



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

Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

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

Six months ended 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000
Master lease rental	8	46,751	39,619	51,859	43,774	-	-
Room revenue		10,765	10,045	-	-	10,765	10,045
Food and beverage revenue		2,614	1,791	-	-	2,614	1,791
Other income		848	298	-	-	848	298
Revenue		60,978	51,753	51,859	43,774	14,227	12,134
Property tax		(3,447)	(4,207)	(3,447)	(4,207)	-	-
Property insurance		(663)	(627)	(611)	(574)	(52)	(53)
Property management fees		(2,555)	(2,715)	(2,555)	(2,715)	-	-
Other property expenses		(1,067)	(959)	(1,067)	(959)	-	-
Reversal of impairment loss on trade receivables		897	2,368	897	2,368	-	-
Operations and maintenance expenses		(3,494)	(2,924)	(202)	(56)	(3,702)	(3,233)
Energy and utilities expenses		(334)	(372)	-	-	(334)	(372)
Hotel management fee		(316)	(282)	-	-	(316)	(282)
Rental expense		-	-	-	-	(2,504)	(1,330)
Staff costs		(3,081)	(2,562)	-	-	(3,081)	(2,562)
Marketing expenses		(1,253)	(1,219)	-	-	(1,253)	(1,219)
Administrative expenses		(360)	(333)	-	-	(360)	(333)
Property operating expenses		(15,673)	(13,832)	(6,985)	(6,143)	(11,602)	(9,384)
Net property income		45,305	37,921	44,874	37,631	2,625	2,750
Depreciation		(1,882)	(2,087)	-	-	(1,957)	(2,161)
REIT Manager's management fees	4	(3,085)	(2,874)	(3,085)	(2,874)	-	-
Trustee-Manager's management fees	4	(29)	(16)	-	-	(29)	(16)
Other management fees	4	(1,306)	(1,461)	(1,306)	(1,461)	-	-
Trustees' fees		(219)	(230)	(219)	(230)	-	-
Other trust expenses	5	(1,998)	(4,282)	(1,952)	(4,240)	(46)	(42)
Finance income		997	407	886	398	195	96
Amortisation of debt upfront costs		(448)	(611)	(448)	(611)	-	-
Finance costs		(11,838)	(11,597)	(11,922)	(11,684)	(964)	(1,107)
Total return/(Loss) before foreign exchange differences, fair value changes and tax		25,497	15,170	26,828	16,929	(176)	(480)
Foreign exchange loss, net		(234)	(4,389)	(222)	(4,297)	(12)	(92)
Net change in fair value of investment properties	8	50,725	24,199	54,560	28,340	-	-
Loss on disposal of property, plant and equipment		(49)	-	-	-	(49)	-
Revaluation of property, plant and equipment	9	-	1,347	-	-	-	-
Gain on divestment of investment property and deemed disposal of business of foreign operations		-	17,585	-	17,585	-	-
Net change in fair value of derivative financial instruments		131	3,012	131	3,012	-	-
Realised (loss)/gain on derivative financial instruments, net		(63)	1,087	(63)	1,087	-	-
Total return/(Loss) for the period before tax		76,007	58,011	81,234	62,656	(237)	(572)
Taxation	6	(7,590)	(9,074)	(8,706)	(9,952)	187	26
Total return/(Loss) for the period after tax		68,417	48,937	72,528	52,704	(50)	(546)
Total return/(Loss) for the period after tax attributable to:							
- Stapled Securityholders		68,417	48,937	72,528	52,704	(50)	(546)
Earnings per Stapled Security (cents)							
Basic	7	<u>3.55</u>	<u>2.55</u>				
Diluted	7	<u>3.55</u>	<u>2.55</u>				

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME OF THE FH-BT GROUP

Six months ended 30 September 2023

	FH-BT Group	
	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000
Loss for the period after tax	(50)	(546)
Other comprehensive income		
Items that may be reclassified to statement of profit or loss:		
Foreign currency translation differences	(16)	(166)
Total comprehensive income for the period, net of tax	(66)	(712)
Total comprehensive income for the period attributable to		
– Stapled Securityholders	(66)	(712)

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

CONDENSED INTERIM DISTRIBUTION STATEMENTS

Six months ended 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000
Reconciliation of total return/(loss) to income available for distribution							
Total return/(Loss) for the period after tax, attributable to Stapled Securityholders							
		68,417	48,937	72,528	52,704	(50)	(546)
(Non-taxable)/non-tax deductible items and other adjustments:							
Amortisation of debt upfront costs		448	611	448	611	-	-
Depreciation		1,882	2,087	-	-	1,957	2,161
Foreign exchange loss, net		235	4,389	223	4,296	12	92
Net change in fair value of investment properties		(50,725)	(24,199)	(54,560)	(28,340)	-	-
Loss on disposal of property, plant and equipment		49	-	-	-	49	-
Revaluation of property, plant and equipment		-	(1,347)	-	-	-	-
Net change in fair value of derivative financial instruments		(131)	(3,012)	(131)	(3,012)	-	-
Realised loss/(gain) on derivative financial instruments		63	(1,086)	63	(1,086)	-	-
Trustee's fee in relation to FH-REIT		128	132	128	132	-	-
Interest expense on lease liabilities		60	62	60	62	964	1,107
Lease payments		-	-	-	-	(2,604)	(2,826)
Deferred tax expense/(credit)	6	4,783	(6,988)	5,899	(6,102)	(187)	(34)
Gain on divestment of investment property and deemed disposal of business of foreign operations		-	(17,585)	-	(17,585)	-	-
Withholding tax on capital gain on divestment of investment property		-	15,011	-	15,011	-	-
Other adjustments		(6)	2,903	387	3,249	17	21
Net effect of (non-taxable)/non-tax deductible items and other adjustments		(43,214)	(29,022)	(47,483)	(32,764)	208	521
Income available for distribution		25,203	19,915	25,045	19,940	158	(25)
Income available for distribution attributable to:							
– Stapled Securityholders		25,203	19,915	25,045	19,940	158	(25)

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

CONDENSED INTERIM DISTRIBUTION STATEMENTS

Six months ended 30 September 2023

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000	6 months ended 30 Sep 2023 \$'000	6 months ended 30 Sep 2022 \$'000
Amount available for distribution to Stapled Securityholders at the beginning of the period	24,365	13,560	24,365	13,330	-	230
Income available for distribution attributable to Stapled Securityholders	25,203	19,915	25,045	19,940	158	(25)
Distribution to Stapled Securityholders during the period						
Distribution of 0.7039 cents per Stapled Security for the period from 1 October 2021 to 31 March 2022	-	(13,557)	-	(13,328)	-	(229)
Distribution of 1.2649 cents per Stapled Security for the period from 1 October 2022 to 31 March 2023	(24,363)	-	(24,363)	-	-	-
	(24,363)	(13,557)	(24,363)	(13,328)	-	(229)
Amount retained for working capital purposes	(2,520)	(1,969)	(2,362)	(1,994)	(158)	25
Amount available for distribution to Stapled Securityholders at the end of the period	22,685	17,949	22,685	17,948	-	1
Distribution per Stapled Security (cents)	1.1777	0.9316	1.1777	0.9316	-	-

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

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

Year ended 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Master lease rental	8	92,744	75,319	104,398	83,037	-	-
Room revenue		23,385	12,293	-	-	23,385	12,293
Food and beverage revenue		5,028	2,765	-	-	5,028	2,765
Other income		2,041	5,479	-	-	2,041	5,479
Revenue		123,198	95,856	104,398	83,037	30,454	20,537
Property tax		(7,390)	(7,384)	(7,390)	(7,384)	-	-
Property insurance		(1,278)	(1,431)	(1,174)	(1,326)	(104)	(105)
Property management fees		(5,255)	(4,448)	(5,255)	(4,448)	-	-
Other property expenses		(2,157)	(2,118)	(2,157)	(2,118)	-	-
Reversal of impairment loss on trade receivables		1,264	1,297	1,264	1,297	-	-
Operations and maintenance expenses		(6,979)	(4,406)	(230)	(115)	(7,621)	(4,748)
Energy and utilities expenses		(656)	(633)	-	-	(656)	(633)
Hotel management fee		(725)	(531)	-	-	(725)	(531)
Rental expense		-	-	-	-	(6,371)	(1,996)
Staff costs		(6,122)	(4,584)	-	-	(6,122)	(4,584)
Marketing expenses		(2,589)	(1,516)	-	-	(2,589)	(1,516)
Administrative expenses		(762)	(519)	-	-	(762)	(519)
Property operating expenses		(32,649)	(26,273)	(14,942)	(14,094)	(24,950)	(14,632)
Net property income		90,549	69,583	89,456	68,943	5,504	5,905
Depreciation		(3,831)	(4,224)	-	-	(3,994)	(4,386)
REIT Manager's management fees	4	(6,161)	(5,340)	(6,161)	(5,340)	-	-
Trustee-Manager's management fees	4	(51)	(46)	-	-	(51)	(46)
Other management fees	4	(2,782)	(3,295)	(2,782)	(3,295)	-	-
Trustees' fees		(434)	(474)	(434)	(474)	-	-
Other trust expenses	5	(3,833)	(5,299)	(3,750)	(5,216)	(83)	(83)
Finance income		1,614	450	1,443	441	255	96
Amortisation of debt upfront costs		(878)	(1,156)	(878)	(1,156)	-	-
Finance costs		(20,885)	(21,597)	(20,969)	(21,684)	(1,985)	(2,272)
Total return/(Loss) before foreign exchange differences, fair value changes and tax		53,308	28,602	55,925	32,219	(354)	(786)
Foreign exchange loss, net		(1,245)	(4,042)	(1,202)	(3,980)	(43)	(62)
Net change in fair value of investment properties	8	50,725	24,199	54,560	28,340	-	-
Loss on disposal of property, plant and equipment		(49)	-	-	-	(49)	-
Revaluation of property, plant and equipment	9	-	1,347	-	-	-	-
Gain on divestment of investment property and deemed disposal of business of foreign operations		-	17,585	-	17,585	-	-
Net change in fair value of derivative financial instruments		116	-	116	-	-	-
Realised (loss)/gain on derivative financial instruments, net		(244)	1,090	(244)	1,090	-	-
Total return/(Loss) for the year before tax		102,611	68,781	109,155	75,254	(446)	(848)
Taxation	6	(10,708)	(10,464)	(11,715)	(11,410)	78	94
Total return/(Loss) for the year after tax		91,903	58,317	97,440	63,844	(368)	(754)
Total return/(Loss) for the year after tax attributable to:							
- Stapled Securityholders		91,903	58,317	97,440	63,844	(368)	(754)
Earnings per Stapled Security (cents)							
Basic	7	<u>4.77</u>	<u>3.03</u>				
Diluted	7	<u>4.77</u>	<u>3.03</u>				

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME OF THE FH-BT GROUP

Year ended 30 September 2023

	FH-BT Group	
	2023 \$'000	2022 \$'000
Loss for the year after tax	(368)	(754)
Other comprehensive income		
Items that may be reclassified to statement of profit or loss:		
Foreign currency translation differences	(53)	(100)
Total comprehensive income for the year, net of tax	<u>(421)</u>	<u>(854)</u>
Total comprehensive income for the year attributable to		
– Stapled Securityholders	<u>(421)</u>	<u>(854)</u>

