



**FRASERS HOSPITALITY TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2017**

Fraser Hospitality Trust ("FHT" or the "Trust") is a stapled group comprising Fraser Hospitality Real Estate Investment Trust ("FH-REIT") and Fraser Hospitality Business Trust ("FH-BT"). FHT is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, which is used primarily for hospitality and/or hospitality-related purposes, as well as real estate-related assets in connection to the foregoing.

The portfolio of FHT comprises 15 properties, comprising nine hotels (the "Hotels") and six serviced residences (the "Serviced Residences", and together with the Hotels, the "Properties"), with a total of 3,072 hotel rooms and 842 Serviced Residence units. The Properties are located in Singapore, Australia, the United Kingdom, Japan, Malaysia and Germany.

Hotels	Market Segment*	Number of Rooms
InterContinental Singapore	Luxury	406
Sofitel Sydney Wentworth	Luxury	436
ANA Crowne Plaza Kobe	Upper Upscale	593
The Westin Kuala Lumpur	Upper Upscale	443
Maritim Hotel Dresden	Upscale	328
Novotel Melbourne on Collins	Upscale	380
Novotel Rockford Darling Harbour	Mid-scale	230
Park International London	Mid-scale	171
Best Western Cromwell London	Mid-scale	85
Total		3,072

Serviced Residences	Market Segment*	Number of Units
Fraser Suites Singapore	Upper Upscale	255
Fraser Suites Sydney	Upper Upscale	201
Fraser Place Canary Wharf	Upper Upscale	108
Fraser Suites Queens Gate	Upper Upscale	105
Fraser Suites Glasgow	Upper Upscale	98
Fraser Suites Edinburgh	Upper Upscale	75
Total		842

* Based on STR Global Chain Scales

Distribution Policy

Distributions from FHT comprise distributions from FH-REIT and FH-BT.

FH-REIT's distribution policy is to distribute 100.0% of FH-REIT's Distributable Income for the period from the listing date of FHT (being 14 July 2014) to 30 September 2015 and at least 90.0% of its Distributable Income thereafter.

FH-BT's distribution policy will be 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 Board of Directors of Fraser Hospitality Trust Management Pte. Ltd. ("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 periods ending on each of the said dates. Fraser Hospitality Asset Management Pte. Ltd. ("REIT Manager") and Trustee-Manager (collectively, 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.

1 (a) (i) Consolidated Statements of Total Return and Statements of Comprehensive Income for 1Q 2018 and 1Q 2017

Note	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT
	1Q 2018			1Q 2017			Variance		
	1 Oct 2017 to 31 Dec 2017			1 Oct 2016 to 31 Dec 2016			Increase/(Decrease)		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%	%	%
Master lease rental	31,959	36,308	-	32,281	35,508	-	(1.0)	2.3	-
Room revenue	7,444	-	7,444	5,753	-	5,753	29.4	-	29.4
Food & beverage revenue	1,742	-	1,742	1,268	-	1,268	37.4	-	37.4
Other income	305	-	305	252	-	252	21.0	-	21.0
Gross revenue	41,450	36,308	9,491	39,554	35,508	7,273	4.8	2.3	30.5
Property tax	(2,633)	(2,633)	-	(2,513)	(2,513)	-	4.8	4.8	-
Property insurance	(334)	(309)	(25)	(344)	(344)	-	(2.9)	(10.2)	100.0
Property management fees	(1,363)	(1,363)	-	(1,402)	(1,402)	-	(2.8)	(2.8)	-
Other property expenses	(887)	(887)	-	(945)	(945)	-	(6.1)	(6.1)	-
Operations and maintenance expenses	(1,615)	(24)	(1,875)	(1,311)	-	(1,527)	23.2	100.0	22.8
Energy and utilities expenses	(109)	-	(109)	(114)	-	(114)	(4.4)	-	(4.4)
Hotel management fee	(305)	-	(305)	(225)	-	(225)	35.6	-	35.6
Rental expense	-	-	(4,349)	-	-	(3,227)	-	-	34.8
Staff costs	(1,896)	-	(1,896)	(1,487)	-	(1,487)	27.5	-	27.5
Marketing expenses	(676)	-	(676)	(471)	-	(471)	43.5	-	43.5
Administrative expenses	(183)	-	(183)	(227)	-	(227)	(19.4)	-	(19.4)
Property operating expenses	(10,001)	(5,216)	(9,418)	(9,039)	(5,204)	(7,278)	10.6	0.2	29.4
Net property income	31,449	31,092	73	30,515	30,304	(5)	3.1	2.6	NM
Depreciation	(1,122)	-	(282)	(1,591)	-	(666)	(29.5)	-	(57.7)
Acquisition fee paid in Stapled Securities	-	-	-	(2,447)	(2,413)	(34)	(100.0)	(100.0)	(100.0)
REIT Manager's management fees	(1,894)	(1,894)	-	(1,400)	(1,400)	-	35.3	-	35.3
Trustee-Manager's management fees	(13)	-	(13)	(19)	-	(19)	(31.6)	-	(31.6)
Other management fees	(1,340)	(1,340)	-	(1,251)	(1,251)	-	7.1	7.1	-
Trustees' fees	(126)	(126)	-	(124)	(124)	-	1.6	1.6	-
Other trust expenses	(305)	(288)	(17)	(1,267)	(1,243)	(26)	(75.9)	(76.8)	(34.6)
Non-capitalisable expenses in relation to assets acquisition and Rights Issue	-	-	-	(493)	(428)	(65)	(100.0)	(100.0)	(100.0)
Finance income	98	91	7	106	103	3	(7.5)	(11.7)	>100.0
Amortisation of debt upfront costs	(803)	(803)	-	(421)	(421)	-	90.7	90.7	-
Finance costs	(5,047)	(5,047)	-	(4,358)	(4,358)	-	15.8	15.8	-
Total return before foreign exchange differences, fair value changes and tax	20,897	21,685	(232)	17,250	18,769	(812)	21.1	15.5	(71.4)
Foreign exchange gain/(loss), net	38	43	(5)	729	730	(1)	(94.8)	(94.1)	>100.0
Net change in fair value of investment property / property, plant and equipment	-	-	-	(11,941)	(11,941)	-	(100.0)	(100.0)	-
Net change in fair value of derivative financial instruments	228	228	-	10,882	10,882	-	(97.9)	(97.9)	-
Realised loss on derivative financial instruments, net	(154)	(154)	-	(323)	(323)	-	(52.3)	(52.3)	-
Total return for the Period before tax	21,009	21,802	(237)	16,597	18,117	(813)	26.6	20.3	(70.8)
Taxation	(1,451)	(1,427)	(24)	(1,265)	(1,261)	(4)	14.7	13.2	>100.0
Total return for the Period after tax	19,558	20,375	(261)	15,332	16,856	(817)	27.6	20.9	(68.1)
Other comprehensive income									
Items that may be reclassified subsequently to statement of total return:									
Effective portion of changes in fair value of cash flow hedges	350	350	-	5,350	5,350	-	(93.5)	(93.5)	-
Net change in fair value of cash flow hedges reclassified to total return	620	620	-	(902)	(902)	-	NM	NM	-
Foreign currency translation differences	(19,116)	(18,910)	(191)	(20,527)	(20,529)	-	(6.9)	(7.9)	100.0
Total comprehensive income for the Period	1,412	2,435	(452)	(747)	775	(817)	NM	>100.0	(44.7)

