

**FRASERS HOSPITALITY TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FIRST HALF ENDED 31 MARCH 2021**

Frasers Hospitality Trust ("FHT" or the "Trust") is a stapled trust comprising Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and Frasers 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 3,071 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 Sydney Darling Square	Mid-scale	230
Park International London	Mid-scale	171
ibis Styles London Gloucester Road	Mid-scale	84
Total		3,071

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 at least 90.0% of its distributable income.

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 Frasers Hospitality Trust Management Pte. Ltd. (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 periods ending on each of the said dates. Frasers Hospitality Asset Management Pte. Ltd. (the "REIT Manager") and the Trustee-Manager (collectively, the "Managers") are required to pay distributions within 90 days of the end of each distribution period¹. Distributions, when paid, will be in Singapore dollars.

¹ The Ministry of Finance ("MOF"), the Inland Revenue Authority of Singapore ("IRAS"), and the Monetary Authority of Singapore ("MAS") announced new measures on 16 April 2020 to provide real estate investment trusts listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("S-REITs") with greater flexibility to manage their cash flows and raise funds amid a challenging operating environment due to the COVID-19. On 23 June 2020, the MOF, IRAS and MAS had announced that they will further extend the deadline for S-REITs to distribute their taxable income derived in FY2021 from 3 months (after the end of FY2021) to 31 December 2021, whichever is later, so as to qualify for tax transparency.

1 (a) (i) Consolidated Statements of Total Return and Statements of Comprehensive Income for 1H 2021 and 1H 2020

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	1H 2021			1H 2020			Variance		
Note	1 Oct 2020 to 31 Mar 2021			1 Oct 2019 to 31 Mar 2020			Increase/(Decrease)		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%	%	%
Master lease rental	31,085	35,616	-	47,509	53,784	-	(34.6)	(33.8)	-
Room revenue	1,615	-	1,615	11,788	-	11,788	(86.3)	-	(86.3)
Food & beverage revenue	1,236	-	1,236	2,451	-	2,451	(49.6)	-	(49.6)
Other income	5,995	479	5,516	863	-	863	>100.0	-	>100.0
Gross revenue	39,931	36,095	8,367	62,611	53,784	15,102	(36.2)	(32.9)	(44.6)
Property tax	(4,113)	(4,113)	-	(4,716)	(4,716)	-	(12.8)	(12.8)	-
Property insurance	(904)	(854)	(50)	(705)	(660)	(45)	28.2	29.4	11.1
Property management fees	(991)	(991)	-	(2,238)	(2,238)	-	(55.7)	(55.7)	-
Other property expenses	(1,320)	(1,320)	-	(1,398)	(1,398)	-	(5.6)	(5.6)	-
Impairment loss on trade receivables	(2,486)	(2,486)	-	-	-	-	100.0	100.0	-
Operations and maintenance expenses	(1,317)	(30)	(1,287)	(2,985)	(123)	(3,304)	(55.9)	(75.6)	(61.0)
Energy and utilities expenses	(261)	-	(261)	(369)	-	(369)	(29.3)	-	(29.3)
Hotel management fee	(316)	-	(316)	(416)	-	(416)	(24.0)	-	(24.0)
Rental expense	-	-	(1,578)	-	-	(3,584)	-	-	(56.0)
Staff costs	(1,244)	-	(1,244)	(3,019)	-	(3,019)	(58.8)	-	(58.8)
Marketing expenses	(91)	-	(91)	(1,113)	-	(1,113)	(91.8)	-	(91.8)
Administrative expenses	(156)	-	(156)	(389)	-	(389)	(59.9)	-	(59.9)
Property operating expenses	(13,199)	(9,794)	(4,983)	(17,348)	(9,135)	(12,239)	(23.9)	7.2	(59.3)
Net property income	26,732	26,301	3,384	45,263	44,649	2,863	(40.9)	(41.1)	18.2
Depreciation	(1,966)	-	(2,289)	(1,909)	-	(2,113)	3.0	-	8.3
REIT Manager's management fees	(2,275)	(2,275)	-	(3,233)	(3,233)	-	(29.6)	(29.6)	-
Trustee-Manager's management fees	(35)	-	(35)	(24)	-	(24)	45.8	-	45.8
Other management fees	(1,724)	(1,724)	-	(2,156)	(2,156)	-	(20.0)	(20.0)	-
Trustees' fees	(247)	(247)	-	(246)	(246)	-	0.4	0.4	-
Other trust expenses	(1,463)	(1,430)	(33)	(1,604)	(1,575)	(29)	(8.8)	(9.2)	13.8
Finance income	173	173	-	129	127	2	34.1	36.2	(100.0)
Amortisation of debt upfront costs	(442)	(442)	-	(410)	(410)	-	7.8	7.8	-
Finance costs	(9,384)	(9,384)	(1,248)	(9,825)	(9,825)	(1,191)	(4.5)	(4.5)	4.8
Total return/(Loss) before foreign exchange differences, fair value changes and tax	9,369	10,972	(221)	25,985	27,331	(492)	(63.9)	(59.9)	(55.1)
Foreign exchange gain/(loss), net	544	510	34	(942)	(906)	(36)	NM	NM	NM
Net change in fair value of derivative financial instruments	(63)	(63)	-	(137)	(137)	-	(54.0)	(54.0)	-
Realised (loss)/gain on derivative financial instruments, net	(10)	(10)	-	278	278	-	NM	NM	-
Total return/(Loss) for the period before tax	9,840	11,409	(187)	25,184	26,566	(528)	(60.9)	(57.1)	(64.6)
Taxation	(1,290)	(1,256)	(34)	(2,159)	(2,052)	(107)	(40.3)	(38.8)	(68.2)
Total return/(Loss) for the period after tax	8,550	10,153	(221)	23,025	24,514	(635)	(62.9)	(58.6)	(65.2)
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	13,864	13,864	-	(9,678)	(9,678)	-	NM	NM	-
Net change in fair value of cash flow hedges reclassified to total return	(2,890)	(2,890)	-	(239)	(239)	-	>100.0	>100.0	-
Foreign currency translation differences	18,194	17,936	108	(10,381)	(10,047)	(173)	NM	NM	NM
Total comprehensive income for the period, net of tax	37,718	39,063	(113)	2,727	4,550	(808)	>100.0	>100.0	(86.0)