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

CONDENSED INTERIM DISTRIBUTION STATEMENTS

Year ended 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Reconciliation of total return/(loss) to income available for distribution							
Total return/(Loss) for the year after tax, attributable to Stapled Securityholders		91,903	58,317	97,440	63,844	(368)	(754)
(Non-taxable)/non-tax deductible items and other adjustments:							
Amortisation of debt upfront costs		878	1,156	878	1,156	-	-
Depreciation		3,831	4,224	-	-	3,994	4,386
Foreign exchange loss, net		1,246	4,042	1,203	3,980	43	62
Net change in fair value of investment properties		(50,725)	(24,199)	(54,560)	(28,340)	-	-
Loss on disposal of property, plant and equipment		49	-	-	-	49	-
Revaluation of property, plant and equipment		-	(1,347)	-	-	-	-
Net change in fair value of derivative financial instruments		(116)	-	(116)	-	-	-
Realised loss/(gain) on derivative financial instruments		244	(1,086)	244	(1,086)	-	-
Trustee's fee in relation to FH-REIT		254	274	254	274	-	-
Interest expense on lease liabilities		120	125	120	125	1,985	2,272
Lease payments		-	-	-	-	(5,283)	(5,723)
Deferred tax expense/(credit)	6	4,783	(6,988)	5,899	(6,102)	(187)	(34)
Gain on divestment of investment property and deemed disposal of business of foreign operations		-	(17,585)	-	(17,585)	-	-
Withholding tax on capital gain on divestment of investment property		-	15,011	-	15,011	-	-
Other adjustments		(192)	3,035	663	3,472	17	21
Net effect of (non-taxable)/non-tax deductible items and other adjustments		(39,628)	(23,338)	(45,415)	(29,095)	618	984
Income available for distribution		52,275	34,979	52,025	34,749	250	230
Income available for distribution attributable to:							
- Stapled Securityholders		52,275	34,979	52,025	34,749	250	230

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

CONDENSED INTERIM DISTRIBUTION STATEMENTS

Year ended 30 September 2023

	FHT		FH-REIT Group		FH-BT Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amount available for distribution to Stapled Securityholders at the beginning of the year	17,949	15,490	17,948	15,074	1	416
Income available for distribution attributable to Stapled Securityholders	52,275	34,979	52,025	34,749	250	230
Distribution to Stapled Securityholders during the year						
Distribution of 0.8041 cents per Stapled Security for the period from 1 April 2021 to 30 September 2021	-	(15,488)	-	(15,072)	-	(416)
Distribution of 0.7039 cents per Stapled Security for the period from 1 October 2021 to 31 March 2022	-	(13,557)	-	(13,328)	-	(229)
Distribution of 0.9316 cents per Stapled Security for the period from 1 April 2022 to 30 September 2022	(17,949)	-	(17,949)	-	-	-
Distribution of 1.2649 cents per Stapled Security for the period from 1 October 2022 to 31 March 2023	(24,363)	-	(24,363)	-	-	-
	(42,312)	(29,045)	(42,312)	(28,400)	-	(645)
Amount retained for working capital purposes	(5,227)	(3,475)	(4,976)	(3,475)	(251)	-
Amount available for distribution to Stapled Securityholders at the end of the year	22,685	17,949	22,685	17,948	-	1
Distribution per Stapled Security (cents)	2.4426	1.6355	2.4426	1.6236	-	0.0119

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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets							
Investment properties	8	1,720,676	1,683,220	1,929,908	1,898,078	-	-
Property, plant and equipment	9	210,009	215,918	-	-	49,100	55,476
Derivative financial instruments		35,605	32,422	35,605	32,422	-	-
Rental deposits		-	-	-	-	1,976	1,980
Deferred expense		-	-	-	-	1,288	1,450
Deferred tax assets		620	586	-	-	2,028	1,929
		<u>1,966,910</u>	<u>1,932,146</u>	<u>1,965,513</u>	<u>1,930,500</u>	<u>54,392</u>	<u>60,835</u>
Current assets							
Inventories		26	25	-	-	26	25
Prepayments		1,728	1,491	1,544	1,302	184	189
Trade and other receivables		12,925	9,284	15,031	11,471	1,837	420
Derivative financial instruments		3,263	18,816	3,263	18,816	-	-
Cash and cash equivalents		88,134	123,883	81,395	118,775	6,739	5,108
		<u>106,076</u>	<u>153,499</u>	<u>101,233</u>	<u>150,364</u>	<u>8,786</u>	<u>5,742</u>
Total assets		<u>2,072,986</u>	<u>2,085,645</u>	<u>2,066,746</u>	<u>2,080,864</u>	<u>63,178</u>	<u>66,577</u>
Current liabilities							
Trade and other payables		20,345	19,330	16,144	16,112	9,338	6,630
Rental deposits		6,080	-	6,080	-	-	-
Lease liabilities		-	-	-	-	3,340	3,373
Deferred income		83	-	83	-	-	-
Derivative financial instruments		494	-	494	-	-	-
Borrowings	10	149,050	173,832	149,050	173,832	-	-
Income tax payables		3,666	980	3,513	953	153	27
		<u>179,718</u>	<u>194,142</u>	<u>175,364</u>	<u>190,897</u>	<u>12,831</u>	<u>10,030</u>
Net current liabilities		<u>(73,642)</u>	<u>(40,643)</u>	<u>(74,131)</u>	<u>(40,533)</u>	<u>(4,045)</u>	<u>(4,288)</u>
Non-current liabilities							
Rental deposits		14,570	20,451	16,546	22,431	-	-
Other payables		227	204	-	-	227	204
Lease liabilities		2,992	3,006	2,992	3,006	50,613	56,415
Deferred income		3,817	4,383	5,105	5,833	-	-
Derivative financial instruments		1,392	-	1,392	-	-	-
Borrowings	10	552,407	582,900	552,407	582,900	-	-
Deferred tax liabilities		39,406	34,625	39,406	34,625	-	-
		<u>614,811</u>	<u>645,569</u>	<u>617,848</u>	<u>648,795</u>	<u>50,840</u>	<u>56,619</u>
Total liabilities		<u>794,529</u>	<u>839,711</u>	<u>793,212</u>	<u>839,692</u>	<u>63,671</u>	<u>66,649</u>
Net assets/(liabilities)		<u>1,278,457</u>	<u>1,245,934</u>	<u>1,273,534</u>	<u>1,241,172</u>	<u>(493)</u>	<u>(72)</u>
Represented by:							
Stapled Securityholders' funds							
Stapled Securities in issue	11	1,539,879	1,539,879	1,530,288	1,530,288	9,591	9,591
Issue costs		(25,764)	(25,764)	(25,759)	(25,759)	(5)	(5)
Revenue reserves		(45,387)	(94,978)	(29,623)	(84,751)	(9,394)	(9,026)
Hedging reserve		10,195	18,404	10,195	18,404	-	-
Foreign currency translation reserve		(211,798)	(197,091)	(211,567)	(197,010)	(685)	(632)
Revaluation reserve		11,332	5,484	-	-	-	-
		<u>1,278,457</u>	<u>1,245,934</u>	<u>1,273,534</u>	<u>1,241,172</u>	<u>(493)</u>	<u>(72)</u>
Number of Stapled Securities in issue ('000)		<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>	<u>1,926,074</u>
Net asset value per Stapled Security (cents)		<u>66.38</u>	<u>64.69</u>	<u>66.12</u>	<u>64.44</u>	<u>-</u>	<u>-</u>
Net tangible assets/(liabilities) attributable to Stapled Securityholders		<u>1,278,457</u>	<u>1,245,934</u>	<u>1,273,534</u>	<u>1,241,172</u>	<u>(493)</u>	<u>(72)</u>
Net tangible asset per Stapled Security (cents)		<u>66.38</u>	<u>64.69</u>	<u>66.12</u>	<u>64.44</u>	<u>-</u>	<u>-</u>

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 30 September 2023

FHT	Attributable to Stapled Securityholders						Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	
At 1 October 2022	1,539,879	(25,764)	(94,978)	18,404	(197,091)	5,484	1,245,934
<u>Operations</u>							
Total return for the year	-	-	91,903	-	-	-	91,903
<u>Other reserves</u>							
Effective portion of changes in fair value of cash flow hedges	-	-	-	1,297	-	-	1,297
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(9,506)	-	-	(9,506)
Foreign currency translation differences	-	-	-	-	(14,707)	-	(14,707)
Revaluation of property, plant and equipment	-	-	-	-	-	5,848	5,848
Movements in other reserves	-	-	-	(8,209)	(14,707)	5,848	(17,068)
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders	-	-	(42,312)	-	-	-	(42,312)
At 30 September 2023	1,539,879	(25,764)	(45,387)	10,195	(211,798)	11,332	1,278,457
At 1 October 2021	1,539,879	(25,764)	(124,250)	(9,509)	(131,862)	-	1,248,494
<u>Operations</u>							
Total return for the year	-	-	58,317	-	-	-	58,317
<u>Other reserves</u>							
Effective portion of changes in fair value of cash flow hedges	-	-	-	30,552	-	-	30,552
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(2,639)	-	-	(2,639)
Exchange differences transferred to statement of total return upon divestment of investment property and related deemed disposal of business of foreign operations	-	-	-	-	10,626	-	10,626
Foreign currency translation differences	-	-	-	-	(75,855)	-	(75,855)
Revaluation of property, plant and equipment	-	-	-	-	-	5,484	5,484
Movements in other reserves	-	-	-	27,913	(65,229)	5,484	(31,832)
<u>Transactions with Stapled Securityholders</u>							
Distributions to Stapled Securityholders	-	-	(29,045)	-	-	-	(29,045)
At 30 September 2022	1,539,879	(25,764)	(94,978)	18,404	(197,091)	5,484	1,245,934

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 30 September 2023

FH-REIT Group	Attributable to Stapled Securityholders					Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	
At 1 October 2022	1,530,288	(25,759)	(84,751)	18,404	(197,010)	1,241,172
<u>Operations</u>						
Total return for the year	-	-	97,440	-	-	97,440
<u>Other reserves</u>						
Effective portion of changes in fair value of cash flow hedges	-	-	-	1,297	-	1,297
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(9,506)	-	(9,506)
Foreign currency translation differences	-	-	-	-	(14,557)	(14,557)
Movements in other reserves	-	-	-	(8,209)	(14,557)	(22,766)
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	(42,312)	-	-	(42,312)
At 30 September 2023	1,530,288	(25,759)	(29,623)	10,195	(211,567)	1,273,534
At 1 October 2021	1,530,288	(25,759)	(120,195)	(9,509)	(132,205)	1,242,620
<u>Operations</u>						
Total return for the year	-	-	63,844	-	-	63,844
<u>Other reserves</u>						
Effective portion of changes in fair value of cash flow hedges	-	-	-	30,552	-	30,552
Net change in fair value of cash flow hedges reclassified to total return	-	-	-	(2,639)	-	(2,639)
Exchange differences transferred to statement of total return upon divestment of investment property and related deemed disposal of business of foreign operations	-	-	-	-	10,626	10,626
Foreign currency translation differences	-	-	-	-	(75,431)	(75,431)
Movements in other reserves	-	-	-	27,913	(64,805)	(36,892)
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	(28,400)	-	-	(28,400)
At 30 September 2022	1,530,288	(25,759)	(84,751)	18,404	(197,010)	1,241,172

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 30 September 2023

FH-BT Group	Attributable to Stapled Securityholders					Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Revenue reserves \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	
At 1 October 2022	9,591	(5)	(9,026)	-	(632)	(72)
Loss for the year	-	-	(368)	-	-	(368)
<u>Other comprehensive income</u>						
Foreign currency translation differences	-	-	-	-	(53)	(53)
Movements in other reserves	-	-	-	-	(53)	(53)
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	-	-	-	-
At 30 September 2023	9,591	(5)	(9,394)	-	(685)	(493)
At 1 October 2021	9,591	(5)	(7,627)	-	(532)	1,427
Loss for the year	-	-	(754)	-	-	(754)
<u>Other comprehensive income</u>						
Foreign currency translation differences	-	-	-	-	(100)	(100)
Movements in other reserves	-	-	-	-	(100)	(100)
<u>Transactions with Stapled Securityholders</u>						
Distributions to Stapled Securityholders	-	-	(645)	-	-	(645)
At 30 September 2022	9,591	(5)	(9,026)	-	(632)	(72)

