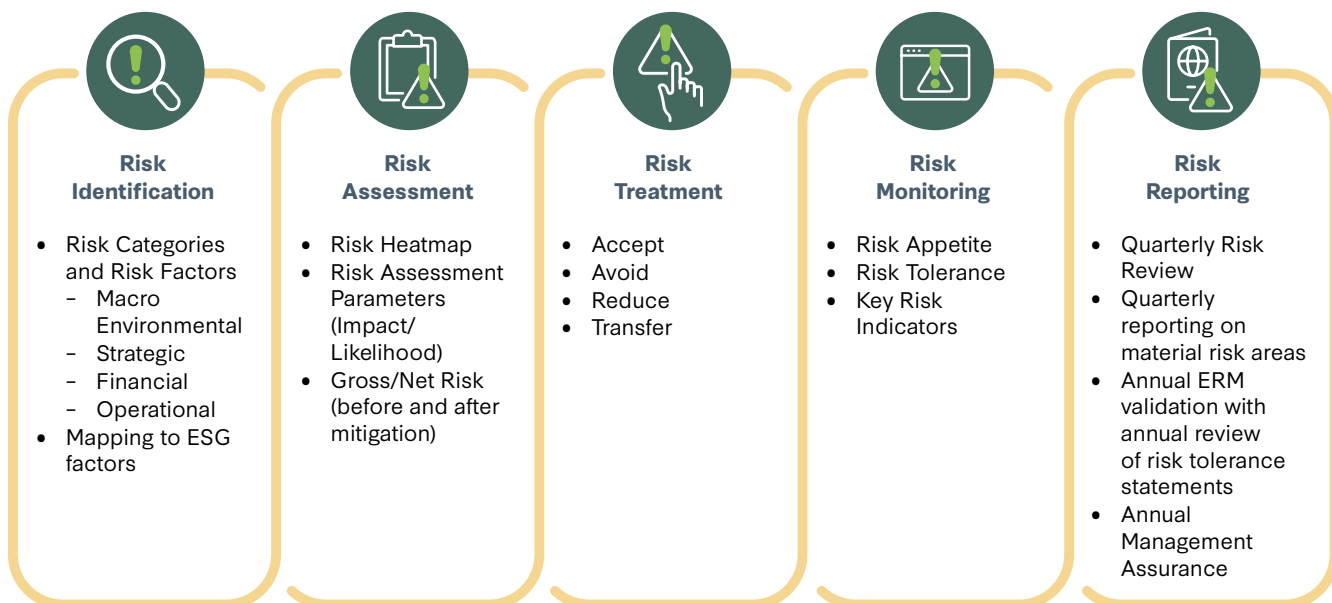
FHT’s investment process aims to deliver a sustainable and resilient portfolio. Investment risk include unfavourable market conditions and other macroeconomic factors which may affect our ability to invest or divest based on plan.

All investment proposals are evaluated against a comprehensive set of investment criteria and due diligence is carried out to mitigate potential investment risks. The acquisition must be aligned with FHT’s investment mandate. The evaluation process for all investment activities includes consideration of the location, guests mix, building condition, competitive conditions, expected investment return, means of financing, long-term sustainability of asset performance and growth potential.

RISK MANAGEMENT PROCESS

The risk management framework covers key business areas such as investment, financial management and operating activities. Management is responsible for identifying, assessing managing, monitoring and reporting risks to the ARCC on a regular basis.

Risks are reported and monitored using risk reports which captures risks, key risk indicators, mitigating measures, timeline for action items and risk ratings. Risk tolerance statements setting out the nature and extent of significant risks which the Managers are willing to take in achieving FHT’s strategic objectives, have been formalised and adopted. The risk tolerance statements are reviewed annually according to the business plan. A management assurance process



Environment and Climate Change Risk

Climate change has gained considerable attention over the years not only due to its direct impact on environment and communities, but also as an increasingly critical risk for businesses and organisations. With escalating human activity, global temperatures have been increasing faster before, along with rising sea levels, changing rain patterns and other conditions that will continue to intensify rapidly over time. These potentially impact FHT's portfolio where heatwaves, floods, wildfires and rising sea levels are some of the risks we may face, as with other businesses operating in the same regions.

FHT's top 2 material issues are Climate Change Mitigation (GHG Emissions) and Climate Change Adaptation & Resilience. To address the former, we have set net zero carbon targets that align with our Sponsor, built tools to track and analyse our carbon footprint, as well as developed decarbonization plans for our properties. In addressing Climate Change Adaptation & Resilience, we align with our Sponsor on a new Climate Value at Risk platform completed in FY2024, which identifies physical and transition risks and opportunities that impact the business. In addition, FHT has actively pursued green build certifications for our portfolio to enhance our resiliency. As of FY2024, 93% of our portfolio by GFA have attained or are pursuing certifications¹.

FHT also aligns with our Sponsor on other key material issues and have in place strategies and action plans to ensure that our efforts across the Environment, Social and Governance are well covered, in addition to compliance in our reporting that are in line with the Global Reporting Initiative (GRI) and the Taskforce for Climate-related Financial Disclosures (TCFD). For more information, please refer to our annual Sustainability Reports at https://fht.frasersproperty.com/sustainability_report.html

Fraud Risk

Robust approval processes for purchasing and procurement and a whistle-blowing policy are in place to mitigate fraud risk. FHT and its Managers are subject to regular internal audit reviews scheduled based on the internal audit work plans approved by the Managers' ARCC.

Foreign Currency Risk

FHT is exposed to risks associated with exchange rate fluctuations as FHT has operations in Australia, Europe, Japan and Malaysia where revenues are in the natural currency while distributions are declared in Singapore dollars. The Managers monitor FHT's foreign currency exposures on an ongoing basis and limit its exposure

to fluctuations in exchange rates by using financial derivatives or other suitable financial instruments.

FHT has a policy to hedge anticipated foreign currency exposure in respect of distribution income, net of anticipated payments required in the same currency from its foreign subsidiaries by using foreign currency forward exchange contracts and derivatives.

Investments in overseas assets are hedged naturally to the extent that borrowings are taken up in their respective foreign currencies. At least 20% of its investments denominated in foreign currencies are hedged, either through borrowings in the same foreign currencies or using cross currency swap contracts. The net position of the foreign exchange risk of these investments in overseas assets are not hedged as such investments are long term in nature.

Interest Rate Risk

Rising interest rates and cost of capital can impact the profitability and the distribution income available to unitholders. FHT's exposure to changes in interest rates relate primarily to its interest-bearing borrowings. Interest rate risk is actively managed by the Managers with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Managers adopt a policy of fixing the interest rates of FHT's outstanding borrowings to achieve an appropriate mix of fixed and floating rates exposures via the use of financial derivatives or other suitable financial instruments. The Managers closely monitors the interest rate environment and reviews the hedging strategy on an ongoing basis.

Tax Risk

FHT is exposed to tax risks associated with changes in structures, circumstances and tax regulations in Singapore, Australia, Europe, Japan and Malaysia. The global tax framework is constantly evolving, and unanticipated changes may lead to higher compliance costs and increased tax burden. The Managers have put in place resources and processes to monitor the changes in tax laws and implement tax efficient structures in the jurisdictions that it invests in. This includes engaging with tax regulatory authorities, seeking professional services from tax advisors and conducting trainings to help employees keep abreast of the latest developments.

Credit Risk

Credit risk is the potential financial loss from the failure of tenants or counterparties to settle its financial and contractual obligations with FHT, as and when they fall

¹ Maritim Hotel Dresden's GFA is not included in the calculation of green build certification for FHT properties.

RISK MANAGEMENT

due. FHT's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Managers establish credit limits for lessees and monitor their balances on an ongoing basis. Credit evaluations are performed by the Managers before lease agreements are entered into with the prospective lessees. Credit risk is also mitigated by the security deposits collected from lessees.

Liquidity Risk

Liquidity risk is the risk that FHT encounters difficulty in meeting its financial obligations due to shortage of funds. The Managers maintain a level of cash and cash equivalents deemed adequate to finance FHT's operations for a reasonable period and to mitigate the effects of fluctuations in cash flows.

The Managers ensure compliance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore concerning limits on total borrowings. The Managers also seeks to broaden the sources of funding to enable access to revolving credit lines from financial institutions to fund its working capital needs and capital expenditure requirements in the short to medium term. As far as possible, the maturities of the borrowings are spread out to mitigate financing risks in any single year.

Operational Risks

Increased market competition, disruptions from nature disasters and outbreak of contagious diseases impacts operations and business continuity. FHT relies on its appointed hotel and serviced residence operators for the day-to-day running of its properties. It reduces its operational risks through the engagement of reputable hotel and serviced residence operators with strong experience in the respective markets. The Asset Management team actively oversees the performance of the assets and the operators and performs benchmarking of the assets' performance vis-a-vis their competitors. Regular meetings are scheduled between the Asset Management team and the operators in which the performance is reviewed and actions to improve the operating performance are agreed.

Global terrorism risk poses a threat to the operations of the hotels and serviced residences. Where physical controls at the properties are inadequate, events such as terrorist attacks could result in physical damage to FHT's assets and injury to guests and employees at the properties. The hotel and serviced residence operators have implemented business continuity and crisis management procedures at the properties, to reduce the risk of loss of lives and damage to property.

The Managers have procured insurance coverage for property damage, business interruption and terrorism to minimise any potential financial impacts.

Regulatory and Compliance Risk

FHT has global operations and is subject to the laws and regulations of the markets it operates in. These include taxation, data privacy, anti-bribery and corruption, anti-money laundering, workplace safety and health, competition and sustainability. Changes in the laws and regulations, increasing regulatory burden and higher compliance costs may pose risks to our business.

The Managers have put in place policies and procedures to facilitate compliance with applicable laws and regulations. They keep abreast of the latest developments in relevant laws and regulations for planning of mitigation measures through engaging with regulatory bodies, training, attending talks and briefings. Where necessary, the Managers will consult external legal counsel for advice.

Information Technology (IT) Risk

IT risk include cybersecurity threats from ransomware, malware, phishing attacks and scams which can lead to system non-availability, business disruption, financial loss and regulatory action. Frasers Property, of which the Managers are a part of, builds digital capabilities and invests in new technology, including cloud-based technologies, to ensure the business is future-ready, agile, scalable and cost competitive. Disaster recovery plans and incident management procedures are developed and tested annually.

Measures are taken to enable effective privileged access monitoring, patch management, data security, data protection and prolonged service unavailability of critical IT systems. Periodic training is also conducted for new and existing employees to raise IT security awareness. External professional service providers are engaged to conduct independent vulnerability assessment and penetration tests to further strengthen the IT systems. The Managers have in place policies which incorporate the requirements under the Technology Risk Management Guidelines issued by the MAS.

Human Capital Risk

In a competitive talent market, we risk the loss of key management personnel and the inability to attract, retain and groom successors for key positions. Human capital is a key factor for driving growth and the Managers have in place a career planning and development system for its staff and conducts regular remuneration and benefits benchmarking to attract and retain appropriate talent for the business. Regular training and development opportunities are also provided to upgrade the skills and knowledge of the staff.

CORPORATE GOVERNANCE REPORTS

INTRODUCTION

Frasers Hospitality Trust (“**FHT**”) is a stapled group comprising Frasers Hospitality Real Estate Investment Trust (“**FH-REIT**”) and Frasers Hospitality Business Trust (“**FH-BT**”).

The units in FH-REIT and the units in FH-BT are stapled together under the terms of a stapling deed dated 20 June 2014 (“**Stapling Deed**”) entered into between Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT (“**REIT Manager**”), Perpetual (Asia) Limited, as trustee of FH-REIT (“**REIT Trustee**”), and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of FH-BT (“**Trustee-Manager**”, and together with the REIT Manager, the “**Managers**” and each, the “**Manager**”), to form stapled securities in FHT (“**Stapled Securities**”, and each a “**Stapled Security**”). Each Stapled Security, consisting of one FH-REIT unit and one FH-BT unit, is treated as a single instrument. The Stapled Securities are listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

FH-REIT is a real estate investment trust (“**REIT**”) constituted in Singapore by a trust deed dated 12 June 2014 made between the REIT Manager and the REIT Trustee (as amended and restated by a first amending and restating deed dated 20 June 2014, and as further amended, restated and/or supplemented from time to time) (the “**FH-REIT Trust Deed**”). FH-REIT is a collective investment scheme under the Securities and Futures Act 2001 (the “**SFA**”).

FH-BT is a business trust constituted in Singapore by a trust deed dated 20 June 2014 (as further amended, restated and/or supplemented from time to time) (the “**FH-BT Trust Deed**”, and together with the FH-REIT Trust Deed and the Stapling Deed, the “**Trust Deeds**”). FH-BT is registered as a business trust under the Business Trusts Act 2004 (the “**BTA**”).

FH-BT was activated on 19 October 2016 to act as master lessee of “Novotel Melbourne on Collins” under a master lease agreement (the “**Melbourne Master Lease Agreement**”) entered into between FH-BT NMCS Operations Pty Ltd (an indirectly wholly-owned subsidiary of FH-BT) and The Trust Company (PTAL) Limited, as trustee for FHT Melbourne Trust 1 (an indirectly wholly-owned sub-trust of FH-REIT). The Melbourne Master Lease Agreement is an internal arrangement within the FHT stapled group.

The Managers comply with the principles of the Code of Corporate Governance 2018 (the “**CG Code**”) in line with the listing manual of the SGX-ST (the “**SGX-ST Listing Manual**”). The REIT Manager also complies with the CG Code in accordance with its obligations under the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04-G07) issued by the Monetary Authority of Singapore (“**MAS**”). The practices and activities of the Board of Directors of each of the Managers (collectively the “**Boards**”) and the management of the Managers (collectively the “**Management**”) adhere closely to the provisions under the CG Code.

The Managers are also guided by the Practice Guidance which accompanies the CG Code and which sets out best practices for listed issuers; as this will build investor and stakeholder confidence in FHT and the Managers. A summary of compliance with the express disclosure requirements under the provisions of the CG Code is set out on pages 151 to 152 of this Annual Report.

Due to the different legislative and regulatory requirements in relation to a REIT as compared to a business trust, the corporate governance procedures and disclosure requirements in relation to the REIT Manager are different from those in relation to the Trustee-Manager, and where appropriate, we have highlighted them below.

FHT is a signatory to the 2022 Corporate Governance Statement of Support initiated by the Securities Investors Association (Singapore) where FHT has pledged its continued commitment to uphold high standards in corporate governance.

CORPORATE GOVERNANCE REPORTS

The Managers

The Managers are wholly-owned subsidiaries of Fraser's Property Limited ("**FPL**" or the "**Sponsor**" and together with its subsidiaries, "**Fraser's Property Group**"). Each of the REIT Manager and the Trustee-Manager has general powers of management over the business and assets of FH-REIT and FH-BT, respectively.

The REIT Manager holds a Capital Markets Services Licence issued by the MAS as required under the licensing regimes for real estate investment trust managers to carry out REIT management activities. The REIT Manager's main responsibility is to manage FH-REIT's assets and liabilities for the benefit of unitholders of FH-REIT. To this end, the REIT Manager is able to set the strategic direction of FH-REIT and make recommendations to the REIT Trustee, on acquisitions, divestments and enhancement of the assets of FHT. The role of the REIT Manager includes the pursuit of a business model that sustains the growth and enhances the value of FH-REIT and is focused on delivering regular and stable distribution to holders of the Stapled Securities of FHT (the "**Stapled Securityholders**"). Other functions and responsibilities of the REIT Manager include preparing annual asset plans, undertaking regular individual asset performance analysis and market research analysis, and managing finance functions relating to FH-REIT (which includes financial and tax reporting, capital management, treasury, and preparation of consolidated budgets). The Trustee-Manager performs similar functions for FH-BT.

The MAS has granted the Trustee-Manager an exemption from compliance with Sections 10(2)(a) and 11(1)(a) of the BTA to act in the best interests of the holders of FH-BT unitholders only, subject to:

- (a) the FH-BT units remaining stapled to the FH-REIT units; and
- (b) the directors of the Trustee-Manager ("**Trustee-Manager Directors**") and the Trustee-Manager acting in the best interests of all Stapled Securityholders as a whole.

The Values of the REIT Manager and the Trustee-Manager

1. Commitment to upholding and maintaining high standards of corporate governance, corporate transparency and sustainability.
2. Maintaining a robust and sound governance framework, which is an essential foundation to build, evolve and innovate a business which is sustainable over the long-term and one which is resilient in a dynamic, fast-changing environment.
3. Adhering to corporate policies, business practices and systems of risk management and internal controls, which are designed to ensure that consistently high standards of integrity, accountability and governance are maintained.
4. Ensuring that the business and practices of FH-REIT and FH-BT (as the case may be) are carried out in a manner that comply with applicable laws, rules and regulations, including the BTA, the SFA, their respective subsidiary legislation, the SGX-ST Listing Manual, the CG Code, the Code on Collective Investment Schemes (the "**CIS Code**") issued by the MAS (including Appendix 6 of the CIS Code, the "**Property Funds Appendix**"), the Trust Deeds, as well as the written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time.
5. Pursuing growth and enhancement of performance and value sustainably, thereby safeguarding the assets of FHT, in the interests of Stapled Securityholders and other stakeholders.

The Boards work with Management to ensure that these values underpin its leadership of the REIT Manager and the Trustee-Manager.

The REIT Manager and the Trustee-Manager are staffed by an experienced and well-qualified team who manage the operational matters of FH-REIT and FH-BT (as the case may be). The Managers are wholly-owned subsidiaries of FPL, whose multinational business operate across five asset classes, namely, commercial and business parks, hospitality, industrial and logistics, residential and retail. The Fraser's Property Group has businesses in Southeast Asia, Australia, the EU, the UK and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries across Asia, Australia, Europe, the Middle East and Africa.

CORPORATE GOVERNANCE REPORTS

As the Sponsor holds a substantial ownership stake of approximately 25.67% in FHT as at 30 September 2024, there is an alignment of interests between the Sponsor, the Managers and the Stapled Securityholders. The Managers are able to benefit from and leverage on its association with the Sponsor in the management of FHT in various ways, including tapping on the Sponsor's extensive experience in development and management of real estate assets, sourcing for talent and experienced personnel within the Sponsor's pool of employees, including those who may be considered for appointment to the Boards, access to the Frasers Property Group's network of lenders for debt financing, and negotiating for favourable terms with external suppliers and vendors on a group basis.

The REIT Manager and the Trustee-Manager are appointed in accordance with the terms of the FH-REIT Trust Deed and the FH-BT Trust Deed respectively. The REIT Manager can be removed by notice in writing given by the REIT Trustee in favour of a corporation appointed by the REIT Trustee under certain circumstances outlined in the FH-REIT Trust Deed, including where the unitholders of FH-REIT, by a resolution duly passed by a simple majority of unitholders of FH-REIT present and voting (with no unitholder of FH-REIT being disenfranchised) at a unitholders' meeting, decide that the REIT Manager is to be removed. The Trustee-Manager may be removed, by a resolution by the unitholders of FH-BT holding in the aggregate not less than three-fourths of the voting rights of all the unitholders of FH-BT.

BOARD MATTERS

The Board

Each of the REIT Manager and the Trustee-Manager has its own Board.

So long as the FH-REIT units remain stapled to the FH-BT units, in order to avoid any conflict between FH-REIT and FH-BT and to act in the best interests of FHT, the Board of FH-REIT ("**REIT Manager Board**") and the Board of FH-BT ("**Trustee-Manager Board**") will comprise the same persons.

The REIT Manager Board is responsible for the overall leadership and oversight of both FH-REIT's and the REIT Manager's business, financial, investment and material operational affairs and performance objectives, and FH-REIT's long-term success. The REIT Manager Board sets the strategic direction of FH-REIT and the REIT Manager and also determines the REIT Manager's approach to corporate governance, including setting appropriate tone-from-the-top and the desired organisational culture, values and ethical standards of conduct, and works with Management on its implementation across FHT and the REIT Manager.

The key roles of the Trustee-Manager Board are to: (a) guide the corporate strategy and directions of the Trustee-Manager; (b) ensure that Management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; (c) oversee the proper conduct of the Trustee-Manager; and (d) ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced. Further information on the roles and responsibilities of the Trustee-Manager Board can be found in the Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust on pages 160 to 165.

The Managers also focus on value creation, innovation and sustainability. The Boards, supported by Management, ensure necessary resources are in place for FHT and the Managers to meet their strategic objectives. Through the Enterprise Risk Management ("**ERM**") framework of FHT and its subsidiaries (the "**Group**"), the Boards establish and maintain a sound risk management system to effectively monitor and manage risks and to achieve an appropriate balance between risks and returns and in turn the Group's performance. The Boards:

- (a) put in place policies, structures and mechanisms to ensure compliance with legislative and regulatory requirements;
- (b) which comprise directors who are fiduciaries and who act objectively in the best interests of the Managers and the Group, constructively challenge Management and review their performance, and hold Management accountable for performance; and
- (c) oversee Management to ensure transparency and accountability to key stakeholder groups.

CORPORATE GOVERNANCE REPORTS

The Chairman

The chairman of the Board (the "**Chairman**") provides leadership to the Board¹ by:

- (a) setting the right ethical and behavioural tone and desired organizational culture;
- (b) ensuring the Board's effectiveness by, among other things, promoting and maintaining high standards of corporate governance and transparency;
- (c) encouraging active and effective participation by all directors of the REIT Manager (also the Trustee-Manager Directors, collectively, the "**Directors**") and facilitating constructive and appropriate relations among and between them and Management; and
- (d) setting the agenda for each Board meeting, taking into account strategic and other key issues pertinent to the business and operations of the Group, the REIT Manager and the Trustee-Manager and promoting a culture of openness and debate at Board meetings, leading to better decision-making and enhanced business performance.

The Chairman ensures effective communication with Stapled Securityholders, financial analysts and the media on critical issues that could significantly affect the reputation and standing of FHT. In addition, the Chairman (supported by Management and the Company Secretary of the Managers (the "**Company Secretary**")), ensures the Directors receive accurate, clear, complete and timely information to facilitate effective contributions and enable informed decisions to be made.

The Chairman also presides over the annual general meeting each year and any other general meetings of Stapled Securityholders. The Chairman addresses, and/or requests the Chief Executive Officer (the "**CEO**") of the Managers, to address Stapled Securityholders' queries and ensures that there is clear and open dialogue between all stakeholders.

Role of the CEO and Management

The Management is led by the CEO of the Managers. The CEO is responsible and is accountable to the Boards for the conduct and performance of Management. With the support of the Management, the CEO's core responsibilities include:

- (a) executing the Managers' strategies and policies as approved by the Boards;
- (b) the planning, direction, control, conduct and performance of the business operations of the Managers;
- (c) seeking business opportunities and driving new initiatives;
- (d) the operational performance of the Group; and
- (e) building and maintaining strong relationships with stakeholders of the Group.

Division of Responsibilities between the Chairman and the CEO

The Chairman and the CEO are separate persons and the division of responsibilities between the Chairman and the CEO is clearly demarcated. This avoids concentration of power and ensures a degree of checks and balances, increased accountability, and greater capacity of the Boards for independent decision making. Such separation of roles between the Chairman and CEO further promotes robust deliberations by the Boards and Management on the business activities of FHT.

¹ In this Corporate Governance Report, references to the "**Board**", "**Chairman**", "**Directors**" and similar words and expressions are intended to mean the Board, Chairman, Directors, etc. of each of the REIT Manager and the Trustee-Manager (save where the context otherwise requires), as during FY2024, the Boards and Management comprised the same persons.

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Relationships between the Boards and the CEO

None of the members of the Boards and the CEO are related to one another, and none of them has any business relationships among them.

Board Committees

Each of the REIT Manager Board and the Trustee-Manager Board has formed committees of their respective boards (the “**Board Committees**”) to oversee specific areas, for greater efficiency and has delegated authority and duties to such Board Committees based on written and clearly defined terms of reference. The terms of reference of the Board Committees set out their compositions, authorities and duties, including reporting back to the Boards. Each of the REIT Manager Board and the Trustee-Manager Board has constituted two Board Committees, namely, the Audit, Risk and Compliance Committee (“**ARCC**”), and the Nominating and Remuneration Committee (“**NRC**”).

The ARCC of the REIT Manager (“**REIT Manager ARCC**”) and the ARCC of the Trustee-Manager (“**Trustee-Manager ARCC**”) comprise the same persons. The NRC of the REIT Manager (“**REIT Manager NRC**”) and the NRC of the Trustee-Manager (“**Trustee-Manager NRC**”) also comprise the same persons.

Minutes of all Board Committee meetings are circulated to the respective Boards so that Directors are aware of and kept updated on the proceedings, matters discussed and decisions made during such meetings, and to enable the Directors to weigh in on any key points under consideration.

MEMBERSHIP	AUDIT, RISK AND COMPLIANCE COMMITTEE ⁽¹⁾ KEY OBJECTIVES
Nagaraj Sivaram, <i>Chairman</i> Soong Hee Sang, <i>Member</i> ⁽²⁾ Quah Ban Huat, <i>Member</i> David Wong See Hong, <i>Member</i> ⁽²⁾	<ul style="list-style-type: none"> Assist Board in fulfilling responsibility for overseeing the quality and integrity of the accounting, auditing, financial practices, internal controls, risk management and sustainability practices of the Manager

Note:

⁽¹⁾ Unless otherwise stated, the information provided herein is as at 30 September 2024.

⁽²⁾ Please refer to the section on “Changes to the Boards and Board Committees after FY2024” on page 126.

As at 30 September 2024, each of the ARCCs² comprises non-executive Directors, the majority of whom, including the chairman of each of the ARCCs, are independent Directors. All members of the ARCC, including the chairman of each of the ARCCs, are appropriately qualified and collectively possess relevant accounting and related financial management expertise or experience. This enables them to discharge their responsibilities competently.

Under the terms of reference of each of the ARCCs, a former partner or director of FHT’s existing auditing firm or auditing corporation should not act as a member of the ARCC:

- (a) within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or a director of the auditing corporation; and
- (b) in any case, for so long as he has any financial interest in the auditing firm or auditing corporation.

None of the members of the ARCCs is a former partner of FHT’s external auditors, KPMG LLP, within a period of two years prior to their appointment as members of the ARCCs, and none of the members of the ARCCs holds any financial interest in FHT’s external auditors, KPMG LLP.

² In this Corporate Governance Report, references to the “**ARCC**” are intended to mean each of the REIT Manager ARCC and the Trustee-Manager ARCC, and references to the “**NRC**” are intended to mean each of the REIT Manager NRC and the Trustee-Manager NRC (save where the context otherwise requires)

CORPORATE GOVERNANCE REPORTS

Audit Functions

The terms of reference of the ARCCs provide that some of the key responsibilities of the ARCCs include:

- **External Auditors:** making recommendations to the Boards on: (i) the proposals to the Stapled Securityholders (or the shareholders of the Managers, as the case may be) on the appointment, re-appointment and removal of the external auditors each year, and (ii) the remuneration and terms of engagement of the external auditors;
- **External Audit Process:** reviewing and reporting to the Boards, the scope, quality, results and performance of the external audit(s), its cost effectiveness and the independence and objectivity of the external auditors taking into consideration, inter alia, the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority of Singapore. It shall also review the nature and extent of non-audit services performed by external auditors;
- **Internal Audit:** establishing an effective internal audit function which shall be adequately qualified to perform an effective role, adequately resourced, independent of the activities which it audits and able to discharge its duties objectively, and to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced³;
- **Financial Reporting:** reviewing and reporting to the Boards the significant financial reporting issues and judgements so as to ensure the integrity of the respective financial statements of FHT, FH-REIT, the REIT Manager, FH-BT and the Trustee-Manager and any announcements relating to FHT's financial performance, and to review the assurance provided by the CEO and the Chief Financial Officer ("**CFO**", and together with the CEO, the "**Key Management Personnel**") that the financial records have been properly maintained and the financial statements give a true and fair view of each of FHT's, FH-REIT's, the REIT Manager's, FH-BT's and/or the Trustee-Manager's respective operations and finances;
- **Internal Controls and Risk Management:** reviewing and reporting to the Board at least annually, its assessment of the adequacy and effectiveness of each of the REIT Manager's and the Trustee-Manager's internal controls for FHT, and FH-REIT and the REIT Manager and FH-BT and the Trustee-Manager (as the case may be), including financial, operational, compliance and information technology controls (including those relating to compliance with existing legislation and regulations), and risk management policies and systems established by Management;
- **Interested Person Transactions:** reviewing interested person transactions⁴ and/or interested party transactions⁵ (collectively referred to herein as "**Related/Interested Person Transactions**" (save where the context otherwise requires)) entered into from time to time and the internal audit reports to ensure compliance with the applicable legislation, the SGX-ST Listing Manual and/or the Property Funds Appendix (where applicable);
- **Conflicts of Interests:** deliberating on resolutions relating to conflicts of interest situations involving FHT, FH- REIT and/or FH-BT (as the case may be);
- **Whistle-blowing:** reviewing the policy and arrangements by which employees of the REIT Manager and any other persons may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken; and
- **Investigations:** reviewing the findings of internal investigations into any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which the ARCCs become aware of, and which has or is likely to have a material impact on FHT's operating results or financial position.

³ For FY2024, the internal audit function is outsourced to the Fraser's Property Group.

⁴ Refers to "interested person transactions" under the SGX-ST Listing Manual. In the case of a REIT, the definition of "interested person" refers to the definition of "interested party" used in the Property Funds Appendix. In the case of a business trust, an "**Interested Person**" means (a) a director, CEO, or controlling shareholder of the trustee-manager of the business trust; (b) the trustee-manager or controlling unitholder of the business trust; or (c) an associate of any of the persons or entities in (a) and (b).

⁵ Refers to "interested party transactions" under the Property Funds Appendix wherein an "**Interested Party**" means (a) a director, CEO or controlling shareholder of the manager, or the manager, trustee or controlling unitholder of the property fund; or (b) an associate of any director, CEO or controlling shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund.

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Where the external auditors, in their review or audit of FHT's year-end financials, raise any significant issues which have a material impact on the interim financial statements or business updates previously announced by FHT, the ARCCs will:

- (a) bring this to the Boards' attention immediately so that the Boards can consider whether an immediate announcement is required under the SGX-ST Listing Manual; and
- (b) advise the Board if changes are needed to improve the quality of future interim financial statements or business updates – such changes (if any) will be disclosed in FHT's annual report.

In carrying out its role, the ARCCs are empowered to investigate any matter within its terms of reference, with full access to, and cooperation by, Management, to seek information they may require from any Director and/ or employee of the Managers (as the case may be). The ARCCs also have full discretion to invite any Director or executive officer to attend its meetings, and obtain reasonable resources to enable them to discharge their functions properly. The ARCCs meet with internal auditors and external auditors without the presence of Management at least once a year to review various audit matters and the assistance given by Management to the internal and external auditors. In carrying out its function, the ARCCs may also obtain independent or external legal or other professional advice or appoint external consultants as they consider necessary at the Managers' cost.

Periodic updates on changes in accounting standards and treatment are presented to members of the ARCCs so that they are kept abreast of such changes and their corresponding impact on the financial statements, if any.

Sustainability

The ARCCs also assist the Boards in carrying out its responsibility in determining environmental, social, and governance ("ESG") factors identified as material to the business, monitoring and managing ESG factors and overseeing standards, management processes and strategies to achieve sustainability practices. The ARCCs have oversight of sustainability practices, and assist the Boards in ensuring that Management establishes and maintains a sound system of sustainability governance and an appropriate sustainability reporting framework which links sustainability risks and opportunities with strategy, other organisational risks and goals and which also enhances operational responses to sustainability risks and opportunities.

Risk Management

The ARCCs:

- (a) review the framework and processes established by Management to comply with applicable laws, regulations, standards, best practice guidelines and the REIT Manager's and/or the Trustee-Manager's policies and procedures;
- (b) assist the Boards in ensuring that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Managers or the interests of Stapled Securityholders (as the case may be) and the assets of FH-REIT, the REIT Manager, FH-BT and the Trustee-Manager; and
- (c) assist the Boards in their determination of the nature and extent of significant risks which the Boards are willing to take in achieving the Managers' strategic objectives and value creation, and the overall levels of risk tolerance and risk policies, including reviewing technology risks faced by the Managers.

Further information on the key activities conducted by the ARCCs can be found in the sections titled "Financial Performance, Reporting and Audit" on pages 135 to 136 and "Governance of Risk and Internal Controls" on pages 136 to 141.

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NOMINATING AND REMUNERATION COMMITTEE ⁽¹⁾	
MEMBERSHIP	KEY OBJECTIVES
Soong Hee Sang, <i>Chairman</i> ⁽²⁾ Quah Ban Huat, <i>Member</i> Panote Sirivadhanabhakdi, <i>Member</i> ⁽²⁾ Nagaraj Sivaram, <i>Member</i> David Wong See Hong, <i>Member</i>	<ul style="list-style-type: none"> Establish a formal and transparent process for appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board Develop a process for evaluation of the performance and annual assessment of the effectiveness of the Boards as a whole and each of its Board Committees and individual Directors Review succession plans Assist the Boards in establishing a formal and transparent process for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel Review and recommend to the Boards, for endorsement of the Boards, a general framework of remuneration for the Board and Key Management Personnel and specific remuneration packages for each Director and Key Management Personnel

Note:

⁽¹⁾ Unless otherwise stated, the information provided herein is as at 30 September 2024.

⁽²⁾ Please refer to the section on "Changes to the Boards and Board Committees after FY2024" on page 126.

As at 30 September 2024, all the members of the NRCs are non-executive and the majority of whom, including the chairman of each of the NRCs, are independent.

The NRCs are guided by written terms of reference approved by the Boards which set out the duties and responsibilities of the NRCs. The NRCs' responsibilities, in relation to their functions as a nominating committee, include:

- reviewing the structure, size and composition and independence of the Boards and its Board Committees;
- reviewing and making recommendations to the Boards on the succession plans for Directors, the Chairman and Key Management Personnel;
- making recommendations to the Boards on all appointments and re-appointments of Directors (including alternate Directors, if any); and
- determining the independence of Directors.

The NRCs also propose for the Boards' approval, the objective performance criteria and process for the evaluation of the effectiveness of the Boards, the Board Committees and each Director, and ensure that proper disclosures of such process are made. The NRCs are also responsible for reviewing and making recommendations to the Boards on training and professional development programmes for the Board and the Directors.

Further information on the main activities of the NRCs, in relation to their functions as a nominating committee, are outlined in the following sections:

- "Training and Development of Directors" on pages 116 to 117
- "Board Composition" on pages 117 to 118
- "Directors' Independence" on pages 122 to 126
- "Board Performance Evaluation" on pages 127 to 128

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The NRCs' responsibilities, in reviewing remuneration matters, include:

- (a) reviewing and recommending to the Boards, a framework of remuneration for the Boards and Key Management Personnel;
- (b) ensuring that the remuneration of executive Directors (if any) shall not be linked in any way to FH-REIT's gross revenue;
- (c) on an annual basis, reviewing and recommending, for the respective Boards' approval, the respective Managers' remuneration and benefits policies and practices (including long-term incentive schemes);
- (d) on an annual basis, reviewing and recommending the performance and specific remuneration packages for each Director and Key Management Personnel, in accordance with the approved remuneration policies and processes;
- (e) proposing, for the respective Boards' approval, criteria to assist in the evaluation of the performance of Key Management Personnel;
- (f) (where applicable) reviewing the obligations of the Managers arising in the event of the termination of the service agreements of executive Directors and Key Management Personnel to ensure that such contracts of service contain fair and reasonable termination clauses; and
- (g) administering and approving awards under the Restricted Stapled Securities Plan ("**RSSP**") and/or other long-term incentive schemes to senior employees of the Managers.

In carrying out their review on remuneration matters, the terms of reference of the NRCs provide that the NRC shall consider all aspects of remuneration, including Directors' fees, special remuneration to Directors who render special or extra services to the Managers, salaries, allowances, bonuses, options, unit-based incentives and awards, benefits-in-kind and termination payments, and shall aim to be fair and to avoid rewarding poor performance.

If necessary, the NRCs can seek expert advice on remuneration within the Frasers Property Group or from external sources. Where such advice is obtained from external sources, the NRCs ensure that existing relationships, if any, between the REIT Manager, the Trustee-Manager and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Delegation of authority framework

Day-to-day operations of the business are delegated to Management. In order to facilitate the REIT Manager Board's exercise of its leadership and oversight of FH-REIT, the REIT Manager Board has adopted a framework of delegated authorisations in its Manual of Authority (the "**MOA**"), which is approved by the REIT Manager Board. The MOA:

- (a) contains a schedule of matters specifically reserved for approval by the REIT Manager Board, which are clearly communicated to Management in writing. These include approval of annual budgets, financial plans, material transactions, namely, major acquisitions and divestments, funding and investment proposals and asset enhancement initiatives;
- (b) defines the procedures and levels of authorisation required for specified transactions; and
- (c) sets out approval limits for operating and capital expenditure, treasury transactions, as well as investments, divestments and asset enhancement initiatives.

The Trustee-Manager Board has also maintained a similar MOA for FY2024.

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Meetings of the Boards and Board Committees

The Boards meet regularly, at least once every quarter, and also as required by business needs or if the members deem it necessary or appropriate to do so.

The following table summarises the number of meetings of the Boards and Board Committees and general meetings held and attended by the Directors in FY2024:

	Meeting attendance record for FY2024			
	Board Meetings	Audit, Risk and Compliance Committee Meetings	Nominating and Remuneration Committee Meetings	General Meetings ⁽²⁾
Number of meetings held in FY2024	7	5	3	1
Panote Sirivadhanabhakdi ⁽³⁾	7/7(C) ⁽¹⁾	N.A.	3/3	1/1
Soong Hee Sang ⁽³⁾	6/7	5/5	3/3(C) ⁽¹⁾	1/1
Quah Ban Huat	7/7	5/5	3/3	1/1
Nagaraj Sivaram	7/7	5/5(C) ⁽¹⁾	3/3	1/1
David Wong See Hong ⁽³⁾	7/7	5/5	3/3	1/1

Notes:

⁽¹⁾ C refers to chairman

⁽²⁾ Comprising the annual general meeting held on 23 January 2024.

⁽³⁾ Please refer to the section on "Changes to the Boards and Board Committees after FY2024" on page 126.

A calendar of activities is scheduled for the Boards a year in advance.

The Constitutions of both the REIT Manager and the Trustee-Manager provide for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or similar communications equipment.

Management provides the Directors with Board papers setting out complete and timely information on the items to be discussed at Board and Board Committee meetings approximately a week in advance of the meeting (save in cases of urgency). This gives Directors sufficient time to prepare, review and consider the matters being tabled so that discussions are more meaningful and productive and Directors have the necessary information to make sound, informed decisions.

Members of the Management team attend Board meetings, and where necessary, Board Committee meetings, to present to the Directors, provide input and insight into matters being discussed, respond to queries and take any follow up instructions from the Directors. If required, time is set aside after scheduled Board meetings for discussions amongst the Board members without the presence of Management. The lead independent Director also has the discretion to hold meetings with the other independent Directors without the presence of Management as he deems appropriate or necessary and to provide feedback to the Boards and/or Chairman after such meetings.

Where required by the Directors, external advisers may also be present or available whether at Board and Board Committee meetings or otherwise, and (if necessary), at the Managers' expense where applicable, to brief the Directors and provide their advice.

For matters which require the Boards' and/or Board Committees' decision outside such meetings, Board and/or Board Committee papers will be circulated through the Company Secretary for the Directors' consideration with further discussions taking place between the Directors and Management (if required) before a decision is made.

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Matters discussed by Boards and Board Committees in FY2024

BOARD

- Strategy
- Business and Operations Update
- Financial Performance
- Sustainability, Environment, Social & Governance
- Cybersecurity and Threats
- Technology Risk Management
- Governance
- Feedback from Board Committees
- Asset Enhancement Initiatives

Audit, Risk and Compliance Committee

- External and Internal Audit
- Treasury, Debt and Capital Management
- Tax Updates and Planning
- Financial Reporting
- Internal Controls and Risk Management
- Interested Person Transactions
- Conflicts of Interests
- Technology Risk Management
- Sustainability, Environmental, Social & Governance
- Compliance with Legislation and Regulations

Nominating and Remuneration Committee

- Board Structure, Size and Composition
- Updates to Board Diversity Targets
- Independence of Independent Directors
- Board, Board Committees and Director Evaluations
- Training and Development
- Remuneration Policies and Framework
- Directors' Fees
- Succession Planning

Board Oversight

Management provides Directors with all relevant information on an ongoing and timely basis to enable them to discharge their duties and responsibilities, including but not limited to complete and accurate reports on:

- (a) major operational matters;
- (b) business development activities;
- (c) financial performance;
- (d) potential investment, divestment and capital recycling opportunities; and
- (e) budgets on a periodic basis. Any material variance between the projections and actual results in respect of budgets are disclosed and explained in the relevant periodic report.

Directors have separate and independent access to Management, and are entitled to request for additional information as needed to make informed decisions, which Management will provide in a timely manner. Where required or requested by Directors, site visits are also arranged for Directors to better understand key business operations and to promote active engagement with Management.

Directors are provided with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to prepare adequately for Board and Board Committee meetings and make informed decisions.

Directors (including those who hold multiple board representations and other principal commitments) also devote sufficient time and attention to the affairs of FHT and the Managers. At Board and Board Committee meetings, the Directors attend and actively participate, discuss, deliberate and appraise matters requiring their attention and decision. Where necessary for the proper discharge of their duties, the Directors may seek and obtain independent professional advice at the Managers' expense.

In addition, the Boards are regularly updated on macro-economic conditions in the Group's markets, and relevant legal and regulatory requirements.

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The Company Secretary

The Boards are supported by the Company Secretary, who is legally trained and familiar with company secretarial practices. The Directors have separate and independent access to the Company Secretary, whose responsibilities include supporting and advising the Boards on corporate and administrative matters. The appointment and removal of the Company Secretary is subject to the approval of the Boards as a whole.

The Company Secretary's responsibilities include:

- (a) administering and executing Board and Board Committee procedures in compliance with the Companies Act 1967 of Singapore, the Managers' Constitution, the Trust Deeds and applicable law;
- (b) providing advice and guidance on relevant guidelines, notices, rules and regulations, including disclosure requirements under the SFA, applicable MAS guidelines and notices, the CIS Code and the SGX-ST Listing Manual, as well as corporate governance practices and processes;
- (c) attending all Board and Board Committee meetings and drafting and reviewing the minutes of proceedings thereof;
- (d) facilitating and acting as a channel of communication for the smooth flow of information to and within the Boards and their various Board Committees, as well as between and with Management;
- (e) soliciting and consolidating Directors' feedback and evaluation, facilitating induction and orientation programmes for new Directors, and assists with Directors' professional development; and
- (f) acting as the REIT Manager's and the Trustee-Manager's primary channel of communication with the SGX-ST.

Training and Development of Directors

The NRCs are tasked with identifying and developing training programmes for the Boards and Board Committees for the Boards' approval and ensuring that Directors have the opportunity to develop their skills and knowledge.

The Directors are continually and regularly updated on FHT's business and the regulatory and industry specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments may be:

- (a) in writing by presentations and/or handouts; and/or
- (b) by way of briefings held by the Managers' lawyers and external auditors.

During FY2024, the Directors attended briefings and training programmes on, among others, (i) key changes / updates to regulatory requirements, tax and accounting standards; and (ii) key updates and additional regulatory guidance provided by SGX / MAS.

To ensure that the Directors have the opportunities to develop their skills and knowledge and continually improve the performance of the Boards, all Directors are encouraged to:

- (a) undergo continual professional development during the term of their appointment, and are provided with opportunities to develop and maintain their skills and knowledge at the Managers' expense; and
- (b) be members of the Singapore Institute of Directors ("**SID**") and for them to receive updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and relevant business trends.

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her roles, duties, responsibilities and obligations, including his or her responsibilities as fiduciaries and on the policies relating to conflicts of interest, as well as the expectations of the Managers.

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A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic direction, policies and corporate governance practices of the Managers, as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to be acquainted with Management, foster rapport and facilitates communication with Management.

A new Director without prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST (including training on sustainability matters), unless the NRC is of the view that training is not required because he or she has other relevant experience, in which case the basis of its assessment will be disclosed.

BOARD COMPOSITION

The following table shows the composition of the Board and the various Board Committees as at 30 September 2024:

		Audit, Risk and Compliance Committee	Nominating and Remuneration Committee
Panote Sirivadhanabhakdi ⁽¹⁾	Chairman, Non-Executive (Non-Independent) Director		•
Soong Hee Sang ⁽¹⁾	Non-Executive (Lead Independent) Director	•	• (Chairman)
Quah Ban Huat	Non-Executive (Independent) Director	•	•
Nagaraj Sivaram	Non-Executive (Independent) Director	• (Chairman)	•
David Wong See Hong ⁽¹⁾	Non-Executive (Non-Independent) Director	•	•

⁽¹⁾ Please refer to the section on “Changes to the Boards and Board Committees after FY2024” on page 126.