NM - Not meaningful

Consolidated Distribution Statements for 1H 2021 and 1H 2020

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

Note	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	1H 2021			1H 2020			Variance		
	1 Oct 2020 to 31 Mar 2021			1 Oct 2019 to 31 Mar 2020			Increase/(Decrease)		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%	%	%
Total return/(Loss) for the period after tax	8,550	10,153	(221)	23,025	24,514	(635)	(62.9)	(58.6)	(65.2)
(Non-taxable) / non-tax deductible items and other adjustments:									
Amortisation of debt upfront costs	442	442	-	410	410	-	7.8	7.8	-
Amortisation of other assets	4	4	-	6	6	-	(33.3)	(33.3)	-
Depreciation	1,966	-	2,289	1,909	-	2,113	3.0	-	8.3
Foreign exchange (gain)/loss, net	(549)	(515)	(34)	939	903	36	NM	NM	NM
Net change in fair value of derivative financial instruments	63	63	-	137	137	-	(54.0)	(54.0)	-
Other management fees paid and payable in Stapled Securities	(o)	-	-	2,002	2,002	-	(100.0)	(100.0)	-
Property management fees paid and payable in Stapled Securities, net of withholding tax	(p)	-	-	2,231	2,231	-	(100.0)	(100.0)	-
REIT Manager's management fees paid and payable in Stapled Securities	(q)	-	-	3,233	3,233	-	(100.0)	(100.0)	-
Trustee-Manager's management fees paid and payable in Stapled Securities	(r)	-	-	24	-	24	(100.0)	-	(100.0)
Trustee's fees in relation to FH-REIT	143	143	-	147	147	-	(2.7)	(2.7)	-
Interest expense on lease liabilities	61	61	1,248	54	54	1,191	13.0	13.0	4.8
Lease payments	(s)	-	(2,953)	-	-	(2,691)	-	-	9.7
Deferred tax	-	-	-	60	-	60	(100.0)	-	(100.0)
Other adjustments	(t)	146	-	(363)	79	-	NM	84.8	-
Net effect of (non-taxable) / non-tax deductible items and other adjustments	2,276	344	550	10,789	9,202	733	(78.9)	(96.3)	(25.0)
Income available for distribution	10,826	10,497	329	33,814	33,716	98	(68.0)	(68.9)	>100.0
Income available for distribution attributable to:									
- Stapled Securityholders	8,607	8,278	329	31,583	31,485	98	(72.7)	(73.7)	>100.0
- Perpetual Securities holders	2,219	2,219	-	2,231	2,231	-	(0.5)	(0.5)	-
	10,826	10,497	329	33,814	33,716	98	(68.0)	(68.9)	>100.0
Distribution to Stapled Securityholders	3,449	3,153	296	6,317	6,317	-	(45.4)	(50.1)	100.0

NM - Not meaningful

Footnotes:

- (a) Other income in 1H 2021 comprises mainly no-show revenue arising from bookings by government agencies to house returning residents serving stay-home notices at Novotel Melbourne on Collins ("NMOC") and excess cash grants from Singapore government as part of the COVID-19 relief measures after providing the necessary rental relief to the master lessee, while other income in 1H 2020 comprises mainly carpark income and Gross Operating Profit ("GOP") guaranteed top-up arising from the terms in the hotel management contract with the hotel operator. The increase in other income is mainly due to the no-show revenue recorded and excess cash grants, partially offset by absence of GOP guaranteed top-up in 1H 2021 and decrease in carpark income.
- (b) Gross revenue comprises master lease rental and hotel revenue from NMOC. The master lease rental earned by FH-REIT from FH-BT is eliminated at FHT level.
- (c) Property tax expense in 1H 2021 includes grant income arising from the property tax rebates given by the Singapore government as part of the Resilience Budget announced, and grant expense arising from passing on of the property tax rebates to the master lessees. The decrease in property tax expense in 1H 2021 is mainly due to a one-year business rates relief granted by the UK Government with effect from 1 April 2020.
- (d) This relates to impairment loss on the rental receivables.
- (e) The decrease in rental expense in 1H 2021 as compared to 1H 2020 is mainly due to weaker performance from NMOC during the COVID-19 pandemic.
- (f) The decrease in staff costs in 1H 2021 as compared to 1H 2020 is mainly due to wage credit given by the Australia government under the JobKeeper scheme and reduced labour employed due to lower occupancy as a result of COVID-19.
- (g) NMOC is being classified as property, plant and equipment in FHT's financial statements. The depreciation expense relates mainly to the depreciation of the building (including right-of-use ("ROU") assets) and furniture, fittings and equipment of NMOC.
- (h) Other management fees relate mainly to management fees payable to FHT Australia Management Pty Ltd (the "MIT Manager").
- (i) Other trust expenses relate mainly to professional fees, audit fees, tax fees and administrative expenses.
- (j) Finance costs comprise mainly interest expense on FH-REIT Group's borrowings in SGD, JPY, MYR and AUD, net interest expense or income arising from the interest rate swaps and cross currency swaps, and interest expense on lease liabilities recognised under FRS 116/SFRS(I) 16 Leases.
- (k) This relates mainly to unrealised net loss arising from the revaluation of foreign currency forward contracts.
- (l) This relates to net realised (loss)/gain arising from the settlement of foreign currency forward contracts.
- (m) This relates to net fair value gain/(loss) arising from the interest rate swaps.
- (n) This relates to exchange differences arising from translation of the results and the financial position of all the entities with functional currencies other than SGD. The major contributor to the movement in 1H 2021 is AUD which appreciated against 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.
- (o) In 1H 2021, the MIT Manager has elected to receive 100% of the MIT Manager's management fees in cash. In 1H 2020, the MIT Manager had elected to receive 100% of the MIT Manager's management fees in Stapled Securities.
- (p) In 1H 2021, the property managers have elected to receive 100% of the property management fees in cash. In 1H 2020, the property managers had elected to receive 100% of the property management fees in Stapled Securities. Property management fees includes serviced residences management fee and trademark licence fee.
- (q) In 1H 2021, the REIT Manager has elected to receive 100% of the REIT Manager's management fees in cash. In 1H 2020, the REIT Manager had elected to receive 100% of the REIT Manager's management fees in Stapled Securities.
- (r) In 1H 2021, the Trustee-Manager has elected to receive 100% of the Trustee-Manager's management fees in cash. In 1H 2020, the Trustee-Manager had elected to receive 100% of the Trustee-Manager's management fees in Stapled Securities.
- (s) This relates to master lease rental paid to FH-REIT and is eliminated at FHT level.
- (t) Other adjustments are in relation to other non-tax deductible and non-taxable items.
- (u) Distribution of FHT represents the aggregate of distributions by FH-REIT and FH-BT.
- (v) For prudence, FHT has retained approximately S\$5.2 million or 60% of the income available for distribution to conserve cash in light of uncertainties.