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Year ended 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Total return/(Loss) for the year before tax		102,611	68,781	109,155	75,254	(446)	(848)
Adjustments for:							
Amortisation of debt upfront costs		878	1,156	878	1,156	-	-
Depreciation		3,831	4,224	-	-	3,994	4,386
Effect of recognising rental income on a straight-line basis over the lease term		(464)	(2,233)	(565)	(2,343)	-	-
Effect of recognising rental expense on a straight-line basis over the lease term		-	-	-	-	101	110
Finance costs		20,885	21,597	20,969	21,684	1,985	2,272
Finance income		(1,614)	(450)	(1,443)	(441)	(255)	(96)
Reversal of impairment loss on trade receivables		(1,264)	(1,297)	(1,264)	(1,297)	-	-
Net change in fair value of derivative financial instruments		(116)	-	(116)	-	-	-
Net change in fair value of investment properties		(50,725)	(24,199)	(54,560)	(28,340)	-	-
Loss on disposal of property, plant and equipment		49	-	-	-	49	-
Revaluation of property, plant and equipment		-	(1,347)	-	-	-	-
Gain on divestment of investment properties and deemed disposal of business of foreign operations		-	(17,585)	-	(17,585)	-	-
Unrealised loss on foreign exchange, net		277	3,606	234	3,544	43	62
Cash generated from operations before working capital changes		74,348	52,253	73,288	51,632	5,471	5,886
Changes in working capital:							
Inventories		(1)	(13)	-	-	(1)	(13)
Prepayments		(237)	509	(242)	508	5	1
Trade and other receivables		(2,412)	(2,849)	(2,331)	(3,666)	(1,417)	1,755
Trade and other payables		1,564	(763)	446	(1,116)	2,887	(423)
Rental deposits		-	(3,893)	-	(3,893)	-	-
Cash generated from operations		73,262	45,244	71,161	43,465	6,945	7,206
Tax (paid)/refund		(3,470)	(17,402)	(3,491)	(17,475)	21	73
Interest income received		1,614	450	1,443	441	171	9
Net cash generated from operating activities		71,406	28,292	69,113	26,431	7,137	7,288

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Year ended 30 September 2023

	Note	FHT		FH-REIT Group		FH-BT Group	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to investment properties		(3,890)	(6,067)	(3,890)	(6,089)	-	-
Purchase of reversionary interest		-	(10,693)	-	(10,693)	-	-
Additions to property, plant and equipment		(439)	(318)	-	-	-	-
Settlement of hedging instruments		13,900	13,926	13,900	13,926	-	-
Net proceeds from divestment of investment property, net of transaction costs		-	304,609	-	304,609	-	-
Net cash generated from investing activities		9,571	301,457	10,010	301,753	-	-
CASH FLOWS FROM FINANCING ACTIVITIES							
Distributions paid to Stapled Securityholders		(42,312)	(29,045)	(42,312)	(28,400)	-	(645)
Finance costs paid		(19,375)	(20,411)	(19,375)	(20,411)	-	-
Payment of lease liabilities		-	-	-	-	(5,283)	(5,723)
Proceeds from borrowings, net of debt upfront costs		291,588	104,372	291,588	104,372	-	-
Repayment of borrowings		(343,000)	(331,128)	(343,000)	(331,128)	-	-
Net cash used in financing activities		(113,099)	(276,212)	(113,099)	(275,567)	(5,283)	(6,368)
Net (decrease)/increase in cash and cash equivalents		(32,122)	53,537	(33,976)	52,617	1,854	920
Cash and cash equivalents at the beginning of the financial year		123,883	78,187	118,775	73,715	5,108	4,472
Effect of exchange rate changes on cash and cash equivalents		(3,627)	(7,841)	(3,404)	(7,557)	(223)	(284)
Cash and cash equivalents at the end of the financial year		88,134	123,883	81,395	118,775	6,739	5,108

	FHT		FH-REIT Group		FH-BT Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Cash and cash equivalents at the end of the financial year comprise the following:</u>						
Cash and bank balances	76,604	120,487	69,865	115,379	6,739	5,108
Fixed deposits	11,530	3,396	11,530	3,396	-	-
Cash and cash equivalents	88,134	123,883	81,395	118,775	6,739	5,108

	FHT		FH-REIT Group		FH-BT Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Net proceeds from divestment of Investment Properties, net of transaction costs:</u>						
Consideration received in cash	-	310,338	-	310,338	-	-
Less: Divestment-related costs	-	(5,729)	-	(5,729)	-	-
Net proceeds from divestment of investment properties	-	304,609	-	304,609	-	-

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

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 30 September 2023

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					30 September 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
<u>Investment properties</u>								
InterContinental Singapore	14 July 2014	75 period leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	515,000	40.28	509,000	40.85
Fraser Suites Singapore	14 July 2014	75 period leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	300,000	23.47	294,000	23.60
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	128,216	10.03	117,686	9.45
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	156,927	12.27	161,627	12.97
Novotel Sydney Darling Square	14 July 2014	84 period leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	104,042 ⁽¹⁾	8.14	103,155 ⁽¹⁾	8.28
Fraser Suites Sydney	14 July 2014	75 period leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	123,018	9.62	122,200	9.81
Park International London	14 July 2014	75 period leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	71,018	5.55	65,912	5.29
ibis Styles London Gloucester Road	14 July 2014	75 period leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	36,676	2.87	31,753	2.55
Fraser Place Canary Wharf London	14 July 2014	75 period leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	62,183	4.86	60,620	4.87
Fraser Suites Queens Gate London	14 July 2014	75 period leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	96,525	7.55	92,694	7.44

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

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 30 September 2023

Property	Acquisition date	Tenure	Location	Existing use	FHT			
					30 September 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
Fraser Suites Glasgow	14 July 2014	75 period leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	17,004	1.33	15,396	1.24
Fraser Suites Edinburgh	14 July 2014	75 period leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	29,341	2.30	26,140	2.10
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	80,726	6.31	83,037	6.66
Investment properties					1,720,676	134.58	1,683,220	135.11
Property, plant and equipment								
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	210,009 ⁽²⁾	16.43	215,918 ⁽²⁾	17.33
Property, plant and equipment					210,009	16.43	215,918	17.33
Other net liabilities					(652,228)	(51.01)	(653,204)	(52.44)
Net assets of FHT					1,278,457	100.00	1,245,934	100.00

⁽¹⁾ Includes the right-of-use ("ROU") asset recognised on leases of land.

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

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

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 30 September 2023

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					30 September 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
<u>Investment properties</u>								
InterContinental Singapore	14 July 2014	75 period leasehold expiring in 2089	80 Middle Road, Singapore 188966	Hotel	515,000	40.44	509,000	41.01
Fraser Suites Singapore	14 July 2014	75 period leasehold expiring in 2089	491A River Valley Road, Singapore 248372	Serviced Residences	300,000	23.56	294,000	23.69
The Westin Kuala Lumpur	14 July 2014	Freehold	199, Jalan Bukit Bintang, Kuala Lumpur, 55100, Malaysia	Hotel	128,216	10.07	117,686	9.48
ANA Crowne Plaza Kobe	14 July 2014	Freehold	1-Chome, Kitano-Cho Chuo-Ku, Kobe, 650-0002, Japan	Hotel	156,927	12.32	161,627	13.02
Novotel Sydney Darling Square	14 July 2014	84 period leasehold expiring in 2098	17 Little Pier Street, Darling Harbour, NSW 2000, Australia	Hotel	104,042 ⁽¹⁾	8.17	103,155 ⁽¹⁾	8.31
Fraser Suites Sydney	14 July 2014	75 period leasehold expiring in 2089	488 Kent Street, Sydney, NSW 2000, Australia	Serviced Residences	123,018	9.66	122,200	9.85
Park International London	14 July 2014	75 period leasehold expiring in 2089	117-129 Cromwell Road, South Kensington, London, SW7 4DS, United Kingdom	Hotel	71,018	5.58	65,912	5.31
ibis Styles London Gloucester Road	14 July 2014	75 period leasehold expiring in 2089	108, 110 and 112 Cromwell Road, London, SW7 4ES, United Kingdom	Hotel	36,676	2.88	31,753	2.56
Fraser Place Canary Wharf London	14 July 2014	75 period leasehold expiring in 2089	80 Boardwalk Place, London E14 5SF, United Kingdom	Serviced Residences	62,183	4.88	60,620	4.88
Fraser Suites Queens Gate London	14 July 2014	75 period leasehold expiring in 2089	39B Queens Gate Gardens, London SW7 5RR, United Kingdom	Serviced Residences	96,525	7.58	92,694	7.47

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

CONDENSED INTERIM PORTFOLIO STATEMENTS

As at 30 September 2023

Property	Acquisition date	Tenure	Location	Existing use	FH-REIT Group			
					30 September 2023		30 September 2022	
					At carrying amount \$'000	Percentage of net assets %	At carrying amount \$'000	Percentage of net assets %
Investment properties								
Fraser Suites Glasgow	14 July 2014	75 period leasehold expiring in 2089	1-19 Albion Street Glasgow G1 1LH, Scotland, United Kingdom	Serviced Residences	17,004	1.34	15,396	1.24
Fraser Suites Edinburgh	14 July 2014	75 period leasehold expiring in 2089	12-26 St Giles Street, Edinburgh EH1 1 PT, Scotland, United Kingdom	Serviced Residences	29,341	2.30	26,140	2.11
Maritim Hotel Dresden	15 June 2016	Freehold	Devrientstrasse 10-12, 01067 Dresden, Germany	Hotel	80,726	6.34	83,037	6.69
Novotel Melbourne on Collins	19 October 2016	Freehold	270 Collins Street and 233-239 Collins Street, Melbourne Victoria, Australia	Hotel	209,232	16.43	214,858	17.31
Investment properties					1,929,908	151.55	1,898,078	152.93
Other net liabilities					(656,374)	(51.55)	(656,906)	(52.93)
Net assets of FH-REIT Group					1,273,534	100.00	1,241,172	100.00

⁽¹⁾ Includes the ROU asset recognised on leases of land.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

Frasers Hospitality Trust (“FHT”) is a stapled trust comprising Frasers Hospitality Real Estate Investment Trust (“FH-REIT”) and its subsidiaries (collectively, “FH-REIT Group”) and Frasers Hospitality Business Trust (“FH-BT”) and its subsidiaries (collectively, “FH-BT Group”).

FH-REIT is a Singapore-domiciled real estate investment trust constituted in Singapore pursuant to the Trust Deed dated 12 June 2014 (as amended, restated and supplemented) (the “FH-REIT Trust Deed”). The FH-REIT Trust Deed was entered between Frasers Hospitality Asset Management Pte. Ltd. (the “REIT Manager”) and Perpetual (Asia) Limited as trustee of FH-REIT (the “REIT Trustee”). The REIT Trustee is under a duty to take into custody and hold the assets of FH-REIT in trust for the Stapled Securityholders of FH-REIT.

FH-BT is a Singapore-domiciled business trust constituted in Singapore by a Trust Deed dated 20 June 2014 (“FH-BT Trust Deed”) and is managed by Frasers Hospitality Trust Management Pte. Ltd. (the “Trustee-Manager”).

The units in each of FH-REIT and FH-BT are stapled together under the terms of a stapling deed dated 20 June 2014 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the “Stapling Deed”) and cannot be traded separately. Each stapled security in FHT (the “Stapled Security”) comprises a unit of FH-REIT (the “FH-REIT unit”) and a unit of FH-BT (the “FH-BT unit”).

The principal activity of FH-REIT Group is to invest in income-producing real estate which are used for hospitality purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. FH-BT functions as master lessee and may also undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for FH-REIT.