NM - Not meaningful

1 (a) (i) Consolidated Distribution Statements for 1Q 2018 and 1Q 2017

Reconciliation of total return to income available for distribution

Note	1Q 2018			1Q 2017			Variance		
	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT
	1 Oct 2017 to 31 Dec 2017			1 Oct 2016 to 31 Dec 2016			Increase/(Decrease)		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%	%	%
Total return for the Period after tax	19,558	20,375	(261)	15,332	16,856	(817)	27.6	20.9	(68.1)
(Non-taxable) / non-tax deductible items and other adjustments:									
Acquisition fee paid in Stapled Securities	-	-	-	2,447	2,413	34	(100.0)	(100.0)	(100.0)
Amortisation of debt upfront costs	803	803	-	421	421	-	90.7	90.7	-
Amortisation of other assets	18	18	-	18	18	-	-	-	-
Depreciation	1,122	-	282	1,591	-	666	(29.5)	-	(57.7)
Foreign exchange loss/(gain), net	(40)	(45)	5	56	56	1	NM	NM	>100.0
Non-capitalisable expenses in relation to assets acquisition and Rights Issue	-	-	-	493	428	65	(100.0)	(100.0)	(100.0)
Net change in fair value of investment property / property, plant and equipment	-	-	-	11,941	11,941	-	(100.0)	(100.0)	-
Net change in fair value of derivative financial instruments	(228)	(228)	-	(10,882)	(10,882)	-	(97.9)	(97.9)	-
Other management fees paid and payable in Stapled Securities	(p) 1,266	1,266	-	1,177	1,177	-	7.6	7.6	-
Property management fees paid and payable in Stapled Securities, net of withholding tax	(q) 1,357	1,357	-	1,389	1,389	-	(2.3)	(2.3)	-
REIT Manager's management fees paid and payable in Stapled Securities	1,894	1,894	-	1,400	1,400	-	35.3	35.3	-
Trustee-Manager's management fees paid and payable in Stapled Securities	13	-	13	19	-	19	(31.6)	-	(31.6)
Trustee's fees in relation to FH-REIT	75	75	-	72	72	-	4.2	4.2	-
Other adjustments	(r) (267)	17	-	59	59	217	NM	(71.2)	(100.0)
Net effect of (non-taxable) / non-tax deductible items and other adjustments	6,013	5,157	300	10,201	8,492	1,002	(41.1)	(39.3)	(70.1)
Income available for distribution	25,571	25,532	39	25,533	25,348	185	0.1	0.7	(78.9)
Income available for distribution attributable to:									
- Stapled Securityholders	24,449	24,410	39	24,411	24,226	185	0.2	0.8	(78.9)
- Perpetual Securities holders	1,122	1,122	-	1,122	1,122	-	-	-	-
	25,571	25,532	39	25,533	25,348	185	0.1	0.7	(78.9)

NM - Not meaningful

Footnotes:

- (a) The master lease rental earned by FH-REIT from FH-BT is eliminated at FHT level. Consequently, only the income arising from the hotel operations of Novotel Melbourne on Collins are reflected at FHT level.
- (b) The increase in property tax was mainly contributed by United Kingdom properties and Australia properties.
- (c) Novotel Melbourne on Collins was classified as property, plant and equipment in FHT's financial statements. As part of the furniture, fittings and equipment has been fully depreciated, it has resulted in a decrease in depreciation expense.
- (d) The acquisition fee paid to FHT Australia Management Pty Ltd ("MIT Manager") and Trustee-Manager in stapled securities were in relation to the acquisition of the Novotel Melbourne on Collins and the Hotel Assets respectively as announced by FHT on SGX-ST on 24 October, 31 October and 30 December 2016.
- (e) Lower management fee in 1Q FY2017 mainly due to the effect of the "Fee Reduction" exercise, please refer to FHT's announcements on the SGX-ST dated 31 October 2016 for further details.
- (f) Other management fees mainly relates to MIT Manager's management fee.
- (g) Other trust expenses mainly relates to professional fees, audit fees, tax fees and administrative expenses. Expenses were lower in 1Q FY2018 due to absence of one-off expenses.
- (h) The expenses relates to professional fees and miscellaneous expenses incurred in relation to (a) the underwritten and renounceable rights issue (the "Rights Issue") of 441,549,281 new Stapled Securities in FHT which was launched and announced on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 September 2016 (the "Launch Announcement") and completed on 17 October 2016; and (b) acquisition of Novotel Melbourne on Collins and the related Hotel Assets as defined in the Launch Announcement.
- (i) The increase was mainly due to accelerated amortisation of debt upfront costs on S\$110 million of Facility B which was partially prepaid on 14 November 2017.
- (j) Finance costs comprise interest expense on FH-REIT Group's borrowings in SGD, JPY, MYR and AUD as well as net interest expense or income arising from the interest rate swaps and cross currency swaps. Interest expense was higher in 1Q FY2018 mainly due to refinancing of bank borrowings to bonds of a longer tenure in FY2017, as well as higher market interest rate compared to when the bank borrowings were taken in 2014.
- (k) The revaluation of property, plant and equipment is attributable to Novotel Melbourne on Collins which has been classified as property, plant and equipment in FHT's financial statements.
- (l) This mainly relates to unrealised net gains arising from revaluation of foreign currency forwards contracts. The JPYSGD cross currency interest rate swap which was settled in Q4 FY2017 contributed \$10.8 million fair value gain in 1Q FY2017.
- (m) This relates to net realised loss arising from the settlement of foreign currency forwards contracts.
- (n) This relates to net fair value gain arising from the interest rate swaps.
- (o) This relates to exchange differences arising from translation of the results and the financial position of all the Group entities with functional currencies other than SGD. The fair value changes in the cross currency swaps which are designated as net investment hedges are recorded in foreign currency translation reserve at the consolidation level.
- (p) MIT Manager's management fee which is payable in Stapled Securities.
- (q) Property management fee includes service residences management fee and trademark licence fee which are payable in Stapled Securities.
- (r) Other adjustments are in relation to other non-tax deductible and non-taxable items.
- (s) Distribution of FHT represents the aggregate of distributions by FH-REIT and FH-BT.