1 (b) (i) Statements of Financial Position

	31 Mar 2021			30 Sep 2020		
	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets						
Investment properties	2,052,032	2,281,686	-	2,029,567	2,248,858	-
Property, plant and equipment	229,452	-	68,645	221,005	-	67,904
Derivative financial instruments	3,175	3,175	-	9,991	9,991	-
Rental deposits	-	-	2,023	-	-	1,936
Deferred expense	-	-	1,843	-	-	1,763
Deferred tax assets	2,781	2,001	2,004	2,661	1,915	1,918
	2,287,440	2,286,862	74,515	2,263,224	2,260,764	73,521
Current assets						
Inventories	19	-	19	19	-	19
Other assets	-	-	-	4	4	-
Prepayments	3,068	2,754	314	2,046	1,833	213
Trade and other receivables	2,724	4,575	1,181	3,138	4,745	256
Derivative financial instruments	3,141	3,141	-	445	445	-
Cash and cash equivalents	72,040	68,486	3,554	92,473	88,969	3,504
	80,992	78,956	5,068	98,125	95,996	3,992
Total assets	2,368,432	2,365,818	79,583	2,361,349	2,356,760	77,513
Current liabilities						
Trade and other payables	13,960	12,336	5,439	18,920	17,115	4,423
Lease liabilities	-	-	3,561	-	-	3,349
Derivative financial instruments	3,366	3,366	-	546	546	-
Borrowings	49,838	49,838	-	50,000	50,000	-
Income tax payables	1,357	1,332	25	1,197	1,197	-
	68,521	66,872	9,025	70,663	68,858	7,772
Net current assets/(liabilities)	12,471	12,084	(3,957)	27,462	27,138	(3,780)
Non-current liabilities						
Rental deposits	23,335	25,358	-	23,281	25,217	-
Other payables	361	-	361	345	-	345
Lease liabilities	3,149	3,149	68,338	2,953	2,953	67,101
Deferred income	7,775	9,618	-	7,529	9,292	-
Derivative financial instruments	14,964	14,964	-	24,397	24,397	-
Borrowings	839,520	839,520	-	836,388	836,388	-
Deferred tax liabilities	42,773	42,773	-	42,635	42,635	-
	931,877	935,382	68,699	937,528	940,882	67,446
Total liabilities	1,000,398	1,002,254	77,724	1,008,191	1,009,740	75,218
Net assets	1,368,034	1,363,564	1,859	1,353,158	1,347,020	2,295
Represented by:						
Stapled Securityholders' funds						
Stapled Securities in issue and to be issued	1,539,879	1,530,288	9,591	1,539,879	1,530,288	9,591
Issue costs	(25,764)	(25,759)	(5)	(25,764)	(25,759)	(5)
Revenue reserves	(126,608)	(120,907)	(7,287)	(112,340)	(108,565)	(6,743)
Hedging reserve	(10,360)	(10,360)	-	(21,334)	(21,334)	-
Foreign currency translation reserve	(109,368)	(109,953)	(440)	(127,562)	(127,889)	(548)
	1,267,779	1,263,309	1,859	1,252,879	1,246,741	2,295
Perpetual Securities holders' funds	100,255	100,255	-	100,279	100,279	-
	1,368,034	1,363,564	1,859	1,353,158	1,347,020	2,295

Footnotes:

- (a) Investment properties as at 31 March 2021 include the recognition of ROU assets, amounting to approximately S\$3.1 million, arising from the adoption of FRS 116 *Leases* in relation to the Group's operating leases that meet the definition of investment properties.
- (b) In FHT's financial statements, the property, plant and equipment relates to the land, building, furniture, fittings and equipment of NMOC. This hotel is classified as property held for own use instead of as an investment property. Accordingly, this hotel is treated as property, plant and equipment and applied the revaluation model of FRS 16 *Property, Plant and Equipment* where the asset is depreciated during the period and revalued at least once a year at the end of financial year. The higher net book value as at 31 March 2021 at FHT is mainly due to the appreciation of AUD against SGD.
- In FH-BT Group's financial statements, property, plant and equipment as at 31 March 2021 includes the recognition of ROU assets, amounting to approximately S\$67.0 million, arising from the adoption of SFRS(I) 16 *Leases* in relation to the operating lease that meets the definition of property, plant and equipment.
- (c) The lease liabilities represent lease payments to be made in relation to the ROU assets in respect of the ground lease for an investment property for FHT and FH-REIT Group and the building lease for NMOC for FH-BT Group.
- (d) Derivative financial instruments (non-current and current assets and current liabilities) relate to fair value of cross currency swaps.
- (e) Deferred tax assets relate mainly to the excess of the tax written down value over the net book value of the property, plant and equipment of NMOC. They also include deferred tax on the temporary differences arising from the ROU assets and lease liabilities due to the adoption of SFRS(I) 16 *Leases*.
- (f) Trade and other receivables comprise mainly GST receivables, rental income receivables from master lessees and trade receivables from hotel operations.
- (g) Trade and other payables comprise mainly trade creditors, GST payable, provision for withholding tax and property tax, interest expense payable to banks, and accruals for professional fees.
- (h) For the breakdown of total borrowings into short-term and long-term borrowings, please refer to Section 1(b)(ii) below.
- (i) Derivative financial instruments (non-current liabilities) relate to fair value of cross currency swaps and interest rate swaps.
- (j) This relates mainly to deferred tax on the cumulative revaluation gains on the investment properties and property, plant and equipment.
- (k) This relates to S\$100 million of fixed rate subordinated perpetual securities issued in May 2016, net of capitalisable issue costs and including total return attributable to the Perpetual Securities holders.

1 (b) (ii) Aggregate Amount of Borrowings

	FHT		FHT	
	As at 31 Mar 2021		As at 30 Sep 2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand *	-	49,838 ^(a)	-	50,000 ^(a)
Amount repayable after one year *	30,820 ^(b)	808,700 ^(c)	31,259 ^(b)	805,129 ^(c)

* net of transaction costs

As at 31 March 2021, FHT's aggregate leverage ratio¹ was 37.7%, which was within the 50%² leverage limit allowed under the MAS' Property Funds Appendix. The interest coverage ratio^{3,4} for the trailing 12 months ended 31 March 2021 was 1.5 times.

Details of borrowings and collateral:

- (a) The unsecured borrowings relate to committed short-term facilities.
- (b) The secured borrowing relates to the MYR95 million Class A Senior Bond issued under the Medium Term Notes Programme of up to MYR750 million established by Notable Vision Sdn. Bhd., with bond maturity of 5 years from 12 July 2019 and which is secured on a property known as The Westin Kuala Lumpur ("TWKL"). The interest rate on this borrowing is 4.85% p.a.
- (c) The unsecured borrowings relate to (i) the S\$120 million 2.63% series 002 Notes due July 2022; (ii) the S\$120 million 3.08% series 003 Notes due November 2024; (iii) S\$70 million of term loan facility with a loan maturity of 5 years from 12 March 2018; (iv) A\$120 million of term loan facility with a loan maturity of 5 years from 6 July 2018; (v) S\$350 million of term loan facilities with loan maturities of 5 to 7 years from 5 July 2019; and (vi) the JPY2.35 billion Kobe Excellence TMK series 1 Bonds with a bond maturity of 3 years from 16 July 2019.