These condensed interim consolidated financial statements as at and for the six months and full year ended 30 September 2023 comprise the FH-REIT Group, the FH-BT Group and FHT. The condensed interim consolidated financial statements of FH-REIT Group relate to FH-REIT and its subsidiaries. The condensed interim consolidated financial statements of FH-BT Group relate to FH-BT and its subsidiaries. The condensed interim consolidated financial statements of FHT relates to FH-REIT Group and FH-BT Group.

2. Basis of preparation

The condensed interim financial statements of the FH-REIT Group and FHT for the six months and full year ended 30 September 2023 have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code of Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the FH-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore (“FRSs”).

The condensed interim financial statements of the FH-BT Group for the six months and full year ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore, the applicable requirements of the Business Trust Act, Chapter 31A of Singapore and the provisions of FH-BT Trust Deed.

The condensed interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with RAP 7/FRSs/SFRS(I)s and should be read in conjunction with FHT’s annual consolidated financial statements as at and for the period ended 30 September 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the FH-REIT Group, the FH-BT Group and FHT’s financial position and performance since the last annual consolidated financial statements for the year ended 30 September 2022.

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

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

Going concern

The consolidated financial statements of FHT, the FH-REIT Group and the FH-BT Group have been prepared on a going concern basis. FH-REIT Group has net current liabilities of S\$74.1 million as at 30 September 2023, primarily due to borrowings maturing within the next 12 months. The REIT Manager has assessed that FH-REIT Group will be able to discharge its obligations as and when they fall due in the next 12 months, having regard to its ongoing operational cash flows, cash reserves of S\$81.4 million as at 30 September 2023, unutilised S\$172.0 million committed revolving credit facilities and are in advanced discussions with lenders to refinance maturing borrowings and additional credit facilities to further strengthen financial flexibility. FH-BT Group has net current liabilities of S\$4.0 million and net liabilities of S\$0.5 million as at 30 September 2023. The Trustee-Manager has assessed that FH-BT Group will be able to discharge its obligations as and when they fall due in the next 12 months, as it has access to an unutilised S\$10.0 million committed revolving credit facility from FH-REIT to FH-BT. With both FH-REIT Group and FH-BT Group being able to meet their obligations as and when they fall due, the REIT Manager and the Trustee-Manager (collectively, the “Managers”) are of the view that FHT, being the stapled trust comprising FH-REIT Group and FH-BT Group, is able to meet its obligations as and when they fall due.

2.1 Use of judgements and estimates

The preparation of the financial statements in conformity with RAP 7 requires the Managers to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

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

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

3. Seasonal operations

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

4. Management fees

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) REIT Manager's management fees						
- Base fee	2,234	2,250	2,234	2,250	-	-
- Performance fee	851	624	851	624	-	-
	3,085	2,874	3,085	2,874	-	-
(b) Trustee-Manager's management fees						
- Base fee	20	17	-	-	20	17
- Performance fee	9	(1)	-	-	9	(1)
	29	16	-	-	29	16
(c) Other management fees						
- MIT Manager's base fee	686	854	686	854	-	-
- MIT Manager's performance fee	500	473	500	473	-	-
- Kobe Asset Manager's management fee	68	78	68	78	-	-
- ABS Servicer fee	52	56	52	56	-	-
	1,306	1,461	1,306	1,461	-	-
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(d) REIT Manager's management fees						
- Base fee	4,453	4,453	4,453	4,453	-	-
- Performance fee	1,708	887	1,708	887	-	-
	6,161	5,340	6,161	5,340	-	-
(e) Trustee-Manager's management fees						
- Base fee	37	33	-	-	37	33
- Performance fee	14	13	-	-	14	13
	51	46	-	-	51	46
(f) Other management fees						
- MIT Manager's base fee	1,379	1,991	1,379	1,991	-	-
- MIT Manager's performance fee	1,153	1,024	1,153	1,024	-	-
- Kobe Asset Manager's management fee	143	166	143	166	-	-
- ABS Servicer fee	107	114	107	114	-	-
	2,782	3,295	2,782	3,295	-	-

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

5. Other trust expenses

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees paid and payable to auditor of the Trusts	291	268	255	234	36	34
Non-audit fees paid and payable to:						
- Auditor of the Trusts	130	90	128	84	2	6
- Other auditors	60	72	60	65	-	7
Valuation fees	104	156	104	156	-	-
Other expenses	1,413	3,696	1,405	3,701	8	(5)
	1,998	4,282	1,952	4,240	46	42

	FHT		FH-REIT Group		FH-BT Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees paid and payable to auditor of the Trusts	536	504	468	436	68	68
Non-audit fees paid and payable to:						
- Auditor of the Trusts	264	225	260	213	4	12
- Other auditors	130	82	130	74	-	8
Valuation fees	168	283	168	283	-	-
Other expenses	2,735	4,205	2,724	4,210	11	(5)
	3,833	5,299	3,750	5,216	83	83

6. Taxation

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

The major components of tax expense/(credit) in the condensed interim statements of total return for the six months ended 30 September 2023 are:

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended 30 Sep 2023	6 months ended 30 Sep 2022	6 months ended 30 Sep 2023	6 months ended 30 Sep 2022	6 months ended 30 Sep 2023	6 months ended 30 Sep 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax expense/(credit)						
- Current period income tax	2,777	720	2,751	733	26	(13)
- Over provision in respect of prior period	(69)	(125)	(36)	(125)	(33)	-
	<u>2,708</u>	<u>595</u>	<u>2,715</u>	<u>608</u>	<u>(7)</u>	<u>(13)</u>
Deferred tax expense/(credit)						
- Origination and reversal of deductible temporary differences	(61)	988	-	906	(187)	(34)
- Origination and reversal of taxable temporary differences	4,844	(7,976)	5,899	(7,008)	-	-
	<u>4,783</u>	<u>(6,988)</u>	<u>5,899</u>	<u>(6,102)</u>	<u>(187)</u>	<u>(34)</u>
Withholding tax expense	99	15,467	92	15,446	7	21
	<u>7,590</u>	<u>9,074</u>	<u>8,706</u>	<u>9,952</u>	<u>(187)</u>	<u>(26)</u>

The major components of tax expense/(credit) in the condensed interim statements of total return for the full year ended 30 September 2023 are:

	FHT		FH-REIT Group		FH-BT Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax expense/(credit)						
- Current period income tax	5,243	1,635	5,114	1,716	129	(81)
- Over provision in respect of prior period	(223)	(110)	(190)	(110)	(33)	-
	<u>5,020</u>	<u>1,525</u>	<u>4,924</u>	<u>1,606</u>	<u>96</u>	<u>(81)</u>
Deferred tax expense/(credit)						
- Origination and reversal of deductible temporary differences	(61)	988	-	906	(187)	(34)
- Origination and reversal of taxable temporary differences	4,844	(7,976)	5,899	(7,008)	-	-
	<u>4,783</u>	<u>(6,988)</u>	<u>5,899</u>	<u>(6,102)</u>	<u>(187)</u>	<u>(34)</u>
Withholding tax expense	905	15,927	892	15,906	13	21
	<u>10,708</u>	<u>10,464</u>	<u>11,715</u>	<u>11,410</u>	<u>(78)</u>	<u>(94)</u>

FHT has exposure to income taxes in numerous jurisdictions. Assumptions are required in determining the group-wide provision for income taxes. The ultimate determination of taxability of income and deductibility of expenses from certain transactions are uncertain during the ordinary course of business. The tax computations arising from business combinations would also be subjected to uncertainty and formal assessment by tax authorities. FHT recognises the liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Uncertain tax position

Since 2018, FHT has relied on a private ruling granted by the Inland Revenue Board of Malaysia ("IRBM") which allows FHT Malaysia Pte Ltd ("FHTM"), a subsidiary of FHREIT, to receive interest from its investment in medium term notes issued by Notable Vision Sdn. Bhd. ("NVSB") to be exempted from Malaysia withholding tax. In an IRBM letter dated 29 June 2021, the IRBM revoked the private ruling. Consequently, the IRBM may require withholding tax on these interest payments from NVSB to FHTM. If the private ruling applied in the past is retrospectively revoked, the potential additional withholding tax to be paid from 1 October 2017 to 30 September 2023 approximates Malaysian Ringgit ("MYR") 6.0 million (approximately S\$1.7 million).

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

On 8 September 2021, NVSB filed an appeal to Special Commissioner of Income Tax in Malaysia, and further applied for judicial review with Courts of Malaysia on 23 September 2021. The High Court of Malaysia had on 24 May 2022 delivered its decision to allow NVSB's application for leave to commence judicial review proceedings. On 17 July 2023, the High Court heard the application for judicial review and subsequently have scheduled to deliver its decision in the last quarter of 2023.

The Managers believes that the private ruling granted in the past was in compliance with the applicable tax laws, and if revoked, the management believes that NVSB has valid legal grounds to appeal against the decision and defend its position in Court.

7. Earnings per Stapled Security

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

	FHT		FHT	
	6 months ended 30 Sep 2023	6 months ended 30 Sep 2022	2023	2022
Total return for the period/year attributable to Stapled Securityholders (\$'000)	68,417	48,937	91,903	58,317
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security ('000):				
Weighted average number of Stapled Securities (basic) ('000)	1,926,074	1,926,074	1,926,074	1,926,074
Basic Earnings per Stapled Security (cents)	3.55	2.55	4.77	3.03

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

	FHT		FHT	
	6 months ended 30 Sep 2023	6 months ended 30 Sep 2022	2023	2022
Total return for the period/year attributable to Stapled Securityholders (\$'000)	68,417	48,937	91,903	58,317
Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security ('000):				
Weighted average number of Stapled Securities (diluted) ('000)	1,926,074	1,926,074	1,926,074	1,926,074
Diluted Earnings per Stapled Security (cents)	3.55	2.55	4.77	3.03

8. Investment properties

	FHT		FH-REIT Group		FH-BT Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Condensed interim statements of financial position:

Investment properties

At 1 October	1,683,220	2,024,826	1,898,078	2,250,126	-	-
Capital expenditure	3,890	6,067	3,890	6,089	-	-
Purchase of reversionary interest	-	10,693	-	10,693	-	-
Net change in fair value	50,725	24,199	54,560	28,340	-	-
Disposal of investment property	-	(276,398)	-	(276,398)	-	-
Translation differences	(17,159)	(106,167)	(26,620)	(120,772)	-	-
At 30 September	1,720,676	1,683,220	1,929,908	1,898,078	-	-

On 28 March 2022, FH-REIT acquired the freehold reversionary interest ("Reversionary Interest") of Sofitel Sydney Wentworth ("SSW") for a purchase consideration of AUD10.55 million and subsequently, amalgamated the leasehold interest and the Reversionary Interest.

On 29 April 2022, FH-REIT had completed the divestment of the amalgamated freehold interest of SSW to a third-party acquirer at a sale price of AUD315.0 million.

	FHT		FH-REIT Group		FH-BT Group	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Condensed interim statements of total return:

Rental revenue from investment properties						
- Minimum lease payments	23,824	24,790	26,428	27,616	-	-
- Variable rent based on lessees' gross operating revenue and/or gross operating profit	22,463	12,596	24,866	13,815	-	-
- Effect of recognising rental income on a straight-line basis over lease term	464	2,233	565	2,343	-	-
	46,751	39,619	51,859	43,774	-	-

	FHT		FH-REIT Group		FH-BT Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Condensed interim statements of total return:

Rental revenue from investment properties						
- Minimum lease payments	47,701	53,303	52,984	59,026	-	-
- Variable rent based on lessees' gross operating revenue and/or gross operating profit	44,579	19,783	50,849	21,668	-	-
- Effect of recognising rental income on a straight-line basis over lease term	464	2,233	565	2,343	-	-
	92,744	75,319	104,398	83,037	-	-

Under the master lease agreements, the total rental income is based on the operating performance of the properties, subject to a minimum fixed rent.