Profiles of each of the Directors can be found on pages 44 to 50.

As at 30 September 2024, all of the Directors are non-executive, majority of whom are independent.

No alternate directors have been appointed on the Boards for FY2024. Alternate directors will only be appointed in exceptional circumstances. As the Chairman, Panote Sirivadhanabhakdi, is a Non-Executive (Non-Independent) Director, Soong Hee Sang was appointed as the lead independent director⁶. The principal responsibilities of the lead independent Director are to act as Chairman of the Boards when matters concerning the Chairman are to be considered, and to be available to the Boards and Stapled Securityholders for communication of Stapled Securityholders’ concerns when other channels of communication through the Chairman or CEO are inappropriate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions.

The NRCs review, on an annual basis, the structure, size and composition of the Boards and Board Committees, taking into account the CG Code, Securities and Futures (Licensing and Conduct of Business) Regulations (“**SFLCB Regulations**”) and Business Trust Regulations.

The NRCs have assessed that:

- the structure, size and composition of each of the REIT Manager Board and the Trustee-Manager Board and the respective Board Committees as at 30 September 2024 are appropriate for the scope and nature of the operations of FHT, the REIT Manager and the Trustee-Manager (as the case may be); and
- no individual or group dominates the REIT Manager Board’s and/or the Trustee-Manager Board’s decision-making process or has unfettered powers of decision-making.

⁶ Please refer to the section on “Changes to the Boards and Board Committees after FY2024” on page 126.

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The NRCs are of the opinion that the Directors, with their diverse backgrounds and competencies⁷, and experience in relevant geographies, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity that avoids groupthink and fosters constructive debate and ensures the effectiveness of the Boards and the Board Committees. The Boards concur with the views of the NRCs.

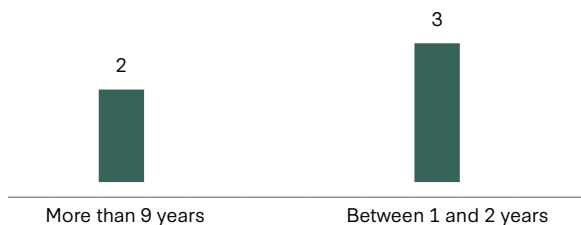
In the event any Director steps down from the Boards, a cessation announcement providing detailed reason(s) for the cessation will be released on SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

Board Composition in terms of Age Group, Independence and Tenure (as at 30 September 2024)



Tenure

Number of Directors



Selection, Appointment and Re-appointment of Directors

Under the NRCs' terms of reference, NRCs are tasked with making recommendations to the Boards on all Board appointments and re-appointments.

The process for the selection, appointment and re-appointment of Directors also takes into account the composition and progressive renewal of the Boards and Board Committees, the Board Diversity Policy, the succession plans for Directors and the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively.

The NRCs will also take into consideration the following factors:

- for existing Directors (including Directors to be recommended for re-appointment): their competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour);
- for Directors who hold multiple board representations and other principal commitments: whether they are able to effectively discharge their duties as Directors; and

⁷ Such backgrounds and competencies include real estate industry experience / knowledge, business management, strategy development, investments / mergers and acquisitions (including fund management and/or investment banking), audit / accounting and finance, risk management, legal / corporate governance, sustainability and human resource management.

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- (c) in the case of a potential new Director:
- a. the candidate's experience, education, expertise, judgment, skillset, personal qualities and general and sector specific knowledge in relation to the needs of the Boards and the Group's business;
 - b. whether the candidates will add diversity to the Boards;
 - c. whether they are likely to have adequate time to discharge their duties, including attendance at all Board meetings; and
 - d. whether a candidate had previously served on the boards of companies with adverse track records or a history of irregularities, and assess whether such past appointments would affect his/her ability to act as a Director of the Managers.

The NRCs consider a range of different channels to source and screen both internal and external candidates for Board appointments and taps on its existing networks of contacts and recommendations. External consultants may be retained to assist in sourcing, assessing and selecting a broader range of potential internal and external candidates beyond the Board's existing network of contacts.

Suitable candidates are carefully evaluated by the NRCs so that recommendations made on proposed candidates are objective, well supported and satisfy the requirements of FHT and the Managers.

Annually, the NRCs review the directorships and principal commitments of each Director, and a Board evaluation framework to determine the effectiveness of the Boards. These allow the NRCs to assess whether Board members have been able to:

- (a) effectively manage their directorships and principal commitments and make the substantial time commitment required to contribute to the Boards;
- (b) carry out their duties adequately; and
- (c) fulfil their responsibilities and duties to the Managers.

The NRCs do not prescribe a maximum number of directorships and/or other principal commitments that each Director may have. Instead, the NRCs adopt a holistic assessment of each Director's individual capacity and circumstances to carry out his duties, and considers factors such as:

- (a) the number of other board and other principal commitments held by each Director;
- (b) the nature and complexity of such commitments;
- (c) the Directors' commitment, conduct and contributions (such as meaningful participation, candour and rigorous decision making) at Board meetings; and
- (d) whether the Director's engagement with Management is adequate and effective.

Further details on the Board evaluation exercise are set out under the section "Board Performance Evaluation" on pages 127 to 128.

In respect of FY2024, the NRCs are of the view that each Director has been able to diligently discharge his duties as a Director of the Managers.

Directors are not subject to periodic retirement by rotation. Under their Terms of Reference, the NRCs are tasked with reviewing the succession plans for Directors, the Chairman and Key Management Personnel.

CORPORATE GOVERNANCE REPORTS

Board Diversity Policy, Targets, Timelines and Progress

The Managers embrace diversity and has in place a Board Diversity Policy which addresses various aspects of diversity such as gender, skills and expertise and age.

The NRCs are responsible for:

- (a) the Board Diversity Policy which has been adopted by the Boards;
- (b) setting qualitative and measurable quantitative objectives (where appropriate) for achieving board diversity;
- (c) monitoring and implementing the Board Diversity Policy, and taking the principles of the Board Diversity Policy into consideration when determining the optimal composition of the Board and recommending any proposed changes to the Board; and
- (d) reviewing the Managers' progress towards achieving the objectives under the Board Diversity Policy.

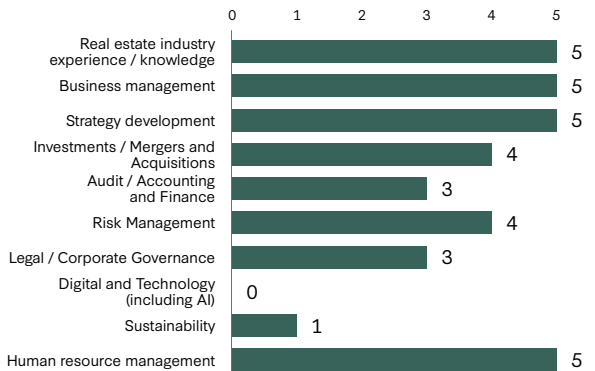
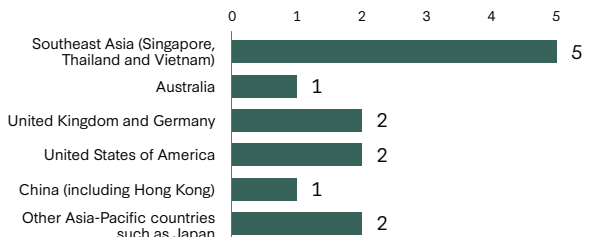
Upon the NRCs' recommendation, the Boards will set certain measurable objectives and specific diversity targets (each a "Target") in order to achieve an optimal Board composition. These Targets will be reviewed by the NRCs annually to ensure their appropriateness. The NRCs will endeavour to ensure that the Targets are taken into consideration when assessing the suitability of candidates for new Board appointments, and together with the Boards, will work towards meeting the Targets as set by the Boards. The Boards will strive to ensure, with a view to meeting the Targets, that:

- (a) any brief to external search consultants for potential appointments to the Boards will include a requirement to fulfil one or more Targets; and
- (b) candidates fulfilling one or more of the Target(s) are included for consideration by the NRCs whenever they seek to identify a new Director for appointment to the Boards.

The Board composition reflects the Managers' commitment to Board diversity, especially in terms of gender, skills and expertise and age. The Managers' diversity Targets for the Boards, their plans and timelines for achieving the Targets, and their progress towards achieving the Targets, are described below.

Target	Progress and plans towards achieving Target
<p>1. Gender representation</p> <p>The Managers aim to improve gender diversity in the next 3 to 5 years (commencing from the end of FY2023, i.e. by the end of the financial year ending 30 September 2028) by appointing at least one additional female director.</p> <p>The Managers believe that achieving an optimum mix of men and women on the Boards would provide different approaches and perspectives on the Boards.</p>	<p>In progress – As at 30 September 2024, each of the Boards has no female director.</p> <p>When identifying new director(s) for appointment to the Boards, FHAM/FHTM will strive to ensure that female candidate(s) are included for consideration by the NRCs.</p>
<p>2. Skills and expertise</p> <p>The Managers aim to have the Boards comprise of Directors who, as a group, possess a variety of qualifications and competencies, including skillsets, expertise and/or experience in at least a majority of the identified core competencies of:</p> <ul style="list-style-type: none"> (i) real estate industry experience/ knowledge; (ii) business management; 	<p>Achieved – As at 30 September 2024, the Directors as a group possess a variety of qualifications and competencies, including in a majority of the identified core competencies. In addition, the Boards consist of Directors with varied geographical backgrounds and experience. In particular, our Directors collectively have backgrounds or experience in Singapore, Australia, the United Kingdom and Japan, being the regions of the Group's key markets.</p>

CORPORATE GOVERNANCE REPORTS

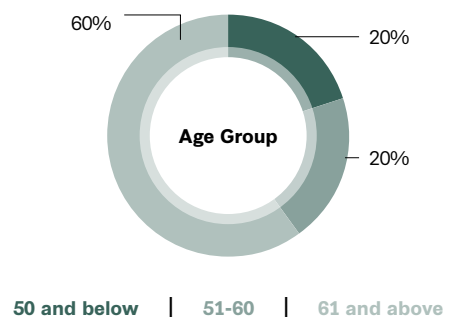
Target	Progress and plans towards achieving Target
(iii) strategy development;	<p>When considering new Directors for appointment to the Boards, candidates who have relevant skills, expertise and/or experience which would complement those already on the Boards would be prioritised.</p> <p>Skills & Expertise</p>  <p>Geographical Background and Experience</p> 
(iv) investments/mergers and acquisitions (including fund management and/or investment banking);	
(v) audit/accounting and finance;	
(vi) risk management;	
(vii) legal/corporate governance;	
(viii) digital and technology (including AI);	
(ix) sustainability; and	
(x) human resource management,	
and experience in relevant geographies.	

The Managers believe that diversity in skillset and expertise would support the work of the Boards and its committees, help FHT and the Managers achieve their strategic objectives and provide effective guidance and oversight of Management and the operations of FHT, FHAM and FHTM.

3. Age diversity

The Managers aim to have the Boards comprise of directors falling within at least two out of three age groups, being (i) 50 and below; (ii) 51 to 60; and (iii) 61 and above.

Achieved – As at 30 September 2024, the ages of the Directors of the Boards fall within three different age groups, representing diversity in the age ranges of the Directors on the Boards.



CORPORATE GOVERNANCE REPORTS

The Managers' target is to maintain the above levels of skills and expertise and age annually.

The Boards view Board diversity as an essential element for driving value in decision-making and proactively seek as part of its Board Diversity Policy, to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of skills and expertise, and age of the Directors. The Boards, taking into account the views of the NRCs, consider that diversity of the Boards will contribute to the quality of their decision-making process and serve the needs and plans of the Group.

- (a) **Gender Representation** - Achieving an optimum mix of gender representation on the Boards to provide different approaches and perspectives. The push for greater gender diversity would also provide the Managers with access to a broader talent pool and improve their capacity for strategic thinking and problem solving;
- (b) **Skills and Expertise** - Diversity in skills and expertise would support the work of the Boards and Board Committees and the needs of the Managers. This benefits the Managers and Management as decisions by, and discussions with, the Boards would be enriched by the broad range of views and perspectives and the breadth of experience of the Directors. In addition, this would facilitate the effective oversight of management and the Group's businesses and would also help shape the Managers' strategic objectives; and
- (c) **Age Diversity** - Age diversity contributes beneficially to the Boards' deliberations and avoid the risk of groupthink, while ensuring the Boards' decisions and/or strategies stay relevant as markets evolve.

The Board composition as at 30 September 2024 reflects an appropriate diversity of age, independence, backgrounds and competencies of the Directors. Furthermore, the Directors' diversity in experience in different geographical markets has provided the Managers with significant insights and in-depth understanding of the Group's multi-national businesses across key markets including Singapore, Malaysia, Australia, the United Kingdom, Germany, and Japan. As at 30 September 2024, the ages of the members of each of the Boards range from 46 to 71 years.

Directors' Independence

The NRCs determine the independence of each Director annually and as and when circumstances require, based on the rules, guidelines and/or circumstances on director independence as set out in Rule 210(5)(d) of the SGX-ST Listing Manual, Provision 2.1 of the CG Code and the accompanying Practice Guidance, the MAS Guidelines No. SFA04-G07 "Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" dated 1 January 2016 and Regulations 13D to 13H of the SFLCB Regulations (collectively, the "**Relevant Regulations**"). The NRCs provide their views to the Boards for the Boards' consideration. Directors are expected to disclose to the Board any relationships with the Managers, its related corporations, its substantial shareholders, its officers or the substantial Stipled Securityholders of FHT, if any, which may affect their independence, as and when they arise.

Each of the Independent Directors complete a declaration of independence annually which is then reviewed by the NRCs.

Based on the declarations of independence of the Independent Directors, and having regard to the rules, guidelines and circumstances set forth in the Relevant Regulations, the NRCs and the Boards have determined that as at 30 September 2024, there are three independent Directors on each of the Boards, namely, Nagaraj Sivaram, Soong Hee Sang, and Quah Ban Huat.

CORPORATE GOVERNANCE REPORTS

Nagaraj Sivaram

Nagaraj Sivaram is a non-executive and independent director of British and Malayan Holdings Limited, ESR-LOGOS Funds Management (S) Limited, Land Transport Authority, and Thakral Corporation Limited as at 30 September 2024. He has confirmed, inter alia, that he:

- (a) save as set out in note (1) on page 125, is not connected^(a) to any substantial shareholder^(b) of the Managers or substantial Stapled Securityholder^(b) of FHT and does not have any relationship with the Managers, their related corporations, their substantial shareholders, their officers or the substantial Stapled Securityholders of FHT which could interfere with the exercise of his independent judgment as a Director;
- (b) (i) is not employed by the Managers, their related corporations or the REIT Trustee of FH-REIT for FY2024 or any of the past three financial years, and (ii) does not have any immediate^(c) family member who has been employed by the Managers or any of their related corporations, FH-REIT/FH-BT or any of their related corporations or the REIT Trustee as an executive officer in any of the past three financial years; and
- (c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments^(d) or material services from the Managers or any of their subsidiaries, FHT or any of their subsidiaries and/or the REIT Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Stapled Securityholder of, or (b) a partner in (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the Managers or any of their subsidiaries, FH-REIT/FH-BT or any of their subsidiaries or the REIT Trustee made, or received significant payments (e) or material services (other than Directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the REIT Manager NRC and Trustee-Manager NRC have determined that, notwithstanding the circumstances set out in note (1) on page 125, Nagaraj Sivaram is an independent director as at 30 September 2024.

Soong Hee Sang

Soong Hee Sang is a non-executive and independent director of Metro Holdings Limited as at 30 September 2024. He has confirmed, inter alia, that he:

- (a) save as set out in note (2) on page 125, is not connected^(a) to any substantial shareholder^(b) of the Managers or substantial Stapled Securityholder^(b) of FHT and does not have any relationship with the Managers, their related corporations, their substantial shareholders, their officers or the substantial Stapled Securityholders of FHT which could interfere with the exercise of his independent judgment as a Director;
- (b) (i) is not employed by the Managers, their related corporations or the REIT Trustee of FH-REIT for FY2024 or any of the past three financial years, and (ii) does not have any immediate^(c) family member who has been employed by the Managers or any of their related corporations, FH-REIT/FH-BT or any of their related corporations or the REIT Trustee as an executive officer in any of the past three financial years; and
- (c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments^(d) or material services from the Managers or any of their subsidiaries, FHT or any of their subsidiaries and/or the REIT Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Stapled Securityholder of, or (b) a partner in (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the Managers or any of their subsidiaries, FH-REIT/FH-BT or any of their subsidiaries or the REIT Trustee made, or received significant payments (e) or material services (other than Directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the REIT Manager NRC and Trustee-Manager NRC have determined that, notwithstanding the circumstances set out in note (2) on page 125, Soong Hee Sang is an independent director as at 30 September 2024.

CORPORATE GOVERNANCE REPORTS

Quah Ban Huat

Quah Ban Huat is a non-executive and independent director of Amcorp Global Limited, and an executive director of Primeur Cellars Pte. Ltd. and Primeur Holdings Pte. Ltd., as at 30 September 2024. He has confirmed, inter alia, that he:

- (a) save as set out in note (3) on page 125, is not connected^(a) to any substantial shareholder^(b) of the Managers or substantial Stapled Securityholder^(b) of FHT and does not have any relationship with the Managers, their related corporations, their substantial shareholders, their officers or the substantial Stapled Securityholders of FHT which could interfere with the exercise of his independent judgment as a Director;
- (b) (i) is not employed by the Managers, their related corporations or the REIT Trustee of FH-REIT for FY2024 or any of the past three financial years, and (ii) does not have any immediate^(c) family member who has been employed by the Managers or any of their related corporations, FH-REIT/FH-BT or any of their related corporations or the REIT Trustee as an executive officer in any of the past three financial years; and
- (c) in FY2024 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments^(d) or material services from the Managers or any of their subsidiaries, FHT or any of their subsidiaries and/or the REIT Trustee, and (ii) was not, and does not have any immediate family member who was (a) a substantial shareholder or Stapled Securityholder of, or (b) a partner in (with 5% or more stake), or (c) an executive officer of, or (d) a director of, any organisation to or from which the Managers or any of their subsidiaries, FH-REIT/FH-BT or any of their subsidiaries or the REIT Trustee made, or received significant payments (e) or material services (other than Directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the REIT Manager NRC and Trustee-Manager NRC have determined that, notwithstanding the circumstances set out in note (3) on page 125, Quah Ban Huat is an independent director as at 30 September 2024.

Notes:

- ^(a) A Director is "**connected**" to a substantial shareholder of each of the Managers or substantial Stapled Securityholder of FHT if:
 - ⁽ⁱ⁾ in the case where the substantial shareholder or substantial Stapled Securityholder is an individual, he/she is:
 - ⁽ⁱ⁾ a member of the immediate family of the substantial shareholder or substantial Stapled Securityholder;
 - ⁽ⁱⁱ⁾ employed by the substantial shareholder or substantial Stapled Securityholder;
 - ⁽ⁱⁱⁱ⁾ a partner of a firm or a limited liability partnership of which the substantial shareholder or substantial Stapled Securityholder is also a partner; or
 - ^(iv) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Stapled Securityholder;
 - ⁽ⁱⁱ⁾ in the case where the substantial shareholder or substantial Stapled Securityholder is a corporation, he/she is:
 - ⁽ⁱ⁾ employed by the substantial shareholder or substantial Stapled Securityholder;
 - ⁽ⁱⁱ⁾ employed by a related corporation or associated corporation of the substantial shareholder or substantial Stapled Securityholder;
 - ⁽ⁱⁱⁱ⁾ a director of the substantial shareholder or substantial Stapled Securityholder;
 - ^(iv) a director of a related corporation or associated corporation of the substantial shareholder or substantial Stapled Securityholder;
 - ^(v) a partner of a firm or a limited liability partnership of which the substantial shareholder or substantial Stapled Securityholder is also a partner; or
 - ^(vi) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Stapled Securityholder.
- ^(b) "**substantial shareholder**" and "**substantial Stapled Securityholder**" refers to a shareholder or Stapled Securityholder holding not less than 5% of the total votes or units attached to all voting shares or units in the Managers or FHT, respectively.
- ^(c) "**immediate family**" in relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent.
- ^(d) As a guide, payments aggregated over any financial year in excess of S\$50,000 would generally be deemed as significant. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.
- ^(e) As a guide, payments aggregated over any financial year in excess of S\$200,000 would generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.

CORPORATE GOVERNANCE REPORTS

The REIT Manager Board has considered the relevant requirements under the SFLCB Regulations and its views in respect of the independence of each Director are as follows:

The Director:	Nagaraj Sivaram ⁽¹⁾	Soong Hee Sang ⁽²⁾	Quah Ban Huat ⁽³⁾	David Wong See Hong ⁽⁴⁾	Panote Sirivadhanabhakdi ⁽⁵⁾
(i) had been independent from the management of the REIT Manager and FH-REIT during FY2024	✓	✓	✓	✓	
(ii) had been independent from any business relationship with the REIT Manager and FH-REIT during FY2024	✓	✓	✓		
(iii) had been independent from every substantial shareholder of the REIT Manager and every substantial Stapled Securityholder of FHT during FY2024					
(iv) had not been a substantial shareholder of the REIT Manager or a substantial Stapled Securityholder of FHT during FY2024	✓	✓	✓	✓	
(v) has not served as a director of the REIT Manager for a continuous period of nine years or longer as at the last day of FY2024	✓	✓	✓		

Notes:

- ⁽¹⁾ Nagaraj Sivaram is a director of the REIT Manager and the Trustee-Manager. Both the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of FPL which is a substantial shareholder of the Managers and a substantial Stapled Securityholder of FHT. During FY2024, Nagaraj Sivaram is deemed to be connected to a substantial shareholder of the REIT Manager and the Trustee-Manager and substantial Stapled Securityholder of FHT. Nonetheless, the REIT Manager Board is satisfied that, as at the last day of FY2024, Nagaraj Sivaram was able to act in the best interests of all Stapled Securityholders as a whole and is of the view that Nagaraj Sivaram should be treated as an independent Director of the REIT Manager. As at the last day of FY2024, Nagaraj Sivaram was able to act in the best interests of all Stapled Securityholders as a whole.
- ⁽²⁾ Soong Hee Sang is a director of the REIT Manager and the Trustee-Manager. Both the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of FPL which is a substantial shareholder of the Managers and a substantial Stapled Securityholder of FHT. During FY2024, Soong Hee Sang is deemed to be connected to a substantial shareholder of the REIT Manager and the Trustee-Manager and substantial Stapled Securityholder of FHT. Nonetheless, the REIT Manager Board is satisfied that, as at the last day of FY2024, Soong Hee Sang was able to act in the best interests of all Stapled Securityholders as a whole and is of the view that Soong Hee Sang should be treated as an independent Director of the REIT Manager. As at the last day of FY2024, Soong Hee Sang was able to act in the best interests of all Stapled Securityholders as a whole.
- ⁽³⁾ Quah Ban Huat is a director of the REIT Manager and the Trustee-Manager. Both the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of FPL which is a substantial shareholder of the Managers and a substantial Stapled Securityholder of FHT. During FY2024, Quah Ban Huat is deemed to be connected to a substantial shareholder of the REIT Manager and the Trustee-Manager and substantial Stapled Securityholder of FHT. Nonetheless, the REIT Manager Board is satisfied that, as at the last day of FY2024, Quah Ban Huat was able to act in the best interests of all Stapled Securityholders as a whole and is of the view that Quah Ban Huat should be treated as an independent Director of the REIT Manager. As at the last day of FY2024, Quah Ban Huat was able to act in the best interests of all Stapled Securityholders as a whole.
- ⁽⁴⁾ David Wong See Hong is currently an independent director of FPL and, in addition to being a director of the REIT-Manager and the Trustee-Manager, a director of another entity within the Frasers Property Group. Both the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of FPL which is a substantial shareholder of the Managers and a substantial Stapled Securityholder of FHT. During FY2024, David Wong See Hong is deemed: (a) to be connected to a substantial shareholder of the REIT Manager and the Trustee-Manager and substantial Stapled Securityholder of FHT; and (b) to have a business relationship with the REIT Manager and FH-REIT. Nonetheless, the REIT Manager Board is satisfied that, as at the last day of FY2024, David Wong See Hong was able to act in the best interests of all Stapled Securityholders as a whole. As at the last day of FY2024, David Wong See Hong was able to act in the best interests of all Stapled Securityholders as a whole.
- ⁽⁵⁾ Panote Sirivadhanabhakdi is a director and the Group Chief Executive Officer of FPL and, in addition to being a director of the REIT Manager and the Trustee-Manager, a director of other entities within the Frasers Property Group. Both the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of FPL which is a substantial shareholder of the Managers and a substantial Stapled Securityholder of FHT. Panote Sirivadhanabhakdi is also a director of various entities within the TCC Group⁸ (which is the controlling shareholder of the Frasers Property Group⁹) and holds 20.0% of the issued share capital of TCC Group Investments Limited, a substantial Stapled Securityholder of FHT. Panote Sirivadhanabhakdi is also the son of Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi. During FY2024, Panote Sirivadhanabhakdi is deemed (a) to have a management relationship with the REIT Manager and FH-REIT; (b) to have a business relationship with the REIT Manager and FH-REIT; and (c) to be connected to a substantial shareholder of the REIT Manager and the Trustee-Manager and substantial Stapled Securityholder of FHT, and is a substantial Stapled Securityholder of FHT. The REIT Manager Board is satisfied that, as at the last day of FY2024, Panote Sirivadhanabhakdi was able to act in the best interests of all Stapled Securityholders as a whole. As at the last day of FY2024, Panote Sirivadhanabhakdi was able to act in the best interests of all Stapled Securityholders as a whole.

⁸ "TCC Group" refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi

⁹ "Frasers Property Group" refers to FPL and/or its subsidiaries.

CORPORATE GOVERNANCE REPORTS

Each of the Directors is a member of each of the REIT Manager Board and the Trustee-Manager Board. Both the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of FPL which is a substantial shareholder of the Managers and a substantial Stapled Securityholder. As such, during FY2024, each of the Directors is deemed to be connected to a substantial shareholder of the REIT Manager and the Trustee-Manager and substantial Stapled Securityholder. Nonetheless, the REIT Manager Board is satisfied that, as at the last day of FY2024, each of the Directors was able to act in the best interests of all the Stapled Securityholders as a whole. The REIT Manager Board is of the view that each of Nagaraj Sivaram, Soong Hee Sang and Quah Ban Huat, should be treated as an independent Director of the REIT Manager. Panote Sirivadhanabhakdi and David Wong See Hong were able to act in the best interests of the Stapled Securityholders as a whole as at the last day of FY2024.

Further information on the independence of the Trustee-Manager Directors under the BTA and the related exemption granted by the MAS from the requirement under Regulation 12(1) of the Business Trusts Regulations can be found in the Statement on Composition of the Board of Directors of Fraser's Hospitality Business Trust on pages 166 to 167.

The independent Directors lead the way in upholding good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgement on corporate affairs. Their participation and input also ensure that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into account the long-term interests of FHT and its Stapled Securityholders. As at 30 September 2024, none of the Independent Directors have been on the Boards for a continuous period of nine years or longer. Board renewal is a continuing process where the appropriate composition of each of the Boards is continually under review. In this regard, the tenure of each Independent Director is monitored so that the process for board renewal is commenced ahead of any Independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Boards continue to have an appropriate balance of independence. To this end, the NRCs are tasked with undertaking the process of reviewing, considering and recommending any changes to the composition of the Boards, where appropriate, taking into account the requirements to be met by Independent Directors including the SFLCB Regulations.

In view of the appointment of a Non-Independent Director as the Chairman of the Board of each of the Managers, Mr Soong Hee Sang was appointed as the Lead Independent Director of each of the Managers. With effect from 1 December 2024, Mr Soong Hee Sang retired as a Non-Executive and Lead Independent Director of each of the Managers, and Mr Ho Hon Cheong was appointed as a Non-Executive and Independent Director, Chairman of the Board in place of Mr Panote Sirivadhanabhakdi. Mr Panote Sirivadhanabhakdi stepped down as the Chairman of the Board, and remains as a Non-Executive and Non-Independent Director, of each of the Managers with effect from 1 December 2024.

Changes to the Boards and Board Committees after FY2024

The following changes to the Boards and Board Committees took place after 30 September 2024:

- (a) Dr David Wong See Hong, who had remained as a member of the ARCC for continuity of knowledge and experience during FY2024, had stepped down as a member of the ARCC with effect from 1 November 2024;
- (b) Mr Chang Tou Chen was appointed as a Non-Executive and Independent Director of each of the Managers, and a member of the ARCC, with effect from 1 November 2024;
- (c) Mr Soong Hee Sang retired as a Non-Executive and Lead Independent Director of each of the Managers, Chairman of the NRC and a member of the ARCC, with effect from 1 December 2024;
- (d) Mr Panote Sirivadhanabhakdi, who was appointed as the Chairman of the Board in May 2023 to ensure an orderly and smooth transition in conjunction with the appointment of new directors of the Managers as part of board renewal between May and June 2023, had stepped down as the Chairman of the Board with effect from 1 December 2024. This is in line with the Managers' intent to have an independent Chairman of the Board. Mr Sirivadhanabhakdi will remain as a Non-Executive and Non-Independent Director, and a member of the NRC; and
- (e) Mr Ho Hon Cheong was appointed as a Non-Executive and Independent Director, Chairman of the Board in place of Mr Panote Sirivadhanabhakdi, Chairman of the NRC and member of the ARCC, with effect from 1 December 2024.

As more than half of the Board comprises independent Directors, the REIT Manager will not be subjecting any appointment or re-appointment of Directors to voting by Stapled Securityholders under Regulation 13D of the SFLCB Regulations.

CORPORATE GOVERNANCE REPORTS

Conflict of Interest

The Boards have in place clear procedures for dealing with conflicts of interest. To address and manage possible conflicts of interest (including in relation to Directors, officers and employees) that may arise in managing FH-REIT, the REIT Manager has put in place procedures which, among other things, specify that:

- (a) the REIT Manager shall be dedicated to the management of FH-REIT and will not directly or indirectly manage other REITs;
- (b) all executive officers will be employed by the REIT Manager;
- (c) all resolutions in writing of the directors of the REIT Manager ("**REIT Manager Directors**") in relation to matters concerning FH-REIT must be approved by a majority of the REIT Manager Directors, including at least one director independent from management and business relationships with the REIT Manager;
- (d) at least a majority of the REIT Manager Board shall comprise REIT Manager independent Directors;
- (e) on matters where the Frasers Property Group has an interest (directly or indirectly), Directors nominated by Frasers Property Group shall abstain from voting. On such matters, the quorum must comprise a majority of the REIT Manager's independent Directors and must exclude nominee Directors of Frasers Property Group; and
- (f) an interested Director is required to disclose his interest in any proposed transaction with FH-REIT, to recuse himself from meetings and/or discussions (or relevant segments thereof), and is required to abstain from voting on resolutions approving the transaction.

Further information on the conflict policy the Trustee-Manager has instituted to deal with conflicts of interest that may arise in managing FH-BT can be found in the Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust on pages 160 to 165.

The Managers do not have a practice of extending loans to Directors, and as at 30 September 2024, there were no loans granted by the Managers to Directors. If there are such loans, each of the Managers will comply with its obligations under the Companies Act 1967 of Singapore in relation to loans, quasi-loans, credit transactions and related arrangements to Directors.

Board Performance Evaluation

Each of the REIT Manager NRC and the Trustee-Manager NRC is tasked with making recommendations to the respective Boards on the process and objective performance criteria for evaluation of the performance of the Board as a whole, the Board Committees and the individual Directors.

The Boards, with the recommendation of the NRCs, have approved the objective performance criteria and implemented a formal process for assessing on an annual basis:

- (a) the effectiveness of the Boards as a whole and their Board Committees separately; and
- (b) the contribution by the Chairman and each individual Director to the effectiveness of the Boards.

The objective performance criteria covered in the Board evaluation exercise relate to the following key segments:

- (a) Board composition (balance of skills, experience, independence, knowledge of FHT and the Managers, and diversity);
- (b) management of information flow;
- (c) Board processes (including Board practices and conduct);

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- (d) Board's consideration of ESG aspects;
- (e) Board strategy and priorities;
- (f) Board's value add to, and management of the performance of FHT and the Managers;
- (g) development and succession planning of executives;
- (h) development and training of Directors;
- (i) oversight of risk management and internal controls; and
- (j) the effectiveness of the Board Committees.

Each Director is required to complete a Board evaluation questionnaire, a Board Committee evaluation questionnaire and an individual Director self-evaluation questionnaire (the "**Questionnaires**"). The Questionnaires are designed to evaluate the current effectiveness of the Boards, and help the Chairman and the Boards to proactively consider ways to enhance the readiness of the Boards to address emerging strategic priorities for FHT as a whole. In particular, the individual Director self-evaluation questionnaire aims to assess the willingness and ability of each Director to constructively challenge and contribute effectively to the Boards, and demonstrate commitment to his roles on the Boards and Board Committees (if any). One-to-one interviews are conducted selectively on a rotational basis, to obtain Directors' feedback.

The responses to the Questionnaires and interview(s), if any for that particular financial year, will be collated and a report on the findings and analysis of the results will be submitted to the NRCs. The report would be taken into consideration and any necessary follow-up actions would be undertaken with a view to improving the overall effectiveness of the Boards in fulfilling its role and meeting its responsibilities to Stapled Securityholders. The Chairman will, where necessary, provide feedback to the Directors with a view to improving Board performance and, where appropriate, propose changes to the composition of the Boards.

The outcome of the Board evaluation which was completed in FY2024 was generally affirmative across the evaluation categories. Based on the NRCs' review, the Boards and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Boards.

REMUNERATION MATTERS

The remuneration of the staff of the Managers and Directors' fees are paid by the REIT Manager and the Trustee-Manager from the management fees received from FH-REIT and FH-BT respectively, and not by FH-REIT and FH-BT (as the case may be). With the recommendations of the NRCs, the Boards have put in place a formal and transparent procedure for developing the framework and policies on Director and Key Management Personnel remuneration and for reviewing and approving the remuneration packages of individual Directors and Key Management Personnel.

Compensation Philosophy

The Managers seek to incentivise and reward consistent and sustained performance through market competitive, internally equitable, and performance-orientated compensation programmes which are aligned with Stapled Securityholders' interests. This compensation philosophy is the foundation of the Managers' remuneration framework, and seeks to: (a) align the aspirations and interests of its employees with the interests of FHT and its Stapled Securityholders, resulting in the sharing of rewards for both employees and Stapled Securityholders on a sustained basis; and (b) attract, retain and motivate employees. The Managers aim to connect employees' desire to develop and fulfil their aspirations with the growth opportunities afforded by the Managers' strategic vision and corporate initiatives.

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Compensation Principles

All compensation programme design, determination and administration are guided by the following principles:

(a) Pay-for-Performance

The Managers' Pay-for-Performance principle encourages excellence, in a manner consistent with the Managers' core values. The Managers take a total compensation approach, which recognises the value and responsibility of each role, and differentiates and rewards performance through its incentive plans.

(b) Staped Securityholder Returns

Performance measures for incentives are established to drive initiatives and activities that are aligned with both short-term value creation and long-term Staped Securityholder wealth creation, thus ensuring a focus on delivering Staped Securityholder returns.

(c) Sustainable Performance

The Managers believe sustained success depends on the balanced pursuit and consistent achievement of short-term and long-term goals. Hence, variable incentives incorporate a significant pay-at-risk element to align employees with sustainable performance for the Managers.

(d) Market Competitiveness

The Managers aim to be market competitive by benchmarking its compensation levels with relevant comparators accordingly. However, the Managers embrace a holistic view of employee engagement that extends beyond monetary rewards. Recognising each individual as unique, the Managers seek to motivate and develop employees through all the levers available to the Managers through its respective comprehensive human capital platform, including:

- (i) culture and engagement building;
- (ii) a holistic benefits and wellbeing framework;
- (iii) leadership development;
- (iv) learning and development; and
- (v) career advancement through vertical, lateral and diagonal moves within the Group.

Engagement of External Consultants

The NRCs may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the Managers to stay competitive in their remuneration packages. During FY2024, Willis Towers Watson Consulting (Singapore) Pte Ltd and Mercer (Singapore) Ptd Ltd were appointed as the Managers' remuneration consultants. The remuneration consultants do not have any relationship with FHT, the REIT Manager, the Trustee-Manager, their controlling shareholders, its related entities and/or Directors which would affect their independence and objectivity.

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Remuneration Framework

The NRCs review and make recommendations to the Boards on the remuneration framework for the independent Directors and other non-executive Directors and the Key Management Personnel. The remuneration framework is endorsed by the Boards.

The remuneration framework:

- (a) covers all aspects of remuneration including salaries, allowances, performance bonuses, benefits in kind, termination terms and payments, grant of awards of Stapled Securities and incentives for the Key Management Personnel and fees for the independent Directors and other non-executive Directors. The NRCs consider all such aspects of remuneration to ensure they are fair and avoid rewarding poor performance; and
- (b) is tailored to the specific role and circumstances of each Director and Key Management Personnel, to ensure an appropriate remuneration level and mix that recognises the performance, potential and responsibilities of these individuals.

Remuneration Policy in respect of Management and other employees

The NRCs take into account all aspects of remuneration, including termination terms, to ensure that they are fair. The NRCs review the level, structure and mix of remuneration and benefits policies and practices (where appropriate) of the Managers and take into account the strategic objectives of FHT and the Managers to ensure that they are:

- (a) appropriate and proportionate to the sustained performance and value creation of FHT and the Managers; and
- (b) designed to attract, retain and motivate the Key Management Personnel to successfully manage FHT and the Managers for the long term.

The remuneration framework comprises fixed and variable components, which include short-term and long-term incentives. When conducting their review of the remuneration framework, the NRCs take into account:

- (a) the performance of FHT, which is measured based on pre-set financial and non-financial indicators; and
- (b) individual performance, which is measured via the employee's annual performance review based on indicators such as core values, competencies and key performance indicators.

Fixed Component

The fixed component in the Managers' remuneration framework is structured to remunerate employees for the roles they perform, and is benchmarked against relevant industry market data. It comprises base salary, fixed allowances and any applicable statutory contribution. The base salary and fixed allowances for Key Management Personnel are reviewed annually by NRCs and approved by the Boards.

Variable Component

A significant and appropriate proportion of the remuneration of key executives of the Managers comprises a variable component which is structured to link rewards to corporate and individual performance and incentivise sustained performance in both the short and long-term. The variable incentives are based on quantitative and qualitative targets, and overall performance will be determined at the end of the year and approved by the NRCs. The performance targets are measurable, appropriate and meaningful so that they incentivise the right behaviour in a manner consistent with the Group's core values. For individuals in control functions, performance targets are principally based on the achievement of the objectives of their functions.

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(1) Short-Term Incentive Plans

The short-term incentive plans aim to incentivise short term performance excellence. All Key Management Personnel are assessed through either a balanced scorecard or annual performance review with pre-agreed key performance indicators (“**KPIs**”). The KPIs consist of:

- (a) financial KPIs based on the performance of FHT; and
- (b) non-financial KPIs which may include measures on People and Culture, Digitalization, Data and Innovation and ESG related KPIs. The sustainability performance indicator includes areas such as net zero carbon roadmap and targets, alignment to TCFD recommendations and green building certification.

At the end of the financial year, the achievements are measured against the pre-agreed targets and the short-term incentives of each Key Management Personnel are determined. The NRCs recommend the final short-term incentives that are awarded to the Key Management Personnel for the Boards’ approval, taking into consideration any other relevant circumstances.

(2) Long-Term Incentive Plans

The NRCs administer the Managers’ long-term incentive plan, namely, the RSSP. The RSSP was approved by the Boards and adopted on 8 December 2017. Through the RSSP, the Managers seek to foster a greater ownership culture within the Managers by aligning more directly the interests of senior employees (including the CEO) with the interests of Stapled Securityholders and other stakeholders, and for such employees to participate and share in FHT’s growth and success, thereby ensuring alignment with sustainable value creation for Stapled Securityholders over the long-term.

The RSSP is available to selected senior employees of the Managers. Its objectives are to increase the Managers’ flexibility and effectiveness in attracting, motivating and retaining talented senior employees and in rewarding these employees for the future performance of FHT and the Managers.

Under the RSSP, the Managers grant Stapled Security-based awards (“**Initial Awards**”) with pre-determined performance targets being set at the beginning of the performance period. The NRCs recommend the Initial Awards granted to Key Management Personnel to the Boards for approval, taking into consideration the Key Management Personnel’s performance. The performance period for the RSSP is one year. The pre-set targets are net property income and distribution per Stapled Security. Such performance conditions are generally performance indicators that are key drivers of business performance, Stapled Securityholders’ value creation and aligned to FHT’s business objectives. The RSSP awards represent the right to receive fully paid Stapled Securities, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of Stapled Securities to be released (“**Final Awards**”) will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are exceeded, more Stapled Securities than the Initial Awards may be delivered, subject to a maximum multiplier of the Initial Awards. The Final Awards will vest to the participants in three tranches, after the one-year performance period, at or around the 1st, 2nd and 3rd anniversary of the grant date of the Initial Awards. The obligation to deliver the Stapled Securities is expected to be satisfied out of the Stapled Securities held by the Managers.

The NRCs have discretion to decide on the Final Awards, taking into consideration any other relevant circumstances.

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Approach to Remuneration of Key Management Personnel

The Managers advocate a performance-based remuneration system that is highly flexible and responsive to the market, and that is structured so as to link a significant and appropriate proportion of remuneration to FHT's performance and that of the individual.

In designing the compensation structure, the NRCs seek to ensure that the level and mix of remuneration are competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation.

Executives who have a greater ability to influence outcomes within the Managers have a greater proportion of overall reward at risk. The NRCs exercise broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of Stapled Securityholders and other stakeholders and promote the long-term success of FHT.

Performance Indicators for Key Management Personnel

As set out above, the Managers' variable remuneration comprises short-term and long-term incentives, taking into account both FHT's and individual performance. This is to ensure employee remuneration is linked to performance. In determining short-term incentives, both FHT's financial and non-financial performance as per the balanced scorecard are taken into consideration. The performance targets align the interests of the Key Management Personnel with the long-term growth and performance of FHT and the Managers. The financial performance indicators on which the Key Management Personnel are evaluated comprise (a) FHT's net property income and (b) distribution per Stapled Security. These performance indicators are quantitative and are objective measures of FHT's performance. The non-financial performance indicators on which Key Management Personnel are evaluated include (i) People and Culture, (ii) Digitalization, (iii) Data and Innovation, and (iv) ESG. These qualitative performance indicators will align the Key Management Personnel's performance with FHT's strategic objectives.

In relation to long-term incentives, the Managers have implemented the RSSP with effect from the financial year ended 30 September 2018 as set out above. The release of long-term incentive awards to Key Management Personnel are conditional upon the performance targets being met. The performance targets of the KPIs align the interests of Key Management Personnel with the long-term growth and performance of FHT. In FY2024, the pre-determined target performance levels for the RSSP grant were partially met.

As at 30 September 2024, there is no claw-back provision on remuneration for exceptional circumstances of misstatement of financial results or misconduct. However, the long-term incentive plans provide the NRCs with the discretion to forfeit incentives for conduct detrimental to the Group or the Managers. Following a review of the terms of the incentive plans, claw-back provisions will be incorporated into the terms for the award of incentives.

Remuneration Packages of Key Management Personnel

The NRCs review and make recommendations on the specific remuneration packages and service terms for the Key Management Personnel for endorsement by the respective Board, which is ultimately accountable for all remuneration decisions relating to the Key Management Personnel. The NRCs will review the short-term and long-term incentives in the Key Management Personnel remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

No Director or Key Management Personnel is involved in deciding his or her remuneration.

The NRCs align the CEO's leadership, through appropriate remuneration and benefit policies, with FHT's and the Managers' strategic objectives and key challenges. Performance targets are also set for the CEO and his performance is evaluated yearly.

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Remuneration Policy in respect of Non-Executive Directors

The remuneration of non-executive Directors has been designed to be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities, on the Board and Board Committees, and to attract, retain and motivate the Directors to provide good stewardship of FHT to successfully manage FHT for the long term.

Non-executive Directors do not receive bonuses, options or Stapled Security-based incentives and awards. Directors' fees are paid in cash and not in the form of Stapled Securities.