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

² On 16 April 2020, MAS has raised the leverage limit for S-REITs from 45% to 50%.

³ Interest coverage ratio as prescribed under the MAS' Property Funds Appendix (last revised on 16 April 2020).

⁴ For purpose of computing interest coverage ratio, interest expense excludes the unwinding of discounting effect on present value of lease liability and long term security deposits payable.

1 (c) Consolidated Cash Flows Statements

Note	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	1H 2021			1H 2020		
	1 Oct 2020 to 31 Mar 2021			1 Oct 2019 to 31 Mar 2020		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Total return/(Loss) before tax	9,840	11,409	(187)	25,184	26,566	(528)
Adjustments for:						
Amortisation of debt upfront costs	442	442	-	410	410	-
Amortisation of other assets	4	4	-	6	6	-
Depreciation	1,966	-	2,289	1,909	-	2,113
Finance costs	9,384	9,384	1,248	9,825	9,825	1,191
Finance income	(173)	(173)	-	(129)	(127)	(2)
Impairment loss on trade receivables	2,486	2,486	-	-	-	-
Net change in fair value of derivative financial instruments	63	63	-	137	137	-
Other management fees paid and payable in Stapled Securities	-	-	-	2,002	2,002	-
Property, plant and equipment written off	-	-	-	1	-	1
Property management fees paid and payable in Stapled Securities	-	-	-	2,231	2,231	-
REIT Manager's management fees paid and payable in Stapled Securities	-	-	-	3,233	3,233	-
Trustee-Manager's management fees paid and payable in Stapled Securities	-	-	-	24	-	24
Unrealised (gain)/loss on foreign exchange, net	(522)	(488)	(34)	572	537	35
Cash generated from operations before working capital changes	23,490	23,127	3,316	45,405	44,820	2,834
Changes in working capital:						
Inventories	-	-	-	(5)	-	(5)
Prepayments	(1,022)	(921)	(101)	(656)	(552)	(104)
Trade and other receivables	(2,047)	(2,119)	(925)	8,295	8,243	1,275
Trade and other payables	(6,271)	(6,200)	920	1,238	1,856	(1,907)
Deferred income	-	-	-	(21)	(21)	-
Cash generated from operations	14,150	13,887	3,210	54,256	54,346	2,093
Tax paid	(346)	(336)	(10)	(2,021)	(1,834)	(187)
Interest income received	173	173	-	129	127	2
Net cash generated from operating activities	13,977	13,724	3,200	52,364	52,639	1,908

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

Note	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	1H 2021			1H 2020		
	1 Oct 2020 to 31 Mar 2021			1 Oct 2019 to 31 Mar 2020		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions to investment properties	(1,663)	(2,108)	-	(4,016)	(4,016)	-
Additions to property, plant & equipment	(451)	-	-	(508)	-	-
Net cash used in investing activities	(2,114)	(2,108)	-	(4,524)	(4,016)	-
CASH FLOWS FROM FINANCING ACTIVITIES						
Distribution paid to Stapled Securityholders	(20,599)	(20,276)	(323)	(41,518)	(41,361)	(157)
Distribution paid to Perpetual Securities holders	(2,243)	(2,243)	-	(2,243)	(2,243)	-
Finance costs paid	(8,858)	(8,858)	-	(10,006)	(10,006)	-
Payment of lease liabilities	-	-	(2,953)	-	-	(2,691)
Proceeds from borrowings, net of debt upfront costs	49,810	49,810	-	55,000	55,000	-
Repayment of borrowings	(50,000)	(50,000)	-	(25,000)	(25,000)	-
Net cash used in financing activities	(31,890)	(31,567)	(3,276)	(23,767)	(23,610)	(2,848)
Net decrease in cash and cash equivalents	(20,027)	(19,951)	(76)	24,073	25,013	(940)
Cash and cash equivalents at beginning of the financial period	92,473	88,969	3,504	84,995	80,175	4,820
Effect of exchange rate changes on cash and cash equivalents	(406)	(532)	126	525	825	(300)
Cash and cash equivalents at end of the financial period	72,040	68,486	3,554	109,593	106,013	3,580

For the purpose of the consolidated cash flows statements, cash and cash equivalents comprise the following:

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	As at 31 Mar 2021			As at 31 Mar 2020		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	68,825	65,271	3,554	85,477	81,897	3,580
Fixed deposits	3,215	3,215	-	24,116	24,116	-
Cash and cash equivalents	72,040	68,486	3,554	109,593	106,013	3,580