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

Measurement of fair value

	FHT		FH-REIT Group	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fair value of investment properties (based on independent valuation)	1,717,684	1,680,214	1,926,916	1,895,072
Add: Carrying amount of lease liabilities	2,992	3,006	2,992	3,006
Carrying value of investment properties	1,720,676	1,683,220	1,929,908	1,898,078

Valuation

The fair values of the investment properties were based on independent valuations undertaken by the independent valuers who possess appropriate recognised professional qualifications and relevant experience in the location and category of the investment properties being valued. In accordance with the CIS code, FHT rotates the independent valuers every two years.

The fair value of investment properties is determined using discounted cash flow and capitalisation methods (2022: discounted cashflow method, capitalisation method, direct comparison method and Core and top-slice method). Certain valuers have highlighted the risk that valuations may be subject to greater volatility than would usually be expected in light of market conditions, such as the ongoing war in Ukraine and the uncertainty of its resolution, the general economic downturn caused by Covid-19, challenging hotel operational outlook, limited hotel transactions and difficulties to prospective purchasers in securing debt financing, and recommended that the value of the properties are to be kept under regular review.

The appropriateness of the valuation methodologies and assumptions adopted are reviewed by the Managers along with the appropriateness of and reliability of the inputs used in the valuations. In accordance with FHT's reporting policies, the valuation process and the results of the independent valuations are reviewed once a year by the Audit, Risk and Compliance Committee before the results are presented to the Board of Directors for approval.

In relying on the valuation reports, the Managers have exercised their judgement and are satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the financial year.

These fair values may differ from the prices at which FHT's properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within FHT's control, such as overall market conditions. As a result, actual results of operations and realisation of these properties could differ from the estimates set forth in these financial statements, and the difference could be significant.

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

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the properties categorised under Level 3 of the fair value hierarchy.

Countries	Valuation techniques	Significant unobservable inputs	2023 Range	2022 Range
Asia	Discounted cash flow method	Discount rate	4.40% - 8.00%	4.30% - 8.00%
		Terminal capitalisation rate	4.00% - 6.00%	3.75% - 6.25%
	Capitalisation method	Capitalisation rate	4.70%	3.50% - 4.60%
	Direct comparison method	Transacted price of comparable properties	-	S\$17,059 psm - S\$23,774 psm S\$932,754 per room - S\$1,791,045 per room
Australia	Discounted cash flow method	Discount rate	7.50% - 8.00%	7.00%
		Terminal capitalisation rate	5.25% - 5.75%	5.25%
	Capitalisation method	Capitalisation rate	5.00% - 5.50%	5.00%
Europe	Discounted cash flow method	Discount rate	9.35% - 11.75%	7.75% - 10.75%
		Terminal capitalisation rate	5.95% - 8.75%	5.25% - 8.25%
	Core and top-slice method	Market rent yield	-	4.75%
		Froth rent yield	-	7.75%

The estimated fair values vary inversely against the discount rate, terminal capitalisation rate, capitalisation rate, and market and froth rent yield rates. The estimated fair values would increase with higher transacted price of comparable properties.

9. Property, plant and equipment

FHT	Freehold land and building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
Cost			
At 1 October 2021	223,598	8,649	232,247
Additions	22	296	318
Written off	-	(15)	(15)
Net change in revaluation recognised in Stapled Securityholders' funds	6,452	-	6,452
Net change in revaluation recognised in Statement of Total Return	1,347	-	1,347
Elimination of accumulated depreciation on revaluation	(3,626)	-	(3,626)
Translation differences	(14,498)	(564)	(15,062)
At 30 September 2022	<u>213,295</u>	<u>8,366</u>	<u>221,661</u>
At 1 October 2022	213,295	8,366	221,661
Additions	-	439	439
Written off	-	(114)	(114)
Net change in revaluation recognised in Stapled Securityholders' funds	6,880	-	6,880
Elimination of accumulated depreciation on revaluation	(3,307)	-	(3,307)
Translation differences	(9,236)	(372)	(9,608)
At 30 September 2023	<u>207,632</u>	<u>8,319</u>	<u>215,951</u>
Accumulated depreciation			
At 1 October 2021	-	(5,544)	(5,544)
Depreciation	(3,626)	(598)	(4,224)
Written off	-	15	15
Elimination of accumulated depreciation on revaluation	3,626	-	3,626
Translation differences	-	384	384
At 30 September 2022	<u>-</u>	<u>(5,743)</u>	<u>(5,743)</u>
At 1 October 2022	-	(5,743)	(5,743)
Depreciation	(3,307)	(524)	(3,831)
Written off	-	65	65
Elimination of accumulated depreciation on revaluation	3,307	-	3,307
Translation differences	-	260	260
At 30 September 2023	<u>-</u>	<u>(5,942)</u>	<u>(5,942)</u>
Carrying amounts			
At 1 October 2021	<u>223,598</u>	<u>3,105</u>	<u>226,703</u>
At 30 September 2022	<u>213,295</u>	<u>2,623</u>	<u>215,918</u>
At 30 September 2023	<u>207,632</u>	<u>2,377</u>	<u>210,009</u>

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

	Building \$'000	Furniture, fittings and equipment \$'000	Total \$'000
FH-BT Group			
Cost			
At 1 October 2021	73,948	5,960	79,908
Written off	-	(15)	(15)
Translation differences	(4,716)	(381)	(5,097)
At 30 September 2022	<u>69,232</u>	<u>5,564</u>	<u>74,796</u>
At 1 October 2022	69,232	5,564	74,796
Written off	-	(114)	(114)
Translation differences	(3,022)	(240)	(3,262)
At 30 September 2023	<u>66,210</u>	<u>5,210</u>	<u>71,420</u>
Accumulated depreciation			
At 1 October 2021	(11,673)	(4,556)	(16,229)
Depreciation	(4,117)	(269)	(4,386)
Written off	-	15	15
Translation differences	974	306	1,280
At 30 September 2022	<u>(14,816)</u>	<u>(4,504)</u>	<u>(19,320)</u>
At 1 October 2022	(14,816)	(4,504)	(19,320)
Depreciation	(3,801)	(193)	(3,994)
Written off	-	65	65
Translation differences	730	199	929
At 30 September 2023	<u>(17,887)</u>	<u>(4,433)</u>	<u>(22,320)</u>
Carrying amounts			
At 1 October 2021	<u>62,275</u>	<u>1,404</u>	<u>63,679</u>
At 30 September 2022	<u>54,416</u>	<u>1,060</u>	<u>55,476</u>
At 30 September 2023	<u>48,323</u>	<u>777</u>	<u>49,100</u>

Valuation

The fair value of the freehold land and building was based on independent valuation undertaken by an independent valuer who possess appropriate recognised professional qualifications and relevant experience in the location and category of the property being valued.

The fair value of the freehold land and building is determined using discounted cash flow and capitalisation methods (2022: discounted cashflow and capitalisation methods). The valuer have recommended that the value of the property is to be kept under regular review given the current market conditions including inflationary pressures, rising interest rates and ongoing war in Ukraine.

The appropriateness of the valuation methodologies and assumptions adopted are reviewed by the Managers along with the appropriateness of and reliability of the inputs used in the valuations. In accordance with FHT's reporting policies, the valuation process and the results of the independent valuations are reviewed once a year by the Audit, Risk and Compliance Committee before the results are presented to the Board of Directors for approval.

In relying on the valuation report, the Managers have exercised their judgement and are satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the financial year.

The fair value may differ from the prices at which FHT's freehold land and building could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within FHT's control, such as overall market conditions. As a result, actual results of operations and realisation of the property could differ from the estimates set forth in these financial statements, and the difference could be significant.

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

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the property categorised under Level 3 of the fair value hierarchy.

Countries	Valuation techniques	Significant unobservable inputs	2023 Range	2022 Range
Australia	Discounted cash flow method	Discount rate	8.00%	7.25%
		Terminal capitalisation rate	5.50%	5.50%
	Capitalisation method	Capitalisation rate	5.25%	5.25%

The estimated fair value varies inversely against the discount rate, terminal capitalisation rate and capitalisation rate. The estimated fair value would increase with higher transacted price of comparable properties.

The carrying amount of the FHT's freehold land and building as at 30 September 2023 would be S\$186.3 million (2022: S\$198.1 million) if the property had been measured using the cost model.

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

10. Borrowings

	FHT		FH-REIT Group		FH-BT Group	
	30 Sep 2023 \$'000	30 Sep 2022 \$'000	30 Sep 2023 \$'000	30 Sep 2022 \$'000	30 Sep 2023 \$'000	30 Sep 2022 \$'000
Non-current						
Medium term notes (secured)	-	29,422	-	29,422	-	-
Fixed rate notes (unsecured)	120,000	120,000	120,000	120,000	-	-
Bonds (unsecured)	-	23,445	-	23,445	-	-
Bank loans (unsecured)	433,903	411,500	433,903	411,500	-	-
	553,903	584,367	553,903	584,367	-	-
Less: unamortised debt upfront costs	(1,496)	(1,467)	(1,496)	(1,467)	-	-
	552,407	582,900	552,407	582,900	-	-
Current						
Medium term notes (secured)	27,683	-	27,683	-	-	-
Bonds (unsecured)	21,565	-	21,565	-	-	-
Bank loans (unsecured)	100,000	174,000	100,000	174,000	-	-
	149,248	174,000	149,248	174,000	-	-
Less: unamortised debt upfront costs	(198)	(168)	(198)	(168)	-	-
	149,050	173,832	149,050	173,832	-	-
Total borrowings	701,457	756,732	701,457	756,732	-	-

Medium Term Notes (secured)

A Medium Term Note – Senior Bond of MYR 95.0 million (equivalent to S\$27.7 million) (30 September 2022: MYR 95.0 million (equivalent to S\$29.4 million)) is secured by The Westin Kuala Lumpur with a carrying amount of S\$128.2 million (30 September 2022: S\$117.7 million).

Aggregate leverage and interest coverage ratios

As at 30 September 2023, FHT's aggregate leverage was 34.0% (30 September 2022: 36.4%). The interest coverage ratio ("ICR") ⁽¹⁾ and the adjusted interest coverage ratio ("Adjusted-ICR") ⁽²⁾ for the trailing twelve-months period ended 30 September 2023 was 3.6 times (30 September 2022: 2.6 times).

11. Stapled Securities in issue

	FHT		FH-REIT Group		FH-BT Group	
	Number of Stapled Securities '000	\$'000	Number of Stapled Securities '000	\$'000	Number of Stapled Securities '000	\$'000
Total Stapled Securities in issue as at						
1 October 2021, 30 September 2022,						
1 October 2022 and 30 September 2023	1,926,074	1,539,879	1,926,074	1,530,288	1,926,074	9,591

(1) ICR is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

(2) Adjusted-ICR means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing related fees and distributions on hybrid securities as defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. As FHT does not have any outstanding hybrid securities, the aforementioned Adjusted-ICR is identical to the ICR of FHT for the trailing twelve-month period ended 30 September 2023 and 30 September 2022.