1 (b) (i) Statements of Financial Position

Note	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT
	31 Dec 2017			30 Sep 2017		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets						
Investment properties	2,157,283	2,413,943	-	2,172,119	2,435,515	-
Property, plant and equipment	259,542	-	3,504	267,282	-	3,886
Derivative financial instruments	(b) 2,607	2,607	-	630	630	-
Rental deposits	-	-	1,805	-	-	1,853
Deferred expense	-	-	2,219	-	-	2,277
Deferred tax assets	(c) 467	-	467	479	-	479
	2,419,899	2,416,550	7,995	2,440,510	2,436,145	8,495
Current assets						
Inventories	57	-	57	58	-	58
Other assets	103	103	-	121	121	-
Prepayments	1,758	1,363	395	1,539	1,292	247
Trade and other receivables	(d) 10,992	10,870	3,079	11,907	11,173	3,253
Derivative financial instruments	58	58	-	1	1	-
Cash and cash equivalents	64,021	60,685	3,336	79,755	76,796	2,959
	76,989	73,079	6,867	93,381	89,383	6,517
Total assets	2,496,888	2,489,629	14,862	2,533,891	2,525,528	15,012
Current liabilities						
Trade and other payables	(e) 18,812	14,624	7,802	17,956	13,921	7,160
Deferred income	672	672	-	1,092	1,092	-
Derivative financial instruments	416	416	-	698	698	-
Borrowings	(f) 134,505	134,505	-	134,760	134,760	-
Income tax payables	4,592	4,574	18	3,839	3,839	-
	158,997	154,791	7,820	158,345	154,310	7,160
Net current liabilities	(g) (82,008)	(81,712)	(953)	(64,964)	(64,927)	(643)
Non-current liabilities						
Rental deposits	21,500	23,305	-	21,735	23,588	-
Other payables	220	-	220	168	-	168
Deferred income	9,708	11,927	-	9,877	12,154	-
Derivative financial instruments	(h) 4,948	4,948	-	8,666	8,666	-
Borrowings	(f) 686,764	686,764	-	676,182	676,182	-
Deferred tax liabilities	(i) 51,665	51,665	-	52,746	52,746	-
	774,805	778,609	220	769,374	773,336	168
Total Liabilities	933,802	933,400	8,040	927,719	927,646	7,328
Net assets	1,563,086	1,556,229	6,822	1,606,172	1,597,882	7,684
Represented by:						
Stapled Securityholders' funds						
Stapled Securities in issue	1,501,594	1,492,116	9,478	1,497,064	1,487,599	9,465
Issue costs	(25,764)	(25,759)	(5)	(25,764)	(25,759)	(5)
Revenue reserves	94,232	102,447	(2,634)	122,581	129,556	(1,950)
Hedging reserve	(1,434)	(1,434)	-	(2,404)	(2,404)	-
Foreign currency translation reserve	(110,335)	(110,299)	(17)	(91,219)	(91,389)	174
Revaluation reserve	5,635	-	-	5,635	-	-
	1,463,928	1,457,071	6,822	1,505,893	1,497,603	7,684
Perpetual Securities holders' funds						
	99,158	99,158	-	100,279	100,279	-
	1,563,086	1,556,229	6,822	1,606,172	1,597,882	7,684

Footnotes:

- (a) In FHT's financial statements, the property, plant and equipment relates to the land, building, furniture, fittings and equipment of Novotel Melbourne on Collins. This hotel is classified as property held for own use instead of as an investment property. Accordingly, we have treated this hotel as property, plant and equipment and applied the revaluation model of FRS 16 *Property, Plant and Equipment* where the asset is depreciated during the period and revalued at least once a year at the end of financial year. The lower net book value as at 31 December 2017 is due to depreciation expense as well as translation difference arising from translating the net book value from AUD to SGD.
- (b) Derivative financial instruments (non-current assets) relate to fair value of cross currency swap contracts.
- (c) The deferred tax asset was mainly arising from the difference in tax written down value as compared to the net book value of the property, plant and equipment of Novotel Melbourne on Collins.
- (d) Trade and other receivables mainly comprise GST receivable, rental income receivable from master lessees and trade receivables from hotel operations.
- (e) Trade and other payables mainly comprise trade creditors, GST payable, provision for withholding tax and property tax, accruals for interest expense payable to banks, and accruals for professional fees.
- (f) The short-term unsecured borrowing includes S\$13.2 million drawn down from a revolving credit facility of S\$25 million as at 31 December 2017. For the breakdown of total borrowings into short-term and long-term borrowings, please refer to 1(b)(ii) below.
- (g) The net current liabilities position as at 31 December 2017 was mainly due to A\$117.2 million Term Loan Facility due within the next 12 months. Notwithstanding the net current liabilities position, based on FHT's existing financial resources, the Managers are of the opinion that FHT will be able to refinance its borrowings and meet its current obligations as and when they fall due.
- (h) Derivative financial instruments (non-current liabilities) relate to fair value of cross currency swaps and interest rate swaps.
- (i) This relates to deferred tax on the revaluation gains on the investment properties and property, plant and equipment.
- (j) The revaluation reserve was mainly due to Novotel Melbourne on Collins being treated as property plant and equipment in FHT's financial statements and the adoption of the revaluation model under FRS 16 *Property, Plant and Equipment* where the asset is depreciated during the year and revalued at least annually at the end of the financial year.
- (k) This relates to S\$100 million of fixed rate subordinated perpetual securities issued in May 2016, including accrued distributions and net of capitalisable issue costs. The decrease in balance was due to a distribution made to Perpetual Securities holders on 13 November 2017.

1 b (ii) Aggregate Amount of Borrowings

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

FHT		FHT	
As at 31 Dec 2017		As at 30 Sep 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	134,505 ⁽¹⁾	-	134,760 ⁽¹⁾
31,282 ⁽²⁾	655,482 ⁽³⁾	30,509 ⁽²⁾	645,673 ⁽³⁾

* net of transaction costs

Details of borrowings and collateral:

- (1) The unsecured borrowing relates to A\$117.2 million of Term Loan Facility maturing 3 years from 7 July 2015 and short-term unsecured borrowing of S\$13.1 million from a revolving credit facility of S\$25 million with DBS Bank Ltd.
- (2) The secured borrowing was drawn under the MYR95 million Senior Bond and the interest rate on this borrowing is 4.9% p.a.. The Senior Bond will mature 5 years from 14 July 2014 and is secured by a property, The Westin Kuala Lumpur.
- (3) The unsecured borrowings were drawn from (i) Facility B of S\$500 million of Term Loan Facility with loan maturing 5 years from 14 July 2014, (ii) the JPY2.35 billion Kobe Excellence TMK series 1 Bonds maturing 5 years from 14 July 2014, (iii) the S\$120 million 2.63% series 002 Notes due July 2022, and (iv) the S\$120 million 3.08% series 003 Notes due November 2024. S\$110 million of Facility B was partially prepaid on 14 November 2017. Please refer to FHT's announcement on the SGX-ST dated 14 November 2017 for further details.