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

		Attributable to Stapled Securityholders								
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve	Revaluation reserve	Total	Perpetual Securities holders' funds	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FHT	Note									
At 1 October 2020										
Total return for the period, net of tax		1,539,879	(25,764)	(112,340)	(21,334)	(127,562)	-	1,252,879	100,279	1,353,158
Total return for the period, attributable to Perpetual Securities holders		-	-	8,550	-	-	-	8,550	-	8,550
Total return for the period, attributable to Perpetual Securities holders		-	-	(2,219)	-	-	-	(2,219)	2,219	-
<u>Other comprehensive income</u>										
Effective portion of changes in fair value of cash flow hedges		-	-	-	13,864	-	-	13,864	-	13,864
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	(2,890)	-	-	(2,890)	-	(2,890)
Foreign currency translation differences		-	-	-	-	18,194	-	18,194	-	18,194
Other comprehensive income for the period, net of tax		-	-	-	10,974	18,194	-	29,168	-	29,168
Total comprehensive income for the period, net of tax		-	-	6,331	10,974	18,194	-	35,499	2,219	37,718
<u>Contributions by and distributions to Stapled Securityholders</u>										
Distributions to Stapled Securityholders		-	-	(20,599)	-	-	-	(20,599)	-	(20,599)
Total contributions by and distributions to Stapled Securityholders		-	-	(20,599)	-	-	-	(20,599)	-	(20,599)
Distributions to Perpetual Securities holders		-	-	-	-	-	-	-	(2,243)	(2,243)
At 31 March 2021		1,539,879	(25,764)	(126,608)	(10,360)	(109,368)	-	1,267,779	100,255	1,368,034
		Attributable to Stapled Securityholders								
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve	Revaluation reserve	Total	Perpetual Securities holders' funds	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FHT	Note									
At 1 October 2019										
Total return for the period, net of tax		1,531,826	(25,764)	53,383	(2,443)	(176,007)	2,459	1,383,454	100,279	1,483,733
Total return for the period, attributable to Perpetual Securities holders		-	-	23,025	-	-	-	23,025	-	23,025
Total return for the period, attributable to Perpetual Securities holders		-	-	(2,231)	-	-	-	(2,231)	2,231	-
<u>Other comprehensive income</u>										
Effective portion of changes in fair value of cash flow hedges		-	-	-	(9,678)	-	-	(9,678)	-	(9,678)
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	(239)	-	-	(239)	-	(239)
Foreign currency translation differences		-	-	-	-	(10,381)	-	(10,381)	-	(10,381)
Other comprehensive income for the period, net of tax		-	-	-	(9,917)	(10,381)	-	(20,298)	-	(20,298)
Total comprehensive income for the period, net of tax		-	-	20,794	(9,917)	(10,381)	-	496	2,231	2,727
<u>Contributions by and distributions to Stapled Securityholders</u>										
REIT Manager's management fees payable in Stapled Securities		3,233	-	-	-	-	-	3,233	-	3,233
Trustee-Manager's management fees payable in Stapled Securities		24	-	-	-	-	-	24	-	24
Other management fees payable in Stapled Securities		2,002	-	-	-	-	-	2,002	-	2,002
Property management fees payable in Stapled Securities		2,231	-	-	-	-	-	2,231	-	2,231
Distributions to Stapled Securityholders		-	-	(41,518)	-	-	-	(41,518)	-	(41,518)
Total contributions by and distributions to Stapled Securityholders		7,490	-	(41,518)	-	-	-	(34,028)	-	(34,028)
Distributions to Perpetual Securities holders		-	-	-	-	-	-	-	(2,243)	(2,243)
At 31 March 2020		1,539,316	(25,764)	32,659	(12,360)	(186,388)	2,459	1,349,922	100,267	1,450,189

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 Group		Note							
At 1 October 2020		1,530,288	(25,759)	(108,565)	(21,334)	(127,889)	1,246,741	100,279	1,347,020
Total return for the period, net of tax		-	-	10,153	-	-	10,153	-	10,153
Total return for the period, attributable to Perpetual Securities holders		-	-	(2,219)	-	-	(2,219)	2,219	-
<u>Other comprehensive income</u>									
Effective portion of changes in fair value of cash flow hedges		-	-	-	13,864	-	13,864	-	13,864
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	(2,890)	-	(2,890)	-	(2,890)
Foreign currency translation differences		-	-	-	-	17,936	17,936	-	17,936
Other comprehensive income for the period, net of tax		-	-	-	10,974	17,936	28,910	-	28,910
Total comprehensive income for the period, net of tax		-	-	7,934	10,974	17,936	36,844	2,219	39,063
<u>Contributions by and distributions to Stapled Securityholders</u>									
Distributions to Stapled Securityholders		-	-	(20,276)	-	-	(20,276)	-	(20,276)
Total contributions by and distributions to Stapled Securityholders		-	-	(20,276)	-	-	(20,276)	-	(20,276)
Distributions to Perpetual Securities holders		-	-	-	-	-	-	(2,243)	(2,243)
At 31 March 2021		1,530,288	(25,759)	(120,907)	(10,360)	(109,953)	1,263,309	100,255	1,363,564

		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 Group		Note							
At 1 October 2019		1,522,261	(25,759)	58,276	(2,443)	(175,135)	1,377,200	100,279	1,477,479
Total return for the period, net of tax		-	-	24,514	-	-	24,514	-	24,514
Total return for the period, attributable to Perpetual Securities holders		-	-	(2,231)	-	-	(2,231)	2,231	-
<u>Other comprehensive income</u>									
Effective portion of changes in fair value of cash flow hedges		-	-	-	(9,678)	-	(9,678)	-	(9,678)
Net change in fair value of cash flow hedges reclassified to total return		-	-	-	(239)	-	(239)	-	(239)
Foreign currency translation differences		-	-	-	-	(10,047)	(10,047)	-	(10,047)
Other comprehensive income for the period, net of tax		-	-	-	(9,917)	(10,047)	(19,964)	-	(19,964)
Total comprehensive income for the period, net of tax		-	-	22,283	(9,917)	(10,047)	2,319	2,231	4,550
<u>Contributions by and distributions to Stapled Securityholders</u>									
REIT Manager's management fees payable in Stapled Securities		3,233	-	-	-	-	3,233	-	3,233
Other management fees payable in Stapled Securities		2,002	-	-	-	-	2,002	-	2,002
Property management fees payable in Stapled Securities		2,231	-	-	-	-	2,231	-	2,231
Distributions to Stapled Securityholders		-	-	(41,361)	-	-	(41,361)	-	(41,361)
Total contributions by and distributions to Stapled Securityholders		7,466	-	(41,361)	-	-	(33,895)	-	(33,895)
Distributions to Perpetual Securities holders		-	-	-	-	-	-	(2,243)	(2,243)
At 31 March 2020		1,529,727	(25,759)	39,198	(12,360)	(185,182)	1,345,624	100,267	1,445,891

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
Note		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FH-BT Group									
At 1 October 2020									
	Loss for the period, net of tax	9,591	(5)	(6,743)	-	(548)	2,295	-	2,295
		-	-	(221)	-	-	(221)	-	(221)
<u>Other comprehensive income</u>									
	Foreign currency translation differences	-	-	-	-	108	108	-	108
	Other comprehensive income for the period, net of tax	-	-	-	-	108	108	-	108
	Total comprehensive income for the period, net of tax	-	-	(221)	-	108	(113)	-	(113)
<u>Contributions by and distributions to Stapled Securityholders</u>									
	Distributions to Stapled Securityholders	-	-	(323)	-	-	(323)	-	(323)
	Total contributions by and distributions to Stapled Securityholders	-	-	(323)	-	-	(323)	-	(323)
At 31 March 2021									
		9,591	(5)	(7,287)	-	(440)	1,859	-	1,859