12. Significant related party transactions

	FHT		FH-REIT Group		FH-BT Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
With related companies of the Managers						
- Rental income received and receivable	86,057	67,155	86,057	67,155	-	-
- Reimbursement of expenses paid on behalf	(604)	(2,047)	(604)	(2,047)	-	-
- Other fees paid and payable	(50)	(52)	(50)	(52)	-	-
- Refund of rental deposit	-	(3,893)	-	(3,893)	-	-
With the REIT Manager						
- Base management fee paid and payable	(4,453)	(4,453)	(4,453)	(4,453)	-	-
- Performance management fee paid and payable	(1,708)	(887)	(1,708)	(887)	-	-
- Reimbursement of expenses paid on behalf	(789)	(23)	(788)	(22)	-*	-*
- Servicer fee paid and payable	(107)	(114)	(107)	(114)	-	-
With the MIT Manager						
- Base management fee paid and payable	(1,379)	(1,991)	(1,379)	(1,991)	-	-
- Performance management fee paid and payable	(1,153)	(1,024)	(1,153)	(1,024)	-	-
- Divestment fee paid and payable	-	(1,533)	-	(1,533)	-	-
- Reimbursement of expenses paid on behalf	-	(656)	-	(656)	-	-
With the Trustee-Manager						
- Base management fee paid and payable	(37)	(33)	-	-	(37)	(33)
- Performance management fee paid and payable	(14)	(13)	-	-	(14)	(13)
With the Property Managers						
- Property management fees paid and payable	(5,255)	(4,448)	(5,255)	(4,448)	-	-
With the Trustee						
- FH-REIT Trustee fees paid and payable	(254)	(274)	(254)	(274)	-	-
- Other trustee fees paid and payable	(180)	(200)	(180)	(200)	-	-
Between FH-REIT Group and FH-BT Group						
- Master lease rental received and receivable/(paid and payable)	-	-	11,654	7,718	(11,654)	(7,718)
- Reimbursement of expenses (paid on behalf)/received	-	-	(219)	(276)	219	276

* Denotes amount less than \$1,000

13. Capital commitments

- (a) Capital expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	FHT		FH-REIT Group		FH-BT Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Commitments in respect of:						
- Contracted capital expenditure for properties	11,073	2,241	10,363	1,858	710	383

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

14. Fair value of assets and liabilities

(a) Fair value hierarchy

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

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources, if necessary and appropriate.

FHT classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs).

(b) Classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels of hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value when the carrying amount is a reasonable approximation of fair value. The fair value disclosure of lease liabilities is not required.

	Carrying amount			Fair value	
	Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FHT					
30 September 2023					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	10,486	-	-	10,486	-
- cross currency swaps	28,259	-	-	28,259	-
- foreign currency forward contracts	-	123	-	123	-
	<u>38,745</u>	<u>123</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	12,472		
Cash and cash equivalents	-	-	88,134		
	<u>-</u>	<u>-</u>	<u>100,606</u>		
Financial liabilities measured at fair value:					
Derivative financial instruments					
- interest rate swaps	(24)	-	-	(24)	-
- cross currency swaps/cross currency interest rate swaps	(1,855)	-	-	(1,855)	-
- foreign currency forward contracts	-	(7)	-	(7)	-
	<u>(1,879)</u>	<u>(7)</u>	<u>-</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(17,379)		
Borrowings	-	-	(701,457)	(700,259)	-
Rental deposits	-	-	(20,650)	-	(15,151)
	<u>-</u>	<u>-</u>	<u>(739,486)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

	Carrying amount			Fair value	
	Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FHT					
30 September 2022					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	18,404	-	-	18,404	-
- cross currency swaps	32,834	-	-	32,834	-
	<u>51,238</u>	<u>-</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	8,708		
Cash and cash equivalents	-	-	123,883		
	<u>-</u>	<u>-</u>	<u>132,591</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(16,759)		
Borrowings	-	-	(756,732)	(755,396)	-
Rental deposits	-	-	(20,451)	-	(18,389)
	<u>-</u>	<u>-</u>	<u>(793,942)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

	Carrying amount			Fair value	
	Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FH-REIT Group					
30 September 2023					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	10,486	-	-	10,486	-
- cross currency swaps	28,259	-	-	28,259	-
- foreign currency forward contracts	-	123	-	123	-
	<u>38,745</u>	<u>123</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	14,578		
Cash and cash equivalents	-	-	81,395		
	<u>-</u>	<u>-</u>	<u>95,973</u>		
Financial liabilities measured at fair value:					
Derivative financial instruments					
- interest rate swaps	(24)	-	-	(24)	-
- cross currency swaps/cross currency interest rate swaps	(1,855)	-	-	(1,855)	-
- foreign currency forward contracts	-	(7)	-	(7)	-
	<u>(1,879)</u>	<u>(7)</u>	<u>-</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(14,758)		
Borrowings	-	-	(701,457)	(700,259)	-
Rental deposits	-	-	(22,626)	-	(16,559)
	<u>-</u>	<u>-</u>	<u>(738,841)</u>		
FH-REIT Group					
30 September 2022					
Financial assets measured at fair value:					
Derivative financial instruments					
- interest rate swaps	18,404	-	-	18,404	-
- cross currency swaps	32,834	-	-	32,834	-
	<u>51,238</u>	<u>-</u>	<u>-</u>		
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	10,895		
Cash and cash equivalents	-	-	118,775		
	<u>-</u>	<u>-</u>	<u>129,670</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	(14,291)		
Borrowings	-	-	(756,732)	(755,396)	-
Rental deposits	-	-	(22,431)	-	(20,025)
	<u>-</u>	<u>-</u>	<u>(793,454)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

	Carrying amount			Fair value	
	Derivatives used for hedging \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Level 2 \$'000	Level 3 \$'000
FH-BT Group					
30 September 2023					
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	1,837		
Cash and cash equivalents	-	-	6,739		
Rental deposits	-	-	1,976	-	1,408
	-	-	<u>10,552</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	<u>(7,758)</u>		
FH-BT Group					
30 September 2022					
Financial assets not measured at fair value:					
Trade and other receivables*	-	-	420		
Cash and cash equivalents	-	-	5,108		
Rental deposits	-	-	1,980	-	1,636
	-	-	<u>7,508</u>		
Financial liabilities not measured at fair value:					
Trade and other payables**	-	-	<u>(5,880)</u>		

* excluding net VAT/GST receivables

** excluding net VAT/GST payable and advanced deposits

(c) Determination of fair value

(i) Rental deposits

The fair value of the non-current rental deposits is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

15. Segment information

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

Major Customers

Revenue from related companies of the Managers accounted for approximately S\$86.1 million (2022: S\$67.2 million) of the revenue of the FH-REIT Group. Such revenue is attributable to all geographical segments of the FH-REIT Group except for Germany.

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

(a) By geographical segments

FHT 1 April 2023 to 30 September 2023	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Revenue from external parties (outside FHT)	17,206	21,353	3,895	3,838	11,771	2,915	60,978
Property operating expenses	(1,687)	(10,975)	(244)	(1,205)	(2,257)	695	(15,673)
Segment net property income	15,519	10,378	3,651	2,633	9,514	3,610	45,305
Depreciation	-	(1,882)	-	-	-	-	(1,882)
Net change in fair value of investment properties	11,423	10,781	17,652	8,649	6,801	(4,581)	50,725
Loss on disposal of property, plant and equipment	-	(49)	-	-	-	-	(49)
Total reportable segment return							94,099
Unallocated items:							
Finance income							997
Trust expenses							(6,637)
Amortisation of debt upfront costs							(448)
Finance costs							(11,838)
Foreign exchange loss, net							(234)
Net change in fair value of derivative financial instruments							131
Realised loss on derivative financial instruments, net							(63)
Total return for the period, before tax							76,007
Taxation							(7,590)
Total return for the period							68,417
Reportable segmental non-current assets	850,605	437,690	128,216	156,927	312,748	80,724	1,966,910
Reportable segmental current assets	13,407	38,205	11,419	16,511	17,835	8,699	106,076
Total assets for reportable segments	864,012	475,895	139,635	173,438	330,583	89,423	2,072,986
Capital expenditure	287	897	252	-	1,531	2	2,969

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

FHT

1 April 2022 to 30 September 2022

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Revenue from external parties (outside FHT)	12,318	20,032	2,313	3,138	11,083	2,869	51,753
Property operating expenses	(1,831)	(10,193)	(259)	(1,217)	(2,643)	2,311	(13,832)
Segment net property income	10,487	9,839	2,054	1,921	8,440	5,180	37,921
Depreciation	-	(2,087)	-	-	-	-	(2,087)
Net change in fair value of investment properties	4,841	1,676	3,221	(119)	15,093	(513)	24,199
Revaluation of property, plant and equipment	-	1,347	-	-	-	-	1,347
Gain on divestment of investment property and deemed disposal of business of foreign operations	-	17,585	-	-	-	-	17,585
Total reportable segment return							78,965
Unallocated items:							
Finance income							407
Trust expenses							(8,863)
Amortisation of debt upfront costs							(611)
Finance costs							(11,597)
Foreign exchange loss, net							(4,389)
Net change in fair value of derivative financial instruments							3,012
Realised gain on derivative financial instruments, net							1,087
Total return for the period, before tax							58,011
Taxation							(9,074)
Total return for the period							48,937
Reportable segmental non-current assets	835,422	441,859	117,686	161,627	292,515	83,037	1,932,146
Reportable segmental current assets	72,095	31,298	7,041	14,264	19,915	8,886	153,499
Total assets for reportable segments	907,517	473,157	124,727	175,891	312,430	91,923	2,085,645
Capital expenditure	42	1,076	521	28	520	66	2,253

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

FHT

1 October 2022 to 30 September 2023

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Revenue from external parties (outside FHT)	35,165	46,209	7,389	7,240	20,972	6,223	123,198
Property operating expenses	(3,613)	(22,444)	(497)	(2,405)	(4,717)	1,027	(32,649)
Segment net property income	31,552	23,765	6,892	4,835	16,255	7,250	90,549
Depreciation	-	(3,831)	-	-	-	-	(3,831)
Net change in fair value of investment properties	11,423	10,781	17,652	8,649	6,801	(4,581)	50,725
Loss on disposal of property, plant and equipment	-	(49)	-	-	-	-	(49)
Total reportable segment return							137,394
Unallocated items:							
Finance income							1,614
Trust expenses							(13,261)
Amortisation of debt upfront costs							(878)
Finance costs							(20,885)
Foreign exchange loss, net							(1,245)
Net change in fair value of derivative financial instruments							116
Realised loss on derivative financial instruments, net							(244)
Total return for the year, before tax							102,611
Taxation							(10,708)
Total return for the year							91,903
Reportable segmental non-current assets	850,605	437,690	128,216	156,927	312,748	80,724	1,966,910
Reportable segmental current assets	13,407	38,205	11,419	16,511	17,835	8,699	106,076
Total assets for reportable segments	864,012	475,895	139,635	173,438	330,583	89,423	2,072,986
Capital expenditure	577	1,459	252	100	1,832	109	4,329

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

FHT

1 October 2021 to 30 September 2022

	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Revenue from external parties (outside FHT)	21,375	38,876	4,702	6,647	18,330	5,926	95,856
Property operating expenses	(2,544)	(17,419)	(526)	(2,608)	(4,352)	1,176	(26,273)
Segment net property income	18,831	21,457	4,176	4,039	13,978	7,102	69,583
Depreciation	-	(4,224)	-	-	-	-	(4,224)
Net change in fair value of investment properties	4,841	1,676	3,221	(119)	15,093	(513)	24,199
Revaluation of property, plant and equipment	-	1,347	-	-	-	-	1,347
Gain on divestment of investment property and deemed disposal of business of foreign operations	-	17,585	-	-	-	-	17,585
Total reportable segment return							108,490
Unallocated items:							
Finance income							450
Trust expenses							(14,454)
Amortisation of debt upfront costs							(1,156)
Finance costs							(21,597)
Foreign exchange loss, net							(4,042)
Net change in fair value of derivative financial instruments							-
Realised gain on derivative financial instruments, net							1,090
Total return for the year, before tax							68,781
Taxation							(10,464)
Total return for the year							58,317
Reportable segmental non-current assets	835,422	441,859	117,686	161,627	292,515	83,037	1,932,146
Reportable segmental current assets	72,095	31,298	7,041	14,264	19,915	8,886	153,499
Total assets for reportable segments	907,517	473,157	124,727	175,891	312,430	91,923	2,085,645
Capital expenditure	159	4,133	580	123	1,324	66	6,385