The Managers engage consultants to review Directors' fees by benchmarking such fees against the amounts paid by listed industry peers. Each non-executive Director's remuneration comprises a basic fee and attendance fees for attending Board and Board Committee meetings. In addition, non-executive Directors who perform additional services in Board Committees are paid an additional fee for such services. The chairman of each Board Committee is also paid a higher fee compared with the members of the respective Board Committees in view of the greater responsibility carried by that office.

Managers' Board fee structure during FY2024 is as set out below.

	Basic Fee per annum (S\$)	Attendance Fee per meeting (for attendance in person in Singapore) (S\$)	Attendance Fee per trip (for attendance in person outside Singapore) (S\$)	Attendance Fee per meeting (for attendance via tele/video conference) (S\$)
Board				
- Chairman	90,000	3,000	4,500	1,000
- Member	45,000	1,500	4,500	1,000
Audit, Risk and Compliance Committee				
- Chairman	40,000	3,000	4,500	1,000
- Member	20,000	1,500	4,500	1,000
Nominating and Remuneration Committee				
- Chairman	12,000	3,000	4,500	1,000
- Member	6,000	1,500	4,500	1,000

Disclosure of Remuneration of Directors and Key Executives

Information on the remuneration of Directors and Key Executives of the Managers for FY2024 is set out below.

Directors of the Managers	Remuneration ⁽¹⁾ S\$
Panote Sirivadhanabhakdi ⁽²⁾	112,500
Soong Hee Sang	100,500
Quah Ban Huat	91,500
Nagaraj Sivaram	120,000
David Wong See Hong	91,000

Note:

⁽¹⁾ The remuneration of Directors is paid by the REIT Manager. No Directors' fees are paid by the Trustee-Manager.

⁽²⁾ Directors' fees are paid to Frasers Property Corporate Services Pte. Ltd. for Panote Sirivadhanabhakdi or such other relevant entity within the Frasers Property Limited Group.

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Remuneration of CEO for FY2024	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Between S\$750,001 to S\$1,000,000					
Eric Gan	50	19	5	26	100

Remuneration of Key Executives of the Managers ⁽¹⁾ (excluding CEO) for FY2024	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Benjamin Kuah ⁽³⁾	61 ⁽²⁾	11 ⁽²⁾	6 ⁽²⁾	22 ⁽²⁾	100
Caris Ang					
Wong Soon Yean					
Joey Ho ⁽⁴⁾					
Sandy Leng ⁽⁵⁾					
Liu Qingbin ⁽⁶⁾					

Aggregate Total Remuneration (excluding CEO)**S\$1,504,447****Notes:**

- ⁽¹⁾ At present, the Managers have four Key Executives (excluding the CEO). They are the CFO and the division heads of the Managers and are listed in this table.
- ⁽²⁾ Derived based on the aggregation of the respective remuneration components of each Key Executive (excluding the CEO) and represented as percentages against total remuneration for these Key Executives.
- ⁽³⁾ Benjamin Kuah was appointed as the Chief Financial Officer on 25 September 2024 and the remuneration disclosed is for the period from 25 September 2024 to 30 September 2024.
- ⁽⁴⁾ Joey Ho was appointed as the Investor Relations Manager on 1 July 2024 and the remuneration disclosed is for the period from 1 July 2024 to 30 September 2024.
- ⁽⁵⁾ Sandy Leng ceased to be employed by the Managers as the Head of Investor Relations on 19 March 2024 and the remuneration disclosed is for the period from 1 October 2023 to 18 March 2024.
- ⁽⁶⁾ Liu Qingbin ceased to be employed by the Managers as the Head of Finance on 25 September 2024 and the remuneration disclosed is for the period from 1 October 2023 to 24 September 2024.

For FY2024, there were no termination, retirement and post-employment benefits granted to the Directors, the CEO and Key Management Personnel.

Pursuant to MAS Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Notice No: SFA04-N14), REIT managers are required to disclose the remuneration of the CEO and each individual Director on a named basis, and the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are Directors), on a named basis, in bands of S\$250,000. The REIT manager may provide an explanation if it does not wish to or is unable to comply with such requirement. The REIT Manager is (a) disclosing the CEO's remuneration in bands of S\$250,000 (instead of on a quantum basis), (b) not disclosing exact details of the remuneration of the Key Executives of the REIT Manager (excluding the CEO) in bands of S\$250,000 and (c) disclosing the aggregate remuneration of all Key Executives of the REIT Manager (excluding the CEO), for the following reasons:

- (i) given the competitive business environment which FHT operates in, the REIT Manager faces significant competition for talent in the REIT management sector and the REIT Manager had not disclosed the exact remuneration of the Key Executives (including the CEO) so as to minimise potential staff movement and undue disruption to its management team which would be prejudicial to the interests of Stapled Securityholders;
- (ii) to ensure the continuity of business and operations of FH-REIT, it is important that the REIT Manager continues to retain its team of competent and committed staff;
- (iii) it is important for the REIT Manager to ensure stability and continuity of its business by retaining a competent and experienced management team and being able to attract talented staff and disclosure of the remuneration of the Key Executives (including the CEO) could make it difficult to attract and retain talented staff on a long-term basis;

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- (iv) due to the confidentiality and sensitivity of staff remuneration matters, the REIT Manager is of the view that such disclosure could be prejudicial to the interests of Stapled Securityholders; and
- (v) the remuneration of the CEO and other Key Executives of the Managers are paid by the REIT Manager and there is full disclosure of the total amount of fees paid to the REIT Manager as set out at page 214 of this Annual Report.

While the disclosure of the exact quantum of the remuneration of the CEO and the requisite remuneration band for each of the other Key Executives (who are not also Directors or the CEO) would be in full compliance with Provision 8.1 of the CG Code, taking into account the reasons why such disclosure would be prejudicial to the interests of Stapled Securityholders and that the Managers have disclosed the remuneration policies, composition of remuneration, appraisal process and performance metrics which go towards determination of the performance bonus of the CEO and other Key Executives, the Boards have determined that despite the partial deviation from Provision 8.1 of the CG Code, there is sufficient transparency on the Managers' remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8 of the CG Code.

As at 30 September 2024, there is no employee within the Managers who is a substantial Stapled Securityholder or who is an immediate family member of a Director, the CEO or a substantial Stapled Securityholder.

FINANCIAL PERFORMANCE, REPORTING AND AUDIT

The Boards, with the support of Management, are responsible for providing a balanced and understandable assessment of FHT's performance, position and prospects. Financial reports are provided to the Boards on a quarterly basis and monthly accounts are made available to the Directors on request.

The REIT Manager prepares the financial statements of FH-REIT in accordance with the recommendations of the 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 CIS Code issued by the MAS, the SGX-ST Listing Manual 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 prescribed by the Accounting Standards Council.

The Trustee-Manager prepares the financial statements of FH-BT in accordance with Singapore Financial Reporting Standards (International), the applicable requirements of the BTA and the provisions of FH-BT Trust Deed.

The Boards release FHT's half-yearly and full year financial results. The Managers also provide business updates to Stapled Securityholders for the first and third quarter performance of FHT. The Boards also provide Stapled Securityholders with relevant business updates, other price or trade sensitive information and material corporate developments through announcements to the SGX-ST and FHT's website.

External Audit

The ARCCs conduct an assessment of the external auditors of FHT, and recommends its appointment, re-appointment or removal to the Board. The assessment is based on factors such as the performance and quality of its audit, the cost effectiveness and the independence and objectivity of the external auditors. The ARCC also makes recommendations to the Boards on the remuneration and terms of engagement of the external auditors.

At the annual general meeting held on 23 January 2024, KPMG LLP was re-appointed by Stapled Securityholders as the external auditors of FHT for FY2024 until the conclusion of the next annual general meeting. Pursuant to the requirements of the SGX-ST, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current KPMG LLP audit partner is in charge of the audit of FHT since FY2023.

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During FY2024, the ARCCs conducted a review of the scope, quality, results and performance of audit by the external auditors of FHT and its cost effectiveness, as well as the independence and objectivity of the external auditors. They also reviewed all non-audit services provided by the external auditors during the financial year, and the aggregate amount of fees paid and payable to them for such services. Details of fees paid and payable to the external auditors in respect of audit and non-audit services as at 30 September 2024 are set out in the table below:

Fees relating to external auditors as at 30 September 2024	S\$ '000
For audit services	589
For non-audit services (including audit-related services)	307
Total	896

The ARCCs have conducted a review of all non-audit services provided by KPMG LLP during the financial year. The ARCCs are satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG LLP is put at risk. KPMG LLP has attended the ARCCs meeting held every quarter for FY2024, and where appropriate, has met with the ARCCs without the presence of Management to discuss their findings, if any.

Each of the REIT Manager and the Trustee-Manager confirms that FH-REIT and FH-BT respectively has complied with Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm should be appointed by the Group having regard to certain factors. Each of FH-REIT and FH-BT has also complied with Rule 715 of the SGX-ST Listing Manual which requires that the same auditing firm of the Group based in Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

In the review of the financial statements of FHT for FY2024, the ARCCs discussed the following key audit matters identified by the external auditors with Management:

Key audit matter	Review by the ARCCs
Valuation of investment properties and property, plant and equipment	The ARCCs considered the independence and competency of the external valuers, as well as the methodologies applied by them to the valuation of the properties. The ARCCs reviewed the outcome of the annual external valuation process and discussed the details of the valuations with the Management and the external auditors. The ARCCs noted that the valuation of properties is an area of focus for the external auditors as a key audit matter in its auditors' report and also noted their assessment of the appropriateness of the valuation methods, inputs and assumptions used. The ARCCs concur with the basis and findings included in the auditors' report with respect to the key audit matter.

GOVERNANCE OF RISK AND INTERNAL CONTROLS

The Boards are responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls.

Enterprise Risk Management and Risk Tolerance

The Managers have established a sound system of risk management and internal controls comprising procedures and processes to safeguard FHT's assets and the interests of FHT and its Stapled Securityholders. The ARCCs review and report to the Boards on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

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Internal Controls

Each of the ARCCs, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the REIT Manager's and/ or the Trustee-Manager's (as the case may be) system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, each of the ARCCs ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors (if any) in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The ARCCs and the Boards have consistently been working closely with Management to ensure adequate cash flow and liquidity to sustain the Managers and FHT's operations on an ongoing basis. The ARCCs and the Boards are updated by Management regularly on the results of various scenario planning and stress testing conducted to assess and track the possible impact on FHT's liquidity and cashflow. Capital and liquidity management remain priorities for the Managers and FHT.

Risk Management

The Boards, through the ARCCs review the adequacy and effectiveness of the Managers' risk management framework to ensure that robust risk management and mitigating controls are in place. The Managers have adopted an ERM framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is analysed comprehensively so that Management understands the risks and that appropriate mitigation strategies can be undertaken. An outline of the Managers' ERM framework and progress report is set out on pages 102 to 104.

Periodic updates are provided to the REIT Manager ARCC and the Trustee-Manager ARCC (as the case may be) on FH-REIT's, the REIT Manager's, FH-BT's and the Trustee-Manager's risk profiles. These updates would involve an assessment of FHT's, FH-REIT's, the REIT Manager's, FH-BT's and the Trustee-Manager's key risks by risk categories, current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework, a comfort matrix of key risks, by which relevant material financial, compliance and operational (including information technology) risks of FHT, FH-REIT, the REIT Manager, FH-BT and the Trustee-Manager have been documented to assist the Boards to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Boards and the ARCCs. Risk tolerance statements setting out the nature and extent of significant risks which the REIT Manager and/ or Trustee-Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Boards have received assurance from the CEO and the CFO of the Managers that as at 30 September 2024:

- (a) the financial records of FHT have been properly maintained and the financial statements for FY2024 give a true and fair view of FHT's operations and finances;
- (b) the system of internal controls in place for FHT is adequate and effective to address financial, operational, compliance and information technology risks which the Managers consider relevant and material to FHT's operations; and
- (c) the risk management system in place for FHT is adequate and effective to address risks which the Managers consider relevant and material to FHT's operations.

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Boards' Comment on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the Managers, work performed by internal and external auditors, reviews performed by Management and the ARCCs, and assurance from the CEO and the CFO, the Boards are of the view that the internal controls in place for FHT were adequate and effective as at 30 September 2024 to address financial, operational, compliance and information technology risks, which the Managers consider relevant and material to FHT's operations.

Based on the risk management framework established and adopted by the Managers, review performed by Management and assurance from the CEO and the CFO, the Boards are of the view that the risk management system in place for FHT was adequate and effective as at 30 September 2024 to address risks which the Managers consider relevant and material to FHT's operations.

The Boards note that the system of internal controls and risk management provides reasonable, but not absolute, assurance that FHT will not be adversely affected by any event that could be reasonably foreseen as the Managers work to achieve their business objectives for FHT. In this regard, the Boards also note that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The ARCCs concur with the Boards' view that as at 30 September 2024, the internal controls of FHT (including financial, operational, compliance and information technology controls) and the risk management system in place for FHT were adequate and effective to address risks which the Managers consider relevant and material to FHT's operations.

Internal Audit

The internal audit function of each REIT Manager and the Trustee-Manager is performed by the Frasers Property Group's internal audit department ("**FPL Group IA**"). FPL Group IA is responsible for conducting objective and independent assessments of the adequacy and effectiveness of the REIT Manager's and the Trustee-Manager's system of internal controls, risk management and governance practices. The Head of FPL Group IA reports directly to the ARCCs, and administratively to FPL's Group Chief Financial Officer. The appointment and removal of FPL Group IA as the service provider of the Managers' internal audit function requires the approval of the ARCCs.

The ARCCs:

- (a) ensure that FPL Group IA complies with the standards set by nationally or internationally recognised professional bodies. In this regard, in performing internal audit services, FPL Group IA has adopted and complies with the Global Internal Audit Standards under the International Professional Practices Framework set by The Institute of Internal Auditors, Inc.; and
- (b) are responsible for ensuring that the internal audit function is independent (including in respect of the activities it audits) and adequately resourced and staffed with auditors with the relevant qualifications and experience. As at 30 September 2024:
 - (i) FPL Group IA comprised 24 professional staff;
 - (ii) the Head of FPL Group IA and the Singapore-based FPL Group IA staff are members of The Institute of Internal Auditors, Singapore;
 - (iii) to ensure that the internal audit activities are effectively performed, FPL Group IA employs suitably qualified audit professionals with the requisite skills and experience; and
 - (iv) FPL Group IA staff members are given relevant training and development opportunities to update their technical knowledge and auditing skills. This includes attending relevant technical workshops and seminars organised by The Institute of Internal Auditors, The Association of Certified Fraud Examiners, and other professional bodies.

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FPL Group IA operates within the framework of a set of terms of reference as contained in the Internal Audit Charter approved by the ARCCs. FPL Group IA:

- (a) adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned with the key strategies of FHT. Risk assessments are carried out on all key business processes, the results of which are used to determine the extent and frequencies of the reviews to be performed. Higher-risk areas are subject to more extensive and frequent reviews;
- (b) conducts its reviews based on internal audit plan (which shall cover, inter alia, review of FHT's REIT Manager's and the Trustee-Manager's sustainability reporting process) approved by the ARCCs. All audit reports detailing audit findings and recommendations are provided to Management, who would respond with the actions to be taken;
- (c) has unfettered access to FHT's, the REIT Manager's and the Trustee-Manager's documents, records, properties and personnel, including the ARCCs' members; and
- (d) has appropriate standing with FHT, the REIT Manager and the Trustee-Manager.

Each quarter, FPL Group IA submits reports to the ARCCs on (a) the status of completion of the audit plans, (b) audit findings noted from reviews performed, and (c) Management's action plans to address such findings, including the status of implementation of the audit recommendations. Each ARCC is satisfied that for the financial year ended 30 September 2024, the internal audit function is independent and effective and that FPL Group IA has adequate resources and appropriate standing within FH-REIT, FH-BT, the REIT Manager and the Trustee-Manager to perform its functions effectively. Quality assurance reviews on FPL Group's internal audit function are periodically carried out by qualified professionals from an external organisation. The last review was performed between September 2022 and October 2022. Where required, the ARCCs will make recommendations to the Boards to ensure that FPL Group IA remains an adequate, effective and independent internal audit function.

Related/Interested Person Transactions

In general, in the case of FH-REIT and/or the REIT Manager, transactions between:

- an entity at risk (in this case, the REIT Trustee (acting in its capacity as the trustee of FH-REIT) or any of the subsidiaries or associated companies of FH-REIT); and
- any of the Interested Parties, namely, the REIT Manager, the REIT Trustee (acting in its personal capacity), an associate of the REIT Manager or REIT Trustee, a Director, CEO or controlling shareholder of the REIT Manager, a controlling Stapled Securityholder or an associate of any such Director, CEO or controlling shareholder or controlling Stapled Securityholder, would constitute an interested party transaction.

In general, in the case of FH-BT and/or the Trustee-Manager, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of FH-BT) or any of the subsidiaries or associated companies of FH-BT); and
- any of the Interested Persons, namely, the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of FH-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of FH-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, CEO or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, CEO or controlling shareholder or controlling Stapled Securityholder, would constitute an interested person transaction.

CORPORATE GOVERNANCE REPORTS

The Managers have established internal processes such that the Boards, with the assistance of the ARCCs, are required to be satisfied that all Related/Interested Person Transactions are undertaken on normal commercial terms, and are not prejudicial to the interests of FHT and Stapled Securityholders. This may entail obtaining (where practicable) quotations from parties unrelated to the Managers, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix). Directors who are interested in any proposed Related/Interested Person Transaction to be entered into by FHT are required to abstain from any deliberations or decisions in relation to that Related/Interested Person Transaction.

All Related/Interested Person Transactions are entered in a register maintained by the each of the REIT Manager and the Trustee-Manager. The Managers' annual internal audit plan will incorporate a review of the Interested Person Transactions recorded in the register to ascertain that internal procedures and requirements of the SGX-ST Listing Manual and Property Funds Appendix have been complied with. The ARCCs review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. The review includes the examination of the nature of the Interested Person Transactions and its supporting documents or such other data deemed necessary by the ARCCs. In addition, the REIT Trustee also has the right to review any such relevant internal audit reports to ascertain that the Property Funds Appendix has been complied with.

Any Related/Interested Person Transaction proposed to be entered into by (a) the REIT Trustee for and on behalf of FH-REIT with a Related Person, and/or (b) the Trustee-Manager for and on behalf of FH-BT with an Interested Person, would require the REIT Trustee and/or the Trustee-Manager (as the case may be) to satisfy itself that such Related/Interested Person Transaction is conducted on normal commercial terms, is not prejudicial to the interests of FHT, FH-REIT and/or FH-BT (as the case may be) and its Stapled Securityholders, and is in accordance with all applicable requirements of the SGX-ST Listing Manual, the BTA and/or CIS Code (where applicable) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts or property funds.

Further, the following procedures will be undertaken by the ARCCs:

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Interested Parties or Interested Persons (collectively, the "**Related Parties**") during the same financial year) equal to or exceeding S\$100,000 in value but less than 3.0% of the value of FH-REIT's or FH-BT's net tangible assets (based on the latest audited accounts) will be subject to review by the respective ARCCs at regular intervals;
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of FH-REIT's or FH-BT's net tangible assets (based on the latest audited accounts) will be subject to the review and prior approval of the ARCCs. Such approval shall only be given if such transaction is on normal commercial terms and not prejudicial to the interests of FH-REIT and/or FH-BT and the minority Stapled Securityholders; and
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of FH-REIT's and/or FH-BT's net tangible assets (based on the latest audited accounts) will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the ARCCs which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and/or the Property Funds Appendix (where applicable), such transaction would have to be approved by Stapled Securityholders at a meeting duly convened.

Save for the transactions described under the sections "Management and Corporate Governance – FH-REIT – Related Transactions – Related Party Transactions in connection with the Setting Up of FH-REIT" and "Management and Corporate Governance – FH-REIT – Related Party Transactions – Future Related Party Transactions" in FHT's Prospectus dated 30 June 2014, FH-REIT will comply with Rule 905 of the Listing Manual by announcing any IPTs in accordance with the Listing Manual if such transaction, by itself or when aggregated with other IPTs entered into with the same interested person during the same financial year, is 3.0% or more of the value of FH-REIT's latest audited net tangible assets.

CORPORATE GOVERNANCE REPORTS

Save for the transactions described under the sections “Management and Corporate Governance – FH-BT – Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions in connection with the Setting Up of FH-BT” in FHT’s Prospectus dated 30 June 2014, FH-BT will comply with Rule 905 of the Listing Manual by announcing any IPTs in accordance with the Listing Manual if such transaction, by itself or when aggregated with other IPTs entered into with the same interested person during the same financial year, is 3.0% or more of the value of FH-BT’s latest audited net tangible assets.

Information on the measures and procedures put in place by the Trustee-Manager to manage potential IPTs can also be found in the Statement on the Policies and Practices in Relation to the Management and Governance of Frasers Hospitality Business Trust on pages 160 to 165.

Whistle-Blowing Policy

The Managers have put in place a whistle-blowing policy (the “**Whistle-Blowing Policy**”) which provides an independent feedback channel through which matters of concern about:

- (a) misconduct or wrongdoing relating to FHT, the Managers and their officers in matters of financial reporting;
- (b) possible improprieties including suspected fraud and corruption; or
- (c) other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal.

Whistle-blowers may report any matters of concern by email, by post or by calling a hotline, details of which are provided in the Whistle-Blowing Policy, which is available on FHT’s website. Any report submitted through this channel would be received by the Head of the FPL Group IA and the Managers have designated FPL Group IA, an independent function, to investigate all whistle-blowing reports made in good faith. The Managers are committed to ensuring that whistle-blowers will be treated fairly, and protected from reprisal actions or any otherwise detrimental or unfair treatment for whistle-blowing in good faith. The Managers will treat all information received confidentially and protect the identity of all whistle-blowers.

The improprieties, misconduct or wrongdoing that are reportable under the Whistle-Blowing Policy include:

- (a) financial or professional misconduct, including concerns about accounting, internal controls or auditing matters;
- (b) improper conduct, dishonest, fraudulent or unethical behaviour;
- (c) any criminal or regulatory offence, breach, irregularity or non-compliance with laws, regulations or the Managers’ policies and procedures, and/or internal controls;
- (d) violence at the workplace, or any workplace hazards / violations which may threaten health and safety;
- (e) corruption or bribery;
- (f) conflicts of interest without proper disclosure;
- (g) any deliberate attempt to cover up and/or conceal misconduct; and
- (h) any other improprieties or matters that may adversely affect Stapled Securityholders’/ shareholders’ interest in, and the assets of, FHT, the REIT Manager and/or the Trustee-Manager and their reputation.

The Whistle-Blowing Policy, including the procedures for raising concerns, is accessible by all staff on the REIT Manager’s intranet and is covered in a mandatory e-learning module. All whistle-blowing complaints raised are investigated, and if appropriate, an independent investigation committee will be constituted. The outcome of each investigation and any action taken is reported to the ARCCs. The ARCCs, which are responsible for oversight and monitoring of whistle-blowing, review and ensure that independent investigations and any appropriate follow-up actions are carried out (including reporting to the Boards of any significant matters raised through the whistle-blowing channel).

CORPORATE GOVERNANCE REPORTS

STAPLED SECURITYHOLDER MATTERS

The Managers treat all Stapled Securityholders fairly and equitably, and strive to establish and maintain regular interaction and dialogue with Stapled Securityholders to generate awareness and understanding of FHT's strategic business model, competitive strengths, growth strategy, and investment merits, as well as to garner feedback and views for consideration. Stapled Securityholders are also given a balanced and understandable assessment of FHT's performance, position and prospects. The Managers communicate regularly with Stapled Securityholders and facilitates the participation of Stapled Securityholders during general meetings and other dialogues to allow Stapled Securityholders to communicate their views on various matters affecting FHT.

Investor Relations

The Managers pride themselves on their high standards of disclosure and corporate transparency. The Managers aim to provide fair, relevant, comprehensive and timely information regarding FHT's performance and progress and matters concerning FHT and its business which are:

- (a) likely to materially affect the price of the Stapled Securities and other securities of FHT; or
- (b) likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the Stapled Securities,

to Stapled Securityholders and the investment community, to enable them to make informed investment decisions.

The Managers' dedicated Investor Relations ("IR") personnel is tasked with, and focuses on, facilitating communications between FHT and its Stapled Securityholders, as well as with the investment community. FHT has an IR policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Stapled Securityholders. The IR policy also sets out the mechanism through which Stapled Securityholders may contact the Managers with questions and through which the Managers may respond to such questions. Any comments and queries addressed to the Lead Independent Director are directly conveyed to him through such channels.

Frank and informed dialogue between the Managers and Stapled Securityholders is a central tenet of good corporate governance, and encourages more active stewardship. The IR manager communicates regularly with Stapled Securityholders and the investment community through timely disclosures of material and other pertinent information via announcements on SGXNet, and quarterly briefings for results and business updates. While the Managers have adopted half-yearly reporting of financial results since FY2020, they continue to provide interim business updates for the first and third quarters of each financial year, which include a discussion of the significant factors that have affected FHT's interim performance as well as relevant market trends that may have a material impact on FHT's prospects. Such information provides Stapled Securityholders with a better understanding of FHT's performance in the context of the current business environment.

Analyst briefings, earnings calls and investor luncheons are conducted after the announcement of half-yearly results and business updates. The IR manager, together with the CEO, also participates in conferences, roadshows, and investor meetings to keep the investment community informed of FHT's corporate developments, financial and operational performance and strategies, and in order to solicit and understand the views of Stapled Securityholders and investors.

Further details on the various activities organised by IR during the year can be found in the Investor Relations section of this Annual Report on pages 99 to 101.

The contact details of the IR manager for Stapled Securityholders, investors and other stakeholders to channel their comments and queries can be found on FHT's website, as well as in the IR section on page 101.

A copy of FHT's Annual Report 2024 has been sent to all Stapled Securityholders. The electronic version of FHT's Annual Report 2024 is available on FHT's website at www.frasersproperty.com/reits/fht.

CORPORATE GOVERNANCE REPORTS

Conduct of General Meetings

The forthcoming 10th annual general meeting ("**2025 AGM**") will be held in a wholly physical format on 15 January 2025 and Stapled Securityholders (themselves or through duly appointed proxies) will be able to vote and ask questions in person at the 2025 AGM.

The Boards support and encourage active Stapled Securityholder participation at annual general meetings as they believe that general meetings serve as an opportune forum for Stapled Securityholders to meet and interact with the Directors and Management. The Managers try their best not to schedule annual general meetings during peak periods when these might coincide with the annual general meetings of other listed companies. To encourage participation, FHT's general meetings are held at convenient locations.

At the annual general meeting, the Managers will make a presentation to update Stapled Securityholders on FHT's financial and operational performance for the financial year. The presentation materials are made available on SGXNET and FHT's website before the commencement of the annual general meeting for the benefit of Stapled Securityholders.

The Managers generally provide Stapled Securityholders with longer than the minimum notice period required for general meetings. As and when an extraordinary general meeting is convened, a circular is sent to Stapled Securityholders, containing details of the matters for Stapled Securityholders' consideration and approval. Through the notice of general meeting or circular, the Managers give Stapled Securityholders the necessary information on each resolution so as to enable them to exercise their votes on an informed basis.

To safeguard the Stapled Securityholders' interests and rights, the Managers table separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. If resolutions are bundled together, the Managers will explain the reasons and material implications in the relevant notice of meeting. Stapled Securityholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

Stapled Securityholders are given the opportunity to participate effectively in and vote at FHT's general meetings, where relevant rules and procedures governing general meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting. Stapled Securityholders such as nominee companies which provide custodial services for securities are not constrained by the two-proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of FHT. At FHT's general meetings, Stapled Securityholders are also given opportunities to ask questions or give feedback to the REIT Managers.

For greater transparency, the Managers have implemented electronic poll voting at general meetings where Stapled Securityholders are invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands). This allows all Stapled Securityholders present or represented at the meeting to vote on a one Stapled Security, one vote basis. The voting results of all votes cast for, against, or abstaining from each resolution is then screened at the meeting and announced via SGXNET after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Although Provision 11.4 of the CG Code provides for an issuer's constitution to allow for absentia voting at general meetings of unitholders, the Trust Deeds currently do not, however, permit Stapled Securityholders to vote at general meetings in absentia (such as via mail, email or fax). In line with Principle 11 of the CG Code, Stapled Securityholders nevertheless have the opportunity to appoint proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. As the authentication of Stapled Securityholder identity and other related security and integrity issues remain a concern, the Managers have decided for the time being, not to implement absentia voting methods such as voting via mail, e-mail or fax.

Board members and Management are present at, and for the entire duration of, each general meeting to respond to any questions from Stapled Securityholders, unless they are unable to attend due to exigencies. FHT's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

The Chairman of the meeting is tasked with facilitating constructive dialogue between Securityholders and the Boards, Management and the external auditors. Where appropriate, the Chairman allows specific Directors, such as the respective Board Committee chairmen, to answer queries on matters related to their Board Committees.

CORPORATE GOVERNANCE REPORTS

The Managers prepare the minutes of general meetings which capture (a) the attendance of Board members at the meetings, (b) matters approved by Stapled Securityholders, (c) voting results and (d) substantial and relevant comments or queries from Stapled Securityholders relating to the agenda of the general meeting together with responses from the Boards and Management. These minutes are published on FHT's website within one month from the date of the Stapled Securityholders' meetings.

Distributions

Distributions of FHT comprise distributions from FH-REIT and FH-BT.

FH-REIT's distribution policy is to distribute at least 90.0% of its distributable income and such distributions are typically paid on a semi-annual basis.

FH-BT's distribution policy is to distribute as much of its income as practicable, and the declaration and payment of distributions by FH-BT will be at the sole discretion of the Trustee-Manager Board.

For FY2024, FHT made two distributions to Stapled Securityholders.

STAKEHOLDER ENGAGEMENT

The Boards adopt an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of their overall responsibility to ensure that the best interests of FHT are served. Stakeholders are parties who may be affected by FHT's or the Managers' activities in areas including ESG, or whose actions can affect the ability of FHT or the Managers to conduct their activities.

Sustainability

The Managers have prioritised key ESG factors to be addressed, in order to bolster business resilience and foster long-term stakeholder value. The Managers and FHT are governed by the Fraser's Property Group's ESG Policy which outlines the Fraser's Property Group's approach and commitments on ESG matters. The three pillars of the Fraser's Property Group's ESG Framework, namely Acting Progressively, Consuming Responsibly and Focusing on People, underpin 13 material, diverse and interconnected focus areas for FHT and the Managers.

In order to review and assess the material topics relevant to FHT's business activities, the Managers from time to time identify and engage with various stakeholders, including employees, guests, contractors and suppliers, regulators and investors to gather feedback on the ESG issues most important to them.

The ESG Report on pages 63 to 98 sets out information on the Managers' arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and FHT's ESG strategy and key areas of focus in relation to the management of stakeholder relationships in FY2024.

Responsible Sourcing

FHT has put in place a Responsible Sourcing Policy which sets out expectations of contractors and suppliers across four areas of sustainable procurement, namely environmental management; human rights and labour management; health, safety and well-being; and business ethics and integrity. The policy is informed by the UN Global Compact Principles and the UN Universal Declaration of Human Rights.

Code of Business Conduct

The conduct of employees of the Managers is governed by the FPL Code of Business Conduct. The Fraser's Property Group's business practices are governed by integrity, honesty, fair dealing and compliance with applicable laws. To guide the Fraser's Property Group's employees across its multi-national network to uphold these values, FPL has established the FPL Code of Business Conduct to provide clear guidelines on ethics and relationships to safeguard the interests and reputation of the Fraser's Property Group, including the Managers, as well as stakeholders of FPL and FHT.

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The FPL Code of Business Conduct covers key aspects such as:

- (a) avoiding conflicts of interest;
- (b) working with external stakeholders (including customers, suppliers, business partners, governments and regulatory officials);
- (c) protecting company's assets
- (d) upholding laws in countries where the Frasers Property Group has geographical presence;
- (e) diversity and inclusion; and
- (f) workplace health and safety.

The FPL Code of Business Conduct also emphasises the importance of upholding the Frasers Property Group's core values to build a culture that is collaborative, respectful, progressive and real. For example, employees are encouraged to be respectful to the elements that make people similar or different from one another, including background, views, experiences, capabilities, values, beliefs, physical differences, ethnicity and culture, gender, age, thinking styles, preferences and behaviours.

The FPL Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, social media engagement, the maintenance of records and reports, personal data protection, and whistle-blowing. It:

- (a) includes requirements relating to the keeping of accurate and sufficiently detailed accounting records for financial transactions, internal financial reporting and financial reporting to stakeholders;
- (b) sets out the standards to which employees must adhere in their business relationships with third parties and personal business undertakings and their obligations to the Frasers Property Group;
- (c) covers an employee's obligations in protecting the Frasers Property Group's confidential information and intellectual property; and
- (d) reiterates the Frasers Property Group's zero tolerance approach to bribery and corruption.

Where applicable/appropriate, the FPL Code of Business Conduct is also made available to other stakeholders such as the Frasers Property Group's and FHT's agents, suppliers, business associates and customers.

Anti-Bribery and Anti-Corruption

FHT has procedures in place to comply with applicable anti-bribery laws and regulations. Under the FPL Code of Business Conduct, employees are not to accept, offer, promise, or pay anything of value to another person with the intention to obtain or retain business, to improperly influence an official action or to secure an unfair business advantage, whether directly or through a third party. FHT also has an anti-bribery policy, which is applicable to entities of the Frasers Property Group incorporated or formed in the United Kingdom, and those carrying on business in the United Kingdom.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

FHT has a policy in place and implemented procedures to comply with applicable anti-money laundering, counter-terrorism financing laws and regulations, including the notice and guidelines issued by the MAS to capital intermediaries on the prevention of money laundering and countering the financing of terrorism. FHT's policy and procedures include, but are not limited to, risk assessment and mitigation, customer due diligence, reporting of suspicious transactions, and record keeping. Training on anti-money laundering, counter-terrorism financing laws and regulations are also conducted for employees, officers and representatives periodically and as and when needed.

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Business Continuity Management

FHT has in place a Group Business Continuity Management ("**BCM**") Policy which has been implemented by, and applies to, the entities within the Fraser's Property Group. The BCM Policy references the requirements of ISO22301 management system, sets directives and guides the Managers in implementing and maintaining a BCM programme to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise. The Group Business Continuity Management Committee oversees the BCM programme and activities of the entities within the Fraser's Property Group.

The Managers' BCM programme has boosted its resilience and capability in responding, managing and recovering from adverse business disruptions and unforeseen catastrophic events. Under the programme, critical business functions, key processes, resource requirements, service recovery time objectives and business recovery strategies are identified. The Managers have identified and mapped end-to-end dependencies covering people, processes, technology and other resources (including third parties and intragroup) that support each critical business service. The Managers have put in place a robust and effective incident management programme to manage incidents to recover the critical business services and functions to prepare themselves within the stipulated recovery time objectives. A Crisis Management Team has been established to oversee the Managers' crisis management activities. Group IA (as an independent and qualified party) has been engaged to establish a comprehensive BCM audit plan and conduct an audit of the BCM framework and the BCM of each critical business service at least once every three years.

Annual tests, exercises (tabletop or simulated) and drills, simulating different scenarios, will be carried out to assess the effectiveness of the abovementioned plans. The Managers' crisis management team and staff are trained periodically, and the plans under the BCM are updated regularly. The BCM programme ensures FHT stays resilient in the face of a crisis. It is a holistic approach to minimize adverse business impact and to safeguard FHT's reputation and business operations.

The FPL Code of Business Conduct, BCM Policy and the other policies mentioned above, are accessible to all employees on the Fraser's Property Group intranet.

POLICY ON DEALINGS IN SECURITIES

The REIT Manager and the Trustee-Manager have established a dealing policy on securities trading ("**Dealing Policy**") setting out the procedure for dealings in FHT's securities by its Directors, officers and employees. In compliance with Rule 1207(19) of the SGX-ST Listing Manual on best practices on dealing in securities, the Group issues reminders to the Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (a) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (b) one month before the announcement of the half-year and full-year results, and ending on the date of such announcements (the "**Prohibition Period**"). Directors, officers and employees are also reminded not to trade in listed securities of FHT at any time while in possession of unpublished price sensitive information and to refrain from dealing in FHT's securities on short-term considerations. Pursuant to the SFA, Directors and the CEO are also required to report their dealings in FHT's securities within two business days.

Every quarter, each Director, officer and employee is required to complete and submit a declaration form to the designated compliance officer to report any trades he or she made in Stapled Securities in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARCCs. Any non-compliance with the Dealing Policy will be reported to the ARCCs for their review and instructions.

Under the Dealing Policy, prior approval from each of the Boards is required before the Managers deals or trades in Stapled Securities. In addition, the Managers will not deal in Stapled Securities:

- (a) during the Prohibition Period; or
- (b) while in possession of unpublished price sensitive information/material in relation to those securities.

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ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGERS

Pursuant to the FH-REIT Trust Deed, the REIT Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	<p>Pursuant to Clause 15.1.1 of the FH-REIT Trust Deed, the REIT Manager is entitled to receive a Base Fee of 0.3% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the value of the deposited property of FH-REIT ("FH-REIT Deposited Property").</p> <p>The Base Fee is payable quarterly in the form of Stapled Securities and/or payable monthly in the form of cash, as the REIT Manager may elect. The Base Fee payable in Stapled Securities will be issued at the volume weighted average price for a Stapled Security for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the FH-REIT Trust Deed) immediately preceding the relevant Business Day.</p>	<p>The primary role of the REIT Manager includes managing and optimising the portfolio of properties held by FH-REIT. The REIT Manager is committed to delivering value to the stakeholders of FHT, in addition to its key responsibilities in managing and maintaining the long-term interests of all Stapled Securityholders.</p> <p>The Base Fee covers the operational and administrative overheads incurred by the REIT Manager for formulating strategies and business plans, monitoring the performance of the assets to optimise the portfolio of properties and implementing proactive measures to enhance the returns from these properties so as to achieve optimal distribution to Stapled Securityholders, ensuring that FH-REIT and its subsidiaries comply with the applicable reporting and regulatory requirements and legislation in each of the countries that FH-REIT operates in.</p> <p>The Base Fee represents the compensation to the REIT Manager for executing its core responsibilities and is based on a percentage of the value of the FH-REIT Deposited Property, which is an appropriate metric that commensurates with the complexity of FH-REIT's operations and the efforts required of the REIT Manager in managing FH-REIT. As the portfolio grows in size and/or geographical diversity, it is expected that the degree and complexity of the REIT Manager's responsibilities will correspondingly increase.</p>

CORPORATE GOVERNANCE REPORTS

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Performance Fee	<p>Pursuant to Clause 15.1.2 of the FH-REIT Trust Deed, the REIT Manager is entitled to receive a Performance Fee, being a fee not exceeding the rate of 5.5% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) in arrears of the aggregate of the Distributable Income of FH-REIT and the distributable income of FH-BT in the relevant financial year (calculated before accounting for the Performance Fee payable to the REIT Manager and the performance fee payable to the Trustee-Manager but after accounting for the Base Fee payable to the REIT Manager and the base fee payable to the Trustee-Manager.)</p> <p>The Performance Fee is payable in the form of cash and/or Stapled Securities as the REIT Manager may elect. The Performance Fee payable in Stapled Securities will be issued at the volume weighted average price for a Stapled Security for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the FH-REIT Trust Deed) immediately preceding the relevant Business Day.</p> <p>In accordance with the CIS Code, crystallisation of the Performance Fee should be no more frequent than once a year. Therefore, with effect from the financial year ended 30 September 2017, the Performance Fee payable to the REIT Manager in the form of cash and/ or Stapled Securities will be paid on an annual basis in arrears, subsequent to the end of the applicable financial year.</p>	<p>The Performance Fee methodology, based on Distributable Income, is an objective benchmark and incentivises the REIT Manager to achieve higher income yields for Stapled Securityholders over the long-term through proactive management, which may include but are not limited to asset enhancement initiatives, repositioning or rebranding of a property, re-segmentation of a property's customer base and driving cost efficiencies to improve profit margin.</p> <p>Such fee methodology aligns the interests between the REIT Manager and Stapled Securityholders and also takes into account the Stapled Securityholders' long-term interests as the REIT Manager receives an amount that is commensurate with the value it delivers to the Stapled Securityholders.</p>

CORPORATE GOVERNANCE REPORTS

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Acquisition Fee	<p>Pursuant to Clause 15.2.1(i) of the FH-REIT Trust Deed, the REIT Manager is entitled to receive an Acquisition Fee (as defined under Clause 15.1.2(i) of the FH-REIT Trust Deed) at the rate of 0.5% for acquisitions from Related Parties as defined in the FH-REIT Trust Deed and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to no double-counting):</p> <ul style="list-style-type: none"> <li data-bbox="375 757 933 1021">(a) the acquisition price of any real estate purchased by FH-REIT, whether directly or indirectly through one or more special purpose vehicles (“SPVs”), plus any other payments⁽²⁾ in addition to the acquisition price made by FH-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-REIT’s interest); <li data-bbox="375 1048 933 1424">(b) the underlying value⁽³⁾ of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-REIT whether directly or indirectly through one or more SPVs plus any other payments made by FH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable to the proportion of FH-REIT’s interest); or <li data-bbox="375 1451 933 1718">(c) the acquisition price of any investment purchased by FH-REIT whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate 	<p>To continue delivering long-term sustainable distributable income to Stapled Securityholders, the REIT Manager regularly reviews its portfolio of properties and considers the recycling of capital, where appropriate, to optimise its portfolio. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of the acquisition or divestment to FH-REIT’s existing portfolio and future growth expectations. When the transaction is completed, the REIT Manager receives the Acquisition Fee or, as the case may be, the Divestment Fee, based on the acquisition price or sale price respectively.</p> <p>The Acquisition Fee is higher than the Divestment Fee because the time and efforts undertaken in terms of sourcing, evaluating and conducting due diligence, and fund raising for an acquisition, are higher as compared to a divestment.</p> <p>The Acquisition Fee and Divestment Fee payable to the REIT Manager serve as a form of compensation of the time, effort and resources spent by the REIT Manager’s team of skilled and experienced executives in sourcing, evaluating and executing of potential opportunities to acquire new properties or in unlocking the underlying value of existing properties within its asset portfolio to optimise Stapled Securityholders’ returns. The REIT Manager provides these services over and above the provision of ongoing management services with the aim of ensuring income sustainability, achieving the investment objectives of FH-REIT and generating long term benefits for Stapled Securityholders.</p>

CORPORATE GOVERNANCE REPORTS

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Divestment Fee	<p>Pursuant to Clause 15.2.1(ii) of the FH-REIT Trust Deed, the REIT Manager is entitled to receive a Divestment Fee (as defined under Clause 15.1.2(ii) of the FH-REIT Trust Deed) at the rate of 0.5% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of each of the following as is applicable (subject to no double-counting):</p> <ul style="list-style-type: none"> <li data-bbox="363 703 887 958">(a) the sale price of any real estate sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments⁽²⁾ in addition to the sale price received by FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-REIT's interest); <li data-bbox="363 994 887 1339">(b) the underlying value⁽³⁾ of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-REIT whether directly or indirectly through one or more SPVs, plus any other payments received by FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-REIT's interest); or <li data-bbox="363 1375 887 1628">(c) the sale price of any investment sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate 	

Notes:

⁽¹⁾ Capitalised terms used in this section shall have the same meanings ascribed to them in the FH-REIT Trust Deed.

⁽²⁾ "other payments" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

⁽³⁾ For example, if FH-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by FH-REIT as purchase price and any debt of the special purpose company.