		Attributable to Stapled Securityholders							
		Stapled Securities in issue	Issue costs	Revenue reserves	Hedging reserve	Foreign currency translation reserve	Total	Perpetual Securities holders' funds	Total
Note		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FH-BT Group									
At 1 October 2019									
	Adjustment on initial recognition of SFRS(I) 16	9,565	(5)	(3,604)	-	(677)	5,279	-	5,279
		-	-	(2,236)	-	-	(2,236)	-	(2,236)
At 1 October 2019 (restated)									
	Loss for the period, net of tax	9,565	(5)	(5,840)	-	(677)	3,043	-	3,043
		-	-	(635)	-	-	(635)	-	(635)
<u>Other comprehensive income</u>									
	Foreign currency translation differences	-	-	-	-	(173)	(173)	-	(173)
	Other comprehensive income for the period, net of tax	-	-	-	-	(173)	(173)	-	(173)
	Total comprehensive income for the period, net of tax	-	-	(635)	-	(173)	(808)	-	(808)
<u>Contributions by and distributions to Stapled Securityholders</u>									
	Trustee-Manager's management fees payable in Stapled Securities	24	-	-	-	-	24	-	24
	Distribution to Stapled Securityholders	-	-	(157)	-	-	(157)	-	(157)
	Total contributions by and distributions to Stapled Securityholders	24	-	(157)	-	-	(133)	-	(133)
At 31 March 2020									
		9,589	(5)	(6,632)	-	(850)	2,102	-	2,102

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

	FHT	
	1H 2021	1H 2020
	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Note	No. of Stapled Securities	No. of Stapled Securities
Balance at beginning of the period	1,921,243,027	1,894,216,910
- As payment of REIT Manager's management fees	2,910,050	7,047,501
- As payment of Trustee-Manager's management fees	15,881	39,918
- As payment of other management fees	1,144,135	4,358,730
- As payment of property management fees	760,776	3,995,008
Issued Stapled Securities at the end of the period	1,926,073,869	1,909,658,067
Issuable Stapled Securities		
As payment of REIT Manager's management fees	(a) -	7,210,461
As payment of Trustee-Manager's management fees	(b) -	51,786
As payment of other management fees	(c) -	4,740,138
As payment of property management fees	(d) -	4,328,651
Total issued and issuable Stapled Securities	1,926,073,869	1,925,989,103

Footnotes:

- (a) This represents Stapled Securities to be issued in satisfaction of the REIT Manager's management fees in 1H 2020. For 1H 2021, the REIT Manager has elected to receive 100% of the REIT Manager's management fees in cash.
- (b) This represents Stapled Securities to be issued in satisfaction of the Trustee-Manager's management fees in 1H 2020. For 1H 2021, the Trustee-Manager has elected to receive 100% of the Trustee-Manager's management fees in cash.
- (c) This represents Stapled Securities to be issued in satisfaction of the MIT Manager's management fees in 1H 2020. For 1H 2021, the MIT Manager has elected to receive 100% of the MIT Manager's management fees in cash.
- (d) This represents Stapled Securities to be issued in satisfaction of the property managers' management fees in 1H 2020. For 1H 2021, the property managers have elected to receive 100% of the property managers' management fees in cash.

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 for the current reporting financial period are consistent with those applied in the audited financial statements for the financial year ended 30 September 2020.

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.**

The FH-REIT Group, the FH-BT Group and FHT adopted various new accounting standards, amendments to and interpretations of standards that are effective for financial year beginning 1 October 2020. The adoption of those new standards, amendments to and interpretations of standards did not have significant impact on their respective financial statements.

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

Group earnings per Stapled Security

	Note	FHT	
		1H 2021	1H 2020
		1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Total return for the period after tax (S\$'000)		8,550	23,025
Less: Total return for the period after tax attributable to Perpetual Securities holders (S\$'000)		(2,219)	(2,231)
Total return for the period after tax attributable to Stapled Securityholders (S\$'000)		6,331	20,794
Basic EPS			
Weighted average number of Stapled Securities	(a)	1,926,073,869	1,911,903,883
EPS based on weighted average number of Stapled Securities (cents)		0.32	1.08
Dilutive EPS			
Weighted average number of Stapled Securities	(a)	1,926,073,869	1,925,989,103
EPS based on weighted average number of Stapled Securities (cents)		0.32	1.07

Footnote:

(a) The weighted average number of Stapled Securities is weighted for Stapled Securities in 1H 2021 and 1H 2020 respectively.

6 Earnings per Stapled Security ("EPS") and Distribution per Stapled Security ("DPS") for the financial period (Cont'd)

Group distribution per Stapled Security

	FHT	
	1H 2021	1H 2020
	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Total number of issued and issuable Stapled Securities at end of period	1,926,073,869 ^(a)	1,921,243,027
Distribution to Stapled Securityholders (S\$'000)	3,449 ^(b)	6,317
DPS based on the total number of Stapled Securities entitled to distribution (cents)	0.1790 ^(b)	0.3287

Footnotes:

(a) The computation of DPS for the periods are based on the number of Stapled Securities entitled to distribution. This comprises the number of Stapled Securities in issue as at 31 March 2021 of 1,926,073,869.

** 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 the Trustee-Manager within 90 days from the end of the said semi-annual period.

(b) For prudence, FHT has retained approximately S\$5.2 million or 60% of the income available for distribution to conserve cash in light of uncertainties.

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

	FHT	
	As at 31 Mar 2021	As at 30 Sep 2020
Number of Stapled Securities issued at end of the period	1,926,073,869	1,921,243,027
Net asset value (S\$'000)	1,267,779	1,252,879
Net asset value per Stapled Security (cents)	65.82	65.21

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

	FHT	
	As at 31 Mar 2021	As at 30 Sep 2020
Number of Stapled Securities issued at end of the period	1,926,073,869	1,921,243,027
Net tangible asset (S\$'000)	1,267,779	1,252,879
Net tangible asset value per Stapled Security (cents)	65.82	65.21

8 Review of performance

1H 2021 VS 1H 2020

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Revenue			Gross Operating Revenue		
		1H 2021	1H 2020	Change	1H 2021	1H 2020	Change
		1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020		1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Australia ^(a)	AUD	18,706	44,189	(57.7)	8,328	16,500	(49.5)
Singapore	SGD	21,153	36,751	(42.4)	-	-	N/A
United Kingdom	GBP	1,919	11,275	(83.0)	-	-	N/A
Japan	JPY	1,044,361	2,636,503	(60.4)	-	-	N/A
Malaysia	MYR	2,559	36,605	(93.0)	-	-	N/A
Germany	EUR	1,401	5,225	(73.2)	-	-	N/A

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Profit			Gross Operating Profit		
		1H 2021	1H 2020	Change	1H 2021	1H 2020	Change
		1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020		1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Australia ^(a)	AUD	8,454	17,789	(52.5)	5,245	7,972	(34.2)
Singapore	SGD	7,145	12,895	(44.6)	-	-	N/A
United Kingdom	GBP	(207)	5,310	NM	-	-	N/A
Japan	JPY	113,909	691,257	(83.5)	-	-	N/A
Malaysia	MYR	(8,738)	9,413	NM	-	-	N/A
Germany	EUR	113	1,885	(94.0)	-	-	N/A