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

(b) By business segments

FHT 1 April 2023 to 30 September 2023	Hotel under management Consolidation			Total \$'000
	Master leases \$'000	contract \$'000	adjustments \$'000	
Revenue	51,859	14,227	(5,108)	60,978
Property operating expenses	(6,985)	(11,602)	2,914	(15,673)
Segment net property income	44,874	2,625	(2,194)	45,305
Depreciation	-	(1,957)	75	(1,882)
Net change in fair value of investment properties	54,560	-	(3,835)	50,725
Loss on disposal of property, plant and equipment	-	(49)	-	(49)
Finance income	886	195	(84)	997
Trust expenses	(6,562)	(75)	-	(6,637)
Amortisation of debt upfront costs	(448)	-	-	(448)
Finance costs	(11,922)	(964)	1,048	(11,838)
Foreign exchange loss, net	(222)	(12)	-	(234)
Net change in fair value of derivative financial instruments	131	-	-	131
Realised loss on derivative financial instruments, net	(63)	-	-	(63)
Total return for the period, before tax				76,007
Taxation				(7,590)
Total return for the period				68,417
Inter-segment revenue	5,108	-	(5,108)	-
Revenue from external parties	46,751	14,227	-	60,978
Total segment revenue	51,859	14,227	(5,108)	60,978
Reportable segmental non-current assets	1,965,513	54,392	(52,995)	1,966,910
Reportable segmental current assets	101,233	8,786	(3,943)	106,076
Total assets for reportable segments	2,066,746	63,178	(56,938)	2,072,986
Capital expenditure	2,831	138	-	2,969

FHT 1 April 2022 to 30 September 2022	Hotel under management Consolidation			Total \$'000
	Master leases \$'000	contract \$'000	adjustments \$'000	
Revenue	43,774	12,134	(4,155)	51,753
Property operating expenses	(6,143)	(9,384)	1,695	(13,832)
Segment net property income	37,631	2,750	(2,460)	37,921
Depreciation	-	(2,161)	74	(2,087)
Net change in fair value of investment properties	28,340	-	(4,141)	24,199
Revaluation of property, plant and equipment	-	-	1,347	1,347
Finance income	398	96	(87)	407
Trust expenses	(8,805)	(58)	-	(8,863)
Amortisation of debt upfront costs	(611)	-	-	(611)
Finance costs	(11,684)	(1,107)	1,194	(11,597)
Foreign exchange loss, net	(4,297)	(92)	-	(4,389)
Net change in fair value of derivative financial instruments	3,012	-	-	3,012
Realised gain on derivative financial instruments, net	1,087	-	-	1,087
Gain on divestment of investment property and deemed disposal of business of foreign operations	17,585	-	-	17,585
Total return for the period, before tax				58,011
Taxation				(9,074)
Total return for the period				48,937
Inter-segment revenue	4,155	-	(4,155)	-
Revenue from external parties	39,619	12,134	-	51,753
Total segment revenue	43,774	12,134	(4,155)	51,753
Reportable segmental non-current assets	1,930,500	60,835	(59,189)	1,932,146
Reportable segmental current assets	150,364	5,742	(2,607)	153,499
Total assets for reportable segments	2,080,864	66,577	(61,796)	2,085,645
Capital expenditure	2,005	248	-	2,253

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

FHT 1 October 2022 to 30 September 2023	Hotel under management Consolidation			Total \$'000
	Master leases \$'000	contract \$'000	adjustments \$'000	
Revenue	104,398	30,454	(11,654)	123,198
Property operating expenses	(14,942)	(24,950)	7,243	(32,649)
Segment net property income	89,456	5,504	(4,411)	90,549
Depreciation	-	(3,994)	163	(3,831)
Net change in fair value of investment properties	54,560	-	(3,835)	50,725
Loss on disposal of property, plant and equipment	-	(49)	-	(49)
Finance income	1,443	255	(84)	1,614
Trust expenses	(13,127)	(134)	-	(13,261)
Amortisation of debt upfront costs	(878)	-	-	(878)
Finance costs	(20,969)	(1,985)	2,069	(20,885)
Foreign exchange loss, net	(1,202)	(43)	-	(1,245)
Net change in fair value of derivative financial instruments	116	-	-	116
Realised loss on derivative instruments, net	(244)	-	-	(244)
Total return for the year, before tax				102,611
Taxation				(10,708)
Total return for the year				91,903
Inter-segment revenue	11,654	-	(11,654)	-
Revenue from external parties	92,744	30,454	-	123,198
Total segment revenue	104,398	30,454	(11,654)	123,198
Reportable segmental non-current assets	1,965,513	54,392	(52,995)	1,966,910
Reportable segmental current assets	101,233	8,786	(3,943)	106,076
Total assets for reportable segments	2,066,746	63,178	(56,938)	2,072,986
Capital expenditure	3,890	439	-	4,329

FHT 1 October 2021 to 30 September 2022	Hotel under management Consolidation			Total \$'000
	Master leases \$'000	contract \$'000	adjustments \$'000	
Revenue	83,037	20,537	(7,718)	95,856
Property operating expenses	(14,094)	(14,632)	2,453	(26,273)
Segment net property income	68,943	5,905	(5,265)	69,583
Depreciation	-	(4,386)	162	(4,224)
Net change in fair value of investment properties	28,340	-	(4,141)	24,199
Revaluation of property, plant and equipment	-	-	1,347	1,347
Finance income	441	96	(87)	450
Trust expenses	(14,325)	(129)	-	(14,454)
Amortisation of debt upfront costs	(1,156)	-	-	(1,156)
Finance costs	(21,684)	(2,272)	2,359	(21,597)
Foreign exchange loss, net	(3,980)	(62)	-	(4,042)
Net change in fair value of derivative financial instruments	-	-	-	-
Realised gain on derivative financial instruments, net	1,090	-	-	1,090
Gain on divestment of investment property and deemed disposal of business of foreign operations	17,585	-	-	17,585
Total return for the year, before tax				68,781
Taxation				(10,464)
Total return for the year				58,317
Inter-segment revenue	7,718	-	(7,718)	-
Revenue from external parties	75,319	20,537	-	95,856
Total segment revenue	83,037	20,537	(7,718)	95,856
Reportable segmental non-current assets	1,930,500	60,835	(59,189)	1,932,146
Reportable segmental current assets	150,364	5,742	(2,607)	153,499
Total assets for reportable segments	2,080,864	66,577	(61,796)	2,085,645
Capital expenditure	6,067	318	-	6,385

Frasers Hospitality Trust
Condensed Interim Financial Statements
For the six months and full year ended 30 September 2023

16. Disaggregation of revenue

FHT 1 April 2023 to 30 September 2023	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Master lease rental	17,206	7,126	3,895	3,838	11,771	2,915	46,751
Room revenue	-	10,765	-	-	-	-	10,765
Food & beverage revenue	-	2,614	-	-	-	-	2,614
Other income	-	848	-	-	-	-	848
Total revenue	17,206	21,353	3,895	3,838	11,771	2,915	60,978

FHT 1 April 2022 to 30 September 2022	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Master lease rental	12,318	7,898	2,313	3,138	11,083	2,869	39,619
Room revenue	-	10,045	-	-	-	-	10,045
Food & beverage revenue	-	1,791	-	-	-	-	1,791
Other income	-	298	-	-	-	-	298
Total revenue	12,318	20,032	2,313	3,138	11,083	2,869	51,753

FHT 1 October 2022 to 30 September 2023	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Master lease rental	35,165	15,755	7,389	7,240	20,972	6,223	92,744
Room revenue	-	23,385	-	-	-	-	23,385
Food & beverage revenue	-	5,028	-	-	-	-	5,028
Other income	-	2,041	-	-	-	-	2,041
Total revenue	35,165	46,209	7,389	7,240	20,972	6,223	123,198

FHT 1 October 2021 to 30 September 2022	Singapore \$'000	Australia \$'000	Malaysia \$'000	Japan \$'000	United Kingdom \$'000	Germany \$'000	Total \$'000
Master lease rental	21,375	18,339	4,702	6,647	18,330	5,926	75,319
Room revenue	-	12,293	-	-	-	-	12,293
Food & beverage revenue	-	2,765	-	-	-	-	2,765
Other income	-	5,479	-	-	-	-	5,479
Total revenue	21,375	38,876	4,702	6,647	18,330	5,926	95,856

17. Financial ratios

	FHT		FH-REIT Group	
	2023 %	2022 %	2023 %	2022 %
Expense to weighted average net assets ⁽¹⁾				
- with performance fee of the Managers	1.07	1.15	1.06	1.14
- without performance fee of the Managers	0.84	1.00	0.83	0.99
Total operating expenses to net asset value ⁽²⁾	3.89	3.61	2.20	2.29
Portfolio turnover ratio ⁽³⁾	-	-	-	-

- (1) The expense ratios are computed in accordance with the guidelines of the Investment Manager Association of Singapore. The expenses used in the computation relate to the expenses of FHT and the FH-REIT Group, excluding property expenses, interest expense and tax expense, where applicable.
- (2) The expense ratios are computed based on total operating expense of S\$49,741,000 and S\$28,069,000 (2022: S\$44,951,000 and S\$28,419,000) of FHT and the FH-REIT Group respectively, as a percentage of its respective net asset value as at the end of March (including all fees and charges paid/payable to the Managers and the interested parties).
- (3) The portfolio turnover ratios are computed based on the lesser of purchases or sales of underlying properties of FHT and the FH-REIT Group expressed as a percentage of daily average net asset value.

18. Subsequent events

- On 7 November 2023, the REIT Manager and Trustee-Manager declared a distribution of 1.1777 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 April 2023 to 30 September 2023.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1(a)(i) Consolidated Statements of Total Return for FHT and FH-REIT Group and Consolidated Statement of Comprehensive Income for FH-BT Group for 2H 2023 and 2H 2022