CORPORATE GOVERNANCE REPORTS

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURES REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF 2018 CG CODE

PRINCIPLES AND PROVISIONS OF THE 2018 CG CODE GOVERNANCE		PAGE REFERENCE OF FY2024 ANNUAL REPORT
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Provision 1.2	Induction, training and development provided to new and existing Directors	116 to 117
Provision 1.3	Matters requiring Board approval	113 to 115
Provision 1.4	Names of Board Committee members, terms of reference of Board Committees, any delegation of Board's authority to make decisions and a summary of each Board Committee's activities	109 to 115
Provision 1.5	Number of Board and Board Committee meetings and each individual Directors' attendances at such meeting	114
BOARD COMPOSITION AND GUIDANCE		
Provision 2.2	The Boards' diversity policy and progress made towards implementation of the policy, including objectives	120 to 122
BOARD MEMBERSHIP		
Provision 4.3	Process for the selection, appointment and re-appointment of Directors to each of the REIT Manager Board and Trustee-Manager Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate Candidates	118 to 119
Provision 4.4	Relationships that independent Directors have with FHT, its related corporations, its substantial Stapled Securityholders or its officers, if any, which may affect their independence, and the reasons why the Boards, having taken into account the views of the respective NRCs, has determined that such Directors are still independent	122 to 126
Provision 4.5	Listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NRCs' and Boards' reasoned assessment of the ability of the Director to diligently discharge his or her duties	44 to 50 and 122 to 126
BOARD PERFORMANCE		
Provision 5.2	How the assessments of the Boards, its respective Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with each of the Managers or any of its Directors	127 to 128
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Provision 6.4	Engagement of any remuneration consultants and their independence	129
DISCLOSURE ON REMUNERATION		
Provision 8.1	Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: <ul style="list-style-type: none"> (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel 	128 to 135

CORPORATE GOVERNANCE REPORTS

PRINCIPLES AND PROVISIONS OF THE 2018 CG CODE GOVERNANCE		PAGE REFERENCE OF FY2024 ANNUAL REPORT
Provision 8.2	Names and remuneration of employees who are substantial shareholders of the REIT Manager, substantial shareholders of the Trustee-Manager or substantial Stapled Securityholders, or are immediate family members of a Director, the CEO or such a substantial shareholder or substantial Stapled Securityholder, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The employee's relationship with the relevant director or the CEO or substantial shareholder or substantial Stapled Securityholder should also be stated.	135
Provision 8.3	All forms of remuneration and other payments and benefits, paid by each of the Managers and its respective subsidiaries to directors and key management personnel of each of the Managers	128 to 135
RISK MANAGEMENT AND INTERNAL CONTROLS		
Provision 9.2	Boards' assurance from: <ul style="list-style-type: none"> (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the stapled group's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the stapled group's risk management and internal control systems. 	137
STAPLED SECURITYHOLDER RIGHTS AND ENGAGEMENT		
STAPLED SECURITYHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
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REPORT OF THE TRUSTEE OF FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST

For the year ended 30 September 2024

Perpetual (Asia) Limited (the "REIT Trustee") is under a duty to take into custody and hold the assets of Frasers Hospitality Real Estate Investment Trust ("FH-REIT") held by it or through its subsidiaries (collectively the "FH-REIT Group") in trust for the holders ("Stapled Securityholders") of units in FH-REIT. In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "Regulations"), the REIT Trustee shall monitor the activities of Frasers Hospitality Asset Management Pte. Ltd. (the "REIT Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Amended and Restated Trust Deed ("Trust Deed") dated 20 June 2014 as amended or supplemented from time to time between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Stapled Securityholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed FH-REIT during the financial year covered by these financial statements set out on pages 172 to 266, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the REIT Trustee,
Perpetual (Asia) Limited

Sin Li Choo
Director

Singapore
18 November 2024

STATEMENT BY THE MANAGER OF FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST

For the year ended 30 September 2024

In the opinion of the directors of Frasers Hospitality Asset Management Pte. Ltd., the financial statements of FH-REIT and its subsidiaries (collectively "FH-REIT Group"), and Frasers Hospitality Trust ("FHT"), comprising FH-REIT Group and Frasers Hospitality Business Trust ("FH-BT") and its subsidiaries (collectively, the "FH-BT Group") set out on pages 172 to 266, comprising the Statements of Financial Position and Portfolio Statements as at 30 September 2024, the Statements of Total Return, Distribution Statements, Statements of Changes in Stapled Securityholders' Funds and Statements of Cash Flows for the financial year then ended, and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio position of FH-REIT Group and FHT as at 30 September 2024, the total return, changes in Stapled Securityholders' funds, distributable income and cash flows of FH-REIT Group and FHT for the financial year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed dated 12 June 2014 (as amended, restated and supplemented from time to time) between the REIT Manager and the REIT Trustee, and the stapling deed of Frasers Hospitality Trust between the REIT Trustee, the REIT Manager and Frasers Hospitality Trust Management Pte. Ltd. (the "Trustee-Manager") dated 20 June 2014 (as supplemented from time to time). At the date of this statement, there are reasonable grounds to believe that FH-REIT Group and FHT will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Board of Directors of the REIT Manager,
Frasers Hospitality Asset Management Pte. Ltd.

Panote Sirivadhanabhakdi
Director

Nagaraj Sivaram
Director

Singapore
18 November 2024

REPORT OF THE TRUSTEE-MANAGER OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

The directors of Fraser's Hospitality Trust Management Pte. Ltd., the trustee-manager of Fraser's Hospitality Business Trust ("FH-BT") and its subsidiaries (collectively, the "FH-BT Group"), (the "Trustee-Manager"), are pleased to present their report to the Stapled Securityholders of Fraser's Hospitality Trust (the "Trust" or "FHT") for the financial year ended 30 September 2024, together with the audited financial statements of FH-BT Group for the financial year ended on that date.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are:

Mr Panote Sirivadhanabhakdi (Chairman)
 Dr David Wong See Hong
 Mr Soong Hee Sang¹
 Mr Nagaraj Sivaram
 Mr Quah Ban Huat
 Mr Chang Tou Chen (Appointed on 1 November 2024)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE STAPLED SECURITIES AND DEBENTURES

Neither at the end of nor at any time during the financial year ended 30 September 2024 was the Trustee-Manager a party to any arrangement whose objective is to enable any or all directors of the Trustee-Manager to acquire benefits by means of the acquisition of Stapled Securities, or debentures, of FH-BT.

DIRECTORS' INTEREST IN STAPLED SECURITIES OR DEBENTURES OF FHT

According to the register kept by the Trustee-Manager for the purpose of Section 76 of the Business Trusts Act 2004 of Singapore (the "BTA"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in Stapled Securities of FHT are as follows:

Name of Director	Number of Stapled Securityholdings					
	1 October 2023		30 September 2024		21 October 2024	
	Direct	Deemed	Direct	Deemed	Direct	Deemed
Mr Panote Sirivadhanabhakdi	Nil	707,310,200	Nil	707,310,200	Nil	707,310,200

Except as disclosed in this statement, there were no changes in any of the above mentioned interests in FHT between the end of the financial year and 21 October 2024.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the last financial year, no director of the Trustee-Manager has received or became entitled to receive a benefit in FH-BT by reason of a contract made by the Trustee-Manager, on behalf of FH-BT or a related corporation with the director, or with a firm of which such director is a member or with a company in which such director has a substantial financial interest, except that the directors served as directors or employees of related corporations and received remuneration in that capacity from related corporations.

¹ Mr Soong Hee Sang will retire as a non-executive and independent director with effect from 1 December 2024.

REPORT OF THE TRUSTEE-MANAGER OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

STAPLED SECURITY OPTIONS

During the financial year, there were:

- (i) no options granted by the Trustee-Manager to any person to take up unissued Stapled Securities in FHT; and
- (ii) no Stapled Securities issued by virtue of any exercise of option to take up unissued Stapled Securities in FHT.

There were no unissued Stapled Securities in FHT under options as at the end of the financial year.

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Trustee-Manager had established an Audit, Risk and Compliance Committee for the Trustee-Manager (the "Trustee-Manager Audit, Risk and Compliance Committee") on 17 October 2016.

The composition of the Trustee-Manager Audit, Risk and Compliance Committee (Appointed on 1 November 2024) comprise the following directors from the Board of Directors of the Trustee-Manager:

- (i) Mr Nagaraj Sivaram (Chairman)
- (ii) Mr Soong Hee Sang (Member)¹
- (iii) Mr Quah Ban Huat (Member)
- (iv) Mr Chang Tou Chen (Member) (Appointed on 1 November 2024)
- (v) Dr David Wong See Hong (Member) (Resigned on 1 November 2024)

The composition of the Trustee-Manager Audit, Risk and Compliance Committee is identical to the composition of the Audit, Risk and Compliance Committee of the REIT Manager.

AUDITOR

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

For and on behalf of the Board of Directors of the Trustee-Manager,
Fraser Hospitality Trust Management Pte. Ltd.

Panote Sirivadhanabhakdi
Director

Nagaraj Sivaram
Director

Singapore
18 November 2024

¹ Mr Soong Hee Sang will retire as a non-executive and independent director with effect from 1 December 2024.

STATEMENT BY THE TRUSTEE-MANAGER OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

In the opinion of the directors,

- (a) The financial statements of FH-BT Group as set out on pages 172 to 266 are drawn up so as to give a true and fair view of the financial position of FH-BT Group as at 30 September 2024, and of the financial performance, changes in Stapled Securityholders' funds and cash flows of FH-BT Group, for the financial year then ended in accordance with the provisions of the BTA and Singapore Financial Reporting Standards (International); and
- (b) At the date of this statement, there are reasonable grounds to believe that FH-BT Group will be able to pay its debts as and when they fall due.

In accordance with Section 86(2) of the BTA, the directors of the Trustee-Manager further certify that:

- fees or charges paid or payable out of the trust property of FH-BT Group to the Trustee-Manager are in accordance with FH-BT Trust Deed dated 20 June 2014 (as supplemented);
- the interested person transactions are not detrimental to the interests of all the Stapled Securityholders as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of FH-BT or the interests of the Stapled Securityholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager,
Fraser's Hospitality Trust Management Pte. Ltd.

Panote Sirivadhanabhakdi
Director

Nagaraj Sivaram
Director

Singapore
18 November 2024

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

For the year ended 30 September 2024

In accordance with Section 86 of the BTA, I, the Chief Executive Officer of Frasers Hospitality Trust Management Pte. Ltd., as Trustee-Manager of Frasers Hospitality Business Trust ("FH-BT") (the "Trustee-Manager"), certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of FH-BT or on the interests of all the Stapled Securityholders of FH-BT as a whole.

Gan Chee Teik

Chief Executive Officer

Singapore

18 November 2024

STATEMENT ON THE POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

Fraser's Hospitality Business Trust ("FH-BT") was dormant from the listing of Fraser's Hospitality Trust ("FHT") on 14 July 2014 on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") until it was activated on 19 October 2016.

The key roles of the Trustee-Manager Board are as follows:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the Trustee-Manager; and
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of FH-BT units (the "FH-BT Unitholders"), and managing the business conducted by FH-BT. The Trustee-Manager has general powers of management over the business and assets of FH-BT and its main responsibility is to manage FH-BT's assets and liabilities for the benefit of FH-BT Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as FH-BT's trustee-manager, is required to:

- treat FH-BT Unitholders in the same class fairly and equally and FH-BT Unitholders who hold FH-BT units in different classes (if any) fairly;
- ensure that all payments out of FH-BT Trust Property are made in accordance with the BTA, the FH-BT Trust Deed and the Stapling Deed;
- report to the MAS any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:
 - relates to FH-BT; and
 - has had, has or is likely to have, a material adverse effect on the interests of all FH-BT Unitholders, or any class of FH-BT Unitholders;

as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention; and

- ensure that FH-BT Trust Property is properly accounted for and ensure that FH-BT Trust Property is kept distinct from the property held in its own capacity.

The Trustee-Manager has the following duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as FH-BT's trustee-manager in accordance with the BTA, FH-BT Trust Deed;
- act in the best interests of all FH-BT Unitholders as a whole and give priority to the interests of all FH-BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all FH-BT Unitholders as a whole and its own interests;
- not make improper use of any information acquired by virtue of its position as FH-BT's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the FH-BT Unitholders;
- hold FH-BT Trust Property on trust for all FH-BT Unitholders as a whole in accordance with the terms of FH-BT Trust Deed;

STATEMENT ON THE POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

- adhere with the business scope of FH-BT as set out in FH-BT Trust Deed;
- review interested person transactions in relation to FH-BT;
- review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of FH-BT out of the Trust Property of FH-BT, and ensure that fees and expenses charged to FH-BT are appropriate and in accordance with FH-BT Trust Deed; and
- comply with the BTA and the Listing Manual.

The MAS has granted the Trustee-Manager waivers from compliance with Sections 10(2)(a) and 11(1)(a) of the BTA to the extent that Sections 10(2)(a) and 11(1)(a) of the BTA require the Trustee-Manager and the Trustee-Manager Directors to act in the best interests of FH-BT Unitholders as a whole only, subject to the conditions that:

- FH-BT Units remain stapled to FH-REIT Units; and
- the Trustee-Manager and the Trustee-Manager Directors shall act in the best interests of all the Stapled Securityholders as a whole.

Trust Property is Properly Accounted For

The Trustee-Manager ensures that the Trust Property of FH-BT shall be properly accounted for and kept distinct from the property of the Trustee-Manager in its own capacity. Different bank accounts shall be maintained for the Trustee-Manager in its personal capacity and its capacity as trustee-manager of FH-BT.

Adherence to the Business Scope of FH-BT

The Trustee-Manager Board shall review and approve all authorised businesses undertaken by FH-BT so as to ensure its adherence to the business scope as set out in FH-BT Trust Deed.

Such authorised businesses include:

- the acquisition, disposition and ownership of Authorised Investments (as defined in FH-BT Trust Deed) and all activities, concerns, functions and matters reasonably incidental thereto;
- ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of Authorised Investments of FH-BT and all activities, concerns, functions and matters reasonably incidental thereto; and
- any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii), including the management and leasing of the Authorised Investments of FH-BT.

Management of Business Risk

The following procedures have been put in place by the Trustee-Manager to manage business risk:

- The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of FH-BT against a previously approved budget or other applicable performance benchmark and indicators. The Trustee-Manager Board will also review the business risks of FH-BT, examine liability management and will act upon any comments from both the internal and external auditors of FH-BT.
- In assessing business risk, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports and feasibility studies on individual development projects prior to approving major transactions. The management will meet regularly to review the operations of the Trustee-Manager and FH-BT and discuss any disclosure issues.

STATEMENT ON THE POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

Interested Person Transactions and Potential Conflicts of Interest

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of FH-BT) or any of the subsidiaries or associated companies of FH-BT); and
- any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of FH-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of FH-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Stapled Securityholder);

would constitute an Interested Person Transaction.

The Trustee-Manager's Internal Control System

The Trustee-Manager has established an internal control system to ensure that all Interested Person Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of FH-BT and Stapled Securityholders.

The Trustee-Manager maintains a register to record all Interested Person Transactions which are entered into by FH-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager also incorporates into its internal audit plan a review of all Interested Person Transactions entered into by FH-BT.

Where matters concerning FH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of FH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or FH-BT, the Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of FH-BT and Stapled Securityholders; and
- in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or FH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Save for the Interested Person Transactions as disclosed in the IPO prospectus of FHT under "Management and Corporate Governance - FH-BT - Interested Person Transactions and Potential Conflicts of Interest - Interested Person Transactions in Connection with the Setting up of FH-BT", FH-BT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of FH-BT's latest audited net tangible assets. The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in FHT's annual report for the relevant financial year.

STATEMENT ON THE POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

Potential Conflicts of Interest

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

- all resolutions in writing of the Trustee-Manager Directors in relation to matters concerning FH-BT must be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee-Manager Director;
- save for the corresponding executive positions held in the REIT Manager, all key executive officers will be employed by the Trustee-Manager and will not hold executive positions in other entities;
- in respect of matters in which a Trustee-Manager Director or his associate (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Trustee-Manager Directors and must exclude such interested director;
- in respect of matters in which the Sponsor has an interest, direct or indirect, any nominees appointed by the Sponsor to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of the Sponsor; and
- where matters concerning FH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of FH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or FH-BT, the Trustee-Manager Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of FH-BT and Stapled Securityholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or FH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and SGX-ST that apply to business trusts.

It should be noted that under Section 6(3) of the BTA, the Trustee-Manager is prohibited from carrying on any business other than the management and operation of FH-BT as its trustee-manager.

Expenses Charged to FH-BT

The Trustee-Manager Board will carry out quarterly reviews to ensure that the expenses payable to the Trustee-Manager out of FH-BT Trust Property are appropriate and in accordance with FH-BT Trust Deed.

Fees Payable to the Trustee-Manager

Management Fee

The Trustee-Manager shall be entitled under FH-BT Trust Deed to the following management fees:

- (i) a Base Fee of 0.3% per annum of the value of FH-BT Trust Property; and
- (ii) a Performance Fee of 5.5% of the aggregate Distributable Income of FHT in the relevant financial year (calculated before accounting for the REIT Performance Fee and the BT Performance Fee).

There should be no double-counting of fees. In the event that both the Trustee-Manager and the REIT Manager are entitled to the Performance Fee, such fees payable to both the Trustee-Manager and the REIT Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the Performance Fee. For the avoidance of doubt, the maximum Performance Fee payable to both the Trustee-Manager and the REIT Manager collectively is 5.5% per annum of the aggregate Distributable Income of FHT in the relevant financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee).

For the purpose of calculating the management fee, if FH-BT holds only a partial interest in an investment from which such profit is derived, such profit shall be pro-rated in proportion to the partial interest held.

STATEMENT ON THE POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

The management fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect.

In the current financial year, approximately S\$46,000 of management fees were paid and payable to the Trustee-Manager.

Trustee Fee

Under FH-BT Trust Deed, 0.1% per annum of the value of FH-BT Trust Property and subject to a minimum fee of S\$10,000 per month, if any, shall be paid to the Trustee-Manager as trustee fees, provided that the value of FH-BT Trust Property is at least S\$50.0 million and FH-BT is active.

In the current financial year, no trustee fee was paid to the Trustee-Manager as the value of FH-BT Trust Property was below S\$50.0 million.

Acquisition Fee and Divestment Fee

The Trustee-Manager is entitled to:

- an acquisition fee of 0.5% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):
 - (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by FH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
 - (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments made by FH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or
 - (iii) the acquisition price of any investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):
 - (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by FH-BT, plus any other payments in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
 - (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments received by FH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or
 - (iii) the sale price of the investment sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

STATEMENT ON THE POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, FH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager provided that in respect of any acquisition and sale or divestment of real estate assets from/to Related Parties, such a fee should be in the form of Stapled Securities at prevailing market price(s) instead of cash. The Stapled Securities issued to the Trustee-Manager as its acquisition or divestment fee should not be sold within one year from the date of their issuance.

Compliance with the BTA and the Listing Manual

The Trustee-Manager has an internal compliance manual which sets out the rules and regulations applicable to FH-BT.

The Trustee-Manager will engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

STATEMENT ON COMPOSITION OF THE BOARD OF DIRECTORS OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

Under Regulation 12(1) of the Business Trusts Regulations 2005 (the "BTR"), the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of Trustee-Manager Directors who are independent from any single substantial shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of six members, four of whom are Independent Directors for the purposes of the BTA, being independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager.

They are:

Mr Panote Sirivadhanabhakdi	(Chairman)	
Dr David Wong See Hong	(Non-Executive Director)	
Mr Soong Hee Sang ¹	(Independent Director)	
Mr Nagaraj Sivaram	(Independent Director)	
Mr Quah Ban Huat	(Independent Director)	
Mr Chang Tou Chen	(Independent Director)	(Appointed on 1 November 2024)

In addition to compliance with requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- the Chairman of the Trustee-Manager Board should be a Non-Executive Director; and
- the Trustee-Manager Board should consist of Directors with a broad range of commercial experience.

None of the Trustee-Manager Directors would, by definition under the BTR, be independent from a substantial shareholder as the Managers are wholly-owned subsidiaries of Fraser's Property Limited (the "Sponsor").

However, due to the structure of FHT, appointing a Trustee-Manager Board which is the same as the REIT Manager Board would avoid any differences or deadlock in the operation of FHT. Operationally, the structure of FHT would require a high degree of co-operation between the REIT Manager and the Trustee-Manager (collectively, the "Managers").

The MAS has granted an exemption from the requirement under Regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that Regulations 12(1)(a) and 12(1)(b) require the Trustee-Manager Directors to (a) be independent from management and business relationships with the Trustee-Manager and (b) be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager, namely, the Sponsor, subject to the following conditions:

- (a) the Trustee-Manager shall ensure that FH-BT Units remain stapled to FH-REIT Units;
- (b) the Trustee-Manager shall ensure that, in relation to the composition of the Trustee-Manager Board:
 - (i) the Trustee-Manager Directors are also the REIT Manager Directors;
 - (ii) at least a majority of the Trustee-Manager Directors shall be independent from management and business relationships with the Managers; and
 - (iii) at least one-third of the Trustee-Manager Directors shall be independent from management and business relationships with the Managers and from every substantial shareholder of the Managers; and

¹ Mr Soong Hee Sang will retire as a non-executive and independent director with effect from 1 December 2024.

STATEMENT ON COMPOSITION OF THE BOARD OF DIRECTORS OF FRASERS HOSPITALITY BUSINESS TRUST

For the year ended 30 September 2024

- (c) the Stapling Deed shall contain covenants binding the Managers to exercise all due diligence and vigilance to safeguard the rights and interests of the Stapled Securityholders in the event of a conflict between the interests of the Managers and their respective shareholders, and that of the Stapled Securityholders.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

Grant of Exemption in respect of the establishment of the Trustee-Manager Audit, Risk and Compliance Committee

In connection with the establishment of the Trustee-Manager Audit, Risk and Compliance Committee, the Managers had applied to the MAS for, and the MAS had, pursuant to a letter dated 14 October 2016, granted an exemption to the Trustee-Manager from the requirement to comply with Regulations 13(1)(b)(i) and (ii) of the BTR (the "ARCC Exemption"). The MAS has granted the ARCC Exemption subject to the following conditions:

- (a) the Trustee-Manager shall ensure that the units of FH-BT remain stapled to the units of FH-REIT;
- (b) the Trustee-Manager shall ensure that, in relation to the composition of the Trustee-Manager Audit, Risk and Compliance Committee, it shall be composed of 3 or more members:
 - (i) all of whom are independent of management and business relationships with the Managers; and
 - (ii) at least a majority of whom, including the Chairman of the Trustee-Manager Audit, Risk and Compliance Committee, are independent of management and business relationships with the Managers and independent from every substantial shareholder of the Managers; and
- (c) the Trustee-Manager shall ensure that the Trustee-Manager Audit, Risk and Compliance Committee and REIT Manager Audit, Risk and Compliance Committee comprise identical directors.

INDEPENDENT AUDITORS' REPORT

To the Stapled Securityholders of Fraser's Hospitality Real Estate Investment Trust and Fraser's Hospitality Business Trust Constituted in the Republic of Singapore pursuant to the Trust Deeds dated 12 June 2014 and 20 June 2014, respectively (as amended, restated and supplemented)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited:

the consolidated financial statements of Fraser's Hospitality Real Estate Investment Trust ("FH-REIT") and its subsidiaries ("FH-REIT Group"), which comprise the Statement of Financial Position and Portfolio Statement as at 30 September 2024, the Statement of Total Return, Distribution Statement, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year then ended, and notes to the financial statements of FH-REIT Group, including a summary of material accounting policies;

the consolidated financial statements of Fraser's Hospitality Business Trust ("FH-BT") and its subsidiaries ("FH-BT Group"), which comprise the Statement of Financial Position as at 30 September 2024, the Statement of Profit or Loss, Statement of Comprehensive Income, Distribution Statement, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year then ended, and notes to the financial statements of FH-BT Group, including a summary of material accounting policies; and

the consolidated financial statements of Fraser's Hospitality Trust ("FHT"), which comprise the Statement of Financial Position and Portfolio Statement as at 30 September 2024, the Statement of Total Return, Distribution Statement, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year then ended, and notes to the financial statements of FHT, including a summary of material accounting policies;

as set out on pages 172 to 266. Fraser's Hospitality Trust, which comprises FH-REIT Group and FH-BT Group, is hereinafter referred to as "FHT".

In our opinion:

- (a) the accompanying consolidated financial statements of FH-REIT Group and FHT present fairly, in all material respects, the financial position and the portfolio holdings of FH-REIT Group and FHT as at 30 September 2024 and the financial performance, distributable income, changes in stapled securityholders' funds, and cash flows of FH-REIT Group and FHT for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("ISCA"); and
- (b) the accompanying consolidated financial statements of FH-BT Group are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the state of affairs of FH-BT Group as at 30 September 2024 and of the financial performance, distributable income, changes in stapled securityholders' funds and cash flows of FH-BT Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Financial Statements* section of our report. We are independent of FH-REIT Group, FH-BT Group and FHT in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the Stapled Securityholders of Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust Constituted in the Republic of Singapore pursuant to the Trust Deeds dated 12 June 2014 and 20 June 2014, respectively (as amended, restated and supplemented)

Valuation of properties

(Refer to Note 11 and Note 12 to the financial statements)

Risk

FHT hold properties comprising serviced residences and hotel properties located in Singapore, Australia, United Kingdom, Japan, Malaysia and Germany. Properties that are leased under a master lease are classified as investment properties whereas a property that is operated under a hotel management contract is classified as property, plant and equipment. Investment properties and the property that is operated under a hotel management contract are significant assets on the statements of financial position, amounting to S\$1.8 billion (2023: S\$1.7 billion) and S\$0.2 billion (2023: S\$0.2 billion) respectively, at 30 September 2024.

FHT's accounting policy is to state investment properties at fair value and the property classified as property, plant and equipment at revalued amount. Fair value is based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the assumptions to be applied. A change to the underlying assumptions could have significant impact to the valuations.

Our response

We evaluated the qualifications and objectivity of the external valuers.

We held discussions with the valuers to understand the valuation methodologies, inputs and assumptions used. We considered the valuation methodologies used against those applied by other valuers for similar property types. We challenged the reasonableness of the projected cash flows used in the valuations. We evaluated the appropriateness of the discount rate, terminal capitalisation rate and capitalisation rate used in the valuations by comparing these against historical rates and available industry data, taking into consideration market factors.

Our findings

The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies and key assumptions used by the valuers are in line with generally accepted market practices and available market data.

Other information

Frasers Hospitality Asset Management Pte. Ltd., the Manager of FH-REIT (the "REIT Manager"), and Fraser Hospitality Trust Management Pte. Ltd., the Trustee-Manager of FH-BT (the "Trustee-Manager") are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Statistics of Stapled Securityholders (the "Report"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the REIT Manager and the Trustee-Manager and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITORS' REPORT

To the Stapled Securityholders of Fraser's Hospitality Real Estate Investment Trust and Fraser's Hospitality Business Trust Constituted in the Republic of Singapore pursuant to the Trust Deeds dated 12 June 2014 and 20 June 2014, respectively (as amended, restated and supplemented)

Responsibilities of the REIT Manager for the financial statements

The REIT Manager is responsible for the preparation and fair presentation of the consolidated financial statements of FH-REIT Group and FHT in accordance with the recommendations of RAP 7 issued by ISCA, and for such internal controls as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing the ability of FH-REIT Group and FHT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate FH-REIT Group or FHT or to cease operations of FH-REIT Group or FHT, or has no realistic alternative but to do so.

The REIT Manager's responsibilities include overseeing the financial reporting process of FH-REIT Group and FHT.

Responsibilities of the Trustee-Manager for the financial statements

The Trustee-Manager is responsible for the preparation of the consolidated financial statements of FH-BT Group that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the ability of FH-BT Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to terminate FH-BT Group or to cease operations of FH-BT Group, or has no realistic alternative but to do so.

The Trustee-Manager's responsibilities include overseeing the financial reporting process of FH-BT Group.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of FH-REIT Group, FH-BT Group and FHT.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager and the Trustee-Manager.

INDEPENDENT AUDITORS' REPORT

To the Stapled Securityholders of Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust Constituted in the Republic of Singapore pursuant to the Trust Deeds dated 12 June 2014 and 20 June 2014, respectively (as amended, restated and supplemented)

- Conclude on the appropriateness of the REIT Manager's and the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of FH-REIT Group, FH-BT Group and FHT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause FH-REIT Group, FH-BT Group and FHT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within FH-REIT Group, FH-BT Group and FHT to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the REIT Manager and the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the REIT Manager and the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the REIT Manager and the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by Trustee-Manager on behalf of FH-BT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Tan Chun Wei (Chen Junwei).

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
18 November 2024

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

For the year ended 30 September 2024

	Note	FHT		FH-REIT Group		FH-BT Group	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue	3	132,527	123,198	113,706	104,398	29,009	30,454
Property tax		(10,109)	(7,390)	(10,109)	(7,390)	-	-
Property insurance		(1,695)	(1,278)	(1,654)	(1,174)	(41)	(104)
Property management fees		(5,742)	(5,255)	(5,742)	(5,255)	-	-
Other property expenses		(3,199)	(2,157)	(3,199)	(2,157)	-	-
Reversal of impairment loss on trade receivables		-	1,264	-	1,264	-	-
Operations and maintenance expenses		(7,289)	(6,979)	(338)	(230)	(7,803)	(7,621)
Energy and utilities expenses		(1,793)	(656)	(1,116)	-	(677)	(656)
Hotel management fee		(670)	(725)	-	-	(670)	(725)
Rental expense		-	-	-	-	(4,981)	(6,371)
Staff costs	4	(6,233)	(6,122)	-	-	(6,233)	(6,122)
Marketing expenses		(2,547)	(2,589)	-	-	(2,547)	(2,589)
Administrative expenses		(798)	(762)	(1)	-	(797)	(762)
Property operating expenses		(40,075)	(32,649)	(22,159)	(14,942)	(23,749)	(24,950)
Net property income		92,452	90,549	91,547	89,456	5,260	5,504
Depreciation	12	(4,152)	(3,831)	-	-	(3,897)	(3,994)
REIT Manager's management fees	5(a)	(6,211)	(6,161)	(6,211)	(6,161)	-	-
Trustee-Manager's management fees	5(b)	(46)	(51)	-	-	(46)	(51)
Other management fees	5(c)	(2,808)	(2,782)	(2,808)	(2,782)	-	-
Trustees' fees	6	(450)	(434)	(450)	(434)	-	-
Other trust expenses	7	(3,540)	(3,833)	(3,461)	(3,750)	(79)	(83)
Finance income		2,395	1,614	2,152	1,443	330	255
Amortisation of debt upfront costs	8(a)	(939)	(878)	(939)	(878)	-	-
Finance costs	8(b)	(25,915)	(20,885)	(26,002)	(20,969)	(1,841)	(1,985)
Total return/(Loss) before foreign exchange differences, fair value changes and tax		50,786	53,308	53,828	55,925	(273)	(354)
Foreign exchange gain/(loss), net		179	(1,245)	167	(1,202)	12	(43)
Net change in fair value of investment properties	11	(596)	50,725	(3,986)	54,560	-	-
Property, plant and equipment written off		(2)	(49)	-	-	(2)	(49)
Net change in fair value of derivative financial instruments		(117)	116	(117)	116	-	-
Realised gain/(loss) on derivative financial instruments, net		11	(244)	11	(244)	-	-
Total return/(Loss) for the year before tax		50,261	102,611	49,903	109,155	(263)	(446)
Taxation	9	(29,973)	(10,708)	(30,118)	(11,715)	162	78
Total return/(Loss) for the year after tax		20,288	91,903	19,785	97,440	(101)	(368)
Total return/(Loss) for the year after tax attributable to:							
- Stapled Securityholders		20,288	91,903	19,785	97,440	(101)	(368)
Earnings per Stapled Security (cents)							
Basic	10	1.05	4.77				
Diluted	10	1.05	4.77				

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

STATEMENT OF COMPREHENSIVE INCOME OF FH-BT GROUP

For the year ended 30 September 2024

	FH-BT Group	
	2024	2023
	\$'000	\$'000
Loss for the year after tax	(101)	(368)
Other comprehensive income		
Items that may be reclassified to statement of profit or loss:		
Foreign currency translation differences	6	(53)
Total comprehensive income for the year, net of tax	(95)	(421)
Total comprehensive income for the year attributable to		
- Stapled Securityholders	(95)	(421)

DISTRIBUTION STATEMENTS

For the year ended 30 September 2024

	Note	FHT		FH-REIT Group		FH-BT Group	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Reconciliation of total return/(Loss) to income available for distribution							
Total return/(Loss) for the year after tax, attributable to Stapled Securityholders		20,288	91,903	19,785	97,440	(101)	(368)
Non-tax deductible/(non-taxable) items and other adjustments:							
Amortisation of debt upfront costs		939	878	939	878	-	-
Depreciation		4,152	3,831	-	-	3,897	3,994
Foreign exchange (gain)/loss, net		(179)	1,246	(167)	1,203	(12)	43
Net change in fair value of investment properties		596	(50,725)	3,986	(54,560)	-	-
Property, plant and equipment written off		2	49	-	-	2	49
Net change in fair value of derivative financial instruments		117	(116)	117	(116)	-	-
Realised (gain)/loss on derivative financial instruments		(11)	244	(11)	244	-	-
Trustee's fee in relation to FH-REIT		261	254	261	254	-	-
Interest expense on lease liabilities		123	120	123	120	1,841	1,985
Lease payments		-	-	-	-	(5,207)	(5,283)
Deferred tax	9	22,173	4,783	22,449	5,899	(293)	(187)
Rollover adjustments		280	-	280	-	-	-
Other adjustments		(392)	(192)	447	663	13	17
Net effect of non-tax deductible/(non-taxable) items and other adjustments		28,061	(39,628)	28,424	(45,415)	241	618
Income available for distribution		48,349	52,275	48,209	52,025	140	250
Income available for distribution attributable to:							
- Stapled Securityholders		48,349	52,275	48,209	52,025	140	250

DISTRIBUTION STATEMENTS

For the year ended 30 September 2024

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Amount available for distribution to Stapled Securityholders at the beginning of the year	22,685	17,949	22,685	17,948	-	1
Income available for distribution attributable to Stapled Securityholders	48,349	52,275	48,209	52,025	140	250
Distribution to Stapled Securityholders during the year						
Distribution of 0.9316 cents per Stapled Security for the period from 1 April 2022 to 30 September 2022	-	(17,949)	-	(17,949)	-	-
Distribution of 1.2649 cents per Stapled Security for the period from 1 October 2022 to 31 March 2023	-	(24,363)	-	(24,363)	-	-
Distribution of 1.1777 cents per Stapled Security for the period from 1 April 2023 to 30 September 2023	(22,683)	-	(22,683)	-	-	-
Distribution of 1.0910 cents per Stapled Security for the period from 1 October 2023 to 31 March 2024	(21,013)	-	(21,013)	-	-	-
	(43,696)	(42,312)	(43,696)	(42,312)	-	-
Amount retained for working capital purposes	(4,836)	(5,227)	(4,696)	(4,976)	(140)	(251)
Amount available for distribution to Stapled Securityholders at the end of the year	22,502	22,685	22,502	22,685	-	-
Distribution per Stapled Security (cents)	2.2592	2.4426	2.2592	2.4426	-	-

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2024

	Note	FHT		FH-REIT Group		FH-BT Group	
		2024	2023	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets							
Investment properties	11	1,778,647	1,720,676	1,986,788	1,929,908	-	-
Property, plant and equipment	12	208,775	210,009	-	-	45,731	49,100
Derivative financial instruments	19	2,272	35,605	2,272	35,605	-	-
Rental deposits		-	-	-	-	2,085	1,976
Deferred expense	16(a)	-	-	-	-	1,203	1,288
Deferred tax assets	9	825	620	-	-	2,343	2,028
		<u>1,990,519</u>	<u>1,966,910</u>	<u>1,989,060</u>	<u>1,965,513</u>	<u>51,362</u>	<u>54,392</u>
Current assets							
Inventories		27	26	-	-	27	26
Prepayments		1,744	1,728	1,561	1,544	183	184
Trade and other receivables	13	16,175	12,925	18,451	15,031	647	1,837
Derivative financial instruments	19	31,626	3,263	31,626	3,263	-	-
Cash and cash equivalents	14	94,371	88,134	87,669	81,395	6,702	6,739
		<u>143,943</u>	<u>106,076</u>	<u>139,307</u>	<u>101,233</u>	<u>7,559</u>	<u>8,786</u>
Total assets		2,134,462	2,072,986	2,128,367	2,066,746	58,921	63,178
Current liabilities							
Trade and other payables	15	26,911	20,345	23,427	16,144	8,064	9,338
Rental deposits		167	6,080	167	6,080	-	-
Lease liabilities	17	-	-	-	-	3,496	3,340
Deferred income	16(b)	-	83	-	83	-	-
Derivative financial instruments	19	2,135	494	2,135	494	-	-
Borrowings	18	269,873	149,050	269,873	149,050	-	-
Income tax payables		2,857	3,666	2,818	3,513	39	153
		<u>301,943</u>	<u>179,718</u>	<u>298,420</u>	<u>175,364</u>	<u>11,599</u>	<u>12,831</u>
Net current liabilities		(158,000)	(73,642)	(159,113)	(74,131)	(4,040)	(4,045)
Non-current liabilities							
Rental deposits		22,464	14,570	24,549	16,546	-	-
Other payables	15	234	227	-	-	234	227
Lease liabilities	17	3,148	2,992	3,148	2,992	47,676	50,613
Deferred income	16(b)	4,658	3,817	5,861	5,105	-	-
Derivative financial instruments	19	1,704	1,392	1,704	1,392	-	-
Borrowings	18	471,977	552,407	471,977	552,407	-	-
Deferred tax liabilities	9	62,165	39,406	62,165	39,406	-	-
		<u>566,350</u>	<u>614,811</u>	<u>569,404</u>	<u>617,848</u>	<u>47,910</u>	<u>50,840</u>
Total liabilities		868,293	794,529	867,824	793,212	59,509	63,671
Net assets/(liabilities)		1,266,169	1,278,457	1,260,543	1,273,534	(588)	(493)
Represented by:							
Stapled Securityholders' funds							
Stapled Securities in issue	20	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		(68,795)	(45,387)	(53,534)	(29,623)	(9,495)	(9,394)
Hedging reserve	21(a)	866	10,195	866	10,195	-	-
Foreign currency translation reserve	21(b)	(191,478)	(211,798)	(191,318)	(211,567)	(679)	(685)
Revaluation reserve	21(c)	11,461	11,332	-	-	-	-
		<u>1,266,169</u>	<u>1,278,457</u>	<u>1,260,543</u>	<u>1,273,534</u>	<u>(588)</u>	<u>(493)</u>
Number of Stapled Securities in issue ('000)	20	1,926,074	1,926,074	1,926,074	1,926,074	1,926,074	1,926,074
Net asset value per Stapled Security (cents)	31	65.74	66.38	65.45	66.12	-	-

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

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the year ended 30 September 2024

FHT	Note	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 2023		1,539,879	(25,764)	(45,387)	10,195	(211,798)	11,332	1,278,457
<u>Operations</u>								
Total return for the year		-	-	20,288	-	-	-	20,288
<u>Other reserves</u>								
Effective portion of changes in fair value of cash flow hedges	21(a)	-	-	-	(2,067)	-	-	(2,067)
Net change in fair value of cash flow hedges reclassified to total return	21(a)	-	-	-	(7,262)	-	-	(7,262)
Foreign currency translation differences	21(b)	-	-	-	-	20,320	-	20,320
Revaluation of property, plant and equipment	21(c)	-	-	-	-	-	129	129
Movements in other reserves		-	-	-	(9,329)	20,320	129	11,120
<u>Transactions with Stapled Securityholders</u>								
Distributions to Stapled Securityholders		-	-	(43,696)	-	-	-	(43,696)
At 30 September 2024		1,539,879	(25,764)	(68,795)	866	(191,478)	11,461	1,266,169
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 year		-	-	91,903	-	-	-	91,903
<u>Other reserves</u>								
Effective portion of changes in fair value of cash flow hedges	21(a)	-	-	-	1,297	-	-	1,297
Net change in fair value of cash flow hedges reclassified to total return	21(a)	-	-	-	(9,506)	-	-	(9,506)
Foreign currency translation differences	21(b)	-	-	-	-	(14,707)	-	(14,707)
Revaluation of property, plant and equipment	21(c)	-	-	-	-	-	5,848	5,848
Movements in other reserves		-	-	-	(8,209)	(14,707)	5,848	(17,068)
<u>Transactions with Stapled Securityholders</u>								
Distributions to Stapled Securityholders		-	-	(42,312)	-	-	-	(42,312)
At 30 September 2023		1,539,879	(25,764)	(45,387)	10,195	(211,798)	11,332	1,278,457

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

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the year ended 30 September 2024

FH-REIT Group	Note	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 2023		1,530,288	(25,759)	(29,623)	10,195	(211,567)	1,273,534
<u>Operations</u>							
Total return for the year		-	-	19,785	-	-	19,785
<u>Other reserves</u>							
Effective portion of changes in fair value of cash flow hedges	21(a)	-	-	-	(2,067)	-	(2,067)
Net change in fair value of cash flow hedges reclassified to total return	21(a)	-	-	-	(7,262)	-	(7,262)
Foreign currency translation differences	21(b)	-	-	-	-	20,249	20,249
Movements in other reserves		-	-	-	(9,329)	20,249	10,920
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders		-	-	(43,696)	-	-	(43,696)
At 30 September 2024		1,530,288	(25,759)	(53,534)	866	(191,318)	1,260,543
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 year		-	-	97,440	-	-	97,440
<u>Other reserves</u>							
Effective portion of changes in fair value of cash flow hedges	21(a)	-	-	-	1,297	-	1,297
Net change in fair value of cash flow hedges reclassified to total return	21(a)	-	-	-	(9,506)	-	(9,506)
Foreign currency translation differences	21(b)	-	-	-	-	(14,557)	(14,557)
Movements in other reserves		-	-	-	(8,209)	(14,557)	(22,766)
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders		-	-	(42,312)	-	-	(42,312)
At 30 September 2023		1,530,288	(25,759)	(29,623)	10,195	(211,567)	1,273,534

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the year ended 30 September 2024

FH-BT Group	Note	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 2023		9,591	(5)	(9,394)	-	(685)	(493)
Loss for the year		-	-	(101)	-	-	(101)
<u>Other comprehensive income</u>							
Foreign currency translation differences	21(b)	-	-	-	-	6	6
Movements in other reserves		-	-	-	-	6	6
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders		-	-	-	-	-	-
At 30 September 2024		9,591	(5)	(9,495)	-	(679)	(588)
At 1 October 2022		9,591	(5)	(9,026)	-	(632)	(72)
Loss for the year		-	-	(368)	-	-	(368)
<u>Other comprehensive income</u>							
Foreign currency translation differences	21(b)	-	-	-	-	(53)	(53)
Movements in other reserves		-	-	-	-	(53)	(53)
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders		-	-	-	-	-	-
At 30 September 2023		9,591	(5)	(9,394)	-	(685)	(493)

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

STATEMENTS OF CASH FLOWS

For the year ended 30 September 2024

	Note	FHT		FH-REIT Group		FH-BT Group	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Total return/(Loss) for the year before tax		50,261	102,611	49,903	109,155	(263)	(446)
Adjustments for:							
Amortisation of debt upfront costs	8(a)	939	878	939	878	-	-
Depreciation	12	4,152	3,831	-	-	3,897	3,994
Effect of recognising rental income on a straight-line basis over the lease term	16(b)	(471)	(464)	(571)	(565)	-	-
Effect of recognising rental expense on a straight-line basis over the lease term	16(a)	-	-	-	-	100	101
Finance costs	8(b)	25,915	20,885	26,002	20,969	1,841	1,985
Finance income		(2,395)	(1,614)	(2,152)	(1,443)	(330)	(255)
Reversal of impairment loss on trade receivables		-	(1,264)	-	(1,264)	-	-
Net change in fair value of derivative financial instruments		117	(116)	117	(116)	-	-
Net change in fair value of investment properties	11	596	(50,725)	3,986	(54,560)	-	-
Property, plant and equipment written off		2	49	-	-	2	49
Unrealised (gain)/loss on foreign exchange, net		(654)	277	(642)	234	(12)	43
Cash generated from operations before working capital changes		78,462	74,348	77,582	73,288	5,235	5,471
Changes in working capital:							
Inventories		(1)	(1)	-	-	(1)	(1)
Prepayments		(16)	(237)	(17)	(242)	1	5
Trade and other receivables		(3,250)	(2,412)	(3,420)	(2,331)	1,190	(1,417)
Trade and other payables		6,320	1,564	7,071	446	(1,325)	2,887
Rental deposits		(395)	-	(395)	-	-	-
Cash generated from operations		81,120	73,262	80,821	71,161	5,100	6,945
Tax (paid)/refund		(6,596)	(3,470)	(6,350)	(3,491)	(246)	21
Interest income received		2,395	1,614	2,152	1,443	243	171
Net cash generated from operating activities		76,919	71,406	76,623	69,113	5,097	7,137

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

STATEMENTS OF CASH FLOWS

For the year ended 30 September 2024

	Note	FHT		FH-REIT Group		FH-BT Group	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to investment properties		(41,172)	(3,890)	(41,172)	(3,890)	-	-
Additions to property, plant and equipment	12	(406)	(439)	-	-	-	-
Settlement of hedging instruments		(566)	13,900	(566)	13,900	-	-
Rental deposits received		3,012	-	3,012	-	-	-
Net cash (used in)/generated from investing activities		(39,132)	9,571	(38,726)	10,010	-	-
CASH FLOWS FROM FINANCING ACTIVITIES							
Distributions paid to Stapled Securityholders		(43,696)	(42,312)	(43,696)	(42,312)	-	-
Finance costs paid		(25,866)	(19,375)	(25,866)	(19,375)	-	-
Payment of lease liabilities	29	-	-	-	-	(5,207)	(5,283)
Proceeds from borrowings, net of debt upfront costs		334,373	291,588	334,373	291,588	-	-
Repayment of borrowings		(297,198)	(343,000)	(297,198)	(343,000)	-	-
Net cash used in financing activities		(32,387)	(113,099)	(32,387)	(113,099)	(5,207)	(5,283)
Net increase/(decrease) in cash and cash equivalents		5,400	(32,122)	5,510	(33,976)	(110)	1,854
Cash and cash equivalents at the beginning of the financial year		88,134	123,883	81,395	118,775	6,739	5,108
Effect of exchange rate changes on cash and cash equivalents		837	(3,627)	764	(3,404)	73	(223)
Cash and cash equivalents at the end of the financial year	14	94,371	88,134	87,669	81,395	6,702	6,739

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

PORTFOLIO STATEMENTS

As at 30 September 2024

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					30 September 2024		30 September 2023	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
InterContinental Singapore	14 July 2014	75 year leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	515,000	40.67	515,000	40.28
Fraser Suites Singapore	14 July 2014	75 year leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	300,000	23.69	300,000	23.47
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	154,013	12.16	128,216	10.03
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	157,707	12.46	156,927	12.27
Koto no Hako ⁽¹⁾	1 March 2024	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Retail	32,967	2.60	-	-
Novotel Sydney Darling Square	14 July 2014	84 year leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	107,979 ⁽²⁾	8.53	104,042 ⁽²⁾	8.14
Fraser Suites Sydney	14 July 2014	75 year leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	127,708	10.09	123,018	9.62
Park International London	14 July 2014	75 year leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	80,268	6.34	71,018	5.55
ibis Styles London Gloucester Road	14 July 2014	75 year leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	35,923	2.84	36,676	2.87

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

PORTFOLIO STATEMENTS

As at 30 September 2024

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					30 September 2024		30 September 2023	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
Fraser Place Canary Wharf London	14 July 2014	75 year leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	46,408	3.67	62,183	4.86
Fraser Suites Queens Gate London	14 July 2014	75 year leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	97,628	7.71	96,525	7.55
Fraser Suites Glasgow	14 July 2014	75 year leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	13,750	1.09	17,004	1.33
Fraser Suites Edinburgh	14 July 2014	75 year leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	32,313	2.55	29,341	2.30
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	76,983	6.08	80,726	6.31
Investment properties					1,778,647	140.48	1,720,676	134.58
Property, plant and equipment								
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	208,775 ⁽³⁾	16.49	210,009 ⁽³⁾	16.43
Property, plant and equipment					208,775	16.49	210,009	16.43
Other net liabilities					(721,253)	(56.97)	(652,228)	(51.01)
Net assets of FHT					1,266,169	100.00	1,278,457	100.00

⁽¹⁾ This relates to the retail component of ANA Crowne Plaza Kobe. Refer to Note 11 for more details.