Footnote:

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

Operational Performance

Review of performance for 1H 2021 compared to 1H 2020

During the financial period under review from 1 October 2020 to 31 March 2021 ("1H 2021"), Gross Revenue ("GR") decreased 36.2% to S\$39.9 million and Net Property Income ("NPI") decreased 40.9% to S\$26.7 million compared to last year ("1H 2020"). Distributable Income ("DI") registered a decline of 72.7% compared to 1H 2020 at S\$8.6 million. DPS registered a decrease of 45.5% compared to 1H 2020 at 0.18 cents

According to Tourism Australia, international tourist arrivals for 2020 fell 80.7% year-on-year ("yoy") to 1.8 million while for the first 2 months of 2021, it dropped 99.0% to 14,250. For 1H 2021, the Australia portfolio reported a 48.1% increase in revenue per available room ("RevPAR") over 2H 2020 and this was on the back of higher average daily rate ("ADR") and occupancy. However, as compared to 1H 2020 when the impact of the pandemic was only felt in March 2020, portfolio RevPAR declined steeply by 70.2%. As such, GOR and GOP of the portfolio saw yoy declines of 55.5% and 46.8% respectively for 1H 2021. Both NMOC and Sofitel Sydney Wentworth continued to secure further contracts for the isolation business, starting from 1 October 2020. During 1H 2021, the portfolio benefitted from the government's JobKeeper payment which ceased on 28 March 2021.

For 2020, Singapore Tourism Board reported 2.7 million international visitor arrivals, down 85.7% yoy while for the first quarter of 2021, international visitor arrivals fell 97.4% yoy to 68,680. In 1H 2021, the Singapore portfolio saw yoy declines of 42.4% and 44.6% in GOR and GOP respectively. Portfolio RevPAR recorded a 42.9% decline yoy due to lower ADR and occupancy but was 8.7% higher as compared to 2H 2020 due to improved ADR as InterContinental Singapore ceased being a Stay-Home Notice facility in September 2020. The government's Job Support Scheme, which has been extended till 30 September 2021, continues to help the properties preserve jobs and conserve cashflow. Singapore has been in talks with Australia and Hong Kong on potential bilateral travel bubbles. The city state and Hong Kong have recently announced 26 May 2021 as the start date for their travel bubble. Singapore does not admit short-term visitors, except those under the Green and Fast Lane and Air Travel Pass arrangements.

With third national lockdown imposed on 5 January 2021, Park International London and Fraser Suites Edinburgh have temporarily suspended their operations. ibis Styles London Gloucester Road is still closed as transient business travel has yet to pick up. For 1H 2021, the UK portfolio recorded a yoy decline of 83.0% in GOR and a gross operating loss of GBP0.2 million. Portfolio RevPAR declined 82.1% yoy but improved 16.0% as compared to 2H 2020 due mainly to higher occupancies at Fraser Place Canary Wharf London and Fraser Suites Queens Gate London which have both secured long-stay guests. All properties continue to benefit from the government's furlough scheme which has been extended till end of September 2021.

For 2020, Japan National Tourism Organization reported a yoy drop of 87.1% in foreign visitors to 4.1 million while for the first quarter of 2021, foreign visitors fell 98.3% yoy to 66,200. For 1H 2021, ANA Crowne Plaza Kobe registered yoy declines of 60.4% and 83.5% for GOR and GOP respectively. The hotel's RevPAR decreased 53.6% yoy but improved 68.4% as compared to 2H 2020 on the back of higher occupancy and ADR. Japan declared state of emergency in prefectures including Osaka, Kyoto, Hyogo (Kobe) and Fukuoka from 7 January 2021 to 7 March 2021. Due to a surge in COVID-19 cases, a third state of emergency has been declared in Tokyo and 3 western Japan prefectures of Osaka, Kyoto and Hyogo from 25 April 2021 to 11 May 2021, to curb the virus spread during the upcoming Golden Week holidays.

8 **Review of performance (Cont'd)**

Review of performance for 1H 2021 compared to 1H 2020 (Cont'd)

For 2020, Tourism Malaysia recorded a yoy decline of 83.4% in tourist arrivals to 4.3 million. TWKL has resumed operations since 18 December 2020, after a temporary suspension for nearly 5 months to conserve cash and undergo restructuring. For 1H 2021, the hotel's GOR declined 93.0% yoy. It recorded a gross operating loss of MYR8.7 million which included a one-off MYR2.3 million retrenchment cost. While occupancy remained low, the leaner operating structure has enabled the hotel to narrow its operating losses since reopening. On 5 March 2021, Malaysia announced the easing of movement control order (MCO 2.0) and in its place was a conditional movement control order ("CMCO") until 14 April 2021. However, the CMCO has been further extended until 17 May 2021, with interstate travel still prohibited.

The Federal Statistical Office of Germany reported that the number of overnight stays by domestic and foreign visitors for 2020 declined 39.0% yoy while for January and February of 2021, it fell yoy by 76.3% and 76.0% respectively. In comparison, Dresden's Official Tourist Information Center recorded a lower decline of 29.7% in the total number of domestic and foreign visitors for 2020. For 1H 2021, Maritim Hotel Dresden's performance continued to be affected by the temporary closure of the adjoining International Congress Centre which has been extended with no fixed re-opening date. Germany launched a nationwide 5-step plan, which started on 1 March 2021, to relax restrictions on a regional or state level. However, it has extended its lockdown until mid-April 2021.

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**

According to the World Tourism Organization's ("UNWTO") latest Panel of Experts survey, the outlook for 2021 is mixed and the overall prospects for a rebound in 2021 seem to have worsened. Nonetheless, the gradual roll-out of COVID-19 vaccines is anticipated to help restore traveller confidence, contribute to easing of travel restrictions and slowly normalise travel for 2021. The UNWTO noted that it could take between 2.5 and 4 years for international tourism to return to 2019 levels and domestic demand is expected to recover faster than international demand.

FHT's portfolio of 15 quality assets are in prime locations within key cities of Australia, Asia and Europe. Given the sizeable domestic tourism markets in Australia, Japan and the UK, a rebound in domestic tourism is likely to help FHT's properties in these countries recover sooner than the rest of its portfolio.

While uncertainty remains, FHT will continue to position its portfolio for the eventual recovery of international tourism. It has sufficient liquidity to ride through these extraordinary times and the master lease structure for its properties also helps to mitigate the adverse impact of the COVID-19 pandemic.