1 (c) Consolidated Cash Flows Statements

Note	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT
	1Q 2018			1Q 2017		
	1 Oct 2017 to 31 Dec 2017			1 Oct 2016 to 31 Dec 2016		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Total return before tax	21,009	21,802	(237)	16,597	18,117	(813)
Adjustments for:						
Acquisition fee paid in Stapled Securities	-	-	-	2,447	2,413	34
Amortisation of debt upfront costs	803	803	-	421	421	-
Amortisation of other assets	18	18	-	18	18	-
Depreciation	1,122	-	282	1,591	-	666
Finance costs	5,047	5,047	-	4,358	4,358	-
Finance income	(98)	(91)	(7)	(106)	(103)	(3)
Net change in fair value of derivative financial instruments	(228)	(228)	-	(10,882)	(10,882)	-
Net change in fair value of change in investment properties	-	-	-	11,941	11,941	-
Other management fees paid and payable in Stapled Securities	1,266	1,266	-	1,177	1,177	-
Property, plant and equipment written off	(1)	-	(1)	-	-	-
Property management fees paid and payable in Stapled Securities	1,357	1,357	-	1,389	1,389	-
REIT Manager's management fees paid and payable in Stapled Securities	1,894	1,894	-	1,400	1,400	-
Trustee-Manager's management fees paid and payable in Stapled Securities	13	-	13	19	-	19
Unrealised (gain)/loss on foreign exchange, net	(32)	(36)	4	(46)	(46)	(1)
Cash generated from/(used in) operations before working capital changes	32,170	31,832	54	30,324	30,203	(98)
Changes in working capital:						
Inventories	1	-	1	(13)	-	(13)
Prepayments	(219)	(71)	(148)	(154)	(183)	29
Trade and other receivables	974	174	174	4,448	4,298	228
Trade and other payables	(1,702)	(1,802)	792	2,510	2,268	323
Rental deposits	-	-	-	-	4,152	(4,092)
Deferred income	(410)	(410)	-	(5)	(5)	-
Cash generated from/(used in) operations	30,814	29,723	873	37,110	40,733	(3,623)
Tax paid	(410)	(403)	(7)	(1,637)	(1,637)	(4)
Interest income received	98	91	7	106	103	3
Net cash generated from/(used in) operating activities	30,502	29,411	873	35,579	39,199	(3,624)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of investment properties	-	-	-	-	(255,205)	-
Additions to investment properties	(4,362)	(4,362)	-	(905)	(905)	-
Acquisition of hotel assets/business, net of cash acquired	-	-	-	(2,762)	-	(2,762)
Additions to property, plant & equipment	(218)	-	-	(231,457)	24,085	(333)
Net cash used in investing activities	(4,580)	(4,362)	-	(235,124)	(232,025)	(3,095)
CASH FLOWS FROM FINANCING ACTIVITIES						
Distribution paid to Stapled Securityholders	(46,785)	(46,362)	(423)	(42,873)	(42,873)	-
Distribution paid to Perpetual Securities holders	(2,243)	(2,243)	-	(2,243)	(2,243)	-
Finance costs paid	(4,009)	(4,009)	-	(3,782)	(3,782)	-
Issue costs in relation to Perpetual Securities	-	-	-	(43)	(43)	-
Issue costs in relation to Rights Issue	-	-	-	(2,708)	(2,641)	(67)
Proceeds from Rights Issue	-	-	-	266,254	256,898	9,356
Proceeds from borrowings, net of debt upfront costs	132,578	132,578	-	-	-	-
Repayment of borrowings	(120,200)	(120,200)	-	(14,150)	(14,150)	-
Net cash (used in)/generated from financing activities	(40,659)	(40,236)	(423)	200,455	191,166	9,289

1 (c) Consolidated Cash Flows Statements (Cont'd)

	1Q 2018			1Q 2017		
	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT
	1 Oct 2017 to 31 Dec 2017			1 Oct 2016 to 31 Dec 2016		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net (decrease)/increase in cash and cash equivalents	(14,737)	(15,187)	450	910	(1,660)	2,570
Cash and cash equivalents at beginning of the financial Period	79,755	76,796	2,959	64,385	64,381	4
Effect of exchange rate changes on cash and cash equivalents	(997)	(924)	(73)	(2,881)	(2,881)	-
Cash and cash equivalents at end of the financial Period	64,021	60,685	3,336	62,414	59,840	2,574

Note

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	1Q 2018			1Q 2017		
	FHT	FH-REIT	FH-BT	FHT	FH-REIT	FH-BT
	1 Oct 2017 to 31 Dec 2017			1 Oct 2016 to 31 Dec 2016		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cash and cash equivalent comprise:						
Cash and bank balances	58,033	54,697	3,336	58,673	56,099	2,574
Fixed deposits	5,988	5,988	-	3,741	3,741	-
Cash and cash equivalents	64,021	60,685	3,336	62,414	59,840	2,574

Footnote:

(a) On 14 October 2016, FHT issued 441,549,281 Rights Stapled Securities pursuant to the Rights Issue at an issue price of S\$0.603 per Rights Stapled Security. The gross proceeds from the Rights Issue was S\$266.3 million.

1 (d) (i) Statements of Changes in Stapled Securityholders' Funds

FHT	Note	Attributable to Stapled Securityholders						Perpetual Securities holders' funds	Total	
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve	Revaluation reserve			Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000
At 1 Oct 2017		1,497,064	(25,764)	122,581	(2,404)	(91,219)	5,635	1,505,893	-	1,505,893
Total return for the Period, net of tax		-	-	19,558	-	-	-	19,558	-	19,558
Total return for the Period, attributable to Perpetual Securities holders		-	-	(1,122)	-	-	-	(1,122)	-	(1,122)
Other comprehensive income										
Effective portion of changes in fair value of cash flow hedges		-	-	-	350	-	-	350	-	350
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	620	-	-	620	-	620
Foreign currency translation differences		-	-	-	-	(19,116)	-	(19,116)	-	(19,116)
Total comprehensive income for the Period, net of tax		-	-	-	970	(19,116)	-	(18,146)	-	(18,146)
Contributions by and distributions to Stapled Securityholders										
REIT Manager's management fees paid and payable in Stapled Securities	(a)	1,894	-	-	-	-	-	1,894	-	1,894
Trustee-Manager's management fees paid and payable in Stapled Securities	(a)	13	-	-	-	-	-	13	-	13
Other management fees paid and payable in Stapled Securities	(a)	1,266	-	-	-	-	-	1,266	-	1,266
Property management fees paid and payable in Stapled Securities	(a)	1,357	-	-	-	-	-	1,357	-	1,357
Distributions to Stapled Securityholders		-	-	(46,785)	-	-	-	(46,785)	-	(46,785)
Total contributions by and distributions to Stapled Securityholders		4,530	-	(46,785)	-	-	-	(42,255)	-	(42,255)
Stapled Securityholders' funds at 31 Dec 2017		1,501,594	(25,764)	94,232	(1,434)	(110,335)	5,635	1,463,928	-	1,463,928
At 1 Oct 2017		-	-	-	-	-	-	-	100,279	100,279
Contributions by and distributions to Perpetual Securities holders										
Total return for the Period, attributable to Perpetual Securities holders		-	-	-	-	-	-	-	1,122	1,122
Distribution to Perpetual Securities holders		-	-	-	-	-	-	-	(2,243)	(2,243)
At 31 Dec 2017		-	-	-	-	-	-	-	99,158	99,158
Perpetual Securities holders' funds at 31 Dec 2017		-	-	-	-	-	-	-	99,158	99,158
At 31 Dec 2017		1,501,594	(25,764)	94,232	(1,434)	(110,335)	5,635	1,463,928	99,158	1,563,086

Footnote:

- (a) This represents Stapled Securities to be issued as payment of management fees in lieu of cash i.e. REIT Manager's management fee, Trustee-Manager's management fee, MIT Manager's management fee and property management fee. 2,327,985 Stapled Securities and 1,728,260 Stapled Securities relating to base management fee and property management fee respectively for the period from 1 October 2017 to 31 December 2017 will be issued in May 2018. Stapled Securities relating to performance management fee for the period from 1 October 2017 to 31 December 2017 will be issued after the end of financial year.