⁽²⁾ Includes the right-of-use ("ROU") asset recognised on leases of land.

⁽³⁾ Includes the net book value of capitalised furniture, fittings and equipment.

PORTFOLIO STATEMENTS

As at 30 September 2024

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					30 September 2024		30 September 2023	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
InterContinental Singapore	14 July 2014	75 year leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	515,000	40.86	515,000	40.44
Fraser Suites Singapore	14 July 2014	75 year leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	300,000	23.80	300,000	23.56
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	154,013	12.22	128,216	10.07
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	157,707	12.51	156,927	12.32
Koto no Hako ⁽¹⁾	1 March 2024	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Retail	32,967	2.60	-	-
Novotel Sydney Darling Square	14 July 2014	84 year leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	107,979 ⁽²⁾	8.57	104,042 ⁽²⁾	8.17
Fraser Suites Sydney	14 July 2014	75 year leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	127,708	10.13	123,018	9.66
Park International London	14 July 2014	75 year leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	80,268	6.37	71,018	5.58
ibis Styles London Gloucester Road	14 July 2014	75 year leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	35,923	2.85	36,676	2.88

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

PORTFOLIO STATEMENTS

As at 30 September 2024

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					30 September 2024		30 September 2023	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
Fraser Place Canary Wharf London	14 July 2014	75 year leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	46,408	3.68	62,183	4.88
Fraser Suites Queens Gate London	14 July 2014	75 year leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	97,628	7.74	96,525	7.58
Fraser Suites Glasgow	14 July 2014	75 year leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	13,750	1.09	17,004	1.34
Fraser Suites Edinburgh	14 July 2014	75 year leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	32,313	2.56	29,341	2.30
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	76,983	6.11	80,726	6.34
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	208,141	16.51	209,232	16.43
Investment properties					1,986,788	157.60	1,929,908	151.55
Other net liabilities					(726,245)	(57.60)	(656,374)	(51.55)
Net assets of FH-REIT Group					1,260,543	100.00	1,273,534	100.00

⁽¹⁾ This relates to the retail component of ANA Crowne Plaza Kobe. Refer to Note 11 for more details.

⁽²⁾ Includes the ROU asset recognised on leases of land.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Trustee-Manager and the REIT Manager on 18 November 2024.

1. GENERAL

Fraser's Hospitality Trust ("FHT") is a stapled trust comprising Fraser's Hospitality Real Estate Investment Trust ("FH-REIT") and its subsidiaries (collectively, "FH-REIT Group") and Fraser's 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 (as amended, restated and supplemented) (the "FH-REIT Trust Deed"). FH-REIT Trust Deed was entered between Fraser's 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 (as supplemented) (the "FH-BT Trust Deed") and is managed by Fraser's 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 (as supplemented) 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.

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.

The consolidated financial statements of FH-REIT Group relates to FH-REIT and its subsidiaries. The consolidated financial statements of FH-BT Group relates to FH-BT and its subsidiaries. The consolidated financial statements of FHT relates to FH-REIT Group and FH-BT Group.

For financial reporting purposes, FHT is regarded as a subsidiary of Fraser's Property Limited, a Singapore-domiciled company. The ultimate holding company is TCC Assets Limited, which is incorporated in the British Virgin Islands.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

Several service agreements are in place in relation to the management of FH-REIT and FH-BT and its properties operations. The fee structures of these services are as follows:

(a) REIT Manager's fees

(i) Management fees

Pursuant to FH-REIT Trust Deed, the REIT Manager is entitled to management fees comprising a Base Fee of 0.3% per annum of the value of FH-REIT's Deposited Property (as defined in FH-REIT Trust Deed) and Performance Fee of 5.5% per annum of the Distributable Income of FHT in the relevant financial year (calculated before accounting for FH-REIT Performance Fee and FH-BT Performance Fee but after accounting for FH-REIT Base Fee and FH-BT Base Fee).

For the purpose of calculating the Base Fee, if FH-REIT holds only a partial interest in any FH-REIT Deposited Property, such FH-REIT Deposited Property shall be pro-rated in proportion to the partial interest held.

The REIT manager may elect to receive the Base Fee and Performance Fee in cash or Stapled Securities, or a combination of cash and Stapled Securities. Any portion of management fees payable in the form of Stapled Securities shall be payable quarterly in arrears (in relation to the Base Fee) or annually (in relation to the Performance Fee) in arrears and any portion of management fees payable in cash shall be payable monthly in arrears (in relation to the Base Fee) or annually in arrears (in relation to the Performance Fee).

As provided for in FH-REIT Trust Deed, the price of a Stapled Security issued shall be computed based on the volume weighted average price of a Stapled Security for the last 10 business days immediately preceding the relevant period in which the fees accrue.

Any increase in the rate or any change in the structure of the REIT Manager's management fees must be approved by an Extraordinary Resolution at a meeting of the holders of FH-REIT Units duly convened and held in accordance with the provisions of FH-REIT Trust Deed.

The REIT Manager's change in its election to receive cash or Stapled Securities or a combination of cash and Stapled Securities is not considered as a change in the structure of the REIT Manager's management fees.

(ii) Acquisition fee and divestment fee

The REIT Manager is entitled to:

- an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):
 - (i) the acquisition price of any real estate (excluding stamp duty) purchased by FH-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more Special Purpose Vehicles ("SPVs"), plus any other payments in addition to the acquisition price made by FH-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-REIT's interest);

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(a) REIT Manager's fees (continued)

(ii) Acquisition fee and divestment fee (continued)

- (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-REIT, whether directly or indirectly through a holding of shares, units or any other interest in one or more SPVs, plus any other payments made by FH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable to the proportion of FH-REIT's interest); or
 - (iii) the acquisition price of any investment purchased by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):
 - (i) the sale price of any real estate sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the sale price received by FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-REIT's interest);
 - (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments received by FH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of FH-REIT's interest); or
 - (iii) the sale price of any investment sold or divested by FH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The REIT Manager may elect to receive the acquisition fee and divestment fee in the form of cash and/or Stapled Securities provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee should be in the form of Stapled Securities.

(iii) Development management fee

The REIT Manager is entitled to receive development management fee equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

Total Project Costs means the sum of the following (where applicable):

- (i) construction cost based on the project final account prepared by the project quantity surveyor;
- (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(a) REIT Manager's fees (continued)

(iii) Development management fee (continued)

- (iii) the cost of obtaining all approvals for the project;
- (iv) site staff costs;
- (v) interest costs on borrowings used to finance project cash flows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and
- (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with generally accepted accounting practices in Singapore.

Development Project means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FH-REIT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works, provided always that the Property Funds Appendix of the Code of Collective Investment Schemes ("CIS Code") issued by Monetary Authority of Singapore (the "MAS"), shall be complied with for the purposes of such development.

FH-REIT will only undertake development activities within the limits of the Property Funds Appendix.

When the estimated Total Project Costs are greater than S\$200.0 million, the REIT Trustee and the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed by its independent directors to reduce development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager's view, materially lower than the development management fee, the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of FH-REIT.

No acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project. For the avoidance of doubt, the REIT Manager shall be entitled to receive an acquisition fee on the land costs.

(b) Australia Trusts' Manager's fees

(i) Management fees

Pursuant to the Investment Management Agreements for FHT Australia Trust and each underlying Sub-Trust, the Australia Trusts' Manager is entitled to a management fee comprising a Base Fee of 0.3% per annum of the total value of FHT Australia Trust's trust property and a Performance Fee of 5.5% of FHT Australia Trust's aggregate earnings before interest, taxes, depreciation and amortisation in the relevant financial year.

There is no double-counting of management fees under the Investment Management Agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(b) Australia Trusts' Manager's fees (continued)

(ii) Acquisition fee and divestment fee

In consideration for Australia Trusts' Manager providing services under each of the Investment Management Agreements in connection with FHT Australia Trust and the underlying sub-trusts, the Australia Trusts' Manager will be entitled to:

- an acquisition fee of 0.5% for acquisitions from related parties and 1.0% for all other cases of:
 - (i) the acquisition price of any real estate purchased by FHT Australia Trust whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the acquisition price made by FHT Australia Trust or a special purpose vehicle to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of FHT Australia Trust's interest);
 - (ii) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by FHT Australia Trust whether directly or indirectly through one or more special purpose vehicles, plus any other payments made by FHT Australia Trust or a special purpose vehicle to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of FHT Australia Trust's interest); or
 - (iii) the acquisition price of any investment purchased by FHT Australia Trust, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee of 0.5% of:
 - (i) the sale price of any real estate sold or divested by FHT Australia Trust whether directly or indirectly through one or more special purpose vehicles, plus any other payments in addition to the sale price received by FHT Australia Trust or a special purpose vehicle from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of FHT Australia Trust's interest);
 - (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by FHT Australia Trust, whether directly or indirectly through one or more special purpose vehicles, plus any other payments received by FHT Australia Trust or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of the FHT Australia Trust's interest); or

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(b) **Australia Trusts' Manager's fees** (continued)

(ii) **Acquisition fee and divestment fee** (continued)

- (iii) the sale price of any investment sold or divested by FHT Australia Trust, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and

The Australia Trusts' Manager will also be entitled to be reimbursed for certain expenses properly incurred in relation to performance of its role under the Investment Management Agreements. Except for the development management fee (which may only be paid in cash), the Australia Trusts' Manager's fees may be paid out of the trust's income or capital, or by an issue of Stapled Securities, or by a combination of these sources as elected by the MIT Trustee subject to and in accordance with the direction of the REIT Manager and the Trustee-Manager.

For the avoidance of doubt, the base fee, performance fee, acquisition fee, divestment fee and development management fee payable to the REIT Manager shall be reduced by the amount of the relevant fee payable to the Australia Trusts' Manager.

(iii) **Development management fee**

The Australia Trusts' Manager is entitled to receive a development management fee of 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of FHT Australia Trust or a Sub-Trust.

(c) **Kobe Asset Manager's management fees**

Pursuant to the Asset Management Agreements for Kobe Excellence TMK, Excellence Prosperity (Japan) K.K. and Japan Mall GK, the Kobe Asset Manager is entitled to an annual management fee of Japanese Yen ("JPY") 12.0 million, JPY 1.5 million and JPY 7.0 million (2023: JPY 12.0 million, JPY 1.5 million to JPY 3.0 million and NIL) respectively (exclusive of consumption tax), payable quarterly in arrears.

(d) **Asset-Based Securities ("ABS") Servicer fees**

Pursuant to the ABS Servicing Agreement for Notable Vision Sdn. Bhd., a Servicer Fee (exclusive of applicable Sales and Service Tax), of Malaysian Ringgit ("MYR") 360,000 per annum, is payable in arrears on a semi-annual basis to the REIT Manager for the provision of its services as Servicer.

(e) **FH-REIT Trustee's fees**

Pursuant to FH-REIT Trust Deed, FH-REIT Trustee's fee is charged to a scaled basis of up to 0.015% per annum of the value of FH-REIT Deposited Property, subject to a minimum of S\$15,000 per month, excluding out-of-pocket expenses and GST.

FH-REIT Trustee's fees are payable monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(f) *FHT Australia Trust's and Sub-Trusts' Trustee's fees*

Pursuant to the Investment Management Agreements,

- (i) FHT Australia Trust's Trustee's fees are Australian Dollars ("AUD") 52,250 per annum; and
- (ii) Sub-Trusts' Trustee's fees for FHT Sydney Trusts (i.e. FHT Sydney Trust 1, FHT Sydney Trust 2 and FHT Sydney Trust 3) and FHT Melbourne Trust 1, ranges from AUD 7,500 to AUD 14,250 per annum (per sub-trust) and AUD 13,500 per annum respectively, excluding out-of-pocket expenses and GST.

The Trustee's fees and the Sub-Trustee's fees are payable quarterly in arrears. The fees are adjustable yearly by reference to the Australian Consumer Price Index.

(g) *Tokutei Mokuteki Kaisha ("TMK") Trustee's fees*

Pursuant to the Japan Trust Agreement, the TMK Trustee's fee is JPY 5.4 million per annum (exclusive of consumption tax) and payable quarterly in arrears.

(h) *Malaysian Bond Trustee's fees*

Pursuant to the ABS Trust Deed, the Malaysian Bond Trustee's fee is MYR 60,000 per annum (exclusive of Sales and Service Tax) and payable in advance on an annual basis.

(i) *Property management fees*

Property management fees payable to Serviced Residence operators, which are companies controlled by a substantial Stapled Securityholder, comprise:

(i) *Management Services Fees*

Pursuant to the Serviced Residences Management Agreements, the management services fees are as follows:

- a base management fee of 1.0% per annum of the gross operating revenue of the Serviced Residences;
- a marketing fee of 1.0% per annum of the gross operating revenue of the Serviced Residences; and
- an incentive fee of 8.0% per annum of gross operating profit of the Serviced Residences.

(ii) *Trademark License Fees*

Pursuant to the Serviced Residences Licence Agreement, trademark license fee is 1.0% per annum of the gross operating revenue of the Serviced Residences.

The Serviced Residences operators may receive the management services and trademark license fees in cash or Stapled Securities or a combination of both (as the REIT Manager or Trustee-Manager may elect).

(iii) *Technical Services Fees*

Pursuant to the Master Technical Services Agreement and the Individual Technical Services Agreement, the technical services fees will be an amount mutually agreed upon subject to a cap of United States Dollar ("USD") 1,500 per Serviced Residence unit which is exclusive of reimbursable expenses. The technical services fees shall be payable when technical services relating to conceptualising, planning, designing, decorating, furnishing and equipping Serviced Residences are provided in connection with any development, re-development, refurbishment, retrofitting, addition and alteration and renovation works.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(j) *Trustee-Manager's fees*

Pursuant to FH-BT Trust Deed, the Trustee-Manager is entitled to the following fees:

- (i) a management fee comprising a Base Fee of 0.3% per annum of the value of FH-BT's Trust Property and Performance Fee of 5.5% per annum of the Distributable Income of FHT in the relevant financial period, payable in the event that FH-BT becomes active; and

There should be no double-counting of fees. In the event that both the Trustee-Manager and the REIT Manager are entitled to the Performance Fee, such fees payable to both the Trustee-Manager and the REIT Manager will be apportioned based on the respective proportionate contributions of FH-REIT and FH-BT in the Performance Fee. For the avoidance of doubt, the maximum Performance Fee payable to both the Trustee-Manager and the REIT Manager collectively is 5.5% per annum of the aggregate Distributable Income of FHT in the relevant financial year (calculated before accounting for the Performance Fee but after accounting the Base Fee).

- (ii) a trustee fee of a maximum of 0.1% per annum of the value of FH-BT Trust Property, subject to a minimum fee of S\$10,000 per month provided that the value of FH-BT Trust Property is at least S\$50.0 million, payable in the event that FH-BT becomes active.

- (iii) an acquisition fee of 0.5% for acquisitions from Related Parties and 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of all other cases of any of the following (subject to there being no double-counting):

- the acquisition price of any real estate purchased by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments in addition to the acquisition price made by FH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
- the equity interest of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by FH-BT whether directly or indirectly through one or more SPVs, plus any other payments made by FH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of FH-BT's interest); or
- the acquisition price of any investment purchased by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

- (iv) a divestment fee of 0.5% for all other cases of any of the following (subject to there be no double-counting):

- the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by FH-BT, plus any other payments in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of FH-BT's interest);
- the underlying value of any real estate which is taken into account when computing the sale price for the equity interest in any vehicle holding, directly or indirectly the real estate, sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, plus any other payments received by FH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interest (pro-rated if applicable to the proportion of FH-BT's interest);
- the sale price of any investment sold or divested by FH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of property corporation or other SPVs owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL (continued)

(j) *Trustee-Manager's fees (continued)*

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities, provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee should be in the form of Stapled Securities.

- (v) a development management fee equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT. Development Project means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or lease by FH-BT, including major development, re-development, retrofitting, addition and alteration and renovations works.

When the estimated Total Project Costs are greater than S\$200.0 million, the Trustee-Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager's view, materially lower than the development management fee, the Trustee-Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of FH-BT.

No acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project. For the avoidance of doubt, the Trustee-Manager shall be entitled to receive an acquisition fee on the land costs.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied by FHT, FH-REIT Group and FH-BT Group and FHT consistently to all periods presented in these financial statements, unless otherwise indicated in Note 2.2.

In addition, FHT, FH-REIT Group and FH-BT Group adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* from 1 October 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 2 in certain instances (see Note 2.2 for further information).

2.1 Basis of preparation

The consolidated financial statements of FHT and FH-REIT Group 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 FH-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards ("FRSs").

The consolidated financial statements of FH-BT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the Business Trusts Act 2004 of Singapore and the provisions of FH-BT Trust Deed.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Going concern

The consolidated financial statements of FHT, FH-REIT Group and FH-BT Group have been prepared on a going concern basis. FH-REIT Group has net current liabilities of S\$159.1 million (2023: S\$74.1 million) as at 30 September 2024, primarily due to borrowings maturing within the next 12 months. The REIT Manager has assessed that FH-REIT Group will be able to discharge its obligations as and when they fall due in the next 12 months, having regard to its ongoing operational cash flows, cash reserves of S\$87.7 million (2023: S\$81.4 million), and unutilised S\$220.8 million committed revolving credit facilities (Note 18) as at 30 September 2024. FH-REIT Group is also in advanced discussions with lenders to refinance maturing borrowings and additional credit facilities to further strengthen financial flexibility. FH-BT Group has net current liabilities of S\$4.0 million (2023: S\$4.0 million) and net liabilities of S\$0.6 million (2023: S\$0.5 million) as at 30 September 2024. The Trustee-Manager has assessed that FH-BT Group will be able to discharge its obligations as and when they fall due in the next 12 months, as it has access to an unutilised S\$10.0 million committed revolving credit facility from FH-REIT to FH-BT (Note 18). With both FH-REIT Group and FH-BT Group being able to meet their obligations as and when they fall due, the REIT Manager and the Trustee-Manager (collectively, the "Managers") are of the view that FHT, being the stapled trust comprising FH-REIT Group and FH-BT Group, is able to meet its obligations as and when they fall due.

Significant accounting judgements and estimates

The preparation of financial statements requires the Managers to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of properties

FHT's properties are stated at their fair values, which are determined annually. The fair values are based on independent professional valuations conducted annually. The fair value of properties is determined using discounted cash flow and capitalisation methods. Certain valuers have recommended the value of the properties to be kept under regular review given the potential for rapid change in current market conditions, such as inflationary pressures, cost and availability of debt and geopolitical tensions, and recommended that the value of the properties are to be kept under regular review.

These fair values may differ from the prices at which FHT's properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the Managers' control, such as overall market conditions. As a result, actual results of operations and realisation of these properties could differ from the estimates set forth in these financial statements, and the difference could be significant. The carrying amounts of properties is disclosed in the Statements of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Significant accounting judgements and estimates (continued)

(b) Judgements made in applying accounting policies

In the process of applying FHT's accounting policies, the Managers have made the following judgements, apart from those involving estimations, which have significant effects on the amounts recognised in the consolidated financial statements.

Income taxes

FHT has exposure to income taxes in numerous jurisdictions. Assumptions are required in determining the group-wide provision for income taxes. The ultimate determination of taxability of income and deductibility of expenses from certain transactions are uncertain during the ordinary course of business. The tax computations arising from business combinations would also be subjected to uncertainty and formal assessment by tax authorities. FHT recognises the liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the Statements of Financial Position.

2.2 Changes in material accounting policies

New accounting standards and amendments

FHT has applied the following amendments to SFRS(I)s in the financial statements for the first time for the annual period beginning on 1 October 2023:

- SFRS(I) 17: *Insurance contracts*
- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than those described below, the application of these amendments to accounting standards and interpretations did not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction

FHT, FH-REIT Group and FH-BT Group have adopted Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 October 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in material accounting policies (continued)

New accounting standards and amendments (continued)

FHT, FH-REIT Group and FH-BT Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, FHT, FH-REIT Group and FH-BT Group have recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was also no impact on the opening retained earnings as at 1 October 2023 as a result of the change. The key impact for FHT, FH-REIT Group and FH-BT Group relate to disclosure of the deferred tax assets and liabilities recognised (see note 9).

Global minimum top-up tax

The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. The global minimum top-up tax framework is assessed on a group-wide basis and no material impact to FHT, FH-REIT Group and FH-BT Group are expected.

Material accounting policy information

FHT, FH-REIT Group and FH-BT Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time from 1 October 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

2.3 Basis of consolidation and business combinations

(a) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

(b) Subsidiaries

Subsidiaries are entities controlled by FH-REIT Group or FH-BT Group. FH-REIT Group or FH-BT Group control an entity when they are exposed to or have rights, to variable returns from their involvement with the entity and have the ability to affect those returns through its power over the entity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation and business combinations (continued)

(c) Consolidation

The financial year of FH-REIT Group, FH-BT Group and FHT ends on 30 September unless otherwise stated. The consolidated financial statements incorporate the financial statements of FH-REIT Group, FH-BT Group and FHT made up to 30 September. The financial statements of subsidiaries are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to FH-REIT Group, FH-BT Group and FHT's material accounting policies. A list of significant subsidiaries is shown in Note 22.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which FH-REIT Group or FH-BT Group and FHT obtain control, and continue to be consolidated until the date that such control ceases.

(d) Business combinations

FH-REIT Group, FH-BT Group and FHT account for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred (see Note 2.3(b)). In determining whether a particular set of activities and assets is a business, FH-REIT Group, FH-BT Group and FHT assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

FH-REIT Group, FH-BT Group and FHT have an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets.

FH-REIT Group, FH-BT Group and FHT measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is recognised as equity, it is not remeasured and settlement is accounted for within the Stapled Securityholders' Funds. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation and business combinations (continued)

(d) *Business combinations (continued)*

NCI are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected for each business combination. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by another SFRS(I).

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that FHT incurs in connection with a business combination are expenses as incurred.

NCI represent the equity in subsidiaries not attributable, directly or indirectly, to Stapled Securityholders of FHT and are presented separately in the Statement of Total Return or Statement of Profit or Loss (as the case may be), and within the Stapled Securityholders' Funds in the Statement of Financial Position, separately from the Stapled Securityholders' Funds attributable to Stapled Securityholders. Changes in FHT's ownership interest in a subsidiary that does not result in a loss of control are accounted for as transactions within Stapled Securityholders' Funds. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in Stapled Securityholders' Funds and attributable to Stapled Securityholders of FHT.

(e) *Property acquisitions*

Where property is acquired, via corporate acquisitions or otherwise, the Managers considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not determined to be an acquisition of a business, they are not treated as business combinations. In such cases, the acquirer shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Such a transaction or event does not give rise to goodwill.

2.4 Foreign currencies

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in FH-REIT Group, FH-BT Group and FHT are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "functional currency"). The financial statements of FH-REIT Group, FH-BT Group and FHT are presented in Singapore dollars ("S\$"), which is the functional currency of FH-REIT and FH-BT and rounded to the nearest thousand (\$'000), unless otherwise stated.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of each entity at rates of exchange approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are revalued to the functional currency at the rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Foreign currencies (continued)

(b) Foreign currency transactions (continued)

Non-monetary items measured at historical cost in a foreign currency are recorded using the exchange rates ruling at the date of the initial transaction dates. Non-monetary assets and liabilities measured at fair value in a foreign currency are revalued using the exchange rates at the date that the fair value was measured. Foreign currency differences arising on the settlement of monetary items or revaluing monetary items are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be), except for differences arising on the translation of qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income ("OCI") or Stapled Securityholders' Funds (as the case may be) directly.

(c) Foreign operations

The results and financial positions of foreign operations are translated into Singapore dollars using the following procedures:

- Assets and liabilities are translated to Singapore dollars at exchange rates at the end of the reporting period; and
- Income and expenses are translated to Singapore dollars at the average exchange rates for the period, which approximates the exchange rates at the dates of the transactions.

All resulting exchange differences are recognised in OCI or Stapled Securityholders' Funds (as the case may be) and accumulated in the foreign currency translation reserve in Stapled Securityholders' Funds.

On the disposal of a foreign operation, the cumulative amount in the foreign currency translation reserve relating to the foreign operation is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be) as a component of the gain or loss on disposal. When only part of the interest in a subsidiary that includes a foreign operation is disposed of while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised directly in the foreign currency translation reserve in OCI or Stapled Securityholders' Funds (as the case may be).

2.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Subsequent to initial recognition, investment properties are measured at fair value. Any gains or losses arising from changes in fair values of the investment properties are recognised in the Statement of Total Return in the period in which they arise.

Fair value is determined at each reporting date in accordance with FH-REIT Trust Deed. In addition, the investment properties are to be valued by independent professional valuers at least once a year, in accordance with the CIS Code issued by MAS.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Investment properties (continued)

Investment properties are de-recognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Total Return in the year of retirement or disposal.

Subsequent expenditure relating to the investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to FH-REIT Group and FHT. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

2.6 Property, plant and equipment

All items of property, plant and equipment are measured at cost on initial recognition. Subsequent to the initial recognition, freehold land and buildings of FHT and FH-REIT Group are measured at revalued amount (based on fair value) less accumulated depreciation and accumulated impairment losses while right-of-use assets, furniture, fittings and equipment of FHT, FH-REIT Group and FH-BT Group are measured at cost less accumulated depreciation and accumulated impairment losses.

Fair value of the land and buildings is determined at each reporting date. Any increase on revaluation shall be credited directly to the Stapled Securityholders' Funds. However, the increase shall be recognised in the Statement of Total Return to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Total Return. A revaluation deficit is recognised in the Statement of Total Return, except to the extent that it offsets an existing surplus on the same asset carried in the Stapled Securityholders' Funds.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use and estimate of the costs of dismantling and removing the items and restoring the site on which they are located when FHT, FH-REIT Group and FH-BT Group have an obligation to remove the asset or restore the site. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repair are charged to the Statement of Total Return or Statement of Profit or Loss (as the case may be). When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the Statement of Total Return or Statement of Profit or Loss (as the case may be) and any related revaluation surplus included in the Stapled Securityholders' Funds is transferred to revenue reserves in the Stapled Securityholders' Funds.

Property, plant and equipment except freehold land, are depreciated on the straight line method so as to write-off the cost of the assets over their estimated useful lives. No depreciation is provided on freehold land. The estimated useful lives for the current and comparative years are as follows:

- Building 17 to 50 years
- Furniture, fittings and equipment 3 to 10 years

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Leases

At inception of a contract, FHT, FH-REIT Group and FH-BT Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As a lessee*

At commencement or on modification of a contract that contains a lease component, FHT, FH-REIT Group and FH-BT Group allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, FHT, FH-REIT Group and FH-BT Group have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

FHT, FH-REIT Group and FH-BT Group recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to FHT, FH-REIT Group or FH-BT Group by the end of the lease term or the cost of the ROU asset reflects that FHT, FH-REIT Group or FH-BT Group will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

FHT, FH-REIT Group and FH-BT Group determine the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property and are carried at fair value in accordance with note 2.5.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in Statement of Total Return or Statement of Profit or Loss (as the case may be) if the carrying amount of the ROU asset has been reduced to zero.

FHT, FH-REIT Group and FH-BT Group present ROU assets that do not meet the definition of investment property in 'property, plant and equipment' and 'lease liabilities' separately in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Leases (continued)

(b) *As a lessor*

At inception or on modification of a contract that contains a lease component, FHT and FH-REIT Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When FHT or FH-REIT Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, FHT and FH-REIT Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, FHT considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then FHT or FH-REIT Group applies SFRS(I) 15 Revenue from Contracts with Customers to allocate the consideration in the contract.

FHT and FH-REIT Group recognise lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

2.8 Financial assets

(a) *Initial recognition and measurement*

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when FHT, FH-REIT Group or FH-BT Group become a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) *Classification and subsequent measurement*

On initial recognition, a financial asset is classified at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless FHT, FH-REIT Group or FH-BT Group change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(b) *Classification and subsequent measurement (continued)*

Business model assessment

FHT makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with FHT's, FH-REIT Group's and FH-BT Group's continuing recognition of the assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, FHT, FH-REIT Group and FH-BT Group consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, FHT, FH-REIT Group and FH-BT Group consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit FHT's, FH-REIT Group's or FH-BT Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(b) *Classification and subsequent measurement (continued)*

Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be). Any gain or loss on derecognition is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

(c) *Derecognition*

Financial assets are derecognised when FHT's, FH-REIT Group's or FH-BT Group's contractual rights to receive the cash flows from the financial assets expire or if FHT, FH-REIT Group or FH-BT Group transfer the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. Transferred assets are not derecognised when FHT, FH-REIT Group or FH-BT Group enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

(d) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when, and only when, FHT, FH-REIT Group or FH-BT Group have a legal right to offset and there is intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Inventories

Inventories comprise mainly beverage stocks for the hotel operations.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in and first-out principle. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling costs.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks and fixed deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.11 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, FHT, FH-REIT Group or FH-BT Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

(b) Classification and subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method. Interest expense is recognised in Statement of Total Return or Statement of Profit or Loss (as the case may be).

(c) Derecognition

FHT, FH-REIT Group and FH-BT Group derecognise a financial liability when its contractual obligations are discharged, cancelled or expired. FHT, FH-REIT Group or FH-BT Group also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

(d) Offsetting

Financial liabilities and assets are offset and the net amount reported in the Statement of Financial Position when, and only when, FHT, FH-REIT Group or FH-BT Group have a legal right to offset and there is intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Rental deposits and deferred income and expense

Rental deposits are received from lessees or paid to the lessors of the properties (as the case may be). Deferred income (expense) relates to the difference between the consideration received (paid) for rental deposits and its fair value on initial recognition and it is credited (charged) to the Statement of Total Return or Statement of Profit or Loss (as the case may be) as rental income (expense) on a straight-line basis over the individual lease term.

2.13 Derivative financial instruments and hedge accounting

FHT and FH-REIT Group use derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. It is FHT's and FH-REIT Group's policy not to trade in derivative financial instruments. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value; any attributable transaction costs are recognised in the Statement of Total Return on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instruments that is not designated in a hedge relationship are recognised immediately in the Statement of Total Return.

FHT and FH-REIT Group designate certain derivative financial instruments as hedging instruments in qualifying hedging relationships. At the inception of a hedge relationship, FHT and FH-REIT Group formally designate and documents the hedge relationship to which FHT and FH-REIT Group wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. FHT and FH-REIT Group also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Derivative financial instruments and hedge accounting (continued)

(a) Cash flow hedges

FHT and FH-REIT Group designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve within the Stapled Securityholders' Funds. The effective portion of changes in fair value of the derivative that is recognised in the Stapled Securityholders' Funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in Stapled Securityholders' Funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the Statement of Total Return in the same period or periods as the hedged item's expected future cash flows affect the Statement of Total Return.

(b) Net investment hedges

FHT and FH-REIT Group designate certain derivatives as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in the foreign currency translation reserve within the Stapled Securityholders' Funds. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in the Statement of Total Return. The amount recognised in foreign currency translation reserve is reclassified to the Statement of Total Return as a reclassification adjustment on disposal of the foreign operation. When the hedged net investment is disposed of, the cumulative amount in foreign currency translation reserve within the Stapled Securityholders' Funds is transferred to the Statement of Total Return.

2.14 Impairment

(a) Non-derivative financial assets

FHT, FH-REIT Group and FH-BT Group recognise loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

Loss allowances of FHT, FH-REIT Group or FH-BT Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

Simplified approach

FHT, FH-REIT Group and FH-BT Group apply the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.14 Impairment (continued)

(a) *Non-derivative financial assets* (continued)

General approach

FHT, FH-REIT Group and FH-BT Group apply the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, FHT, FH-REIT Group and FH-BT Group assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, FHT, FH-REIT Group and FH-BT Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on FHT's, FH-REIT Group's or FH-BT Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

FHT, FH-REIT Group and FH-BT Group consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to FHT, FH-REIT Group or FH-BT Group in full, without recourse by FHT, FH-REIT Group or FH-BT Group to action such as realising security (if any is held); or the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL is the maximum contractual period over which FHT, FH-REIT Group or FH-BT Group are exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that FHT, FH-REIT Group or FH-BT Group expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, FHT, FH-REIT Group and FH-BT Group assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by FHT, FH-REIT Group or FH-BT Group on terms that FHT, FH-REIT Group or FH-BT Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.14 Impairment (continued)

(a) **Non-derivative financial assets** (continued)

General approach (continued)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when FHT, FH-REIT Group or FH-BT Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with FHT's, FH-REIT Group's or FH-BT Group's procedure for recovery of amounts due.

2.15 Stapled Securityholders' Funds

Stapled Securityholders' Funds represent the Stapled Securityholders' residual interest in the net assets of FH-REIT Group and FH-BT Group upon termination.

Expenses incurred in connection with the issuance and placement of Stapled Securities are deducted directly against Stapled Securityholders' Funds.

2.16 Distribution policy

Distributions of FHT comprise distributions from FH-REIT and FH-BT.

FH-REIT's distribution policy is to distribute 100% of the Distributable Income ("DI") to the Stapled Securityholders for the period from the Listing Date (14 July 2014) to 30 September 2015, and at least 90.0% of the DI thereafter.

FH-BT's distribution policy is to distribute as much of its income as practicable, and the declaration and payment of distributions by FH-BT will be at the sole discretion of the Board of Directors of the Trustee-Manager.

Distributions are made on a semi-annual basis, with the amount calculated as at 31 March and 30 September each year for the six-month period ending on each of the said dates. In accordance with the Trust Deeds, the Managers are required to pay distributions within 90 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

2.17 Revenue

(a) **Master lease rental income from operating leases**

Fixed rental income receivable under operating leases is recognised in the Statement of Total Return on a straight-line basis. The aggregate costs of incentives provided to leases are recognised as a reduction of rental income over the lease term on a straight-line basis. Variable rent, which is based on gross turnover or gross operating profit is recognised as income in the accounting period on an accrual basis in the period in which it is earned and the amount can be measured reliably.

(b) **Room revenue and food and beverage revenue**

Revenue from hotel operations comprising mainly room revenue and food and beverage revenue. Room revenue is recognised when performance obligations are satisfied over the period of stay. Food and beverage revenue is recognised at a point in time when performance obligations are satisfied by rendering the relevant goods and services to the customers.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.17 Revenue (continued)

(c) Dividend and distribution income

Dividend and distribution income is recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be) on the date when the right to receive the payment is established.

2.18 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis in the period that expenses are incurred.

(b) REIT Manager's fees

Fees paid or payable to the REIT Manager are recognised on an accrual basis based on the applicable formula as set out in Note 1(a).

(c) Trustees' fees

Fees paid or payable to the Trustees are recognised on an accrual basis. Included in trust expenses are the REIT Trustee's fees, MIT's and Sub-Trustee's fees, TMK Trustee's fees, Malaysian Bond Trustee's fees and Trustee-Manager's trustee fees which are based on the applicable formulae as set out in Notes 1(e), (f), (g), (h) and (j)(ii).

(d) Trustee-Manager's fees

Fees paid or payable to the Trustee-Manager are recognised on an accrual basis based on the applicable formula as set out in Note 1(j)(i).

(e) Employee benefits

Defined contribution plans

As required by law, FH-BT Group and FHT make contributions to state pensions schemes in accordance with local regulatory requirements. The pension contributions are recognised as compensation expense in the same period as the employment that give rises to the contribution.

Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

2.19 Finance income and finance costs

Finance income comprises interest income on funds invested and unwinding of the discount on non-current rental deposit receivable that are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Finance costs comprises interest expense on borrowings and lease liabilities, amortisation of debt-related transaction costs, and unwinding of the discount on non-current rental deposits payable that are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be).

Interest income and all borrowing costs are recognised as it accrues, in the Statement of Total Return or Statement of Profit or Loss (as the case may be), using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.20 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and FHT will comply with the conditions associated with the grants.

Grants that compensate FHT for expenses incurred are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be), net of its related expense, on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.21 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Total Return or Statement of Profit or Loss (as the case may be) except to the extent that it relates to items recognised directly in OCI or Stapled Securityholders' Funds (as the case may be).

FHT, FH-REIT Group and FH-BT Group have determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
 - is not a business combination and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that FHT, FH-REIT Group or FH-BT Group are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which FHT, FH-REIT Group or FH-BT Group expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, carrying amount of the investment property is presumed to be recovered through sale, and FHT, FH-REIT Group or FH-BT Group have not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in FHT. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.22 Earnings per Stapled Security

FHT presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Securityholders of FHT by the weighted-average number of Stapled Securities outstanding, during the financial period adjusted for own Stapled Securities held. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Securityholders and the weighted-average number of Stapled Securities outstanding adjusted for own Stapled Securities held, for the effects of all dilutive potential Stapled Securities.

2.23 Segment reporting

An operating segment is a component of FHT, FH-REIT Group and FH-BT Group that engage in business activities from which they may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of FHT's, FH-REIT Group's and FH-BT Group's other components.

Management determines the operating segments based on the reports reviewed by Chief Operating Decision Makers ("CODMs") that are used to make strategic decisions.

CODMs include the Chief Executive Officer, the Chief Financial Officer, the Asset Managers and the Investment Managers. CODMs review FHT's, FH-REIT Group's and FH-BT Group's internal reporting in order to assess performance and operations of respective group. Management has determined the operating segments based on these assessments. The CODMs consider the segments from a geographic and business perspective as it is based on the management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Unallocated items comprise mainly finance income, finance costs, trust expenses, non-capitalisable expenses in relation to asset acquisition, and net change in fair value of derivative financial instruments.

Segment capital expenditure is the total costs incurred on investment properties and property, plant and equipment during the financial year.

2.24 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of FHT; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the Statement of Financial Position of FHT, except for contingent liabilities assumed in a business combination (as the case may be) that are present obligations and which the fair values can be reliably determined.

2.25 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that when the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.26 New standards and amendments to standards not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2023 and earlier application is permitted. However, FHT has not early adopted the new or amended standards in preparing these financial statements.

Effective for annual periods beginning after 1 October 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-7, SFRS(I) 7: *Supplier Finance Arrangements*

The application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Effective for annual periods beginning after 1 October 2024

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

FHT is in the process of assessing the impact of the amendments to standards on its financial statements.

3. REVENUE

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental revenue from investment properties						
- Fixed rent	48,481	47,701	53,688	52,984	-	-
- Variable rent	52,824	44,579	57,705	50,849	-	-
- Effect of recognising rental income on a straight-line basis over lease term	471	464	571	565	-	-
Revenue from contract with customers						
- Room revenue	22,976	23,385	-	-	22,976	23,385
- Food and beverage revenue	4,870	5,028	-	-	4,870	5,028
- Other income	2,905	2,041	1,742	-	1,163	2,041
	132,527	123,198	113,706	104,398	29,009	30,454

4. STAFF COSTS

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Salaries, bonuses and other costs	5,679	5,603	-	-	5,679	5,603
Contributions to defined contribution plans	554	519	-	-	554	519
	6,233	6,122	-	-	6,233	6,122

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

5. MANAGEMENT FEES

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) REIT Manager's management fees						
- Base fee	4,683	4,453	4,683	4,453	-	-
- Performance fee	1,528	1,708	1,528	1,708	-	-
	6,211	6,161	6,211	6,161	-	-
(b) Trustee-Manager's management fees						
- Base fee	38	37	-	-	38	37
- Performance fee	8	14	-	-	8	14
	46	51	-	-	46	51
(c) Other management fees						
- Australia Trusts' Manager's base fee	1,399	1,379	1,399	1,379	-	-
- Australia Trusts' Manager's performance fee	1,123	1,153	1,123	1,153	-	-
- Kobe Asset Manager's management fee	182	143	182	143	-	-
- ABS Servicer fee	104	107	104	107	-	-
	2,808	2,782	2,808	2,782	-	-

6. TRUSTEES' FEES

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trustees' fees						
- FH-REIT Trustee's fees	260	254	260	254	-	-
- Other trustee fees	190	180	190	180	-	-
	450	434	450	434	-	-

7. OTHER TRUST EXPENSES

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Audit fees paid and payable to auditor of the Trusts and other firms affiliated with KPMG	589	536	519	468	70	68
Non-audit fees paid and payable to:						
- Auditor of the Trusts and other firms affiliated with KPMG	307	264	304	260	3	4
- Other auditors (non-KPMG)	157	130	156	130	1	-
Valuation fee	139	168	139	168	-	-
Other expenses	2,348	2,735	2,343	2,724	5	11
	3,540	3,833	3,461	3,750	79	83

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

8. FINANCE COSTS AND AMORTISATION OF DEBT UPFRONT COSTS

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial liabilities measured at amortised cost:						
(a) Amortisation of debt upfront costs	939	878	939	878	-	-
(b) Finance costs						
- interest expense on borrowings and derivatives	24,992	19,897	24,992	19,897	-	-
- interest expense on lease liabilities	123	120	123	120	1,841	1,985
- others	800	868	887	952	-	-
	25,915	20,885	26,002	20,969	1,841	1,985

9. TAXATION

For Singapore income tax purposes, FHT is not a taxable entity. Instead, FH-REIT and FH-BT are subject to tax separately based on their own characteristics as a real estate investment trust and a registered business trust respectively.

FH-REIT has been granted tax transparency treatment in respect of certain income derived from the Singapore properties, as well as tax exemption under Section 13(12) of the Singapore Income Tax Act in respect of certain foreign-sourced income derived from their respective overseas subsidiaries, subject to meeting certain conditions.