11 **Distributions**

(a) **Current financial period**

Any distribution declared for the current financial period?	Yes.	
Name of Distribution	(i) Distribution for period from 1 October 2020 to 31 March 2021	
Distribution Type	(a) Taxable income (b) Capital distribution	
Distribution Rate	(i) Distribution for period from 1 October 2020 to 31 March 2021	
		Cents (Per Stapled Security)
	(a) Taxable income distribution	0.0033
	(b) Capital distribution	0.1757
		<u>0.1790</u>

(b) **Corresponding period of the immediately preceding financial year**

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

Distribution for period from 1 October 2019 to 31 March 2020

	Cents (Per Stapled Security)
(a) Taxable income distribution	0.1301
(b) Tax-exempt income distribution	0.1986
	<u>0.3287</u>

11 **Distributions (Cont'd)**

(c) **Tax Rate**

Taxable income distribution

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

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

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

Tax-exempt income distribution

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

Capital distribution

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

(d) **Date payable**

29 June 2021

(e) **Record date**

10 May 2021

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

Not applicable.

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**

(i) FHT's interests in Australia Land Trust

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

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

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

(a) FHT is an Australian Land Trust¹ ("ALT") or a "national security business" and the investor is a "foreign person" who, together with its "associates", would hold a "direct interest", which is generally:

(i) an interest of more than 10% in FHT;

(ii) an increase to an existing holding of 10% or more in FHT; or

(iii) an interest of less than 10% where the investor is in a position to influence or participate in the central management and control of the land entity or to influence, participate in or determine the policy of FHT or has a legal arrangement relating to the business of the investor or FHT;

noting no monetary threshold applies in the above circumstances; or

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

14 Additional information (Cont'd)

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

(b) the investor is a "foreign person" who, together with its "associates", would hold a "substantial interest", which is generally :

(i) an interest of more than 20% in FHT;

(ii) an increase to an existing holding of 20% or more in FHT; or

(iii) an interest of less than 20% where the investor has veto power,

and the interest being acquired is valued in excess of the applicable monetary threshold being:

(i) nil, if the investor is also a "foreign government investor";

(ii) nil, if FHT holds any "national security land";

(iii) nil, if FHT has a downstream Australian trust that is an ALT and more than 10% of the land in that trust is considered to be vacant land, residential land, mining or production tenements; or

(iv) nil, if FHT has a downstream Australian trust that is an ALT and the ALT is valued in excess of A\$61.0 million if the trust holds sensitive commercial land or A\$281.0 million if the trust does not hold any sensitive commercial land, vacant land, residential land, mining or production tenements.

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

As at 31 March 2021, the value of the Australian assets comprised in FHT's portfolio is 31.3% of the total asset value of FHT. Consequently, FHT is not considered to be an ALT.

FHT has a number of downstream trusts that are ALTs in Australia and at least one of them holds interests in sensitive commercial land and is valued in excess of A\$61.0 million. Investors proposing to acquire an interest of 20% or more in FHT together with associates or to increase their interest to 20% or more are invited to inquire with FHT at the relevant time in respect of the composition of the assets held by FHT. While FHT does not expect that it will hold sufficient vacant land or residential land or any mining or production tenements in Australia to trigger a mandatory filing requirement, such investors will need to consider their position with respect to the broad 'tracing' provisions that apply to substantial interests.

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

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.

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

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

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

On 10 February 2021, Frasers Property Limited ("FPL") announced a proposed renounceable rights issue to issue up to 1,085,291,114 shares in FPL at S\$1.18 per share. On 5 April 2021, FPL completed its renounceable rights issue exercise with a subscription rate of 90.6%, and issued 982,866,444 new shares in FPL. TCC Assets Limited ("TCCA") and InterBev Investment Limited ("IBIL") jointly held 86.63% stake in FPL prior to the rights issue in FPL. TCCA and IBIL were allotted 634,979,244 and 305,193,628 rights shares respectively, being their pro-rata entitlements under the rights issue. As the overall subscription rate in FPL's rights issue was at 90.6%, the effective stake of TCCA and IBIL in FPL had invariably increased from 86.63% to 88.89%. This effective stake increase in FPL consequently resulted in a Foreign Individual holding an effective interest of more than 10.0% in FH-REIT and therefore FHTAT failing to meet one of the requirements to qualify as an MIT in this income year ending 30 September 2021. This failure to meet one of the requirements to qualify as an MIT was beyond the control of FH-REIT as it arose from a corporate exercise at FH-REIT's unitholder's level.

The MIT status is assessed in every income year of FHTAT and FHTAT will therefore not qualify as an MIT in FY2021. The REIT Manager is exploring avenues to remedy this unintended percentage interest holding in FH-REIT so that FHTAT can re-qualify as an MIT for future income years. However, there are no immediate plans to issue more Stapled Securities (as there is no immediate need for such funds) to dilute the percentage unitholding of FPL in FH-REIT.

The potential savings in withholding tax arises only when FHTAT has taxable income for Australian tax purposes. Since IPO until financial year ended 30 September 2018 ("FY2018"), FHTAT had utilised "brought forward tax losses" to mitigate tax payments and therefore did not have any taxable income for Australian tax purposes all the way until FY2018. In financial year ended 30 September 2019 ("FY2019"), FHTAT paid concessionary withholding tax of AUD0.93 million on distributions to FH-REIT. For illustration purposes only, had FHTAT not qualified as an MIT in FY2019, the withholding tax expense would have been AUD2.3 million. This would have reduced FH-REIT's DPS from 4.4129 Singapore cents to 4.3443 Singapore cents. In financial year ended 30 September 2020 ("FY2020"), FHTAT distributable income was negatively impacted by the COVID-19 pandemic which affected the underlying properties' operating performance in Australia. Consequently, FHTAT did not have taxable income and therefore had not made any distributions in FY2020, and did not incur any withholding tax expense in FY2020. For the first half of FY2021, FHTAT does not have any taxable income to distribute. Therefore, the REIT Manager does not expect the impact of FHTAT's loss of MIT qualification in income year ending 30 September 2021, to have a material impact on the income available for distribution to the Stapled Securityholders for the financial year ending 30 September 2021.

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 manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of FH-BT) which may render these financial results to be false or misleading, in any material aspect.

For and on behalf of the Board of Directors of

Frasers Hospitality Asset Management Pte. Ltd.

Frasers Hospitality Trust Management Pte. Ltd.

Law Song Keng
Director

Koh Teck Chuan
Director

BY ORDER OF THE BOARD

Frasers Hospitality Asset Management Pte. Ltd.

(Company registration no. 201331351D)

As manager of Frasers Hospitality Real Estate Investment Trust

Frasers Hospitality Trust Management Pte. Ltd.

(Company registration no. 201401270M)

As trustee-manager of Frasers Hospitality Business Trust

Catherine Yeo
Company Secretary
30 April 2021

IMPORTANT NOTICE

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

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

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

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

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