1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)

FHT	Note	Attributable to Stapled Securityholders						Perpetual Securities holders' funds	Total
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve	Total		
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 Oct 2016		1,202,801	(23,482)	60,054	(4,340)	(91,142)	1,143,891	-	1,143,891
Total return for the Period, net of tax		-	-	15,332	-	-	15,332	-	15,332
Total return for the Period, attributable to Perpetual Securities holders		-	-	(1,122)	-	-	(1,122)	-	(1,122)
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedges		-	-	-	5,350	-	5,350	-	5,350
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	(902)	-	(902)	-	(902)
Foreign currency translation differences		-	-	-	-	(20,527)	(20,527)	-	(20,527)
Total comprehensive income for the Period, net of tax		-	-	-	4,448	(20,527)	(16,079)	-	(16,079)
Contributions by and distributions to Stapled Securityholders									
Issue costs		-	(2,336)	-	-	-	(2,336)	-	(2,336)
REIT Manager's management fees paid in Stapled Securities		3,381	-	-	-	-	3,381	-	3,381
Other management fees paid in Stapled Securities		1,518	-	-	-	-	1,518	-	1,518
Property management fees paid in Stapled Securities		2,956	-	-	-	-	2,956	-	2,956
Acquisition fee paid in Stapled Securities		2,447	-	-	-	-	2,447	-	2,447
Rights Issue		266,254	-	-	-	-	266,254	-	266,254
Distributions to Stapled Securityholders		-	-	(42,873)	-	-	(42,873)	-	(42,873)
Total contributions by and distributions to Stapled Securityholders		276,556	(2,336)	(42,873)	-	-	231,347	-	231,347
Stapled Securityholders' funds at 31 Dec 2016		1,479,357	(25,818)	31,391	108	(111,669)	1,373,369	-	1,373,369
At 1 Oct 2016		-	-	-	-	-	-	100,259	100,259
Contributions by and distributions to Perpetual Securities holders									
Issue costs		-	-	-	-	-	-	20	20
Total return for the Period, attributable to Perpetual Securities holders		-	-	-	-	-	-	1,122	1,122
Distribution to Perpetual Securities holders		-	-	-	-	-	-	(2,243)	(2,243)
At 31 Dec 2016		-	-	-	-	-	-	99,158	99,158
Perpetual Securities holders' funds at 31 Dec 2016		-	-	-	-	-	-	99,158	99,158
At 31 Dec 2016		1,479,357	(25,818)	31,391	108	(111,669)	1,373,369	99,158	1,472,527

1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)

		Attributable to Stapled Securityholders					Perpetual Securities holders' funds		Total
	Note	Stapled Securities in issue S\$'000	Issue costs S\$'000	Revenue reserves S\$'000	Hedging reserve S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	S\$'000	S\$'000
FH-REIT									
At 1 Oct 2017									
Total return for the Period, net of tax		1,487,599	(25,759)	129,556	(2,404)	(91,389)	1,497,603	-	1,497,603
Total return for the Period, attributable to Perpetual Securities holders		-	-	20,375	-	-	20,375	-	20,375
Other comprehensive income		-	-	(1,122)	-	-	(1,122)	-	(1,122)
Effective portion of changes in fair value of cash flow hedges		-	-	-	350	-	350	-	350
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	620	-	620	-	620
Foreign currency translation differences		-	-	-	-	(18,910)	(18,910)	-	(18,910)
Total comprehensive income for the Period, net of tax		-	-	-	970	(18,910)	(17,940)	-	(17,940)
Contributions by and distributions to Stapled Securityholders									
REIT Manager's management fee paid and payable in Stapled Securities	(a)	1,894	-	-	-	-	1,894	-	1,894
Other management fees paid and payable in Stapled Securities	(a)	1,266	-	-	-	-	1,266	-	1,266
Property management fees paid and payable in Stapled Securities	(a)	1,357	-	-	-	-	1,357	-	1,357
Distributions to Stapled Securityholders		-	-	(46,362)	-	-	(46,362)	-	(46,362)
Total contributions by and distributions to Stapled Securityholders		4,517	-	(46,362)	-	-	(41,845)	-	(41,845)
Stapled Securityholders' funds at 31 Dec 2017		1,492,116	(25,759)	102,447	(1,434)	(110,299)	1,457,071	-	1,457,071
At 1 Oct 2017									
Contributions by and distributions to Perpetual Securities holders		-	-	-	-	-	-	100,279	100,279
Total return for the Period, attributable to Perpetual Securities holders		-	-	-	-	-	-	1,122	1,122
Distribution to Perpetual Securities holders		-	-	-	-	-	-	(2,243)	(2,243)
At 31 Dec 2017		-	-	-	-	-	-	99,158	99,158
Perpetual Securities holders' funds at 31 Dec 2017		-	-	-	-	-	-	199,437	199,437
At 31 Dec 2017		1,492,116	(25,759)	102,447	(1,434)	(110,299)	1,457,071	199,437	1,656,508

Footnote:

- (a) This represents Stapled Securities to be issued as payment of management fees in lieu of cash i.e. REIT Manager's management fee, MIT Manager's management fee and property management fee. 2,313,241 Stapled Securities and 1,728,260 Stapled Securities relating to base management fee and property management fee respectively for the period from 1 October 2017 to 31 December 2017 will be issued in May 2018. Stapled Securities relating to performance management fee for the period from 1 October 2017 to 31 December 2017 will be issued after the end of financial year.

1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)

	Attributable to Stapled Securityholders							
	Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve	Total	Perpetual Securities holders' funds	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FH-REIT								
At 1 Oct 2016	1,202,791	(23,482)	60,074	(4,340)	(91,142)	1,143,901	-	1,143,901
Total return for the Period, net of tax	-	-	16,856	-	-	16,856	-	16,856
Total return for the Period, attributable to Perpetual Securities holders			(1,122)	-	-	(1,122)	-	(1,122)
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedges	-	-	-	5,350	-	5,350	-	5,350
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(902)	-	(902)	-	(902)
Foreign currency translation differences	-	-	-	-	(20,529)	(20,529)	-	(20,529)
Total comprehensive income for the Period, net of tax	-	-	-	4,448	(20,529)	(16,081)	-	(16,081)
Contributions by and distributions to Stapled Securityholders								
Issue costs	-	(2,331)	-	-	-	(2,331)	-	(2,331)
REIT Manager's management fee paid in Stapled Securities	3,381	-	-	-	-	3,381	-	3,381
Other management fees paid in Stapled Securities	1,518	-	-	-	-	1,518	-	1,518
Property management fees paid in Stapled Securities	2,956	-	-	-	-	2,956	-	2,956
Acquisition fee paid in Stapled Securities	2,413	-	-	-	-	2,413	-	2,413
Rights Issue	256,898	-	-	-	-	256,898	-	256,898
Distributions to Stapled Securityholders	-	-	(42,873)	-	-	(42,873)	-	(42,873)
Total contributions by and distributions to Stapled Securityholders	267,166	(2,331)	(42,873)	-	-	221,962	-	221,962
Stapled securityholders' funds at 31 Dec 2016	1,469,957	(25,813)	32,935	108	(111,671)	1,365,516	-	1,365,516
At 1 Oct 2016	-	-	-	-	-	-	100,259	100,259
Contributions by and distributions to Perpetual Securities holders								
Issue costs	-	-	-	-	-	-	20	20
Total return for the Period, attributable to Perpetual Securities holders	-	-	-	-	-	-	1,122	1,122
Distribution to Perpetual Securities holders	-	-	-	-	-	-	(2,243)	(2,243)
At 31 Dec 2016	-	-	-	-	-	-	99,158	99,158
Perpetual Securities holders' funds at 31 Dec 2016	-	-	-	-	-	-	99,158	99,158
At 31 Dec 2016	1,469,957	(25,813)	32,935	108	(111,671)	1,365,516	99,158	1,464,674