FH-BT which is registered as a business trust in Singapore under the Business Trusts Act will be treated like a company under the one-tier corporate tax system for Singapore income tax purposes. Consequently, FH-BT will be assessed to Singapore income tax on its taxable income, if any, at the prevailing corporate tax rate in accordance with the Singapore Income Tax Act.

The income tax expense is in respect of taxes paid by FHT's operations in Singapore, Australia, UK, Japan, Malaysia and Germany.

Subject to full compliance with the terms and conditions of the following Tax Rulings, the taxation of FH-REIT is as follows:

(i) Tax Ruling 1

FH-REIT has obtained the Tax Transparency Ruling from the Inland Revenue Authority of Singapore ("IRAS") in respect of the "Specified Taxable Income" (as defined herein) derived from the InterContinental Singapore and Fraser Suites Singapore (collectively the "Singapore investment properties"). Such income includes rent and income from or ancillary to the management or holding of the Singapore investment properties, as well as interest income from the placement of cash surpluses in bank deposits, but not gains from the disposal of the Singapore investment properties.

Subject to the terms and conditions of the Tax Transparency Ruling, FH-REIT will not be taxed on Specified Taxable Income distributed to the Stapled Securityholders in the year in which the income was derived. Instead, the REIT Trustee and the REIT Manager would undertake to deduct income tax at source at the prevailing corporate tax rate from distributions made to certain Stapled Securityholders out of such Specified Taxable Income.

The application of the Tax Transparency Ruling is conditional upon the REIT Trustee and the REIT Manager fulfilling certain terms and conditions, including distribution of at least 90.0% (2023: 90.0%) of Specified Taxable Income by the REIT Trustee to the Stapled Securityholders in the year in which the income is derived by the REIT Trustee.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

9. TAXATION (continued)

(ii) Tax Ruling 2

FH-REIT and/or its Singapore subsidiaries has obtained Foreign-Sourced Income Tax Exemption Rulings from the IRAS on the Singapore taxation of certain foreign-sourced income in respect of the properties located in Australia, UK, Malaysia, Japan and Germany. Such income will be regarded as Tax Exempt Income of FH-REIT and/or its Singapore subsidiaries under Section 13(12) of the Income Tax Act. The Foreign-Sourced Income Tax Exemption Rulings are granted subject to certain conditions.

(iii) Singapore sourced dividends

Dividend income received by FH-REIT from the Singapore subsidiaries will not be subject to Singapore income tax in the hands of the REIT Trustee. They will be regarded as Tax Exempt Income of FH-REIT.

(iv) Return of capital to FH-REIT

Any return of capital received by FH-REIT from its Singapore subsidiaries and/or FHT Australia Trust is capital in nature and hence, is not taxable in the hands of the REIT Trustee.

Tax expense/(credit)

The major components of tax expense/(credit) are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current tax expense/(credit)						
- Current income tax	3,619	5,243	3,470	5,114	149	129
- Under/(Over) provision in respect of prior year	396	(223)	444	(190)	(48)	(33)
	<u>4,015</u>	<u>5,020</u>	<u>3,914</u>	<u>4,924</u>	<u>101</u>	<u>96</u>
Deferred tax expense/(credit)						
- Origination and reversal of deductible temporary differences	(198)	(61)	-	-	(293)	(187)
- Origination and reversal of taxable temporary differences	22,371	4,844	22,449	5,899	-	-
	<u>22,173</u>	<u>4,783</u>	<u>22,449</u>	<u>5,899</u>	<u>(293)</u>	<u>(187)</u>
Withholding tax expense	3,785	905	3,755	892	30	13
	<u>29,973</u>	<u>10,708</u>	<u>30,118</u>	<u>11,715</u>	<u>(162)</u>	<u>(78)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

9. TAXATION (continued)

Tax expense/(credit) (continued)

A reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the prevailing corporate tax rate are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total return/(Loss) for the year before tax	50,261	102,611	49,903	109,155	(263)	(446)
Tax at the domestic rates applicable to profits in the countries where FHT operates	12,362	21,095	12,311	22,729	(104)	(109)
Adjustments:						
Expenses not deductible for tax purposes	3,535	2,886	3,778	3,305	259	77
Income not subject to tax	(10,124)	(13,040)	(10,184)	(14,106)	(305)	(26)
Tax transparency	(1,987)	(2,896)	(1,987)	(2,896)	-	-
Utilisation of unrecognised tax losses	(10)	(771)	(10)	(771)	-	-
Effect of change in tax rate on temporary differences recognised	21,615	-	21,615	-	-	-
Under/(Over) provision of prior year tax	396	(223)	444	(190)	(48)	(33)
Withholding tax	3,785	905	3,755	892	30	13
Others	401	2,752	396	2,752	6	-
	29,973	10,708	30,118	11,715	(162)	(78)

Deferred tax assets and liabilities

Deferred tax assets

Deferred tax assets shown on the Statements of Financial Position are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Restated*		Restated*		Restated*
Deferred tax assets:						
Provision and accruals	267	60	-	-	267	60
Lease liabilities	1,181	449	1,181	449	12,793	13,488
Unabsorbed capital allowances	558	560	-	-	558	560
	2,006	1,069	1,181	449	13,618	14,108
Set off of tax	(1,181)	(449)	(1,181)	(449)	(11,275)	(12,080)
	825	620	-	-	2,343	2,028

The movements in the deferred tax assets are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October	(620)	(586)	-	-	(2,028)	(1,929)
Recognised in Statement of Total Return/ Profit or Loss	(198)	(61)	-	-	(293)	(187)
Translation differences	(7)	27	-	-	(22)	88
At 30 September	(825)	(620)	-	-	(2,343)	(2,028)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

9. TAXATION (continued)

Deferred tax assets and liabilities (continued)

Deferred tax liabilities

Deferred tax liabilities shown on the Statements of Financial Position are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Restated*		Restated*		Restated*
Deferred tax liabilities:						
Arising from acquisition of subsidiaries	3,291	3,389	3,291	3,389	-	-
Fair value adjustments on properties	42,497	27,910	42,497	27,910	-	-
Lease liabilities	1,181	449	1,181	449	11,275	12,080
Others	16,377	8,107	16,377	8,107	-	-
	63,346	39,855	63,346	39,855	11,275	12,080
Set off of tax	(1,181)	(449)	(1,181)	(449)	(11,275)	(12,080)
	62,165	39,406	62,165	39,406	-	-

The movements in the deferred tax liabilities are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October	39,406	34,625	39,406	34,625	-	-
Recognised in Statement of Total Return/ Profit or Loss	22,371	4,844	22,449	5,899	-	-
Recognised in Stapled Securityholders' Funds	78	1,032	-	-	-	-
Translation differences	310	(1,095)	310	(1,118)	-	-
At 30 September	62,165	39,406	62,165	39,406	-	-

* The comparative information has been restated to reflect a separate deferred tax asset in relation to FHT's lease liabilities and a deferred tax liability in relation to FHT's right-of-use assets. See note 2.2.

Uncertain tax position

Since 2018, FHT and FH-REIT Group have relied on a private ruling granted by the Inland Revenue Board of Malaysia ("IRBM") which allows FHT Malaysia Pte Ltd ("FHTM"), a subsidiary of FH-REIT to receive interest from its investment in medium term notes issued by Notable Vision Sdn. Bhd. ("NVSB") to be exempted from Malaysia withholding tax. In an IRBM letter dated 29 June 2021, the IRBM revoked the private ruling. Consequently, the IRBM may require withholding tax on these interest payments from NVSB to FHTM. If the private ruling applied in the past is retrospectively revoked, the potential additional withholding tax to be paid from 1 October 2017 to 30 September 2024 approximates Malaysian Ringgit ("MYR") 9.0 million (approximately S\$2.8 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

9. TAXATION (continued)

Deferred tax assets and liabilities (continued)

Uncertain tax position (continued)

On 17 July 2023, the High Court heard the application for judicial review. On 7 November 2023, the High Court delivered its decision in the judicial review proceedings in favour of NVSB. On 14 November 2023, NVSB received notice from IRBM that it had filed an appeal with the Malaysia Court of Appeal. The Malaysia Court of Appeal has set the hearing date for the appeal on 24 April 2025.

The Managers believes that the private ruling granted in the past was in compliance with the applicable tax laws and the management believes that NVSB has valid legal grounds to defend its position in Court.

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

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

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

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

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

Following the completion of the share swap under the SSA above on 20 September 2024, FHTAT would not qualify as a withholding MIT for FY2024.

FHTAT will consequently not enjoy the preferential Australian withholding tax rate and the distribution from FHTAT in respect of FY2024 would be subject to an effective Australian tax rate of 37.5%. Arising from FHTAT not qualifying as a withholding MIT, the withholding tax on distribution from FHTAT increased by S\$1.3 million.

Under SFRS(I), FHT is to recognise deferred tax liability to account for future capital gains tax that may become realised should any of the Australia properties held indirectly by FHTAT be divested. The actual realisation of this deferred tax liability will depend on factors at the time of the divestment of the Australia properties of FH-REIT (if at all), such as the selling price, the book value of the properties and the prevailing tax regulations. Arising from FHTAT not qualifying as a withholding MIT, the deferred tax liability increased by S\$21.6 million.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

9. TAXATION (continued)

Deferred tax assets and liabilities (continued)

Global minimum top-up tax

FHT operate in several jurisdictions where statutory corporate income tax rates are above 15%. These jurisdictions intend to enact or have enacted new legislation to implement the global minimum top-up tax, with effective dates varying from 31 December 2023 and others in subsequent years. The global minimum top-up tax framework is assessed on a group-wide basis and no material impact to FHT is expected. This is on the basis that under the tax neutrality principle provided in the framework, any top-up tax should generally be imposed on a constituent entity owner rather than the investment entity itself (i.e. FHT).

10. EARNINGS PER STAPLED SECURITY

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

	FHT	
	2024	2023
Total return for the year attributable to Stapled Securityholders (\$'000)	20,288	91,903
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security ('000):		
Issued Stapled Securities at beginning and at end of the financial year ('000)	1,926,074	1,926,074
Basic Earnings per Stapled Security (cents)	1.05	4.77

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

	FHT	
	2024	2023
Total return for the year attributable to Stapled Securityholders (\$'000)	20,288	91,903
Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security ('000):		
Weighted average number of Stapled Securities (diluted) ('000)	1,926,074	1,926,074
Diluted Earnings per Stapled Security (cents)	1.05	4.77

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

11. INVESTMENT PROPERTIES

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Statement of Financial Position:

At 1 October	1,720,676	1,683,220	1,929,908	1,898,078	-	-
Additions	41,172	3,890	41,172	3,890	-	-
Net change in fair value	(596)	50,725	(3,986)	54,560	-	-
Translation differences	17,395	(17,159)	19,694	(26,620)	-	-
At 30 September	<u>1,778,647</u>	<u>1,720,676</u>	<u>1,986,788</u>	<u>1,929,908</u>	-	-

Statement of Total Return:

Rental revenue from investment properties:

- Minimum lease payments	48,481	47,701	53,688	52,984	-	-
- Variable rent based on lessees' gross operating revenue and/or gross operating profit	52,824	44,579	57,705	50,849	-	-
- Effect of recognising rental income on a straight-line basis over lease term (Note 16(b))	471	464	571	565	-	-
	<u>101,776</u>	<u>92,744</u>	<u>111,964</u>	<u>104,398</u>	-	-

Included in the additions is the termination sum of JPY 3.68 billion ("Termination Sum") paid to the previous master tenant, Y.K. Toranomom Properties ("YKTP") of the retail component of ANA Crowne Plaza Kobe (known as "Koto no Hako"), pursuant to the retail master lease agreement between Apex Group Trust (Japan) Company Limited ("Lessor"), which holds the legal title to ANA Crowne Plaza Kobe and acting as trustee for the benefit of Kobe Excellence TMK (a Japanese trust in which FH-REIT holds all the beneficial interest) and YKTP ("Retail MLA") whereby YKTP will undertake asset enhancement initiative of up to JPY 4.25 billion to uplift Koto no Hako and the lessor is obliged to issue a termination notice no later than 31 December 2023 to terminate the Retail MLA, in accordance with the terms and conditions of the Retail MLA. The Retail MLA was terminated on 1 March 2024 and the Termination Sum is based on the fair value of the retail master lease relating to Koto no Hako, which was determined by a qualified independent valuer, taking into consideration the terms as stipulated in the Retail MLA.

The carrying value of the investment properties as at the reporting date are as follows:

	FHT		FH-REIT Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
InterContinental Singapore	515,000	515,000	515,000	515,000
Fraser Suites Singapore	300,000	300,000	300,000	300,000
The Westin Kuala Lumpur	154,013	128,216	154,013	128,216
ANA Crowne Plaza Kobe	157,707	156,927	157,707	156,927
Koto no Hako	32,967	-	32,967	-
Novotel Sydney Darling Square ⁽¹⁾	107,979	104,042	107,979	104,042
Fraser Suites Sydney	127,708	123,018	127,708	123,018
Park International London	80,268	71,018	80,268	71,018
ibis Styles London Gloucester Road	35,923	36,676	35,923	36,676
Fraser Place Canary Wharf London	46,408	62,183	46,408	62,183
Fraser Suites Queens Gate London	97,628	96,525	97,628	96,525
Fraser Suites Glasgow	13,750	17,004	13,750	17,004
Fraser Suites Edinburgh	32,313	29,341	32,313	29,341
Maritim Hotel Dresden	76,983	80,726	76,983	80,726
Novotel Melbourne on Collins	-	-	208,141	209,232
	<u>1,778,647</u>	<u>1,720,676</u>	<u>1,986,788</u>	<u>1,929,908</u>

⁽¹⁾ The carrying value includes the ROU asset of approximately S\$3.1 million (2023: S\$3.0 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

11. INVESTMENT PROPERTIES (continued)

Measurement of fair value

	FHT		FH-REIT Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Carrying value of investment properties	1,778,647	1,720,676	1,986,788	1,929,908
Less: Carrying amount of lease liabilities	(3,148)	(2,992)	(3,148)	(2,992)
Fair value of investment properties	<u>1,775,499</u>	<u>1,717,684</u>	<u>1,983,640</u>	<u>1,926,916</u>

The fair values of the investment properties were based on independent valuations undertaken by the following independent valuers:

Country	2024	2023
Singapore	Jones Lang LaSalle Property Consultants Pte Ltd	Jones Lang LaSalle Property Consultants Pte Ltd
Malaysia	Jones Lang LaSalle Property Consultants Pte Ltd	Knight Frank Malaysia Sdn Bhd
Japan	JLL Morii Valuation & Advisory K.K.	Daiwa Real Estate Appraisal Co. Ltd.
Australia	Jones Lang LaSalle Advisory Services Pty Limited	Jones Lang LaSalle Advisory Services Pty Limited
UK	Jones Lang LaSalle Limited and HVS Consulting & Valuations Services (London)	Knight Frank LLP
Germany	Jones Lang LaSalle SE	Jones Lang LaSalle SE

In relying on the valuation reports, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the financial year. Details of valuation techniques and inputs used are disclosed in Note 26(c).

Investment property pledged as security

As at 30 September 2024 and 30 September 2023, The Westin Kuala Lumpur is mortgaged to secure the Medium Term Notes (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
FHT			
Cost			
At 1 October 2022	213,295	8,366	221,661
Additions	-	439	439
Written off	-	(114)	(114)
Net change in revaluation recognised in Stapled Securityholders' funds	6,880	-	6,880
Elimination of accumulated depreciation on revaluation	(3,307)	-	(3,307)
Translation differences	(9,236)	(372)	(9,608)
At 30 September 2023	207,632	8,319	215,951
At 1 October 2023	207,632	8,319	215,951
Additions	-	406	406
Written off	-	(14)	(14)
Net change in revaluation recognised in Stapled Securityholders' funds	207	-	207
Elimination of accumulated depreciation on revaluation	(3,672)	-	(3,672)
Translation differences	2,281	93	2,374
At 30 September 2024	206,448	8,804	215,252
Accumulated depreciation			
At 1 October 2022	-	(5,743)	(5,743)
Depreciation	(3,307)	(524)	(3,831)
Written off	-	65	65
Elimination of accumulated depreciation on revaluation	3,307	-	3,307
Translation differences	-	260	260
At 30 September 2023	-	(5,942)	(5,942)
At 1 October 2023	-	(5,942)	(5,942)
Depreciation	(3,672)	(480)	(4,152)
Written off	-	12	12
Elimination of accumulated depreciation on revaluation	3,672	-	3,672
Translation differences	-	(67)	(67)
At 30 September 2024	-	(6,477)	(6,477)
Carrying amounts			
At 1 October 2022	213,295	2,623	215,918
At 30 September 2023	207,632	2,377	210,009
At 30 September 2024	206,448	2,327	208,775

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
FH-BT Group			
Cost			
At 1 October 2022	69,232	5,564	74,796
Written off	-	(114)	(114)
Translation differences	(3,022)	(240)	(3,262)
At 30 September 2023	66,210	5,210	71,420
At 1 October 2023	66,210	5,210	71,420
Written off	-	(14)	(14)
Translation differences	731	57	788
At 30 September 2024	66,941	5,253	72,194
Accumulated depreciation			
At 1 October 2022	(14,816)	(4,504)	(19,320)
Depreciation	(3,801)	(193)	(3,994)
Written off	-	65	65
Translation differences	730	199	929
At 30 September 2023	(17,887)	(4,433)	(22,320)
At 1 October 2023	(17,887)	(4,433)	(22,320)
Depreciation	(3,746)	(151)	(3,897)
Written off	-	12	12
Translation differences	(209)	(49)	(258)
At 30 September 2024	(21,842)	(4,621)	(26,463)
Carrying amounts			
At 1 October 2022	54,416	1,060	55,476
At 30 September 2023	48,323	777	49,100
At 30 September 2024	45,099	632	45,731

Independent valuation of the freehold land and building was undertaken by Jones Lang LaSelle Advisory Services Pty Limited (2023: Jones Lang LaSelle Advisory Services Pty Limited). In relying on the valuation report, the Managers have exercised its judgement and are satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the financial year. Details of the valuation techniques and inputs used are disclosed in Note 26(c).

The carrying amount of FHT's freehold land and buildings as at 30 September 2024 would be S\$194.0 million (2023: S\$186.3 million) if the property had been measured using the cost model.

The carrying amount of FH-BT Group's building as at 30 September 2024 and 30 September 2023 pertains to right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

13. TRADE AND OTHER RECEIVABLES

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables:						
- related companies of the REIT Manager	7,560	5,693	7,560	5,693	-	-
- FH-BT Group	-	-	410	1,520	-	-
- third parties	527	508	-	-	527	508
	<u>8,087</u>	<u>6,201</u>	<u>7,970</u>	<u>7,213</u>	<u>527</u>	<u>508</u>
Other receivables:						
- related companies of the REIT Manager	411	136	411	136	-	-
- FH-BT Group	-	-	2,513	2,423	-	-
- net VAT*/ GST receivable	1,057	453	1,057	453	-	-
- third parties	6,585	6,114	6,465	4,785	120	1,329
	<u>8,053</u>	<u>6,703</u>	<u>10,446</u>	<u>7,797</u>	<u>120</u>	<u>1,329</u>
Accrued interest income	24	11	24	11	-	-
Deposits	11	10	11	10	-	-
	<u>16,175</u>	<u>12,925</u>	<u>18,451</u>	<u>15,031</u>	<u>647</u>	<u>1,837</u>

* VAT: value added tax

Trade receivables from related companies of the REIT Manager and FH-BT Group are mainly relating to the master lessees of FH-REIT Group's properties. Trade receivables are not past due. There is no impairment loss arising from these outstanding balances as the ECL is negligible.

Other receivables from related companies of the REIT Manager and from FH-BT Group are unsecured, interest-free and repayable on demand. There is no impairment loss arising from these outstanding balances as the ECL is negligible.

14. CASH AND CASH EQUIVALENTS

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash in hand and at bank	77,270	76,604	70,568	69,865	6,702	6,739
Fixed deposits	17,101	11,530	17,101	11,530	-	-
	<u>94,371</u>	<u>88,134</u>	<u>87,669</u>	<u>81,395</u>	<u>6,702</u>	<u>6,739</u>

Fixed deposits earn interest at 3.0% to 4.2% (2023: 2.70% to 3.86%) per annum with tenures of 1 to 3 months (2023: 1 to 3 months).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

15. TRADE AND OTHER PAYABLES

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables						
- related companies of the REIT Manager	446	1,472	446	1,472	-	-
- FH-REIT Group	-	-	-	-	410	1,520
- third parties	1,812	1,498	1,383	953	429	545
	<u>2,258</u>	<u>2,970</u>	<u>1,829</u>	<u>2,425</u>	<u>839</u>	<u>2,065</u>
Other payables						
- related companies of the REIT Manager	7,364	4,829	7,353	4,812	11	17
- FH-REIT Group	-	-	-	-	2,513	2,423
- advance deposits	1,445	1,687	295	-	1,150	1,687
- net VAT/GST payable	3,578	1,506	3,473	1,386	106	120
- third parties	2,430	101	2,430	101	-	-
	<u>14,817</u>	<u>8,123</u>	<u>13,551</u>	<u>6,299</u>	<u>3,780</u>	<u>4,247</u>
Accruals						
- interest	3,021	3,494	3,021	3,494	-	-
- others	6,815	5,758	5,026	3,926	3,445	3,026
	<u>9,836</u>	<u>9,252</u>	<u>8,047</u>	<u>7,420</u>	<u>3,445</u>	<u>3,026</u>
Provision for employee benefits	234	227	-	-	234	227
	<u>27,145</u>	<u>20,572</u>	<u>23,427</u>	<u>16,144</u>	<u>8,298</u>	<u>9,565</u>
Represented by:						
- Current	26,911	20,345	23,427	16,144	8,064	9,338
- Non-current	234	227	-	-	234	227
	<u>27,145</u>	<u>20,572</u>	<u>23,427</u>	<u>16,144</u>	<u>8,298</u>	<u>9,565</u>

Amounts due to related companies of the REIT Manager and amount due to FH-REIT Group are unsecured, interest-free and repayable on demand.

Advance deposits are contract liabilities under SFRS(I) 15 and they relate primarily to advance consideration received from hotel customers. Advance deposits are recognised as revenue when FH-BT Group fulfils its performance obligation under the contract with the customer. Significant changes in the advance deposits during the year are as follows:

	FH-BT Group	
	2024 \$'000	2023 \$'000
Revenue recognised that was included in advance deposits at the beginning of the year	(1,687)	(809)
Increase due to cash received, excluding amounts recognised as revenue during the year	<u>1,150</u>	<u>1,687</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

16. DEFERRED EXPENSE AND INCOME

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

(a) Deferred expense

Cost

At 1 October	-	-	-	-	1,974	2,064
Translation differences	-	-	-	-	23	(90)
At 30 September	-	-	-	-	1,997	1,974

Accumulated amortisation

At 1 October	-	-	-	-	(686)	(614)
Charge for the financial year	-	-	-	-	(100)	(101)
Translation differences	-	-	-	-	(8)	29
At 30 September	-	-	-	-	(794)	(686)

Net deferred expense

	-	-	-	-	1,203	1,288
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Deferred expense (non-current) relates to the difference between the consideration paid for a rental deposit arising from FH-BT Group's master lease with FH-REIT Group and its fair value on initial recognition. Deferred expense is charged to the Statement of Profit or Loss as rental expense on a straight-line basis over the individual lease term.

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

(b) Deferred income

Cost

At 1 October	10,373	10,508	12,347	12,573	-	-
Additions	1,171	-	1,171	-	-	-
Translation differences	103	(135)	125	(226)	-	-
At 30 September	11,647	10,373	13,643	12,347	-	-

Accumulated amortisation

At 1 October	(6,473)	(6,125)	(7,159)	(6,740)	-	-
Charge for the financial year	(471)	(464)	(571)	(565)	-	-
Translation differences	(45)	116	(52)	146	-	-
At 30 September	(6,989)	(6,473)	(7,782)	(7,159)	-	-

Net deferred income

	4,658	3,900	5,861	5,188	-	-
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Represented by:

- Current	-	83	-	83	-	-
- Non-current	4,658	3,817	5,861	5,105	-	-
	4,658	3,900	5,861	5,188	-	-

Deferred income relates to the difference between the consideration received from FH-BT Group and related companies of the REIT Manager for rental deposits arising from FH-REIT Group's master leases and its fair value on initial recognition. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis over the individual lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

17. LEASE LIABILITIES

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current	-	-	-	-	3,496	3,340
Non-current	3,148	2,992	3,148	2,992	47,676	50,613
	3,148	2,992	3,148	2,992	51,172	53,953

The lease liabilities recognised mainly relate to operating leases in respect of ground lease for an investment property and building lease for property, plant and equipment (Note 29(a)).

The incremental borrowing rates of FHT's, FH-REIT Group's and FH-BT Group's lease liabilities are 4.01%, 4.01% and 3.48% (2023: 4.01%, 4.01% and 3.48%) per annum respectively.

The lease liability of FH-BT Group is fully repayable by September 2036 whereas the lease liability of FHT and FH-REIT Group is fully repayable by September 2098.

18. BORROWINGS

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current						
Medium term notes (secured)	29,678	-	29,678	-	-	-
Fixed rate notes (unsecured)	-	120,000	-	120,000	-	-
Bonds (unsecured)	58,806	-	58,806	-	-	-
Bank loans (unsecured)	385,862	433,903	385,862	433,903	-	-
	474,346	553,903	474,346	553,903	-	-
Less: unamortised debt upfront costs	(2,369)	(1,496)	(2,369)	(1,496)	-	-
	471,977	552,407	471,977	552,407	-	-
Current						
Medium term notes (secured)	-	27,683	-	27,683	-	-
Fixed rate notes (unsecured)	120,000	-	120,000	-	-	-
Bonds (unsecured)	-	21,565	-	21,565	-	-
Bank loans (unsecured)	150,000	100,000	150,000	100,000	-	-
	270,000	149,248	270,000	149,248	-	-
Less: unamortised debt upfront costs	(127)	(198)	(127)	(198)	-	-
	269,873	149,050	269,873	149,050	-	-
	741,850	701,457	741,850	701,457	-	-

Medium Term Notes (secured)

A Medium Term Note – Senior Bond of MYR 95.0 million (equivalent to S\$29.7 million) (2023: MYR 95.0 million (equivalent to S\$27.7 million)) is secured on The Westin Kuala Lumpur with a carrying amount of S\$154.0 million (2023: S\$128.2 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

18. BORROWINGS (continued)

Fixed Rate Notes (unsecured)

FH-REIT and its wholly-owned subsidiary, FH-REIT Treasury Pte. Ltd. (the "Issuers" and each an "Issuer") have in place a S\$1.0 billion Multicurrency Debt Issuance Programme (the "Programme"). Under the Programme, the Issuers may issue notes and/or perpetual securities.

At the end of the financial year, an aggregate principal amount of S\$120.0 million (2023: S\$120.0 million) of 7-year fixed rate notes has been issued by FH-REIT Treasury Pte. Ltd. and has been refinanced on 8 November 2024.

SGD 880.0 million (2023: SGD 880.0 million) of the Programme remains unutilised.

Bonds (unsecured)

FH-REIT's indirect subsidiary, Kobe Excellence TMK, issued unsecured Japanese Yen-denominated bonds of JPY 6.60 billion (equivalent to S\$58.8 million) (2023: JPY 2.35 billion (equivalent to S\$21.6 million)). The bonds carry a variable interest rate.

Bank loans (unsecured)

At the end of the financial year, FH-REIT Group has the following facilities:

Facilities fully drawn down

- Term Loan Facility of S\$250.0 million (2023: S\$350.0 million) which is unsecured and comprises Tranche B - up to S\$150.0 million and Tranche C - up to S\$100.0 million (2023: Tranche A - up to S\$100.0 million; Tranche B - up to S\$150.0 million and Tranche C - up to S\$100.0 million).
- Term Loan Facility of S\$50.0 million (2023: NIL) which is unsecured and comprises Tranche A - up to S\$50.0 million (2023: NIL).

Facilities partially drawn down or available for utilisation

- Committed Revolving Credit Facilities of S\$390.0 million (2023: S\$290.0 million) of which S\$187.0 million (2023: S\$118.0 million) are drawn. At the end of the financial year, S\$203.0 million (2023: S\$172.0 million) remained unutilised.
- A Committed Revolving Credit Facility of AUD 75.0 million (equivalent to S\$66.7 million) (2023: AUD 75.0 million (equivalent to S\$65.9 million) which is unsecured and of which AUD 55.0 million (equivalent to S\$48.9 million) are drawn. At the end of the financial year, AUD 20.0 million (equivalent to S\$17.8 million) (2023: NIL) remains unutilised.
- There were no uncommitted facilities at the end of the financial year (2023: Nil).

Intragroup loan (unsecured)

At the end of the financial year, FH-BT Group has a facility available for utilisation:

FH-REIT and FH-BT have entered into a facility agreement dated 24 November 2020 pursuant to which FH-REIT, as lender (the "Lender") has agreed to provide a revolving credit facility (the "Facility") to FH-BT, as borrower (the "Borrower"). The Facility of SGD S\$10.0 million (2023: S\$10.0 million) has a termination date of 31 March 2026 (2023: 31 March 2026).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

18. BORROWINGS (continued)

Terms and debt repayment structure

	Currency	Nominal Interest rate	Year of maturity	Face Value \$'000	Carrying Value \$'000
FHT and FH-REIT Group					
2024					
Medium term notes (secured)	MYR	4.75%	2029	29,678	29,545
Fixed rate notes (unsecured)	SGD	3.08%	2024	120,000	119,992
Bonds (unsecured)	JPY	JPY TIBOR ⁽¹⁾ + 0.85%	2027	58,806	58,441
Bank loans (unsecured)	SGD	SORA ⁽²⁾ + 0.82% to 1.25%	2025 - 2028	487,000	485,244
Bank loans (unsecured)	AUD	BBSW ⁽³⁾ + 1.65%	2028	48,862	48,628
Total loan and borrowings				744,346	741,850
2023					
Medium term notes (secured)	MYR	4.85%	2024	27,683	27,661
Fixed rate notes (unsecured)	SGD	3.08%	2024	120,000	119,917
Bonds (unsecured)	JPY	JPY TIBOR ⁽¹⁾ + 0.95%	2024	21,565	21,558
Bank loans (unsecured)	SGD	SORA ⁽²⁾ + 1.15% to 1.25%	2024 - 2028	468,000	466,721
Bank loans (unsecured)	AUD	BBSW ⁽³⁾ + 1.65%	2028	65,903	65,600
Total loan and borrowings				703,151	701,457

⁽¹⁾ Tokyo interbank offered rate ("TIBOR")

⁽²⁾ Singapore overnight rate average ("SORA")

⁽³⁾ Australian dollar bank bill swap rate ("BBSY")

Included in the borrowings as at 30 September 2024 were borrowings of S\$395.4 million (2023: S\$415.9 million) which together with interest rate swaps, cross-currency swap and cross-currency interest rate swap have been designated as a cash flow hedges (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

18. BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	FHT		FH-REIT Group		FH-BT Group			
	Loans and borrowings \$'000	Accrued interest* \$'000	Total \$'000	Loans and borrowings \$'000	Accrued interest* \$'000	Total \$'000	Lease liabilities \$'000	Total \$'000
At 1 October 2023	701,457	3,494	707,943	701,457	3,494	707,943	2,992	53,953
Changes from financing cash flows								
Finance costs paid	-	(25,866)	(25,866)	-	(25,866)	(25,866)	-	-
Payment of lease liabilities	-	-	-	-	-	-	(5,207)	(5,207)
Proceeds from borrowings, net of debt upfront costs	334,373	-	334,373	334,373	-	334,373	-	-
Repayment of borrowings	(297,198)	-	(297,198)	(297,198)	-	(297,198)	-	-
Total changes from financing cash flows	37,175	(25,866)	11,309	37,175	(25,866)	11,309	(5,207)	(5,207)
Effect of changes in foreign exchange rates	2,279	65	2,377	2,279	65	2,377	33	585
Liability - related other changes	939	-	939	939	-	939	-	-
Amortisation of debt-upfront costs	-	25,328	25,451	-	25,328	25,451	123	1,841
Interest expense	939	25,328	26,390	939	25,328	26,390	123	1,841
Total liability - related other changes	741,850	3,021	748,019	741,850	3,021	748,019	3,148	51,172
At 30 September 2024	741,850	3,021	748,019	741,850	3,021	748,019	51,172	51,172

* Included as part of trade and other payables

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

18. BORROWINGS (continued)

	FHT		FH-REIT Group		FH-BT Group				
	Loans and borrowings \$'000	Accrued interest* \$'000	Lease liabilities \$'000	Total \$'000	Loans and borrowings \$'000	Accrued interest* \$'000	Lease liabilities \$'000	Total \$'000	
At 1 October 2022	756,732	3,334	3,006	763,072	756,732	3,334	3,006	763,072	59,788
Changes from financing cash flows									
Finance costs paid	-	(19,375)	-	(19,375)	-	(19,375)	-	(19,375)	-
Payment of lease liabilities	-	-	-	-	-	-	-	-	(5,283)
Proceeds from borrowings, net of debt upfront costs	291,588	-	-	291,588	291,588	-	-	291,588	-
Repayment of borrowings	(343,000)	-	-	(343,000)	(343,000)	-	-	(343,000)	-
Total changes from financing cash flows	(51,412)	(19,375)	-	(70,787)	(51,412)	(19,375)	-	(70,787)	(5,283)
Effect of changes in foreign exchange rates	(4,741)	(362)	(134)	(5,237)	(4,741)	(362)	(134)	(5,237)	(2,537)
Liability - related other changes									
Amortisation of debt-upfront costs	878	-	-	878	878	-	-	878	-
Interest expense	-	19,897	120	20,017	-	19,897	120	20,017	1,985
Total liability - related other changes	878	19,897	120	20,895	878	19,897	120	20,895	1,985
At 30 September 2023	701,457	3,494	2,992	707,943	701,457	3,494	2,992	707,943	53,953

* Included as part of trade and other payables

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

19. DERIVATIVE FINANCIAL INSTRUMENTS

	Year of maturity	Nominal amount '000	Assets \$'000	Liabilities \$'000
FHT and FH-REIT Group				
2024				
<i>Non-hedging instrument</i>				
Currency forward (sell)	2024	JPY 100,000	-	(26)
Currency forward (sell)	2024	AUD 1,000	12	-
Currency forward (sell)	2024	GBP 1,000	-	(7)
Currency forward (sell)	2024	EUR 1,000	20	-
			32	(33)
<i>Cash flow hedge</i>				
Interest rate swaps	2025 - 2027	S\$310,000	2,279	(12)
Interest rate swap	2027	JPY 4,100,000	-	(259)
Cross-currency swap	2028	AUD 17,500	-	(20)
Cross-currency interest rate swap	2028	AUD 37,500	-	(1,413)
			2,279	(1,704)
<i>Net investment hedge</i>				
Cross-currency swap	2028	AUD 100,000	-	(1,317)
Cross-currency swap	2024	JPY 10,036,600	30,490	-
Cross-currency swap	2024	GBP 56,000	-	(785)
Cross-currency swap	2027	EUR 31,075	1,097	-
			31,587	(2,102)
Total			33,898	(3,839)
Represented by:				
Current			31,626	(2,135)
Non-current			2,272	(1,704)
			33,898	(3,839)
2023				
<i>Non-hedging instrument</i>				
Currency forward (sell)	2023	EUR 2,500	57	-
Currency forward (sell)	2023	AUD 3,000	34	(7)
Currency forward (sell)	2023	GBP 1,000	32	-
			123	(7)
<i>Cash flow hedge</i>				
Interest rate swaps	2024 - 2026	S\$350,000	10,486	(24)
Cross-currency swap	2028	AUD 37,500	-	(637)
Cross-currency interest rate swap	2028	AUD 37,500	-	(755)
			10,486	(1,416)
<i>Net investment hedge</i>				
Cross-currency swap	2023	AUD 100,000	2,096	-
Cross-currency swap	2024	JPY 10,036,600	25,917	-
Cross-currency swap	2024	GBP 56,000	-	(463)
Cross-currency swap	2024	EUR 31,075	246	-
			28,259	(463)
Total			38,868	(1,886)
Represented by:				
Current			3,263	(494)
Non-current			35,605	(1,392)
			38,868	(1,886)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	FHT		FH-REIT Group	
	2024	2023	2024	2023
Derivative financial instruments as a percentage of net assets	2.37%	2.89%	2.39%	2.90%

(a) Currency forwards

Forward currency contracts are used by FH-REIT Group to hedge foreign currency risks arising from the receipts of distributions and interest income from overseas subsidiaries where certainty exists over the amounts at the time of hedging.

(b) Interest rate swaps, cross-currency interest rate swaps and cross-currency swaps are used by FH-REIT Group to hedge its exposure to interest rate risk and foreign exchange risk associated with movements in interest rates and foreign exchange rates.

(i) Interest rate swaps (cash flow hedge)

FH-REIT Group entered into interest rate swaps to exchange the floating-rate interest on Singapore dollar (2023: Singapore dollar) denominated loans into fixed rate loans.

(ii) Cross-currency swap/Cross-currency interest rate swap (cash flow hedge)

FH-REIT Group entered into cross-currency swap and cross-currency interest rate swap to exchange the floating-rate interest on Australian dollar denominated loans into floating-rate interest Singapore dollar denominated loans, and floating-rate interest on Australian dollar denominated loans into fixed-rate interest Singapore dollar denominated loans, respectively.

(iii) Cross-currency swaps (net investment hedge)

FH-REIT Group entered into cross-currency swaps to hedge foreign currency risks arising from net investments in the Australia, Japan, Netherlands and Jersey Channel Islands (2023: Australia, Japan, Netherlands and Jersey Channel Islands).

As at 30 September 2024, the fixed interest rates of the outstanding interest rate swaps and cross-currency swaps range between 0.77% to 6.01% (2023: 0.77% to 4.70%) while the floating interest rates are linked to the Singapore dollar SORA and Australian dollar BBSW (2023: Singapore dollar SORA and Australian dollar BBSW) as applicable to FH-REIT Group's borrowings.

20. STAPLED SECURITIES IN ISSUE

	FHT		FH-REIT Group		FH-BT Group	
	Number of Stapled Securities	Amount	Number of Stapled Securities	Amount	Number of Stapled Securities	Amount
	'000	\$'000	'000	\$'000	'000	\$'000
At 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	1,926,074	1,539,879	1,926,074	1,530,288	1,926,074	9,591

Each unit of FH-REIT is stapled together with a unit of FH-BT under the terms of the Stapling Deed entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in FH-REIT and FH-BT.

A holder of the Stapled Securities has no equitable or proprietary interest in the underlying assets of FHT and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of FHT.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

20. STAPLED SECURITIES IN ISSUE (continued)

Under FH-REIT Trust Deed, every FH-REIT unit carries the same voting rights. Similarly, under FH-BT Trust Deed, every FH-BT unit carries the same voting rights. Each Stapled Security carries one vote.

The holders of the Stapled Securities are entitled to receive distributions as and when declared by the REIT Manager.

21. RESERVES

(a) Hedging reserve

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 October	10,195	18,404	10,195	18,404	-	-
Effective portion of changes in fair value of cash flow hedges	(2,067)	1,297	(2,067)	1,297	-	-
Net change in fair value of cash flow hedges reclassified to total return	(7,262)	(9,506)	(7,262)	(9,506)	-	-
At 30 September	866	10,195	866	10,195	-	-

Hedging reserve represents the effective portion of the cumulative fair value changes of derivative hedging financial instruments. The fair value changes are not subjected to tax.

(b) Foreign currency translation reserve

	FHT		FH-REIT Group		FH-BT Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 October	(211,798)	(197,091)	(211,567)	(197,010)	(685)	(632)
Net translation differences arising from translation of foreign operations	19,197	(23,569)	19,126	(23,419)	6	(53)
Net exchange differences on hedge of net investments in foreign operations	1,123	8,862	1,123	8,862	-	-
At 30 September	(191,478)	(211,798)	(191,318)	(211,567)	(679)	(685)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from Singapore dollars, as well as effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(c) Revaluation reserve

	FHT	
	2024 \$'000	2023 \$'000
At 1 October	11,332	5,484
Net change in revaluation on property, plant and equipment	207	6,880
Related deferred tax	(78)	(1,032)
At 30 September	11,461	11,332

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

22. INVESTMENTS IN SUBSIDIARIES

The subsidiaries of FH-REIT and FH-BT are as follows:

Name of subsidiaries	Country of constitution	Principal activities/ place of business	Effective interest held by FHT	
			2024 %	2023 %
Held by FH-REIT				
Excellence Prosperity TMK Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
FHT Australia Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
FHT Australia Trust ⁽²⁾	Australia	Investment holding Australia	100 ⁽³⁾	100 ⁽³⁾
FHT Japan Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
FHT Japan Operations Pte Ltd ⁽¹⁾	Singapore	Investment holding Singapore	100	-
FHT Malaysia Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
FHT UK Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
FH-REIT Treasury Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
FHT Investment 1 Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
Held by FH-REIT subsidiaries				
FHT Australia Trust ⁽²⁾	Australia	Investment holding Australia	100 ⁽³⁾	100 ⁽³⁾
FHT Sydney Trust 1 ⁽²⁾	Australia	Property holding Australia	100	100
FHT Sydney Trust 2 ⁽²⁾	Australia	Property holding Australia	100	100
FHT Sydney Trust 3 ⁽²⁾	Australia	Property holding Australia	100	100
FHT Melbourne Trust 1 ⁽²⁾	Australia	Property holding Australia	100	100
FHT London 1 Ltd ⁽²⁾	Jersey Channel Islands	Property holding United Kingdom	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

22. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Country of constitution	Principal activities/ place of business	Effective interest held by FHT	
			2024 %	2023 %
Held by FH-REIT subsidiaries (cont'd)				
FHT London 2 Ltd ⁽²⁾	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT London 3 Ltd ⁽²⁾	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT London 4 Ltd ⁽²⁾	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT Scotland 1 Ltd ⁽²⁾	Jersey Channel Islands	Property holding United Kingdom	100	100
FHT Scotland 2 Ltd ⁽²⁾	Jersey Channel Islands	Property holding United Kingdom	100	100
Kobe Excellence TMK ⁽²⁾	Japan	Property holding Japan	100	100
Excellence Prosperity (Japan) KK ⁽²⁾	Japan	Investment holding Japan	100	100
Japan Mall GK ⁽²⁾	Japan	Property holding Japan	100	-
Notable Vision Sdn. Bhd. ⁽²⁾	Malaysia	Property holding Malaysia	100 ⁽⁴⁾	100 ⁽⁴⁾
FHT Investment Holding 1 B.V. ⁽⁵⁾	Netherlands	Investment holding Netherlands	100	100
FHT Property 1 B.V. ⁽⁵⁾	Netherlands	Property holding Germany	100	100
Held by FH-BT				
FH-BT Australia Operations Pte. Ltd. ⁽¹⁾	Singapore	Investment holding Singapore	100	100
Held by FH-BT subsidiary				
FH-BT NMCS Operations Pty Ltd ⁽²⁾	Australia	Hotel Australia	100	100

⁽¹⁾ Audited by KPMG LLP, Singapore.

⁽²⁾ Audited by other member firms of KPMG International.

⁽³⁾ Held by FH-REIT and FHT Australia Pte. Ltd. in shareholdings of 50.0% (2023: 50.0%) and 50.0% (2023: 50.0%) respectively.

⁽⁴⁾ Notable Vision Sdn. Bhd. ("NVSB") is a SPV under an asset-back securitisation programme. NVSB and FH-REIT group of entities are not entities within the same group under the Malaysia Company Act 2016 and Malaysia Income Tax Act 1967. However, for financial reporting purpose, this structured entity is consolidated in the financial statements in accordance with SFRS(I) 10 Consolidated Financial Statements.

⁽⁵⁾ Not required to be audited under laws of the country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to those related party information disclosed elsewhere in the financial statements, there were the following significant transactions between FHT, FH-REIT Group, FH-BT Group and related parties took place during the financial year at terms agreed between parties:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
With related companies of the Managers						
- Rental income received and receivable	90,348	86,057	90,348	86,057	-	-
- Other fees received and receivable	90	-	78	-	12	-
- Reimbursement of expenses paid on behalf	(1,644)	(604)	(1,644)	(604)	-	-
- Other fees paid and payable	(194)	(50)	(194)	(50)	-	-
- Refund of rental deposit	(383)	-	(383)	-	-	-
- Termination sum paid to YKTP	(33,282)	-	(33,282)	-	-	-
With the REIT Manager						
- Base management fee paid and payable	(4,683)	(4,453)	(4,683)	(4,453)	-	-
- Performance management fee paid and payable	(1,528)	(1,708)	(1,528)	(1,708)	-	-
- Reimbursement of expenses paid on behalf	(52)	(789)	(51)	(788)	(1)	*
- Servicer fee paid and payable	(104)	(107)	(104)	(107)	-	-
With the Australia Trusts' Manager						
- Base management fee paid and payable	(1,399)	(1,379)	(1,399)	(1,379)	-	-
- Performance management fee paid and payable	(1,123)	(1,153)	(1,123)	(1,153)	-	-
- Reimbursement of expenses paid on behalf	(4)	-	(4)	-	-	-
With the Trustee-Manager						
- Base management fee paid and payable	(38)	(37)	-	-	(38)	(37)
- Performance management fee paid and payable	(8)	(14)	-	-	(8)	(14)
With the Property Managers						
- Property management fees paid and payable	(5,425)	(5,255)	(5,425)	(5,255)	-	-
With the Trustee						
- FH-REIT Trustee fees paid and payable	(260)	(254)	(260)	(254)	-	-
- Other trustee fees paid and payable	(190)	(180)	(190)	(180)	-	-
Between FH-REIT Group and FH-BT Group						
- Master lease rental received and receivable/(paid and payable)	-	-	10,188	11,654	(10,188)	(11,654)
- Reimbursement of expenses (paid on behalf)/received	-	-	(99)	(219)	99	219

* Denotes amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

24. COMMITMENTS AND CONTINGENCIES

Commitments

Capital expenditure contracted for as at the end of the reporting year but not recognised in the financial statements are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Commitments in respect of:

- contracted capital expenditure for properties	8,030	11,073	7,701	10,363	329	710
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25. FINANCIAL RISK MANAGEMENT

Risk management is integral to the business of FHT. FHT has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors FHT's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Managers are responsible for setting the objectives and underlying principles of financial risk management for FHT. This is supported by comprehensive internal processes and procedures which are formalised in the Managers' organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit, Risk and Compliance Committee of the Managers oversee how management monitors compliance with FHT's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by FHT. The Audit, Risk and Compliance Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit, Risk and Compliance Committee of the Managers. The Audit, Risk and Compliance Committee then reports to the Board of Directors of the Managers on any inadequacies, deficiencies or matters of concern of which the Audit, Risk and Compliance Committee becomes aware or that it suspects, arising from its review of FHT's risk management policies and procedures.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect FHT's and FH-REIT Group's total return and Stapled Securityholders' funds and FH-BT Group's profit or loss. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

The entities within FHT and FH-REIT Group normally conduct their business in their respective functional currencies.

FHT's and FH-REIT Group's foreign currency risk mainly relates to its AUD, Sterling Pound ("GBP"), MYR, JPY and Euro ("EUR") denominated investments, borrowings, distribution income and interest income from its foreign subsidiaries. The Managers monitor FHT's and FH-REIT Group's foreign currency exposures on an ongoing basis and limit its exposure to fluctuations in foreign currency exchange rates by using derivative financial instruments or other suitable financial products. It is the Managers' policy to hedge FHT's and FH-REIT Group's anticipated foreign currency exposure in respect of distribution income and interest income, net of anticipated payments required in the same currency from its foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) **Market risk** (continued)

(i) **Foreign currency risk** (continued)

FHT and FH-REIT Group use forward currency contracts to hedge foreign currency risks arising from the receipts of distributions and interest income from foreign subsidiaries. FHT and FH-REIT Group use cross-currency swaps and cross-currency interest rate swaps to hedge foreign currency risks arising from borrowings denominated in foreign currencies. The cross-currency swaps and cross-currency interest rate swaps are designated as cash flow hedges and no ineffectiveness was recognised from these hedges.

FHT's and FH-REIT Group's investments in its Japan and Malaysia subsidiaries are naturally hedged by taking offshore foreign currency denominated borrowings. In addition, FHT's and FH-REIT Group's investments in Australia, Japan, Netherlands and Jersey Channel Islands subsidiaries are hedged partially using AUD, JPY, EUR and GBP denominated cross-currency swaps (Note 19), which mitigate the currency risks relating to the subsidiaries' net assets. The cross-currency swaps are designated as net investment hedges and no ineffectiveness was recognised from these hedges.

To assess hedge effectiveness, FHT and FH-REIT Group determine the economic relationship between the hedge instrument and the hedge item by comparing changes in the carrying amount of debts that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movement in the spot rate (the offset method). FHT's and FH-REIT Group's policy is to hedge the net investment only to the extent of debt principal.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

FHT's and FH-REIT Group's exposures to foreign currencies are as follows:

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
FHT						
2024						
Financial assets						
Cash and cash equivalents	46	5,067	2,298	3,646	-	3,206
Trade and other receivables	-	1	3	3	4,836	-
Derivative financial instruments	-	12	1,117	-	-	30,490
	46	5,080	3,418	3,649	4,836	33,696
Financial liabilities						
Trade and other payables	(19)	-	-	-	-	-
Derivative financial instruments	-	(2,750)	-	(792)	-	(26)
Borrowings	-	(48,862)	-	-	-	-
Effect of cross-currency swaps and cross-currency interest rate swaps	-	48,862	-	-	-	-
	(19)	(2,750)	-	(792)	-	(26)
Net currency exposure	27	2,330	3,418	2,857	4,836	33,670
2023						
Financial assets						
Cash and cash equivalents	52	4,054	1,477	2,635	-	-
Trade and other receivables	-	-	-	-	4,785	-
Derivative financial instruments	-	2,130	303	32	-	25,917
	52	6,184	1,780	2,667	4,785	25,917
Financial liabilities						
Trade and other payables	(16)	(401)	-	-	-	-
Derivative financial instruments	-	(1,399)	-	(463)	-	-
Borrowings	-	(65,903)	-	-	-	-
Effect of cross-currency swaps and cross-currency interest rate swaps	-	65,903	-	-	-	-
	(16)	(1,800)	-	(463)	-	-
Net currency exposure	36	4,384	1,780	2,204	4,785	25,917

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
FH-REIT Group						
2024						
Financial assets						
Cash and cash equivalents	46	3,794	2,298	3,646	-	3,206
Trade and other receivables	-	1	3	3	4,836	-
Derivative financial instruments	-	12	1,117	-	-	30,490
	46	3,807	3,418	3,649	4,836	33,696
Financial liabilities						
Trade and other payables	(19)	-	-	-	-	-
Derivative financial instruments	-	(2,750)	-	(792)	-	(26)
Borrowings	-	(48,862)	-	-	-	-
Effect of cross-currency swaps and cross-currency interest rate swaps	-	48,862	-	-	-	-
	(19)	(2,750)	-	(792)	-	(26)
Net currency exposure	27	1,057	3,418	2,857	4,836	33,670
2023						
Financial assets						
Cash and cash equivalents	52	3,062	1,477	2,635	-	-
Trade and other receivables	-	-	-	-	4,785	-
Derivative financial instruments	-	2,130	303	32	-	25,917
	52	5,192	1,780	2,667	4,785	25,917
Financial liabilities						
Trade and other payables	(16)	(401)	-	-	-	-
Derivative financial instruments	-	(1,399)	-	(463)	-	-
Borrowings	-	(65,903)	-	-	-	-
Effect of cross-currency swaps and cross-currency interest rate swaps	-	65,903	-	-	-	-
	(16)	(1,800)	-	(463)	-	-
Net currency exposure	36	3,392	1,780	2,204	4,785	25,917
FH-BT Group						
2024						
Financial assets						
Cash and cash equivalents	-	1,273	-	-	-	-
Net currency exposure	-	1,273	-	-	-	-
2023						
Financial assets						
Cash and cash equivalents	-	993	-	-	-	-
Net currency exposure	-	993	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis

A 1% strengthening/weakening of the Singapore dollar against the following currencies during the financial year would (decrease)/increase the total return (before any tax effects) and Stapled Securityholders' funds of FHT and FH-REIT Group and profit or loss (before any tax effects) of FH-BT Group by the amounts as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysia n Ringgit \$'000	Japanes e Yen \$'000
FHT						
2024						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	2	51	23	36	48	32
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(375)	(473)	(962)	-	(904)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	(2)	(51)	(23)	(36)	(48)	(32)
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	375	473	962	-	904
2023						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	1	37	15	26	48	-
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(177)	(445)	(922)	-	(943)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	(1)	(37)	(15)	(26)	(48)	-
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	177	445	922	-	943

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
FH-REIT Group						
2024						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	2	38	23	36	48	32
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(375)	(473)	(962)	-	(904)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	(2)	(38)	(23)	(36)	(48)	(32)
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	375	473	962	-	904
2023						
Increase in total return for the financial year						
- 1% weakening of the Singapore dollar	1	27	15	26	48	-
Decrease in Stapled Securityholders' funds						
- 1% weakening of the Singapore dollar	-	(177)	(445)	(922)	-	(943)
Decrease in total return for the financial year						
- 1% strengthening of the Singapore dollar	(1)	(27)	(15)	(26)	(48)	-
Increase in Stapled Securityholders' funds						
- 1% strengthening of the Singapore dollar	-	177	445	922	-	943

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Sterling Pound \$'000	Malaysian Ringgit \$'000	Japanese Yen \$'000
FH-BT Group						
2024						
Increase in profit or loss for the financial year						
- 1% weakening of the Singapore dollar	-	13	-	-	-	-
Decrease in profit or loss for the financial year						
- 1% strengthening of the Singapore dollar	-	(13)	-	-	-	-
2023						
Increase in profit or loss for the financial year						
- 1% weakening of the Singapore dollar	-	10	-	-	-	-
Decrease in profit or loss for the financial year						
- 1% strengthening of the Singapore dollar	-	(10)	-	-	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of FHT's and FH-REIT Group's financial instruments will fluctuate because of changes in market interest rates.

FHT's and FH-REIT Group's exposure to changes in interest rates relate primarily to its interest-bearing borrowings. Interest rate risk is managed by the Managers on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Managers adopt a policy of fixing the interest rates for a portion of its outstanding borrowings via the use of derivative financial instruments or other suitable financial products.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

At the reporting date, the interest rate profile of the interest-bearing financial instruments based on their nominal amounts were as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments						
Borrowings	(149,678)	(147,683)	(149,678)	(147,683)	-	-
Effect of derivative financial instruments:						
- Interest rate swaps	(346,531)	(350,000)	(346,531)	(350,000)	-	-
- Cross-currency interest rate swap	(33,315)	(32,951)	(33,315)	(32,951)	-	-
	<u>(529,524)</u>	<u>(530,634)</u>	<u>(529,524)</u>	<u>(530,634)</u>	-	-
Variable rate instruments						
Borrowings	(594,668)	(555,468)	(594,668)	(555,468)	-	-
Effect of derivative financial instruments:						
- Interest rate swaps	346,531	350,000	346,531	350,000	-	-
- Cross-currency interest rate swap	15,547	32,951	15,547	32,951	-	-
	<u>(232,590)</u>	<u>(172,517)</u>	<u>(232,590)</u>	<u>(172,517)</u>	-	-

Fair value sensitivity analysis for fixed rate instruments

FHT does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect total return.

Sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rate at the end of the financial year would increase/ (decrease) total return (before any tax effects) and Stapled Securityholders' funds by the amounts below. This analysis assumes that all other variables remain constant.

	Total return		Stapled Securityholders' funds	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$'000	\$'000	\$'000	\$'000
FHT and FH-REIT Group				
2024	<u>(2,326)</u>	<u>2,326</u>	<u>5,775</u>	<u>(5,864)</u>
2023	<u>(1,725)</u>	<u>1,725</u>	<u>8,362</u>	<u>(8,479)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations with FHT, as and when they fall due.

Trade and other receivables

FHT's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The REIT Manager has established credit limits for lessees and monitor their balances on an ongoing basis. Credit evaluations are performed by the REIT Manager before lease agreements are entered into with the lessees. Credit risk is also mitigated by the rental deposits held for each lessee. The security deposits, equivalent to 8 months of the monthly fixed rent, were received in cash (except for The Westin Kuala Lumpur which was provided in the form of banker's guarantee and Maritim Dresden) under the Master Lease Agreements.

In addition, Frasers Property Limited and TCC Land International Limited have granted a corporate guarantee to FH-REIT for the performance of certain master lessees and retail master lessee respectively. Upon default, the corporate guarantors will pay the rent and other sums payable under the Master Lease Agreement and the Retail Master Lease Agreement respectively.

Credit risk concentration profile

At the end of the reporting period, approximately 49.3% (2023: 45.1%) of FHT's trade and other receivables were due from related companies of the REIT Manager. Other than as disclose herein, the Stapled Group has no significant concentration of credit risk at the reporting date. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Expected credit loss assessment for individual lessees and customers

FHT uses an allowance matrix to measure the ECLs of trade receivables.

For the allowance matrix, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated based on actual credit loss experiences, adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and FHT's view of economic conditions over the expected lives of the receivables.

Movement in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October	-	(1,403)	-	(1,403)	-	-
Impairment loss reversed	-	1,264	-	1,264	-	-
Allowance utilised	-	174	-	174	-	-
Translation differences	-	(35)	-	(35)	-	-
At 30 September	-	-	-	-	-	-

FHT establishes allowances for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade receivables, after taking into account any collateral held. The Managers believe that no additional exposure beyond what was provided for is inherent in the trade receivables.

Impairment losses are recognised in Statement of Total Return.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Derivatives

Derivatives are only entered into with banks and financial institution counterparties with sound credit ratings. Details of the derivatives are set out in Note 19.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. FHT considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

(c) Liquidity risk

Liquidity risk is the risk that FHT will encounter difficulty in meeting its financial obligations due to shortage of funds. The Managers monitor and maintain a level of cash and cash equivalents deemed adequate to finance FHT's operations for a reasonable period, including the servicing of financing obligations, and to mitigate the effects of fluctuations in cash flows. In addition, the REIT Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings. As at end of the financial year, FHT maintains several lines of credit (Note 18).

FHT has contractual commitments to incur capital expenditure at the reporting date (Note 24(a)).

The table below summarises the maturity profile of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements at the reporting date based on contractual undiscounted repayment obligations:

	Contractual cash flows				Total \$'000
	Carrying amount \$'000	Within one year \$'000	Between one and five years \$'000	More than five years \$'000	
FHT					
2024					
Non-derivative financial liabilities					
Trade and other payables*	(19,101)	(18,867)	(25)	(209)	(19,101)
Borrowings	(741,850)	(270,000)	(474,346)	-	(744,346)
Interest payable on borrowings	(3,021)	(20,071)	(33,867)	-	(53,938)
Lease liabilities	(3,148)	-	-	(22,825)	(22,825)
Rental deposits	(22,631)	(6)	(2,515)	(25,187)	(27,708)
	<u>(789,751)</u>	<u>(308,944)</u>	<u>(510,753)</u>	<u>(48,221)</u>	<u>(867,918)</u>
Derivative financial instruments					
Interest rate swaps (net-settled)	(271)	(14)	(264)	-	(278)
Cross-currency swaps/cross-currency interest rate swaps (gross-settled)	(3,535)	-	-	-	-
- outflow	-	(187,449)	(54,400)	-	(241,849)
- inflow	-	185,798	55,022	-	240,820
	<u>(3,806)</u>	<u>(1,665)</u>	<u>358</u>	<u>-</u>	<u>(1,307)</u>
	<u>(793,557)</u>	<u>(310,609)</u>	<u>(510,395)</u>	<u>(48,221)</u>	<u>(869,225)</u>

* excluding VAT/GST payable, interest payable and advance deposits (as the case may be)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	

FHT 2023

Non-derivative financial liabilities

Trade and other payables*	(13,885)	(13,658)	(28)	(199)	(13,885)
Borrowings	(701,457)	(149,248)	(553,903)	-	(703,151)
Interest payable on borrowings	(3,494)	(27,625)	(51,487)	-	(79,112)
Lease liabilities	(2,992)	-	-	(18,810)	(18,810)
Rental deposits	(20,650)	(6,171)	-	(18,948)	(25,119)
	<u>(742,478)</u>	<u>(196,702)</u>	<u>(605,418)</u>	<u>(37,957)</u>	<u>(840,077)</u>

Derivative financial instruments

Interest rate swaps (net-settled)	(24)	(25)	-	-	(25)
Cross-currency swaps/cross-currency interest rate swaps (gross-settled)	(1,855)	-	-	-	-
- outflow	-	(97,852)	(77,867)	-	(175,719)
- inflow	-	97,310	79,462	-	176,772
	<u>(1,879)</u>	<u>(567)</u>	<u>1,595</u>	<u>-</u>	<u>1,028</u>
	<u>(744,357)</u>	<u>(197,269)</u>	<u>(603,823)</u>	<u>(37,957)</u>	<u>(839,049)</u>

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	

FH-REIT Group 2024

Non-derivative financial liabilities

Trade and other payables*	(16,638)	(16,638)	-	-	(16,638)
Borrowings	(741,850)	(270,000)	(474,346)	-	(744,346)
Interest payable on borrowings	(3,021)	(20,071)	(33,867)	-	(53,938)
Lease liabilities	(3,148)	-	-	(22,825)	(22,825)
Rental deposits	(24,716)	(6)	(6,079)	(25,106)	(31,191)
	<u>(789,373)</u>	<u>(306,715)</u>	<u>(514,292)</u>	<u>(47,931)</u>	<u>(868,938)</u>

Derivative financial instruments

Interest rate swaps (net-settled)	(271)	(14)	(264)	-	(278)
Cross-currency swaps/cross-currency interest rate swaps (gross-settled)	(3,535)	-	-	-	-
- outflow	-	(187,449)	(54,400)	-	(241,849)
- inflow	-	185,798	55,022	-	240,820
	<u>(3,806)</u>	<u>(1,665)</u>	<u>358</u>	<u>-</u>	<u>(1,307)</u>
	<u>(793,179)</u>	<u>(308,380)</u>	<u>(510,370)</u>	<u>(51,495)</u>	<u>(870,245)</u>

* excluding VAT/GST payable, interest payable and advance deposits (as the case may be)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

25. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	
FH-REIT Group					
2023					
Non-derivative financial liabilities					
Trade and other payables*	(11,264)	(11,264)	-	-	(11,264)
Borrowings	(701,457)	(149,248)	(553,903)	-	(703,151)
Interest payable on borrowings	(3,494)	(27,625)	(51,487)	-	(79,112)
Lease liabilities	(2,992)	-	-	(18,810)	(18,810)
Rental deposits	(22,626)	(6,171)	-	(22,393)	(28,564)
	<u>(741,833)</u>	<u>(194,308)</u>	<u>(605,390)</u>	<u>(41,203)</u>	<u>(840,901)</u>
Derivative financial instruments					
Interest rate swaps (net-settled)	(24)	(25)	-	-	(25)
Cross-currency swaps/cross-currency interest rate swaps (gross-settled)	(1,855)	-	-	-	-
- outflow	-	(97,852)	(77,867)	-	(175,719)
- inflow	-	97,310	79,462	-	176,772
	<u>(1,879)</u>	<u>(567)</u>	<u>1,595</u>	<u>-</u>	<u>1,028</u>
	<u>(743,712)</u>	<u>(194,875)</u>	<u>(603,795)</u>	<u>(41,203)</u>	<u>(839,873)</u>

	Carrying amount \$'000	Contractual cash flows			Total \$'000
		Within one year \$'000	Between one and five years \$'000	More than five years \$'000	

FH-BT Group **2024**

Non-derivative financial liabilities

Trade and other payables*	(7,042)	(6,808)	(25)	(209)	(7,042)
Lease liabilities	(51,172)	(5,224)	(20,895)	(36,567)	(62,686)
	<u>(58,214)</u>	<u>(12,032)</u>	<u>(20,920)</u>	<u>(36,776)</u>	<u>(69,728)</u>

2023

Non-derivative financial liabilities

Trade and other payables*	(7,758)	(7,531)	(28)	(199)	(7,758)
Lease liabilities	(53,953)	(5,167)	(20,667)	(41,334)	(67,168)
	<u>(61,711)</u>	<u>(12,698)</u>	<u>(20,695)</u>	<u>(41,533)</u>	<u>(74,926)</u>

* excluding VAT/GST payable, interest payable and advance deposits (as the case may be)

The maturity analyses above show the contractual undiscounted cash flows of FHT's financial liabilities on the basis of their earliest possible contractual maturity. Derivative financial instruments held are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

FHT classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between levels during the financial years ended 30 September 2024 and 30 September 2023.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Classifications and fair values (continued)

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FHT						
2024						
Financial assets measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		2,279	-	-	2,279	-
- cross-currency swaps		31,587	-	-	31,587	-
- foreign exchange forward contracts		-	32	-	32	-
		<u>33,866</u>	<u>32</u>	<u>-</u>		
Financial assets not measured at fair value:						
Trade and other receivables*		-	-	15,118		
Cash and cash equivalents	14	-	-	94,371		
		<u>-</u>	<u>-</u>	<u>109,489</u>		
Financial liabilities measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		(271)	-	-	(271)	-
- cross-currency swaps/cross currency interest rate swap		(3,535)	-	-	(3,535)	-
- foreign exchange forward contracts		-	(33)	-	(33)	-
		<u>(3,806)</u>	<u>(33)</u>	<u>-</u>		
Financial liabilities not measured at fair value:						
Trade and other payables**		-	-	(22,122)		
Borrowings		-	-	(741,850)	(742,447)	-
Rental deposits		-	-	(22,631)	-	(18,156)
		<u>-</u>	<u>-</u>	<u>(786,603)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advance deposits

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Classifications and fair values (continued)

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FHT						
2023						
Financial assets measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		10,486	-	-	10,486	-
- cross-currency swaps		28,259	-	-	28,259	-
- foreign exchange forward contracts		-	123	-	123	-
		<u>38,745</u>	<u>123</u>	<u>-</u>		
Financial assets not measured at fair value:						
Trade and other receivables*		-	-	12,472		
Cash and cash equivalents	14	-	-	88,134		
		<u>-</u>	<u>-</u>	<u>100,606</u>		
Financial liabilities measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		(24)	-	-	(24)	-
- cross-currency swaps/cross currency interest rate swaps		(1,855)	-	-	(1,855)	-
- foreign exchange forward contracts		-	(7)	-	(7)	-
		<u>(1,879)</u>	<u>(7)</u>	<u>-</u>		
Financial liabilities not measured at fair value:						
Trade and other payables**		-	-	(17,379)		
Borrowings		-	-	(701,457)	(700,259)	-
Rental deposits		-	-	(20,650)	-	(15,151)
		<u>-</u>	<u>-</u>	<u>(739,486)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advance deposits

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Classifications and fair values (continued)

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FH-REIT GROUP						
2024						
Financial assets measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		2,279	-	-	2,279	-
- cross-currency swaps		31,587	-	-	31,587	-
- foreign exchange forward contracts		-	32	-	32	-
		<u>33,866</u>	<u>32</u>	<u>-</u>		
Financial assets not measured at fair value:						
Trade and other receivables*		-	-	17,394		
Cash and cash equivalents	14	-	-	87,669		
		<u>-</u>	<u>-</u>	<u>105,063</u>		
Financial liabilities measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		(271)	-	-	(271)	-
- cross-currency swaps/cross currency interest rate swap		(3,535)	-	-	(3,535)	-
- foreign exchange forward contracts		-	(33)	-	(33)	-
		<u>(3,806)</u>	<u>(33)</u>	<u>-</u>		
Financial liabilities not measured at fair value:						
Trade and other payables**		-	-	(19,659)		
Borrowings		-	-	(741,850)	(742,447)	-
Rental deposits		-	-	(24,716)	-	(19,756)
		<u>-</u>	<u>-</u>	<u>(786,225)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advance deposits

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Classifications and fair values (continued)

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FH-REIT GROUP						
2023						
Financial assets measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		10,486	-	-	10,486	-
- cross-currency swaps		28,259	-	-	28,259	-
- foreign exchange forward contracts		-	123	-	123	-
		<u>38,745</u>	<u>123</u>	<u>-</u>		
Financial assets not measured at fair value:						
Trade and other receivables*		-	-	14,578		
Cash and cash equivalents	14	-	-	81,395		
		<u>-</u>	<u>-</u>	<u>95,973</u>		
Financial liabilities measured at fair value:						
Derivative financial instruments	19					
- interest rate swaps		(24)	-	-	(24)	-
- cross-currency swaps/cross currency interest rate swap		(1,855)	-	-	(1,855)	-
- foreign exchange forward contracts		-	(7)	-	(7)	-
		<u>(1,879)</u>	<u>(7)</u>	<u>-</u>		
Financial liabilities not measured at fair value:						
Trade and other payables**		-	-	(14,758)		
Borrowings		-	-	(701,457)	(700,259)	-
Rental deposits		-	-	(22,626)	-	(16,569)
		<u>-</u>	<u>-</u>	<u>(738,841)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advance deposits

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Classifications and fair values (continued)

	Note	Carrying amount			Fair value	
		Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FH-BT GROUP						
2024						
Financial assets not measured at fair value:						
Trade and other receivables*		-	-	647		
Cash and cash equivalents	14	-	-	6,702		
Rental deposits		-	-	2,085	-	1,599
		-	-	9,434		
Financial liabilities not measured at fair value:						
Trade and other payables**		-	-	(7,042)		
		-	-	(7,042)		
2023						
Financial assets not measured at fair value:						
Trade and other receivables*		-	-	1,837		
Cash and cash equivalents	14	-	-	6,739		
Rental deposits		-	-	1,976	-	1,408
		-	-	10,552		
Financial liabilities not measured at fair value:						
Trade and other payables**		-	-	(7,758)		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advance deposits

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Determination of fair value

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Derivative financial instruments

The fair value measurement for derivative financial instruments has been categorised as a Level 2 fair value.

Interest rate swaps and cross currency swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include swap models, using present valuation calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

(ii) Other financial assets and liabilities not measured at fair value

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, rental deposits and trade and other payables) are assumed to approximate their fair values due to their short term nature.

The carrying amount of variable rate interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

The fair value of financial assets and financial liabilities (including non-current rental deposits and non-current fixed rate interest-bearing borrowings) are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date or based on their quoted ask price at the reporting date, where appropriate.

(iii) Properties

The fair values measurement for properties – investment properties (Note 11) and property, plant and equipment (Note 12) have been categorised as a Level 3 fair value.

Information about valuation techniques and significant unobservable inputs

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the properties categorised under Level 3 of the fair value hierarchy.

Countries	Valuation techniques	Significant unobservable inputs	2024 Range	2023 Range
Asia	Discounted cash flow method Capitalisation method	Discount rate	4.50% – 8.25%	4.40% – 8.00%
		Terminal capitalisation rate	4.00% – 6.25%	4.00% – 6.00%
		Capitalisation rate	–	4.70%
Australia	Discounted cash flow method Capitalisation method	Discount rate	7.75% – 8.25%	7.50% – 8.00%
		Terminal capitalisation rate	5.50% – 6.00%	5.25% – 5.75%
		Capitalisation rate	5.50% – 6.00%	5.00% – 5.50%
Europe	Discounted cash flow method	Discount rate	8.25% – 10.75%	9.35% – 11.75%
		Terminal capitalisation rate	5.95% – 8.75%	5.95% – 8.75%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) *Determination of fair value (continued)*

(iii) *Properties (continued)*

Interrelationship between key unobservable inputs and fair value measurement

The estimated fair values vary inversely against the discount rate, terminal capitalisation rate and capitalisation rate. The estimated fair values would increase with higher transacted price of comparable properties.

Level 3 assets measured at fair value

Level 3 assets, which comprise investment properties and property, plant and equipment. Reconciliations from the beginning balances to the ending balances for fair value measurements of Level 3 assets have been disclosed in Note 11 and Note 12.

Valuation policies and procedures

The fair values of the properties are determined annually by independent professional valuers. In accordance with the CIS Code, FHT rotates the independent valuers every two years.

The independent professional valuers are experts who possess the relevant credentials and knowledge on the subject of property valuation and valuation methodologies to perform the valuation. For valuations performed by the independent professional valuers, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by FHT) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, the independent professional valuers are required to recalibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by FHT with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

In accordance with FHT's reporting policies, the valuation process and the results of the independent valuations are reviewed at least once a year by the Audit, Risk and Compliance Committee before the results are presented to the Board of Directors for approval.

27. CAPITAL MANAGEMENT

The primary objective of FHT's capital management is to ensure that it maintains an optimal capital structure to support the business and maximise Stapled Securityholders' value.

FHT is in compliance with all externally imposed capital requirements for the financial years ended 30 September 2024 and 30 September 2023. There are no substantial changes in FHT's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

27. CAPITAL MANAGEMENT (continued)

As at 30 September 2024, FH-REIT Group's aggregate leverage ratio⁽¹⁾ was 34.9% (2023: 34.0%) with an interest coverage ratio⁽²⁾ of 3.0 times (2023: 3.6 times) and adjusted interest coverage ratio⁽³⁾ of 3.0 times (2023: 3.6 times), which were within the guidelines prescribed under the Property Fund Guidelines of the CIS Code issued by MAS.

⁽¹⁾ The impact of SFRS(I) 16 Leases has been excluded for the purpose of computing the aggregate leverage ratio.

⁽²⁾ Interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as defined in the CIS Code. Borrowing costs exclude interest expense on lease liabilities and excludes the unwinding of discounting effect of present value of long term security deposits payable.

⁽³⁾ Adjusted interest coverage ratio means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing related fees and distributions on hybrid securities as defined in the CIS Code. As FHT does not have any outstanding hybrid securities, the aforementioned adjusted interest coverage ratio is identical to the interest coverage ratio for the trailing twelve-month period ended 30 September 2024 and 30 September 2023.

28. OPERATING SEGMENTS

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

The operations of each of FHT's geographical segments are separately managed because of the different economic environments in which they operate in. This forms the basis of identifying the geographical segments of FHT. There are six (2023: six) reportable geographical segments, as described below:

- Singapore – two investment properties are leased, one operated as a hotel and the other as a serviced residence
- Australia – two Sydney investment properties are leased, one operated as hotel and one as a serviced residence
 - Novotel Melbourne on Collins is operated under a management contract
- Malaysia – one investment property is leased and operated as a hotel
- Japan – two investment properties are leased, one operated as a hotel and the other as a retail mall
- United Kingdom – six investment properties are leased, four operated as serviced residences and the other two as hotels
- Germany – one investment property is leased and operated as a hotel

The operations of FHT under rental from investment properties and hotel under management contract have different risks and returns. This forms the basis of identifying the business segments of FHT. There are two (2023: two) reportable business segments, as described below:

- Rental from investment properties – the properties are mainly leased to tenants/master lessees in the hospitality industry to operate as hotels or serviced residences for which FHT earns master lease rental income
- Hotel under management contract – the property is managed by a hotel operator who is paid a management fee to run the hotel operations for FHT

For the purpose of monitoring segment performance, CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

28. OPERATING SEGMENTS (continued)

Major customers

Revenue from related companies of the Managers accounted for approximately S\$90.3 million (2023: S\$86.1 million) of the revenue of FH-REIT Group. Such revenue is attributable to all geographical segments of FH-REIT Group except for Germany.

(a) By geographical segments

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	UK \$'000	Germany \$'000	Total \$'000
FHT							
1 October 2023 to 30 September 2024							
Revenue from external parties (outside FHT)	32,571	45,979	9,484	12,095	22,860	9,538	132,527
Property operating expenses	(5,709)	(22,920)	(516)	(5,945)	(5,324)	339	(40,075)
Segment net property income	26,862	23,059	8,968	6,150	17,536	9,877	92,452
Depreciation	-	(4,152)	-	-	-	-	(4,152)
Net change in fair value of investment properties	(143)	3,332	15,260	5,238	(20,750)	(3,533)	(596)
Property, plant and equipment written off	-	(2)	-	-	-	-	(2)
Total reportable segment return							87,702
Unallocated items:							
- Finance income							2,395
- Trust expenses							(13,055)
- Amortisation of debt upfront costs							(939)
- Finance costs							(25,915)
- Foreign exchange gain, net							179
- Net change in fair value of derivative financial instruments							(117)
- Realised gain on derivative financial instruments, net							11
Total return for the year, before tax							50,261
Taxation							(29,973)
Total return for the year							20,288
Reportable segmental non-current assets	817,272	445,287	154,013	190,674	306,290	76,983	1,990,519
Reportable segmental current assets	46,739	28,134	19,905	22,812	19,833	6,520	143,943
Total assets for reportable segments	864,011	473,421	173,918	213,486	326,123	83,503	2,134,462
Capital expenditure	143	3,175	46	32,984	4,745	485	41,578

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

28. OPERATING SEGMENTS (continued)

(a) By geographical segments (continued)

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	UK \$'000	Germany \$'000	Total \$'000
FHT							
1 October 2022 to 30 September 2023							
Revenue from external parties (outside FHT)	35,165	46,209	7,389	7,240	20,972	6,223	123,198
Property operating expenses	(3,613)	(22,444)	(497)	(2,405)	(4,717)	1,027	(32,649)
Segment net property income	31,552	23,765	6,892	4,835	16,255	7,250	90,549
Depreciation	-	(3,831)	-	-	-	-	(3,831)
Net change in fair value of investment properties	11,423	10,781	17,652	8,649	6,801	(4,581)	50,725
Property, plant and equipment written off	-	(49)	-	-	-	-	(49)
Total reportable segment return							137,394
Unallocated items:							
- Finance income							1,614
- Trust expenses							(13,261)
- Amortisation of debt upfront costs							(878)
- Finance costs							(20,885)
- Foreign exchange loss, net							(1,245)
- Net change in fair value of derivative financial instruments							116
- Realised loss on derivative financial instruments, net							(244)
Total return for the year, before tax							102,611
Taxation							(10,708)
Total return for the year							91,903
Reportable segmental non-current assets	850,605	437,690	128,216	156,927	312,748	80,724	1,966,910
Reportable segmental current assets	13,407	38,205	11,419	16,511	17,835	8,699	106,076
Total assets for reportable segments	864,012	475,895	139,635	173,438	330,583	89,423	2,072,986
Capital expenditure	577	1,459	252	100	1,832	109	4,329

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

28. OPERATING SEGMENTS (continued)

(b) Reconciliation of reportable total return

	FHT	
	2024	2023
	\$'000	\$'000
Total return		
Total reportable segment return	87,702	137,394
Unallocated items	(67,414)	(45,491)
Consolidated total return	<u>20,288</u>	<u>91,903</u>

(c) By business segments

	Rental from investment properties \$'000	Hotel under management contract \$'000	Consolidation adjustments \$'000	Total \$'000
FHT				
1 October 2023 to 30 September 2024				
Revenue	113,706	29,009	(10,188)	132,527
Property operating expenses	(22,159)	(23,749)	5,833	(40,075)
Segment net property income	91,547	5,260	(4,355)	92,452
Depreciation	-	(3,897)	(255)	(4,152)
Net change in fair value of investment properties	(3,986)	-	3,390	(596)
Property, plant and equipment written off	-	(2)	-	(2)
Finance income	2,152	330	(87)	2,395
Trust expenses	(12,930)	(125)	-	(13,055)
Amortisation of debt upfront costs	(939)	-	-	(939)
Finance costs	(26,002)	(1,841)	1,928	(25,915)
Foreign exchange gain, net	167	12	-	179
Net change in fair value of derivative financial instruments	(117)	-	-	(117)
Realised gain on derivative financial instruments, net	11	-	-	11
Total return for the year, before tax				50,261
Taxation				(29,973)
Total return for the year				20,288
Inter-segment revenue	10,188	-	(10,188)	-
Revenue from external parties (outside FHT)	103,518	29,009	-	132,527
Total segment revenue	113,706	29,009	(10,188)	132,527
Reportable segmental non-current assets	1,989,060	51,362	(49,903)	1,990,519
Reportable segmental current assets	139,307	7,559	(2,923)	143,943
Total assets for reportable segments	2,128,367	58,921	(52,826)	2,134,462
Capital expenditure	41,172	406	-	41,578

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

28. OPERATING SEGMENTS (continued)

(c) By business segments

	Rental from investment properties \$'000	Hotel under management contract \$'000	Consolidation adjustments \$'000	Total \$'000
FHT				
1 October 2023 to 30 September 2023				
Revenue	104,398	30,454	(11,654)	123,198
Property operating expenses	(14,942)	(24,950)	7,243	(32,649)
Segment net property income	89,456	5,504	(4,411)	90,549
Depreciation	-	(3,994)	163	(3,831)
Net change in fair value of investment properties	54,560	-	(3,835)	50,725
Property, plant and equipment written off	-	(49)	-	(49)
Finance income	1,443	255	(84)	1,614
Trust expenses	(13,127)	(134)	-	(13,261)
Amortisation of debt upfront costs	(878)	-	-	(878)
Finance costs	(20,969)	(1,985)	2,069	(20,885)
Foreign exchange loss, net	(1,202)	(43)	-	(1,245)
Net change in fair value of derivative financial instruments	116	-	-	116
Realised loss on derivative financial instruments, net	(244)	-	-	(244)
Total return for the year, before tax				102,611
Taxation				(10,708)
Total return for the year				91,903
Inter-segment revenue	11,654	-	(11,654)	-
Revenue from external parties (outside FHT)	92,744	30,454	-	123,198
Total segment revenue	104,398	30,454	(11,654)	123,198
Reportable segmental non-current assets	1,965,513	54,392	(52,995)	1,966,910
Reportable segmental current assets	101,233	8,786	(3,943)	106,076
Total assets for reportable segments	2,066,746	63,178	(56,938)	2,072,986
Capital expenditure	3,890	439	-	4,329

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

29. LEASES

(a) Leases as lessee (SFRS(I) 16)

FH-REIT Group has a ground lease with initial lease term of 84 years. The lease rent is subject to periodical increases throughout the lease term under the ground lease agreement. At the end of the financial year, FH-REIT Group has lease rents to be paid in the future, commencing from September 2048 for 50 years.

FH-BT Group has a master lease agreement with FH-REIT Group for the lease of building - Novotel Melbourne on Collins, with an initial lease term of 20 years and an option to renew the lease for an additional lease term of 20 years.

Information about leases for which FHT, FH-REIT Group and FH-BT Group are lessees is presented below.

Right-of-use assets

ROU assets related to leased properties that do not meet the definition of investment property is presented as property, plant and equipment.

	Building \$'000
FH-BT Group	
At 1 October 2022	54,416
Depreciation charge for the year	(3,801)
Translation differences	(2,292)
At 30 September 2023	<u>48,323</u>
At 1 October 2023	48,323
Depreciation charge for the year	(3,746)
Translation differences	522
At 30 September 2024	<u>45,099</u>

Amounts recognised in the Statement of Total Return/Profit or Loss

	FHT \$'000	FH-REIT Group \$'000	FH-BT Group \$'000
2024			
Interest on lease liabilities	123	123	1,841
Expenses relating to leases with variable rent	-	-	4,981
2023			
Interest on lease liabilities	120	120	1,985
Expenses relating to leases with variable rent	-	-	6,371

Amounts recognised in Statement of Cash Flows

During the financial year, total cash outflow for leases under SFRS(I) 16 for FH-BT Group is S\$5.2 million (2023: S\$5.3 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

29. LEASES (continued)

(a) Leases as lessee (SFRS(I) 16) (continued)

Extension options

A property lease contain extension option exercisable by FH-BT Group before the end of the non-cancellable contract period. Where practicable, FH-BT Group seeks to include extension option in new leases to provide operational flexibility. The extension option held is exercisable only by FH-BT Group and not by the lessor. FH-BT Group assesses at lease commencement date whether it is reasonably certain to exercise the extension option. FH-BT Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its control.

FH-BT Group has estimated that the potential future lease payments that are not reflected in the measurement of lease liabilities, should they exercise the extension option, would result in an increase in future cash outflows of S\$104.5 million (2023: S\$103.3 million).

(b) Leases as lessor

FH-REIT Group leases out their investment properties consisting of hotels, serviced residences and a retail property. All leases are classified as operating leases from a lessor's perspective.

Operating lease

FH-REIT Group leases out its investment properties to related companies, FH-BT Group and retail tenants, with the exception of Maritim Hotel Dresden which is leased to a third party lessee. The leases to related companies and FH-BT Group are for an initial lease term between 5 to 20 years with an option by each of the lessee to renew the lease for an additional lease term between 5 to 20 years. The leases to retail tenants are for an initial lease term between 3 months to 16 years.

FH-REIT Group have classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The portfolio statement sets out information about the operating leases of investment properties.

Rental revenue from investment properties recognised by FH-REIT Group is disclosed in Note 11.

The following table sets out a maturity analysis of minimum lease payments, showing the undiscounted lease payments to be received after the reporting date.

	FHT Group \$'000	FH-REIT Group \$'000
2024		
Less than 1 year	50,688	55,912
1 to 2 years	50,177	55,401
2 to 3 years	48,985	54,209
3 to 4 years	48,606	53,830
4 to 5 years	47,079	52,303
More than 5 years	215,764	252,575
Total	461,299	524,230
2023		
Less than 1 year	45,334	50,501
1 to 2 years	38,513	43,680
2 to 3 years	38,513	43,680
3 to 4 years	38,513	43,680
4 to 5 years	38,513	43,680
More than 5 years	233,430	275,007
Total	432,816	500,228

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

30. FINANCIAL RATIOS

	FHT		FH-REIT Group	
	2024 %	2023 %	2024 %	2023 %
Expense to weighted average net assets ⁽¹⁾				
- with performance fee of the Managers	1.02	1.07	1.02	1.06
- without performance fee of the Managers	0.82	0.84	0.81	0.83
Total operating expenses to net asset value ⁽²⁾	4.52	3.89	2.78	2.20
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 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\$57,282,000 and S\$35,089,000 (2023: S\$49,741,000 and S\$28,069,000) of FHT and FH-REIT Group respectively, as a percentage of its respective net asset value as at the end of September (including all fees and charges paid/payable to the Managers and the interested parties).

⁽³⁾ The portfolio turnover ratios are computed based on the lesser of purchases or sales of underlying properties of FHT and FH-REIT Group expressed as a percentage of daily average net asset value.

31. NET ASSET VALUE PER STAPLED SECURITY

	FHT		FH-REIT Group		FH-BT Group	
	2024	2023	2024	2023	2024	2023
Net asset value per Stapled Security is computed based on:						
Net assets (\$'000)	1,266,169	1,278,457	1,260,543	1,273,534	(588)	(493)
Total issued Stapled Securities at 30 September ('000) (Note 20)	1,926,074	1,926,074	1,926,074	1,926,074	1,926,074	1,926,074

32. SUBSEQUENT EVENT

On 12 November 2024, the REIT Manager and Trustee-Manager declared a distribution of 1.1682 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 April 2024 to 30 September 2024.

FINANCIAL STATEMENTS OF TRUSTEE-MANAGER

FRASERS HOSPITALITY TRUST MANAGEMENT PTE. LTD.

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DIRECTORS' STATEMENT

For the year ended 30 September 2024

The directors have pleasure in presenting their statement to the member together with the audited financial statements of Fraser's Hospitality Trust Management Pte. Ltd. (the "Company") for the financial year ended 30 September 2024.

In our opinion:

- (i) the financial statements set out on pages 272 to 287 are drawn up so as to give a true and fair view of the financial position of the Company as at 30 September 2024 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of the statement, authorised these financial statements for issue.

DIRECTORS

The directors of the Company in office at the date of this statement are:-

Mr Panote Sirivadhanabhakdi
 Mr Soong Hee Sang¹
 Mr Quah Ban Huat
 Mr Nagaraj Sivaram
 Dr David Wong See Hong
 Mr Chang Tou Chen

(Appointed on 1 November 2024)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares or debentures of, the Company or its related corporations are as follows:

Name of Director and corporation in which interests are held	Direct Interest		Deemed Interest	
	As at 1 October 2023	As at 30 September 2024	As at 1 October 2023	As at 30 September 2024
Panote Sirivadhanabhakdi - Fraser's Property Limited • Ordinary Shares	Nil	Nil	70,000,000 ⁽¹⁾	70,000,000 ⁽¹⁾

(1) As of 30 September 2024, TCC Group Investments Limited ("TCCGI") (which is equally held by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi) held 70,000,000 shares in the Fraser's Property Limited ("FPL") through a nominee account. Accordingly, TCCGI's interest in FPL is a deemed interest. Panote Sirivadhanabhakdi, through his 20.0% shareholding in TCCGI, is deemed to be interested in all the shares in FPL in which TCCGI has an interest.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, or of related corporations, either at the beginning of the financial year, or at the date of appointment, if later, or at the end of the financial year.

¹ Mr Soong Hee Sang will retire as a non-executive and independent director with effect from 1 December 2024.

DIRECTORS' STATEMENT

For the year ended 30 September 2024

SHARE OPTIONS

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Company had established an Audit, Risk and Compliance Committee on 17 October 2016.