1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)

	Note	Attributable to Stapled Securityholders					Total	Perpetual Securities holders' funds	Total
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve			
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
FH-BT									
At 1 Oct 2017		9,465	(5)	(1,950)	-	174	7,684	-	7,684
Total return for the Period, net of tax		-	-	(261)	-	-	(261)	-	(261)
Other comprehensive income									
Foreign currency translation differences		-	-	-	-	(191)	(191)	-	(191)
Contributions by and distributions to Stapled Securityholders									
Trustee-Manager's management fee paid and payable in Stapled Securities	(a)	13	-	-	-	-	13	-	13
Distributions to Stapled Securityholders		-	-	(423)	-	-	(423)	-	(423)
Total contributions by and distributions to Stapled Securityholders		13	-	(423)	-	-	(410)	-	(410)
Stapled Securityholders' funds at 31 Dec 2017		9,478	(5)	(2,634)	-	(17)	6,822	-	6,822

Footnote:

- (a) This represents Stapled Securities to be issued as payment of Trustee-Manager's management fee in lieu of cash. 14,744 Stapled Securities relating to base management fee for the period from 1 October 2017 to 31 December 2017 will be issued in May 2018. Stapled Securities relating to performance management fee for the period from 1 October 2017 to 31 December 2017 will be issued after the end of financial year.

	Note	Attributable to Stapled Securityholders					Total	Perpetual Securities holders' funds	Total
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve			
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
FH-BT									
At 1 Oct 2016		10	-	(20)	-	-	(10)	-	(10)
Total return for the Period, net of tax		-	-	(817)	-	-	(817)	-	(817)
Other comprehensive income									
Foreign currency translation differences		-	-	-	-	(8)	(8)	-	(8)
Contributions by and distributions to Stapled Securityholders									
Issue costs		-	(5)	-	-	-	(5)	-	(5)
Rights Issue		9,356	-	-	-	-	9,356	-	9,356
Acquisition fee paid in Stapled Securities		34	-	-	-	-	34	-	34
Total contributions by and distributions to Stapled Securityholders		9,390	(5)	-	-	-	9,385	-	9,385
Stapled Securityholders' funds at 31 Dec 2016		9,400	(5)	(837)	-	(8)	8,550	-	8,550

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

		FHT	
		1Q 2018	1Q 2017
Note		1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016
		No. of Stapled Securities	No. of Stapled Securities
	Balance at beginning of the Period	1,845,573,715	1,379,841,506
	- As payment of REIT Manager's management fee	6,740,311	4,712,669
	- As payment of Trustee-Manager's management fee	62,403	-
	- As payment of other management fee	4,881,635	2,146,720
	- As payment of property management fee	3,928,987	4,063,849
	- As payment of acquisition fee	-	4,048,606
	- Rights Issue	-	441,549,281
	Issued Stapled Securities at the end of the Period	1,861,187,051	1,836,362,631
	Issuable Stapled Securities		
	As payment of REIT Manager's management fee (a)	2,411,295	1,791,551
	As payment of Trustee-Manager's management fee (b)	17,476	12,920
	As payment of other management fee (c)	1,611,338	884,738
	As payment of property management fee (d)	1,728,260	2,140,469
	Total issued and issuable Stapled Securities	1,866,955,420	1,841,192,309

Footnotes:

- (a) This represents 100% of the REIT Manager's base management fee and performance fee for 1Q FY2018 payable in Stapled Securities. With effect from 1Q FY2017, the REIT Manager's performance fee will be paid once a year after the end of the financial year.
- (b) This represents 100% of the Trustee-Manager's base management fee and performance fee for 1Q FY2018 payable in Stapled Securities. With effect from 1Q FY2017, the Trustee-Manager's performance fee will be paid once a year after the end of the financial year.
- (c) This represents 100% of the MIT Manager's base management fee and performance fee for 1Q FY2018 payable in Stapled Securities. With effect from 1Q FY2017, the MIT Manager's performance fee will be paid once a year after the end of the financial year.
- (d) This represents 100% of the property managers' management fee for 1Q FY2018 payable in Stapled Securities.

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the financial year ended 30 September 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There has been no change in the accounting policies and methods of computation adopted by FHT for the current reporting period compared with the audited financial statements as at 30 September 2017, except for the adoption of new or revised FRSs that are mandatory for financial year beginning on or after 1 October 2017. The adoption of these FRSs has no significant impact on the financial position or performance of FHT as at 31 December 2017 and for the quarter ended on that day.

6 Earnings per Stapled Security ("EPS") and Distribution per Stapled Security ("DPS") for the financial period ended 31 December 2017

Group earnings per Stapled Security

	Note	FHT	
		1Q 2018	1Q 2017
		1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016
Total return for the Period after tax (\$'000)		19,558	15,332
Less: Total return for the Period after tax attributable to Perpetual Securities holders (\$'000)		(1,122)	(1,122)
Total return for the Period after tax attributable to Stapled Securityholders (\$'000)		18,436	14,210
Basic EPS			
Weighted average number of Stapled Securities in issue	(a)	1,861,231,141	1,753,734,385
EPS based on weighted average number of Stapled Securities in issue (cents)		0.99	0.81
Dilutive EPS			
Weighted average number of Stapled Securities in issue	(a)	1,866,955,420	1,843,228,507
EPS based on weighted average number of Stapled Securities in issue (cents)		0.98	0.77

Footnote:

(a) The weighted average number of Stapled Securities is weighted for Stapled Securities in 1Q 2018 and 1Q 2017 respectively.

6 EPS and DPS for the financial period ended 31 December 2017 (Cont'd)

Group distribution per Stapled Security

	FHT	
	1Q 2018	1Q 2017
	1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016
Total number of issued and issuable Stapled Securities at end of Period	1,865,243,296 ^(a)	1,841,192,309 ^(b)
Distribution to Stapled Securityholders (\$'000)	24,449	24,411
DPS based on the total number of Stapled Securities entitled to distribution (cents)	1.3107	1.3258

Footnotes:

(a) The computation of DPS for the periods are based on the number of Stapled Securities entitled to distribution. This comprises:

(i) The number of Stapled Securities in issue as at 31 December 2017 of 1,861,187,051; and

(ii) The estimated number of Stapled Securities to be issued to the REIT Manager, Trustee-Manager, MIT Manager and Property Managers as consideration for base management fee and property management fee for 1Q FY2018 of 4,056,245.

** As provided for in the trust deed dated 12 June 2014 constituting FH-REIT (as amended) and in the trust deed dated 20 June 2014 constituting FH-BT (as amended), the price of a Stapled Security issued shall be computed based on the volume weighted average price of a Stapled Security for the last ten business days immediately preceding the relevant financial period of which the fee accrues.

FHT makes distributions on a semi-annual basis and the distributions are payable by the REIT Manager and Trustee-Manager within 90 days from the end of the said semi-annual period.

(b) The number of Stapled Securities entitled for distribution include 441,549,281 new Stapled Securities in FHT which were issued in October 2016 in connection with the Rights Issue.

7 (i) Group net asset value ("NAV") per Stapled Security based on Stapled Securities in issue at the end of the period

	FHT	
	As at 31 Dec 2017	As at 30 Sep 2017
Number of Stapled Securities issued at end of the period	1,861,187,051	1,845,573,715
Net asset value (\$'000)	1,463,928	1,505,893
Net asset value per stapled security (cents)	78.66	81.59

(ii) Group net tangible asset ("NTA") per Stapled Security based on Stapled Securities in issue at the end of the period

	FHT	
	As at 31 Dec 2017	As at 30 Sep 2017
Number of Stapled Securities issued at end of the period	1,861,187,051	1,845,573,715
Net tangible asset (\$'000)	1,463,928	1,505,893
Net tangible asset value per stapled security (cents)	78.66	81.59

8 **Review of performance**
(a) 1Q 2017 VS 1Q 2016

		FH-REIT			FH-BT		
		Master Lessees - Gross Operating Revenue			Gross Operating Revenue		
		1Q 2018	1Q 2017	Change	1Q 2018	1Q 2017	Change
		1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016		1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Australia ^(a)	AUD	25,009	26,069	(4.1)	9,157	6,886	33.0
Singapore	SGD	22,045	21,670	1.7	-	-	N/A
United Kingdom	GBP	6,015	6,082	(1.1)	-	-	N/A
Japan	JPY	1,812,916	1,762,465	2.9	-	-	N/A
Malaysia	MYR	24,742	24,274	1.9	-	-	N/A
Germany	EUR	3,067	2,953	3.9	-	-	N/A

		FH-REIT			FH-BT		
		Master Lessees - Gross Operating Profit			Gross Operating Profit		
		1Q 2018	1Q 2017	Change	1Q 2018	1Q 2017	Change
		1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016		1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Australia ^(a)	AUD	10,795	11,387	(5.2)	4,880	3,551	37.4
Singapore	SGD	8,979	8,589	4.5	-	-	N/A
United Kingdom	GBP	3,205	3,338	(4.0)	-	-	N/A
Japan	JPY	585,277	551,222	6.2	-	-	N/A
Malaysia	MYR	7,936	7,748	2.4	-	-	N/A
Germany	EUR	1,353	1,398	(3.2)	-	-	N/A

Footnote:

(a) The Gross Operating Revenue ("GOR") and Gross Operating Profit ("GOP") of Novotel Melbourne on Collins are excluded from FH-REIT and reflected under FH-BT.

Operational Performance

(a) Review of performance for 1Q 2018 compared to 1Q 2017

In 1Q FY2018, the Australia portfolio recorded a 3.7% and 4.9% increase in GOR and GOP respectively, with Novotel Melbourne on Collins being the key contributor to the growth. Due to the renovation at Novotel Rockford Darling Harbour, which has been renamed Novotel Sydney Darling Square ("NSDS") since 1 January 2018, revenue per available room ("RevPAR") for the portfolio declined 1.8% yoy. Excluding NSDS, RevPAR for the Sydney properties and Novotel Melbourne on Collins improved yoy by 1.0% and 6.1% respectively. Both cities continued to benefit from busy events calendars, with Sydney in particular benefitting from the opening of the International Convention Centre.

The Singapore portfolio reported GOR and GOP growth of 1.7% and 4.5% respectively in 1Q FY2018. InterContinental Singapore achieved higher RevPAR on the back of average daily rate ("ADR") and occupancy gains as well as higher F&B outlet revenue. On the other hand, Fraser Suites Singapore turned in lower RevPAR due to continued downward pressure on ADR. Consequently, the portfolio ADR and RevPAR were lower yoy by 2.0% and 1.0% respectively.

GOR and GOP of the UK portfolio declined 1.1% and 4.0% respectively in 1Q FY2018 due to overall weaker room revenue as well as increase in staff costs due to higher minimum wage rates. Pressure on GOP is expected to persist with the anticipation of further increase in minimum wage rates.

ANA Crowne Plaza Kobe reported GOR and GOP growth of 2.9% and 6.2% yoy in 1Q FY2018 on the back of better banquet performance due to more events being held at the hotel. Apart from continuing to drive room revenue, the hotel remains focused on increasing revenue from local and international conferences and events.

In 1Q FY2018, RevPAR of The Westin Kuala Lumpur was lower than a year ago due to softer corporate demand. However, stronger banquet performance led to higher F&B revenue and consequently, GOR and GOP of the hotel increased yoy by 1.9% and 2.4% respectively.

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

No forecast or prospect statement has been previously disclosed.

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

For January to November 2017, Tourism Australia reported an increase in international arrivals of 6.9% yoy, with Chinese visitors growing 12.2%. Sydney's hotel market is expected to strengthen, with continued strong demand bolstered by the opening of the International Convention Centre. Stable occupancy and anticipated increases in ADR are expected to push RevPAR up further¹. While Melbourne continues to enjoy strong visitor growth, the market buoyancy of recent years is anticipated to moderate over the medium term as the city's hotel development pipeline continues to build².

Growth in visitor arrivals continued on a positive trajectory as the Singapore Tourism Board reported a yoy growth of 5.8% for January to October 2017. China and Indonesia were the top source markets, accounting for 36% of total arrivals. Singapore continues to grow its status as a leading MICE destination, with a line-up of prominent events for 2018 which include the biennial Singapore Airshow, Food&HotelAsia and World Cities Summit as well as the Dental Aesthetics Meeting in Asia and ITLM Asia Pacific. The decline in Singapore's hotel trading performance is expected to improve as the market is nearing the end of a protracted rise in new hotel supply. Continued visitor growth should provide a strong base for hotel demand³.

According to Visit Britain, the UK received 33.3 million overseas visitors for January to October 2017, up 5.0% yoy. However, for the same period, there were 4% fewer business visits to the UK. It appears that headwinds from policy uncertainty, including Brexit, have impacted corporate demand. Going forward, uncertainty is expected to continue to weigh on the UK economy. As the effect of the weak pound slows and cost of labour is expected to increase, these are likely to pose challenges for the hotel industry⁴.

For 2017, Japan National Tourism Organization recorded 19.3% growth in foreign visitors, with the number of Korean and Chinese visitors growing yoy by 40.3% and 15.4% respectively. The strong momentum of inbound tourism is expected to continue, supported by key events including the Rugby World Cup 2019, 2020 Tokyo Olympic Games and the highly anticipated integrated resort development⁵. With the government's efforts to develop tour routes in regional cities, there appears to be more upside potential for hotels outside of Tokyo⁵.

According to Tourism Malaysia, tourist arrivals declined by 2.5% yoy to 21.5 million for January to October 2017. However, Chinese tourists grew 8.1% yoy for the same period. While the hotel trading performance in Kuala Lumpur has seen some improvement in 2017, the anticipated influx of new supply is expected to place further pressure on room rates⁶.