The composition of the Audit, Risk and Compliance Committee comprise the following directors from the Board of Directors of the Company:

- (i) Mr Nagaraj Sivaram (Chairman)
- (ii) Mr Soong Hee Sang (Member)¹
- (iii) Mr Quah Ban Huat (Member)
- (iv) Mr Chang Tou Chen (Member) (Appointed on 1 November 2024)
- (v) Dr David Wong See Hong (Member) (Resigned on 1 November 2024)

AUDITOR

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Panote Sirivadhanabhakdi
Director

Nagaraj Sivaram
Director

Singapore
18 November 2024

¹ Mr Soong Hee Sang will retire as a non-executive and independent Director with effect from 1 December 2024.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Frasers Hospitality Trust Management Pte. Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Hospitality Trust Management Pte. Ltd. ("the Company"), which comprise the statement of financial position as at 30 September 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 272 to 287 .

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company as at 30 September 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Frasers Hospitality Trust Management Pte. Ltd.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

18 November 2024

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2024

	Note	2024 \$'000	2023 \$'000
REVENUE	4	46	51
COSTS AND EXPENSES	5		
Administrative costs		(25)	(83)
Other operating costs		(2)	(2)
		<u>(27)</u>	<u>(85)</u>
PROFIT/(LOSS) BEFORE TAXATION		19	(34)
Taxation	6	(2)	-*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR AFTER TAXATION		<u>17</u>	<u>(34)</u>

* Denotes amount less than \$1,000

STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Note	2024 \$'000	2023 \$'000
NON-CURRENT ASSETS			
Investment in a subsidiary	7	3	3
Intangible asset	8	4	6
		<u>7</u>	<u>9</u>
CURRENT ASSETS			
Other receivables	9	11	17
Cash at bank		321	312
		<u>332</u>	<u>329</u>
TOTAL ASSETS		<u>339</u>	<u>338</u>
CURRENT LIABILITIES			
Other payables	10	48	66
Income tax payable		2	-
		<u>50</u>	<u>66</u>
NET CURRENT ASSETS		282	263
NET ASSETS		<u>289</u>	<u>272</u>
Financed by: -			
Share capital	11	10	10
Retained earnings		279	262
TOTAL EQUITY		<u>289</u>	<u>272</u>

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
2023			
At 1 October 2022	10	296	306
Loss for the year	-	(34)	(34)
Total comprehensive income for the year	-	(34)	(34)
At 30 September 2023	10	262	272
2024			
At 1 October 2023	10	262	272
Profit for the year	-	17	17
Total comprehensive income for the year	-		
At 30 September 2024	10	279	289

STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

	2024 \$'000	2023 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	19	(34)
Adjustment for:		
Amortisation of intangible asset	2	2
Operating cash flow before working capital changes	21	(32)
Changes in working capital:		
Other receivables	6	(2)
Trade and other payables	(18)	59
Cash generated from operations	9	25
Income tax paid	-	(3)
Net cash generated from operating activities	9	22
Net increase in cash at bank	9	22
Cash at bank at beginning of the year	312	290
Cash at bank at end of the year	321	312

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

The following notes form an integral part of the financial statements.

The financial statements for the financial year ended 30 September 2024 were authorised for issue in accordance with a resolution of the directors on 18 November 2024.

1. CORPORATE INFORMATION

Frasers Hospitality Trust Management Pte. Ltd. (the "Company") is a limited liability company. It is a wholly-owned subsidiary of Frasers Property Limited ("Frasers Property"). The two companies are domiciled and incorporated in Singapore. TCC Assets Limited, incorporated in the British Virgin Islands, is the ultimate holding company.

The registered office is located at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

The principal activities of the Company are those relating to investment advisory, property fund management and to act as Trustee-Manager for Frasers Hospitality Business Trust, a business trust which is part of Frasers Hospitality Trust ("FHT"), a stapled group comprising Frasers Hospitality Real Estate Investment Trust and its subsidiaries, and Frasers Hospitality Business Trust and its subsidiaries. FHT is listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

2.2 Basis of measurement

The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "functional currency").

The financial statements of the Company are presented in Singapore Dollars ("S\$"), the functional currency of the Company. All financial information presented in Singapore Dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

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 reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Management is of the opinion that there are no critical judgements made in applying accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. BASIS OF PREPARATION (continued)

2.5 Changes in accounting policies

The Company has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 October 2023. Other than as described below, the application of the amendments to accounting standards did not have a material effect on the financial statements.

The amendments require the disclosure of 'material, rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entries to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in material accounting policies.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

3.2 Subsidiary

A subsidiary is an entity that is controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in a subsidiary is stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.3 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

3.3 Intangible assets (continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Software

Software are initially capitalised at cost, which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use.

Subsequent to initial recognition, software are amortised to profit or loss on a straight-line basis over their estimated useful lives of 3 to 10 years.

3.4 Non-derivative financial assets

Initial recognition and measurement

Financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

3.4 Non-derivative financial assets (continued)

Business model assessment (continued)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from the financial assets expire or it transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. Transferred assets are not derecognised when it enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

3.4 Non-derivative financial assets (continued)

Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when, and only when, the Company has a legal right to offset and there is intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.5 Non-derivative financial liabilities

Initial recognition and measurement

The Company classifies non-derivative financial liabilities as other financial liabilities.

All other financial liabilities are recognised initially on the trade date, which is the date the Company becomes a party to the contractual provisions of the instrument.

All other financial liabilities are initially measured at fair value plus directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 Impairment

(a) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

(a) *Non-financial assets* (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(b) *Non-derivative financial assets*

The Company recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

(b) *Non-derivative financial assets* (continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.7 Share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.8 Revenue

Management fee

Management fee income is derived from the management of a business trust and it is recognised when the service is rendered.

Acquisition fee

Acquisition fee income relates to fees earned in relation to the acquisition or investment by the business trust managed by the Company. The fee is recognised when the service has been rendered.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 New standards and interpretations not adopted

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 16.

4. REVENUE

	2024 \$'000	2023 \$'000
Management fee	46	51

Revenue is derived from a related entity.

The Company generates fee income from providing property fund management services and it is recognised when services are provided. Payment is due on delivery of the services.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

5. COSTS AND EXPENSES

	2024 \$'000	2023 \$'000
Included in costs and expenses:		
Administrative costs		
- Professional fees	(20)	(81)
- Other administrative costs	(5)	(2)
	<u>(25)</u>	<u>(83)</u>
Other operating costs		
- Amortisation of intangible asset	(2)	(2)
	<u>(27)</u>	<u>(85)</u>

* Denotes amount less than \$1,000

6. TAXATION

	2024 \$'000	2023 \$'000
Current tax expense		
- Current year income tax	(1)	-
- Under-provision in prior year	(1)	-*
	<u>(2)</u>	<u>-</u>

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	2024 \$'000	2023 \$'000
Profit/(Loss) before tax for the year	<u>19</u>	<u>(34)</u>
Tax at Singapore income tax rate of 17% (2023: 17%)	3	(6)
Adjustments:		
Non-deductible expenses	-*	-*
Effect of partial tax exemption	(2)	-
Under-provision in prior year	1	-*
Effect of current period losses not recognise	-	6
	<u>2</u>	<u>-</u>

* Denotes amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

7. INVESTMENT IN A SUBSIDIARY

	2024 \$'000	2023 \$'000
Unquoted shares, at cost	3	3

Name of subsidiary	Country of incorporation	Principal activities	Effective equity Held 2024 %	2023 %
Frasers Hospitality Japan Trust Management GK	Japan	Portfolio, asset and investment management	100	100

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of Frasers Property, which prepares and publishes consolidated financial statements for public use. Frasers Property is a company incorporated in Singapore and its registered office is located at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

8. INTANGIBLE ASSET

	Total \$'000
<u>Cost</u>	
At 1 October 2022 and 30 September 2023	18
Additions	-
At 30 September 2024	18
<u>Accumulated Amortisation</u>	
At 1 October 2022	(10)
Charge for the year	(2)
At 30 September 2023 and 1 October 2023	(12)
Charge for the year	(2)
At 30 September 2024	(14)
<u>Net Book Value</u>	
At 1 October 2022	8
At 30 September 2023	6
At 30 September 2024	4

9. OTHER RECEIVABLES

	2024 \$'000	2023 \$'000
Accrued management fee	11	17

10. OTHER PAYABLES

	2024 \$'000	2023 \$'000
Accruals	45	66
Others	3	-
	48	66

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

11. SHARE CAPITAL

	2024 \$'000	2023 \$'000
Fully paid ordinary shares		
At beginning and end of the year	10	10

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally with regard to the Company's residual assets.

12. SIGNIFICANT RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in these financial statements, there were no other significant related party transactions during the financial year.

Transactions with key management personnel

None of the directors earned any directors' fees or other remuneration in respect of their appointments as directors of the Company during the current year and prior year. The directors are not paid directly by the Company but receive remuneration from the Company's immediate holding company or related corporation, in respect of their services to the larger group which includes the Company. No apportionment has been made as the services provided by these directors to the Company are incidental to their responsibilities to the larger group.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. There is no exposure to market risk.

The Company has risk management policies and guidelines governing all investments, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control hedging transactions in a timely and accurate manner. All investment opportunities are reviewed regularly by the Board of Directors to ensure that the Company's policies and guidelines are adhered to.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Company's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

As at 30 September 2024 and 30 September 2023, the Company's exposure to credit risk arises primarily from other receivables and cash at bank. There is no impairment loss arising from these balances as the ECL is insignificant. Except as disclosed, the Company does not have significant exposure to credit risk.

Cash is placed with a bank, which is regulated and with sound credit rating.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

13. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to a shortage of funds. The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's financial liabilities at the reporting date as presented in the Company's statement of financial position represent the contractual undiscounted cash flow due within one year.

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Estimation of fair value

Non-derivative financial assets and liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

15. CAPITAL MANAGEMENT

The Company defines capital as total shareholders' equity attributable to owners of the Company. The Company's capital management objective is to ensure that it maintains a healthy capital ratio. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital or issue new shares.

No changes were made in the objectives, policies or processes during the year.

The Company is not subject to externally imposed capital requirement.

16. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2023 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements. The Company is in the process of assessing the impact of the new SFRS(I) and amendments to new SFRS(I)s on its financial statements.

STATISTICS OF STAPLED SECURITYHOLDERS

ISSUED AND FULLY PAID-UP STAPLED SECURITIES

As at 25 November 2024

1,926,073,869 Stapled Securities (voting rights: 1 vote per Stapled Security)

Market capitalisation of approximately S\$809.0 million (based on closing price of S\$0.42 per Stapled Security on 25 November 2024).

TWENTY LARGEST STAPLED SECURITYHOLDERS

As at 25 November 2024

No.	Name	No. of Stapled Securities	%
1	DB Nominees (Singapore) Pte Ltd	709,808,334	36.85
2	Fraser's Property Hospitality Trust Holdings Pte Ltd	466,618,417	24.23
3	Citibank Nominees Singapore Pte Ltd	151,481,263	7.86
4	DBS Nominees (Private) Limited	129,340,277	6.72
5	Raffles Nominees (Pte.) Limited	32,313,907	1.68
6	OCBC Securities Private Limited	23,532,786	1.22
7	Fraser's Hospitality Asset Management Pte Ltd	16,162,136	0.84
8	Meren Pte Ltd	14,004,800	0.73
9	UOB Kay Hian Private Limited	13,930,325	0.72
10	Fraser's Hospitality Pte Ltd	11,668,847	0.61
11	United Overseas Bank Nominees (Private) Limited	10,908,196	0.57
12	DBSN Services Pte. Ltd.	10,448,181	0.54
13	HSBC (Singapore) Nominees Pte Ltd	10,150,029	0.53
14	BNP Paribas Nominees Singapore Pte. Ltd.	7,531,660	0.39
15	Phillip Securities Pte Ltd	6,889,492	0.36
16	iFAST Financial Pte. Ltd.	6,640,036	0.34
17	Maybank Securities Pte. Ltd.	6,584,840	0.34
18	CGS International Securities Singapore Pte. Ltd.	5,926,552	0.31
19	Jack Investment Pte Ltd	4,614,500	0.24
20	Heng Siew Eng	4,143,500	0.22
	Total	1,642,698,078	85.30

DISTRIBUTION OF STAPLED SECURITY HOLDINGS

As at 25 November 2024

Size of Holdings	No. of Stapled Securityholders	%	No. of Stapled Securities	%
1 - 99	99	0.83	4,810	0.00
100 - 1,000	1,214	10.15	1,093,450	0.06
1,001 - 10,000	5,895	49.31	31,411,640	1.63
10,001 - 1,000,000	4,703	39.34	202,170,822	10.50
1,000,001 and above	44	0.37	1,691,393,147	87.81
Total	11,955	100.00	1,926,073,869	100.00

Country	No. of Stapled Securityholders	%	No. of Stapled Securities	%
Singapore	11,708	97.93	1,918,306,733	99.60
Malaysia	173	1.45	4,949,058	0.26
Others	74	0.62	2,818,078	0.14
Total	11,955	100.00	1,926,073,869	100.00

STATISTICS OF STAPLED SECURITYHOLDERS

SUBSTANTIAL STAPLED SECURITYHOLDERS

As at 25 November 2024

Substantial Stapled Securityholders	Direct Interest		Deemed Interest		Total	
	No. of Stapled Securities	%	No. of Stapled Securities	%	No. of Stapled Securities Held	%
Frasers Property Hospitality Trust Holdings Pte. Ltd.	466,618,417	24.23	-	-	466,618,417	24.23
Frasers Property Limited ⁽¹⁾	-	-	494,449,400	25.67	494,449,400	25.67
TCC Assets Limited ⁽²⁾	-	-	494,449,400	25.67	494,449,400	25.67
Charoen Sirivadhanabhakdi ⁽³⁾	-	-	494,449,400	25.67	494,449,400	25.67
The estate of the late Khunying Wanna Sirivadhanabhakdi ⁽⁴⁾	-	-	494,449,400	25.67	494,449,400	25.67
TCC Group Investments Limited	707,310,200	36.72	-	-	707,310,200	36.72
Atinant Bijananda ⁽⁵⁾	-	-	707,310,200	36.72	707,310,200	36.72
Thapana Sirivadhanabhakdi ⁽⁵⁾	-	-	707,310,200	36.72	707,310,200	36.72
Wallapa Traisorat ⁽⁵⁾	-	-	707,310,200	36.72	707,310,200	36.72
Thapanee Techajareonvikul ⁽⁵⁾	-	-	707,310,200	36.72	707,310,200	36.72
Panote Sirivadhanabhakdi ⁽⁵⁾	-	-	707,310,200	36.72	707,310,200	36.72
Chotiphat Bijananda ⁽⁶⁾	-	-	707,310,200	36.72	707,310,200	36.72

Notes:

- ⁽¹⁾ Frasers Property Limited ("**Frasers Property**") holds a 100% direct interest in each of Frasers Hospitality Asset Management Pte. Ltd. ("**FHAM**"), Frasers Hospitality Pte. Ltd. ("**FHPL**") and Frasers Property Hospitality Trust Holdings Pte. Ltd. ("**FPHTH**"); and each of FHAM, FHPL and FPHTH holds Stapled Securities in FHT. Frasers Property therefore has a deemed interest in the Stapled Securities in FHT in which each of FHAM, FHPL and FPHTH has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**").
- ⁽²⁾ TCC Assets Limited ("**TCCA**") holds a majority interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FHAM, FHPL and FPHTH; and
 - Each of FHAM, FHPL and FPHTH holds Stapled Securities in FHT.
- TCCA therefore has a deemed interest in the Stapled Securities in FHT in which Frasers Property has an interest, by virtue of Section 4 of the SFA.
- ⁽³⁾ Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in Frasers Property;
 - Frasers Property holds a 100% direct interest in FHAM, FHPL and FPHTH; and
 - Each of FHAM, FHPL and FPHTH holds Stapled Securities in FHT.
- Charoen Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which Frasers Property has an interest, by virtue of Section 4 of the SFA.
- ⁽⁴⁾ The estate of the late Khunying Wanna Sirivadhanabhakdi and Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in Frasers Property;
 - Frasers Property holds a 100% direct interest in FHAM, FHPL and FPHTH; and
 - Each of FHAM, FHPL and FPHTH holds Stapled Securities in FHT.
- The estate of the late Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which Frasers Property has an interest, by virtue of Section 4 of the SFA.
- ⁽⁵⁾ Each of Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi holds 20% of the issued share capital of TCC Group Investments Limited ("**TCCGI**");
- TCCGI holds Stapled Securities in FHT.
- Each of Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi therefore has a deemed interest in the Stapled Securities in FHT in which TCCGI has an interest, by virtue of Section 4 of the SFA.
- ⁽⁶⁾ Chotiphat Bijananda is the spouse of Atinant Bijananda, who holds 20% of the issued share capital of TCCGI
- TCCGI holds Stapled Securities in FHT.
- Chotiphat Bijananda therefore has a deemed interest in the Stapled Securities in FHT in which TCCGI has an interest, by virtue of Section 4 of the SFA.

STATISTICS OF STAPLED SECURITYHOLDERS

STAPLED SECURITYHOLDINGS OF DIRECTORS OF THE MANAGERS

As at 21 October 2024

Name of Director	No. of Stapled Securities Held	
	Direct Interest	Deemed Interest
Mr Panote Sirivadhanabhakdi	-	707,310,200

FREE FLOAT

Based on information made available to the Managers as at 25 November 2024, approximately 38% of the Stapled Securities in FHT are held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been compiled with.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons for FY2024 which fall within the Listing Manual of SGX-ST and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than \$100,000 each) are as follows:

Names of Interested Persons	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial period under review (excluding transactions of less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S'000	Aggregate value of all Interested Person Transactions during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S'000
Frasers Hospitality Asset Management Pte. Ltd.	REIT Manager of FH-REIT	(6,212)	-
- Management fees paid and payable		(51)	-
- Reimbursement of expenses paid on behalf of FH-REIT		(1)	-
- Reimbursement of expenses paid on behalf of FHBT		(104)	-
Frasers Hospitality Trust Management Pte. Ltd.	Trustee-Manager of FH-BT	(46)	-
- Management fees paid and payable			
FHT Australia Management Pty Ltd	Manager of FHT Australia Trust	(2,522)	-
- Management fees paid and payable - Reimbursement of expenses paid on behalf of FH-REIT		(4)	-
Frasers Hospitality Pte. Ltd.	Operator of Fraser Suites Singapore and Fraser Suites Sydney ²	(3,230)	-
- Management, marketing and trademark licence fees paid and payable			
Frasers Hospitality UK Ltd.	Operator of Fraser Place Canary Wharf London, Fraser Suites Queens Gate London, Fraser Suites Edinburgh and Fraser Suites Glasgow ²	(2,195)	-
- Management, marketing and trademark licence fees paid and payable - Reimbursement of expenses paid on behalf of FH-REIT		(2)	-
BCH Hotel Investment Pte. Ltd.	Master Lessee of InterContinental Singapore ¹	19,378	-
- Rental income from InterContinental Singapore ¹			
River Valley Apartments Pte. Ltd.	Master Lessee of Fraser Suites Singapore ²	13,074	-
- Rental income from Fraser Suites Singapore ¹			
Fairdace Limited	Master Lessee of Fraser Place Canary Wharf London and Fraser Suites Glasgow ²	4,682	-
- Rental income from Fraser Place Canary Wharf ¹ - Rental income from Fraser Suites Glasgow ¹		1,992	-

INTERESTED PERSON TRANSACTIONS

Names of Interested Persons	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial period under review (excluding transactions of less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S'000	Aggregate value of all Interested Person Transactions during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S'000
39QGG Management Limited - Rental income from Fraser Suites Queens Gate ¹	Master Lessee of Fraser Suites Queens Gate London ²	5,503	-
P I Hotel Management Limited - Rental income from Park International London ¹ - Rental income from ibis Styles London Gloucester Road ¹	Master Lessee of Park International London and ibis Styles London Gloucester Road ²	4,801 ^(a) 2,421 ^(b)	- -
Fraser's (St.Giles Street) Management Limited - Rental income from Fraser Suites Edinburgh ¹	Master Lessee of Fraser Suites Edinburgh ²	3,287	-
Fraser's Town Hall Residences Operations Pty Ltd - Rental income from Fraser Suites Sydney ¹ - Reimbursement of expenses paid on behalf of FH-REIT	Master Lessee of Fraser Suites Sydney ²	9,371 (793)	- -
Fraser's Town Hall Land Pty Ltd - Reimbursement of expenses paid on behalf of FH-REIT	Wholly-owned subsidiary of Fraser's Property Limited ("Fraser's Property") ²	(836)	-
Fraser's Sydney ML Hotel Pty Ltd - Rental income from Novotel Sydney Darling Square ¹ - Reimbursement of expenses paid on behalf of FH-REIT	Master Lessee of Novotel Sydney Darling Square ²	7,470 (6)	- -
JBB Hotels Sdn Bhd - Rental income from The Westin Kuala Lumpur ¹	Master Lessee of The Westin Kuala Lumpur ²	9,484	-
K.K. Shinkobe Holding - Rental income from ANA Crowne Plaza Kobe ¹ (From 1 October 2023 to 30 September 2024) - Rental income from ANA Crowne Plaza Kobe ¹ (From 14 July 2024 to 13 July 2029) - Other fees received and receivable by FH-REIT - Other fees paid and payable by FH-REIT	Master Lessee of ANA Crowne Plaza Kobe (Hotel) ²	8,885 ^(c) 51,325 ^(c) 78 (95)	- - - -

INTERESTED PERSON TRANSACTIONS

Names of Interested Persons	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial period under review (excluding transactions of less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S'000	Aggregate value of all Interested Person Transactions during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S'000
Y.K. Toranomom Properties			
- Rental income from ANA Crowne Plaza Kobe ¹	Master Lessee of ANA Crowne Plaza Kobe (Retail) until 29 February 2024 (inclusive) ²	608	-
- Reimbursement of expenses paid on behalf of FH-REIT		(492)	-
- Refund of rental deposit		(383)	-
- Termination sum paid to YKTP		(33,282) ^(d)	-
Frasers Property Corporate Services Pte. Ltd.			
- Reimbursement of expenses paid on behalf of FH-REIT	Wholly-owned subsidiary of Frasers Property ²	(76)	-
Frasers Property Advisory (Europe) B.V.			
- Corporate Service fees paid and payable	Wholly-owned subsidiary of Frasers Property ²	(54)	-
Perpetual (Asia) Limited			
- Trustee's fees	Trustee of FH-REIT	(260)	-
The Trust Company (Australia) Limited			
- Trustee's fees	Trustee of FHT Australia Trust and its sub-trusts	(113)	-
Frasers Hospitality International Pte. Ltd.			
- Reimbursement of expenses paid on behalf of FH-REIT	Wholly-owned subsidiary of Frasers Property ²	(47)	-

Please also refer to Note 22 'Significant related party transactions' in FHT's financial statements.

Management fees, servicer fees and Trustee's fees payable to Frasers Hospitality Asset Management Pte. Ltd. (also referred to as "REIT Manager"), Frasers Hospitality Trust Management Pte. Ltd. (also referred to as "Trustee-Manager"), FHT Australia Management Pty Ltd (also referred to as "Australia trusts' Manager"), Frasers Hospitality Pte. Ltd. ("FHPL"), Frasers Hospitality UK Ltd. ("FHUK") and Trustee's fees payable to Perpetual (Asia) Limited and The Trust Company (Australia) Limited on the basis of, and in accordance with the terms and conditions set out in the FH-REIT Trust Deed dated 12 June 2014 (as amended, restated and supplemented), the FH-BT Trust Deed dated 20 June 2014 (as supplemented), the FHT Australia Trust Deed dated 20 June 2014 (as restated and supplemented) and/or FHT's Prospectus dated 30 June 2014 are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

INTERESTED PERSON TRANSACTIONS

Renewal of UK Master Lease Agreements

(a) Entry into of a renewal master lease agreement between FHT London 3 Limited, as lessor, and PI Hotel Management Limited ("PI Hotel"), as lessee, in respect of Park International Hotel London, pursuant to the exercise by PI Hotel of its option to renew the term under the existing master lease agreement dated 14 July 2024, for a further 10-year period commencing from 14 July 2024 ("Option Term"). The Option Term was deemed to have been specifically approved by Stapled Securityholders at FHT's initial public offering upon purchase of the Stapled Securities and are therefore not subject to Rule 905 and 906 of the Listing Manual.

(b) Entry into of a renewal master lease agreement between FHT London 4 Limited, as lessor and PI Hotel, as lessee, in respect of Ibis Styles London Gloucester Road, pursuant to the exercise by PI Hotel of its option to renew the term under the existing master lease agreement dated 14 July 2014, for a further 10-year period commencing from 14 July 2024 ("Option Term"). The Option Term was deemed to have been specifically approved by Stapled Securityholders at FHT's initial public offering upon purchase of the Stapled Securities and are therefore not subject to Rule 905 and 906 of the Listing Manual.

Entry into of new Japan Master Lease Agreement in respect of the hotel component of ANA Crowne Plaza Kobe

(c) Entry into of (i) a master lease agreement between Apex Group Trust (Japan) Company Limited, which acts as trustee for the benefit of Kobe Excellence TMK (a Japanese trust in which FH-REIT holds all the beneficial interest), as lessor ("Kobe Hotel Lessor"), and K.K. Shinkobe Holding, as lessee, of the hotel component of ANA Crowne Plaza Kobe, for a 5-year period commencing from 14 July 2024 following the expiry of the existing master lease agreement dated 14 July 2014; and (ii) a corporate guarantee ("New Corporate Guarantee") made between Apex Group Trust (Japan) Company Limited, as trustee acting for the benefit of the Kobe Hotel Lessor and beneficiary under the New Corporate Guarantee, and Frasers Property Limited, as guarantor under the New Corporate Guarantee. The value of the projected fixed rent and estimated projected variable rent payable over the 5-year lease term is approximately JPY 6,051,046,000 (approximately SGD 51,325,000).

Taking over by FH-REIT of the retail component of ANA Crowne Plaza Kobe by way of termination of retail master lease agreement

(d) Termination of the retail master lease agreement ("Retail MLA") relating to the retail component of ANA Crowne Plaza Kobe ("Kobe Retail Mall") in accordance with the terms of the Retail MLA by Apex Group Trust (Japan) Company Limited ("Lessor"), which holds the legal title to ANA Crowne Plaza Kobe and acting as trustee for the benefit of Kobe Excellence TMK (a Japanese trust in which FH-REIT holds all the beneficial interest) with effect from 1 March 2024 ("Termination Date"), through the issuance of a termination notice dated 28 December 2023 to Y.K. Toranomom Properties ("YKTP"), a wholly-owned subsidiary of the TCC Group, as the master lessee of Kobe Retail Mall. In accordance with the terms of the Retail MLA, the Lessor has paid JPY3.68 billion (approximately SGD 32.85 million based on the assumed exchange rate of SGD 1 : JPY 112.04 as of 29 February 2024), which amount was computed in accordance with the terms of the Retail MLA based on the fair value of the Retail MLA as at the Termination Date as determined by a qualified independent valuer. The termination sum payable by the Lessor to YKTP pursuant to the terms of the Retail MLA up to the maximum cap was aggregated with other interested person transactions for the financial year ended 30 September 2017.

With the termination of the Retail MLA on the Termination Date of 1 March 2024, Japan Mall GK, an indirect wholly-owned subsidiary of FH-REIT, became the new master lessee of Kobe Retail Mall on the Termination Date and will assume all the economic benefits and losses attributable to Kobe Retail Mall with effect from 1 March 2024.

Except as disclosed above, there were no other interested person transactions (excluding transactions of less than \$100,000 each) entered into during the financial year under review nor any material contracts entered into by FHT that involved the interests of the Chief Executive Officer, any Director or any controlling Stapled Securityholder of FHT.

Note:

- ¹ The rental income disclosed as Interested Person Transactions above were received pursuant to Master Lease Agreements which were entered into in connection with the IPO of FHT and are deemed to have been specifically approved by Stapled Securityholders and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect FH-REIT. (See pages 342 and 343 of FHT's Prospectus dated 30 June 2014).
- ² Associates of "controlling stapled securityholder" of FH-REIT and FH-BT and "controlling shareholder" of REIT Manager and Trustee-Manager.

NOTICE OF ANNUAL GENERAL MEETING

FRASERS HOSPITALITY TRUST

A stapled group comprising:

FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 12 June 2014 under the laws of the Republic of Singapore)

FRASERS HOSPITALITY BUSINESS TRUST

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 10th annual general meeting (the “**Annual General Meeting**”) of Frasers Hospitality Trust (“**FHT**”) (a stapled group comprising Frasers Hospitality Real Estate Investment Trust (“**FH-REIT**”) and Frasers Hospitality Business Trust (“**FH-BT**”)) will be held at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 15 January 2025 at 10.00 a.m. for the following purposes:

ROUTINE BUSINESS

Ordinary Resolution 1

- To receive and adopt the Report of the Trustee-Manager and the Statement by the Trustee-Manager issued by Frasers Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of FH-BT (the “**Trustee-Manager**”), the Statement by the Chief Executive Officer of the Trustee-Manager, the Report of the Trustee issued by Perpetual (Asia) Limited, in its capacity as trustee of FH-REIT (the “**REIT Trustee**”), the Statement by the Manager issued by Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT (the “**REIT Manager**”), and together with the Trustee-Manager, the “**Managers**”) and the Audited Financial Statements of FHT (a stapled group comprising FH-REIT and FH-BT), FH-BT and FH-REIT for the financial year ended 30 September 2024 and the Auditors’ Report thereon.

Ordinary Resolution 2

- To re-appoint KPMG LLP as Auditors of FHT to hold office until the conclusion of the next annual general meeting of FHT and to authorise the REIT Manager and the Trustee-Manager to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following Ordinary Resolution:

Ordinary Resolution 3

- That authority be and is hereby given to the REIT Manager and the Trustee-Manager, to:
 - (i) issue new units in FH-REIT (“**FH-REIT Units**”) and new units in FH-BT (“**FH-BT Units**”, together with FH-REIT Units, the “**Stapled Securities**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities,

at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager and the Trustee-Manager may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) issue Stapled Securities in pursuance of any Instrument made or granted by the REIT Manager and the Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of Stapled Securities to be issued pursuant to this Resolution (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Stapled Securities (excluding treasury FH-REIT Units and FH-BT Units, if any) as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Stapled Securities to be issued other than on a *pro rata* basis to holders of the Stapled Securities ("**Stapled Securityholders**") does not exceed twenty per cent (20%) of the total number of issued Stapled Securities (excluding treasury FH-REIT Units and FH-BT Units, if any) as calculated in accordance with sub-paragraph (2) below;
- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (1) above, the total number of issued Stapled Securities (excluding treasury FH-REIT Units and FH-BT Units, if any) shall be based on the number of issued Stapled Securities (excluding treasury FH-REIT Units and FH-BT Units, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Stapled Securities;
- (3) in exercising the authority conferred by this Resolution, the REIT Manager and Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Business Trusts Act 2004 for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore (the "**MAS**")), trust deed constituting FH-REIT (as amended) (the "**FH-REIT Trust Deed**") for the time being in force (unless otherwise exempted or waived by the MAS), the trust deed constituting FH-BT (as amended) (the "**FH-BT Trust Deed**") for the time being in force (unless otherwise exempted or waived by the MAS) and the stapling deed (the "**Stapling Deed**") entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager for the time being in force (unless otherwise exempted or waived by the MAS);
- (4) unless revoked or varied by Stapled Securityholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of FHT or (ii) the date by which the next annual general meeting of FHT is required by the applicable law or regulations to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager and the Trustee-Manager are authorised to issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Stapled Securities are issued; and
- (6) the REIT Manager, the Trustee-Manager, any director of the REIT Manager or the Trustee-Manager (each a "**Director**" and collectively, the "**Directors**") and the REIT Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, the Trustee-Manager, such Director, or, as the case may be, the REIT Trustee may consider expedient or necessary or in the interest of FHT, FH-BT and FH-REIT to give effect to the authority conferred by this Resolution.

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

Frasers Hospitality Asset Management Pte. Ltd.

(as manager of Frasers Hospitality Real Estate Investment Trust)
(Company Registration No. 201331351D)

Frasers Hospitality Trust Management Pte. Ltd.

(as trustee-manager of Frasers Hospitality Business Trust)
(Company Registration No. 201401270M)

Catherine Yeo

Company Secretary
23 December 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

Format of Meeting

1. The Annual General Meeting will be held, in a wholly physical format, at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 15 January 2025 at 10.00 a.m.. Stapled Securityholders, including SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. There will be no option for Stapled Securityholders to participate virtually.
2. Printed copies of this Notice, the accompanying Proxy Form and the Notification & Request Form will be sent by post to Stapled Securityholders. These documents will also be published on FHT's website at the URL www.frasersproperty.com/reits/fht and the SGX-ST website at the URL www.sgx.com/securities/company-announcements. Additional printed copies of the Proxy Form, if required, can be requested from Boardroom Corporate & Advisory Services Pte. Ltd. by calling +65 6536 5355 or via email at FHTAGM2025@boardroomlimited.com. Requests for additional printed copies of the Proxy Form should be made by 5.00 p.m. on Friday, 3 January 2025.

Appointment of Proxy(ies)

3. A Stapled Securityholder who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in the Stapled Securityholder's stead. Where a Stapled Securityholder appoints more than one proxy, the appointments shall be invalid unless the Stapled Securityholder specifies in the proxy form the proportion of the Stapled Securityholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.
4. A Stapled Securityholder who is a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Stapled Securityholder, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder appoints more than one proxy, the appointments shall be invalid unless the Stapled Securityholder specifies in the proxy form the number of Stapled Securities in relation to which each proxy has been appointed.

"Relevant Intermediary" means: (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; or (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Stapled Securities in that capacity.

A Stapled Securityholder who wishes to appoint a proxy(ies) must complete the Proxy Form before submitting it in the manner set out below.

5. A proxy need not be a Stapled Securityholder. A Stapled Securityholder may choose to appoint the Chairman of the Annual General Meeting as his/her/its proxy.
6. The Proxy Form must be submitted to the Managers c/o the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
 - (a) if submitted by post, be lodged at the office of the Stapled Security Registrar at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Stapled Security Registrar at FHTAGM2025@boardroomlimited.com;

in either case, by 10.00 a.m. on Sunday, 12 January 2025, being 72 hours before the time fixed for the Annual General Meeting.

A Stapled Securityholder who wishes to submit a Proxy Form by post or via email can either use the printed copy of the Proxy Form which was sent to him/her/it by post or download a copy of the Proxy Form from FHT's website or the SGX-ST website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

7. SRS investors:
- (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective SRS Operators to submit their votes by 5.00 p.m. on Friday, 3 January 2025, being seven business days before the date of the Annual General Meeting.

Submission of Questions

8. Stapled Securityholders, including SRS investors may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting. In order for Stapled Securityholders to submit questions in advance of the Annual General Meeting, the questions must be submitted by 10.00 a.m. on Friday, 3 January 2025 in the following manner:
- (a) deposited at the registered office of the Managers at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958; or
 - (b) via email to the Managers, at ir@frasershospitality.com.

When submitting questions by post or via email, Stapled Securityholders should also provide the following information for authentication: (a) the Stapled Securityholder's full name; (b) the Stapled Securityholder's address; and (c) the manner in which the Stapled Securityholder holds the Stapled Securities in FHT (e.g., via CDP or SRS).

9. The Managers will address all substantial and relevant questions received from Stapled Securityholders by the 10.00 a.m. on Friday, 3 January 2025 deadline by publishing its responses to such questions on FHT's website at the URL www.frasersproperty.com/reits/fht and the SGX-ST website at the URL www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time for the submission of the Proxy Form. The Managers will respond to questions or follow-up questions submitted after the 10.00 a.m. on Friday, 3 January 2025 deadline either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Managers will consolidate such questions and consequently not all questions may be individually addressed.
10. Stapled Securityholders, including SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Annual General Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.

Access to Documents

11. CD-ROMs containing the Annual Report for the financial year ended 30 September 2024 will be sent by post to Stapled Securityholders. The document may also be accessed at FHT's website at the URL www.frasersproperty.com/reits/fht and the SGX-ST website at the URL www.sgx.com/securities/company-announcements. Printed copies of the Notification & Request Form will be sent to Stapled Securityholders by post for Stapled Securityholders to request for a printed copy of the Annual Report. Requests for a printed copy of the Annual Report should be made by submitting the request form to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
- (a) if submitted by post, be lodged at the office of the Stapled Security Registrar at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Stapled Security Registrar at FHTAGM2025@boardroomlimited.com;

in either case, by no later than 5.00 p.m. on Friday, 3 January 2025.

12. Stapled Securityholders should check FHT's website at www.frasersproperty.com/reits/fht for the latest updates on the status of the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE:

Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Managers from the date of this Annual General Meeting until the earliest of (i) the conclusion of the next annual general meeting of FHT, or (ii) the date by which the next annual general meeting of FHT is required by the FH-REIT Trust Deed, the FH-BT Trust Deed and the Stapling Deed or any applicable laws and regulations to be held, whichever is earlier, or (iii) the date on which such authority is revoked or varied by the Stapled Securityholders in a general meeting, to issue Stapled Securities and to make or grant instruments (such as securities, warrants or debentures) convertible into Stapled Securities and issue Stapled Securities pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any), with a sub-limit of 20% for issues other than on a *pro rata* basis to Stapled Securityholders.

For determining the aggregate number of Stapled Securities that may be issued, the percentage of issued Stapled Securities will be calculated based on the issued Stapled Securities at the time this Ordinary Resolution 3 is passed, after adjusting for new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Stapled Securities.

Fund raising by issuance of new Stapled Securities may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Stapled Securityholders is required under the Listing Manual of the SGX-ST, the FH-REIT Trust Deed, the FH-BT Trust Deed and the Stapling Deed or any applicable laws and regulations in such instances, the REIT Manager and the Trustee-Manager will then obtain the approval of Stapled Securityholders accordingly.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the Managers and the REIT Trustee (or their agents or service providers) for the processing, administration and analysis by the Managers and the REIT Trustee (or their agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Managers and the REIT Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to the Managers and the REIT Trustee (or their agents or service providers), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Managers and the REIT Trustee (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the Managers and the REIT Trustee (or their agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

IMPORTANT NOTICE

The value of the Stapled Securities and the income derived from them, if any, may fall or rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, the REIT Trustee 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 should note that they have no right to request the Managers to redeem or purchase their Stapled Securities for as long as the Stapled Securities are listed on the SGX-ST. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. The listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

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

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FRASERS HOSPITALITY TRUST

A stapled group comprising:

FRASERS HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 12 June 2014
under the laws of the Republic of Singapore)

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

IMPORTANT:

- The annual general meeting ("**Annual General Meeting**") will be held, in a wholly physical format, at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 15 January 2025 at 10.00 a.m.. **There will be no option for Stapled Securityholders to participate virtually.**
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
- This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
- SRS investors:
 - may vote at the Annual General Meeting if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or
 - may appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective SRS Operators to submit their votes by 5.00 p.m. on Friday, 3 January 2025, being seven business days before the date of the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 23 December 2024.

PROXY FORM ANNUAL GENERAL MEETING

*I/We _____ (Name) _____ (*NRIC No./Passport No./Company Registration No., where applicable) of _____ (Address) being a holder/s of units in Frasers Hospitality Real Estate Investment Trust ("**FH-REIT**") and units in Frasers Hospitality Business Trust ("**FH-BT**") (collectively, "**Stapled Securities**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend, and to vote for me/us on my/our behalf at the Annual General Meeting to be held at **10.00 a.m. on Wednesday, 15 January 2025** at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966, and at any adjournment thereof.

*I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at his/her/their discretion, as *he/ she/they may on any other matter arising at the Annual General Meeting (or any adjournment thereof). If no person is named in the above boxes, the Chairman of the Annual General Meeting shall be *my/our proxy/proxies to vote, for or against, or to abstain from voting on, the resolution to be proposed at the Annual General Meeting, for *me/us and on *my/our behalf at the Annual General Meeting and at any adjournment thereof.

Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes "For" or "Against" the relevant resolution, please tick (v) within the relevant box provided. Alternatively, if you wish your proxy/proxies to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Stapled Securities in the boxes provided. If you wish your proxy/proxies to abstain from voting on the resolution, please tick (v) within the "Abstain" box provided. Alternatively, please indicate the number of Stapled Securities that your proxy/proxies is/are directed to abstain from voting.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*	No. of Votes to Abstain*
ROUTINE BUSINESS				
1.	To receive and adopt the Trustee-Manager's Report, the Trustee-Manager's Statement, the Statement by the Chief Executive Officer of the Trustee-Manager, the REIT Trustee's Report, the REIT Manager's Statement and the Audited Financial Statements of FHT, FH-BT and FH-REIT for the financial year ended 30 September 2024 and the Auditor's Report thereon (Ordinary Resolution)			
2.	To re-appoint KPMG LLP as Auditors of FHT comprising FH-REIT and FH-BT to hold office until the conclusion of the next annual general meeting of FHT, and to authorise the REIT Manager and the Trustee-Manager to fix their remuneration (Ordinary Resolution)			
SPECIAL BUSINESS				
3.	To authorise the REIT Manager and the Trustee-Manager to issue Stapled Securities and to make or grant convertible instruments (Ordinary Resolution)			

Dated this _____ day of _____ 2024/2025 (delete as appropriate)

Total number of Stapled Securities held (Note 1)

Signature(s) of Stapled Securityholder(s)
or Common Seal of Corporate Stapled Securityholder

Email Address of Stapled Securityholder(s) (optional):

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM.

Fold here, do not staple. Glue all sides firmly.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

NOTES:

1. A Stapled Securityholder should insert the total number of Stapled Securities held. If the Stapled Securityholder has Stapled Securities entered against the Stapled Securityholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the Stapled Securityholder should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities registered in the Stapled Securityholder's name in the Register of Stapled Securityholders of FHT, the Stapled Securityholder should insert that number of Stapled Securities.

If the Stapled Securityholder has Stapled Securities entered against the Stapled Securityholder's name in the said Depository Register and registered in the Stapled Securityholder's name in the Register of Stapled Securityholders, the Stapled Securityholder should insert the aggregate number of Stapled Securities. If no number is inserted, this Proxy Form will be deemed to relate to all the Stapled Securities held by the Stapled Securityholder.

2. A Stapled Securityholder who is not a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the Stapled Securityholder. A proxy need not be a Stapled Securityholder. Where a Stapled Securityholder appoints more than one proxy, the appointments shall be invalid unless the Stapled Securityholder specifies the proportion of the Stapled Securityholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.
3. A Stapled Securityholder who is a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Stapled Securityholder, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder appoints more than one proxy, the appointments shall be invalid unless the Stapled Securityholder specifies the number of Stapled Securities in relation to which each proxy has been appointed.

"**Relevant Intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Stapled Securities in that capacity
4. A proxy need not be a Stapled Securityholder. A Stapled Securityholder may choose to appoint the Chairman of the Annual General Meeting as his/her/its proxy.

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Company Secretary

Frasers Hospitality Asset Management Pte. Ltd.
(as manager of Frasers Hospitality Real Estate Investment Trust)

Frasers Hospitality Trust Management Pte. Ltd.
(as trustee-manager of Frasers Hospitality Business Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

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5. This Proxy Form must be submitted to the Managers c/o the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

- (a) if submitted by post, be lodged at the office of the Stapled Security Registrar at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to the Stapled Security Registrar at FHTAGM2025@boardroomlimited.com,

in either case, by 10.00 a.m. on Sunday, 12 January 2025, being 72 hours before the time fixed for the Annual General Meeting.

A Stapled Securityholder who wishes to submit a Proxy Form by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from FHT's website or the SGX-ST website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. Completion and return of this Proxy Form shall not preclude a Stapled Securityholder from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Stapled Securityholder attends the Annual General Meeting in person, and in such event, the Managers reserve the right to refuse to admit any person or persons appointed under this Proxy Form, to the Annual General Meeting.
7. This Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Stapled Securityholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Managers) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Managers shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Stapled Securities entered in the Depository Register, the Managers may reject a Proxy Form if the Stapled Securityholder, being the appointor, is not shown to have Stapled Securities entered against the Stapled Securityholder's name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by CDP to the Managers.

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FRASERS HOSPITALITY ASSET MANAGEMENT PTE. LTD.

As REIT Manager of Frasers Hospitality Real Estate Investment Trust
Company Registration Number 201331351D

FRASERS HOSPITALITY TRUST MANAGEMENT PTE. LTD.

As Trustee-Manager of Frasers Hospitality Business Trust
Company Registration Number 201401270M

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

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frasershospitalitytrust.com