The Federal Statistical Office of Germany recorded a 3.0% yoy increase in the number of domestic and foreign overnight stays for January to November 2017⁷. In Dresden, the total number of domestic and foreign visitors rose 4.6% yoy for January to October 2017⁸. The capital city of the Free State of Saxony continues to grow its pipeline of MICE events including Energie, Lab Supply, Bauen Kaufen Wohnen, Hematology and Oncology Conference, Sachsenback and International Symposium Additive Manufacturing.

¹ Source: JLL – Asia Pacific Property Digest, Q3 2017

² Source: JLL – Hotel Destinations Asia Pacific, Oct 2017

³ Source: JLL – Asia Pacific Property Digest, Q3 2017 and Hotel Destinations Asia Pacific, Oct 2017

⁴ Source: PwC – As Good As It Gets: UK Hotels Forecast 2018, Sep 2017

⁵ Source: Savills – Spotlight: Japan Hospitality, Sep 2017

⁶ Source: JLL – Hotel Destinations - Asia Pacific Oct 2017

⁷ Source: www.destatis.de

⁸ Source: www.destatis.de

11 Distributions

(a) Current financial period

Any distribution declared for the current financial period?

No

(b) Corresponding period of the immediately preceding financial year

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

Not applicable

Any distribution declared for the current financial period?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

Refer to paragraph 11.

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

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

14 Additional information - FHT's interests in Australia Land Trust

Australia's foreign investment regime was amended with effect from 1 July 2017 to introduce improvements to the regulation of foreign investments into Australia.

Notifiable actions (i.e. mandatory notification)

Investors who are "foreign persons"^{iv} that acquire Stapled Securities are required under the Australian Foreign Acquisitions and Takeovers Act 1975 ("FATA") or the Australian Government's Foreign Investment Policy to notify and receive a prior statement of no objection ("FIRB Clearance") of their investment in FHT under Australia's foreign investment regime from the Australian Treasurer through the Foreign Investment Review Board if any of the circumstances set out below apply at the time the Stapled Securities are acquired:

(a) if either FH-REIT or FH-BT is considered to be an "Australian Land Trust"^v ("ALT") at the time of acquisition, all foreign persons acquiring Stapled Securities (including existing holders of Stapled Securities acquiring additional Stapled Securities) will require FIRB Clearance unless an exemption applies (see below); and

(b) any investor that is a Foreign Government Investorⁱⁱⁱ acquiring a "direct interest"^{iv} in FHT will require FIRB Clearance at the time of acquisition, regardless of whether FH-REIT or FH-BT is considered to be an ALT or whether FHT has gross Australian assets in excess of AUD252.0million.

Exemptions from ALT requirements

The FATA contains two relevant exemptions from the requirement to obtain FIRB Clearance that would otherwise apply if FH-REIT or FH-BT was considered to be an ALT such that FIRB clearance would generally only be required for private foreign persons if:

(a) the relevant person's interest in FH-REIT or FH-BT would be valued in excess of a specified threshold prescribed under the FATA (at the date of this announcement, the relevant threshold prescribed under the FATA is AUD252.0 million, unless the ALT has 'sensitive' land holdings, in which case the threshold may be AUD55.0 million); and

(b) the relevant person, together with associates, is acquiring an interest of 10% or more in FHT and will be in a position to influence or participate in the central management and control of the land entity or to influence, participate in or determine the policy of the land entity.^{vi}

14 Additional information - FHT's interests in Australia Land Trust (Cont'd)

Significant actions (i.e. voluntary notification)

If FHT has gross Australian assets in excess of a specified threshold prescribed under the FATA (as at the date of this announcement, the threshold prescribed under the FATA is AUD252.0 million for most private foreign investors)^{vii} at the time of acquisition, all investors (i) who are foreign persons (but not Foreign Government Investors) and (ii) who are acquiring a Substantial Interest in FHT or have a Substantial Interest^{viii} and increase their holding, should note that, while prior notification and FIRB Clearance are not required, the Australian Treasurer still has the power to make adverse orders under the FATA if such transaction is considered to be contrary to Australia's national interest. In such case, it may be prudent for an Investor to seek FIRB Clearance on a voluntary basis.

As at 31 December 2017, the value of the Australian assets comprised in FHT's portfolio is 33.0% of the total asset value of FHT. Consequently, FHT is not considered to be an ALT.

As at 31 December 2017, FHT has gross Australian assets of approximately AUD 794.9 million, which is above AUD252.0 million.

Any Investor acquiring Stapled Securities on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

ⁱ A "foreign person" is defined as:

- an individual not ordinarily resident in Australia; or
- a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest; or
- a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest; or
- the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest; or
- the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest; or
- a foreign government; or
- any other person, or any other person that meets the conditions, prescribed by the regulations.

ⁱⁱ An ALT is defined as a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

ⁱⁱⁱ A "foreign government investor" is defined to mean:

- a foreign government or separate government entity;
- a corporation or trustee of a trust in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds a substantial interest (that is, an interest of at least 20 per cent); or
 - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate substantial interest (that is, an interest of at least 40 per cent);
- a general partner of a limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20 per cent; or
 - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate interest of 40 per cent or more;
- a corporation, trustee or general partner of a kind described above.

^{iv} A "direct interest" is defined to mean:

- an interest of at least 10 per cent in the entity or business, or
- an interest of at least 5 per cent in the entity or business if the person who acquires the interest has entered a legal arrangement relating to the businesses of the person and the entity or business, or
- an interest of any percentage in the entity or business if the person who has acquired the interest is in a position to:
 - participate or influence the central management and control of the entity or business; or
 - influence, participate or determine the policy of the entity or business.

^v This exemption applies in respect of ALTs that have predominantly developed commercial real estate portfolios (ie, less than 10% residential or vacant commercial land. From 1 July 2017, the reference to residential land in the description of this exemption excludes interests in residential land acquired by a land entity where the land is used for the provision of residential care, a retirement village, or premises that provide accommodation to students in connection with an education institution). FIRB has confirmed that it is the value of the interest being acquired, rather than the value of the underlying land that is determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes mines and critical infrastructure (for example, an airport or port).

^{vi} This exemption reflects the 'passive investor administrative exemption' that was previously available prior to 1 December 2015, and applies where an ALT is listed on an official stock exchange (whether in Australia or not).

^{vii} A higher threshold of AUD1,094.0 million applies to foreign persons that are enterprises from the United States, New Zealand, Chile, Japan, South Korea or the People's Republic of China. This does not apply to any subsidiaries incorporated outside of these countries (including Australia).

^{viii} A person holds a 'substantial interest' in a trust if the person together with any one or more associates, holds a beneficial interest in at least 20% of the income or property of the trust.

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

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

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

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of each of Frasers Hospitality Asset Management Pte. Ltd. (as REIT manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of FH-BT) which may render these financial results for the period from 1 October 2017 to 31 December 2017 to be false or misleading, in any material respect.

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

Law Song Keng
Director

Choe Peng Sum
Director

BY ORDER OF THE BOARD

Frasers Hospitality Asset Management Pte. Ltd.
(Company registration no. 201331351D)
As REIT Manager of Frasers Hospitality Real Estate Investment Trust

Frasers Hospitality Trust Management Pte. Ltd.
(Company registration no. 201401270M)
As Trustee-Manager of Frasers Hospitality Business Trust

Catherine Yeo
Company Secretary
24 January 2018

IMPORTANT NOTICE

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

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

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

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

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