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	2H 2023			2H 2022			Variance		
Note	1 Apr 2023 to 30 Sep 2023			1 Apr 2022 to 30 Sep 2022			Increase/(Decrease)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%
Master lease rental	46,751	51,859	-	39,619	43,774	-	18.0	18.5	-
Room revenue	10,765	-	10,765	10,045	-	10,045	7.2	-	7.2
Food and beverage revenue	2,614	-	2,614	1,791	-	1,791	46.0	-	46.0
Other income	848	-	848	298	-	298	>100.0	-	>100.0
Revenue	60,978	51,859	14,227	51,753	43,774	12,134	17.8	18.5	17.2
Property tax	(3,447)	(3,447)	-	(4,207)	(4,207)	-	(18.1)	(18.1)	-
Property insurance	(663)	(611)	(52)	(627)	(574)	(53)	5.7	6.4	(1.9)
Property management fees	(2,555)	(2,555)	-	(2,715)	(2,715)	-	(5.9)	(5.9)	-
Other property expenses	(1,067)	(1,067)	-	(959)	(959)	-	11.3	11.3	-
Reversal of impairment loss on trade receivables	897	897	-	2,368	2,368	-	(62.1)	(62.1)	-
Operations and maintenance expenses	(3,494)	(202)	(3,702)	(2,924)	(56)	(3,233)	19.5	>100.0	14.5
Energy and utilities expenses	(334)	-	(334)	(372)	-	(372)	(10.2)	-	(10.2)
Hotel management fee	(316)	-	(316)	(282)	-	(282)	12.1	-	12.1
Rental expense	-	-	(2,504)	-	-	(1,330)	-	-	88.3
Staff costs	(3,081)	-	(3,081)	(2,562)	-	(2,562)	20.3	-	20.3
Marketing expenses	(1,253)	-	(1,253)	(1,219)	-	(1,219)	2.8	-	2.8
Administrative expenses	(360)	-	(360)	(333)	-	(333)	8.1	-	8.1
Property operating expenses	(15,673)	(6,985)	(11,602)	(13,832)	(6,143)	(9,384)	13.3	13.7	23.6
Net property income	45,305	44,874	2,625	37,921	37,631	2,750	19.5	19.2	(4.5)
Depreciation	(1,882)	-	(1,957)	(2,087)	-	(2,161)	(9.8)	-	(9.4)
REIT Manager's management fees	(3,085)	(3,085)	-	(2,874)	(2,874)	-	7.3	7.3	-
Trustee-Manager's management fees	(29)	-	(29)	(16)	-	(16)	81.3	-	81.3
Other management fees	(1,306)	(1,306)	-	(1,461)	(1,461)	-	(10.6)	(10.6)	-
Trustees' fees	(219)	(219)	-	(230)	(230)	-	(4.8)	(4.8)	-
Other trust expenses	(1,998)	(1,952)	(46)	(4,282)	(4,240)	(42)	(53.3)	(54.0)	9.5
Finance income	997	886	195	407	398	96	>100.0	>100.0	>100.0
Amortisation of debt upfront costs	(448)	(448)	-	(611)	(611)	-	(26.7)	(26.7)	-
Finance costs	(11,838)	(11,922)	(964)	(11,597)	(11,684)	(1,107)	2.1	2.0	(12.9)
Total return/(Loss) before foreign exchange differences, fair value changes and tax	25,497	26,828	(176)	15,170	16,929	(480)	68.1	58.5	(63.3)
Foreign exchange loss, net	(234)	(222)	(12)	(4,389)	(4,297)	(92)	(94.7)	(94.8)	(87.0)
Net change in fair value of investment properties	50,725	54,560	-	24,199	28,340	-	>100.0	92.5	-
Loss on disposal of property, plant and equipment	(49)	-	(49)	-	-	-	N.M	-	N.M
Revaluation of property, plant and equipment	-	-	-	1,347	-	-	(100.0)	-	-
Gain on divestment of investment property and deemed disposal of business of foreign operations	-	-	-	17,585	17,585	-	(100.0)	(100.0)	-
Net change in fair value of derivative financial instruments	131	131	-	3,012	3,012	-	(95.7)	(95.7)	-
Realised (loss)/gain on derivative financial instruments, net	(63)	(63)	-	1,087	1,087	-	N.M	N.M	-
Total return/(Loss) for the period before tax	76,007	81,234	(237)	58,011	62,656	(572)	31.0	29.7	(58.6)
Taxation	(7,590)	(8,706)	187	(9,074)	(9,952)	26	(16.4)	(12.5)	>100.0
Total return/(Loss) for the period after tax	68,417	72,528	(50)	48,937	52,704	(546)	39.8	37.6	(90.8)

N.M – Not meaningful

1(a)(i) Consolidated Statements of Total Return for FHT and FH-REIT Group and Consolidated Statement of Comprehensive Income for FH-BT Group for 2H 2023 and 2H 2022 (Cont'd)

Note	FH-BT Group		
	2H 2023	2H 2022	Variance
	1 Apr 2023 to 30 Sep 2023	1 Apr 2022 to 30 Sep 2022	Increase/ (Decrease)
	\$'000	\$'000	%
Loss for the period after tax	(50)	(546)	(90.8)
Other comprehensive income			
Items that may be reclassified to statement of profit or loss:			
Foreign currency translation differences	(16)	(166)	(90.4)
Total comprehensive income for the period, net of tax	(66)	(712)	(90.7)
Total comprehensive income for the period attributable to			
– Stapled Securityholders	(66)	(712)	(90.7)

Consolidated Distribution Statements for 2H 2023 and 2H 2022

Reconciliation of total return/(loss) to income available for distribution

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	2H 2023			2H 2022			Variance		
Note	1 Apr 2023 to 30 Sep 2023			1 Apr 2022 to 30 Sep 2022			Increase/(Decrease)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%
Total return/(Loss) for the period after tax	68,417	72,528	(50)	48,937	52,704	(546)	39.8	37.6	(90.8)
(Non-taxable)/non-tax deductible items and other adjustments:									
Amortisation of debt upfront costs	448	448	-	611	611	-	(26.7)	(26.7)	-
Depreciation	1,882	-	1,957	2,087	-	2,161	(9.8)	-	(9.4)
Foreign exchange loss, net	235	223	12	4,389	4,296	92	(94.6)	(94.8)	(87.0)
Net change in fair value of investment properties	(50,725)	(54,560)	-	(24,199)	(28,340)	-	>100.0	92.5	-
Loss on disposal of property, plant and equipment	49	-	49	-	-	-	N.M	-	N.M
Revaluation of property, plant and equipment	-	-	-	(1,347)	-	-	(100.0)	-	-
Net change in fair value of derivative financial instruments	(131)	(131)	-	(3,012)	(3,012)	-	(95.7)	(95.7)	-
Realised loss/(gain) on derivative financial instruments	63	63	-	(1,086)	(1,086)	-	N.M	N.M	-
Trustee's fee in relation to FH-REIT	128	128	-	132	132	-	(3.0)	(3.0)	-
Interest expense on lease liabilities	60	60	964	62	62	1,107	(3.2)	(3.2)	(12.9)
Lease payments	(q)	-	(2,604)	-	-	(2,826)	-	-	(7.9)
Deferred tax	4,783	5,899	(187)	(6,988)	(6,102)	(34)	N.M	N.M	>100.0
Gain on divestment of investment property and deemed disposal of business of foreign operations	-	-	-	(17,585)	(17,585)	-	(100.0)	(100.0)	-
Withholding tax on capital gain on divestment of investment property	-	-	-	15,011	15,011	-	(100.0)	(100.0)	-
Other adjustments	(r)	(6)	387	17	2,903	3,249	21	N.M	(88.1)
Net effect of (non-taxable)/non-tax deductible items and other adjustments	(43,214)	(47,483)	208	(29,022)	(32,764)	521	48.9	44.9	(60.1)
Income available for distribution	(s)	25,203	25,045	158	19,915	19,940	(25)	26.6	25.6
Income available for distribution attributable to:									
– Stapled Securityholders		25,203	25,045	158	19,915	19,940	(25)	26.6	25.6
Distribution to Stapled Securityholders	(s)	22,685	22,685	-	17,949	17,948	1	26.4	26.4

N.M – Not meaningful

Footnotes:

- (a) Other income 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 higher GOP guaranteed top-up which resumed in FY 2023. There was no such top-up in 2H 2022.
- (b) Gross revenue comprises mainly master lease rental from master tenanted properties and hotel revenue from Novotel Melbourne on Collins ("**NMOC**"). The master lease rental earned by FH-REIT Group from FH-BT Group is eliminated at FHT level.
- (c) This relates mainly to the write back of rental receivables upon receipt of such rental receivables that was previously impaired in prior periods. The decrease is due to the lower receipt of impaired rental receivables in 2H 2023 over 2H 2022.
- (d) The increase in rental expense in 2H 2023 as compared to 2H 2022 is in line with better performance from NMOC in 2H 2023.
- (e) NMOC is being classified as property, plant and equipment in FHT's financial statements. The depreciation expense relates mainly to the depreciation of the building and furniture, fittings and equipment of NMOC.
- (f) Other management fees relate mainly to management fees payable to FHT Australia Management Pty Ltd (the "**MIT Manager**").
- (g) Other trust expenses relate mainly to professional fees, audit fees, tax fees and administrative expenses. The lower trust expenses is mainly due to the unsuccessful privatisation expenses that was only incurred in 2H 2022.
- (h) Finance income largely relates to interest income received from fixed deposits and cash balances. The higher finance income is due to the increase in cash placed in fixed deposit accounts at higher interest rates.
- (i) Finance costs comprise mainly interest expense on FH-REIT Group's borrowings in S\$, JPY, MYR and AUD, net interest expense or income arising from the interest rate swaps and cross currency swaps, and interest expense on lease liabilities recognised under FRS 116/SFRS(I) 16 Leases.
- (j) The net foreign exchange loss in 2H 2023 mainly relates to unrealised foreign exchange loss that arises from the appreciation of S\$. The appreciation of S\$ is lower in 2H 2023 over 2H 2022.
- (k) The net change in fair value of investment properties relates to the net fair value gain arising from the measurement of the investment properties at fair value based on valuations performed by independent valuers as at 30 September 2023 and 30 September 2022. The net fair value gains on investment properties in 2H 2023 was largely attributable to the Singapore, Australia, UK and Malaysia properties. Please refer to FHT's asset valuations announcement on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") dated 7 November 2023 for further details.
- (l) Revaluation of property, plant and equipment in 2H 2022 relates to the revaluation gain of NMOC.
- (m) This relates to the gain on the divestment of Sofitel Sydney Wentworth ("**SSW**") in 2H 2022 and the related realised foreign exchange translation differences.
- (n) This relates mainly to unrealised net gain arising from the revaluation of foreign currency forward contracts.
- (o) This relates to net realised (loss)/gain arising from the settlement of foreign currency forward contracts.
- (p) This relates to current and deferred tax. The decrease is mainly due to the absence of withholding tax on the capital gain arising from the divestment of SSW in 2H 2022, which is partially offset by increase in deferred tax expense on fair value change in investment properties in 2H 2023.
- (q) This relates to master lease rental paid to FH-REIT Group and is eliminated at FHT level.
- (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 Group and FH-BT Group.

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

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	FY 2023			FY 2022			Variance		
Note	1 Oct 2022 to 30 Sep 2023			1 Oct 2021 to 30 Sep 2022			Increase/(Decrease)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%
Master lease rental	92,744	104,398	-	75,319	83,037	-	23.1	25.7	-
Room revenue	23,385	-	23,385	12,293	-	12,293	90.2	-	90.2
Food and beverage revenue	5,028	-	5,028	2,765	-	2,765	81.8	-	81.8
Other income	2,041	-	2,041	5,479	-	5,479	(62.7)	-	(62.7)
Revenue	123,198	104,398	30,454	95,856	83,037	20,537	28.5	25.7	48.3
Property tax	(7,390)	(7,390)	-	(7,384)	(7,384)	-	0.1	0.1	-
Property insurance	(1,278)	(1,174)	(104)	(1,431)	(1,326)	(105)	(10.7)	(11.5)	(1.0)
Property management fees	(5,255)	(5,255)	-	(4,448)	(4,448)	-	18.1	18.1	-
Other property expenses	(2,157)	(2,157)	-	(2,118)	(2,118)	-	1.8	1.8	-
Reversal of impairment loss on trade receivables	1,264	1,264	-	1,297	1,297	-	(2.5)	(2.5)	-
Operations and maintenance expenses	(6,979)	(230)	(7,621)	(4,406)	(115)	(4,748)	58.4	100.0	60.5
Energy and utilities expenses	(656)	-	(656)	(633)	-	(633)	3.6	-	3.6
Hotel management fee	(725)	-	(725)	(531)	-	(531)	36.5	-	36.5
Rental expense	-	-	(6,371)	-	-	(1,996)	-	-	>100.0
Staff costs	(6,122)	-	(6,122)	(4,584)	-	(4,584)	33.6	-	33.6
Marketing expenses	(2,589)	-	(2,589)	(1,516)	-	(1,516)	70.8	-	70.8
Administrative expenses	(762)	-	(762)	(519)	-	(519)	46.8	-	46.8
Property operating expenses	(32,649)	(14,942)	(24,950)	(26,273)	(14,094)	(14,632)	24.3	6.0	70.5
Net property income	90,549	89,456	5,504	69,583	68,943	5,905	30.1	29.8	(6.8)
Depreciation	(3,831)	-	(3,994)	(4,224)	-	(4,386)	(9.3)	-	(8.9)
REIT Manager's management fees	(6,161)	(6,161)	-	(5,340)	(5,340)	-	15.4	15.4	-
Trustee-Manager's management fees	(51)	-	(51)	(46)	-	(46)	10.9	-	10.9
Other management fees	(2,782)	(2,782)	-	(3,295)	(3,295)	-	(15.6)	(15.6)	-
Trustees' fees	(434)	(434)	-	(474)	(474)	-	(8.4)	(8.4)	-
Other trust expenses	(3,833)	(3,750)	(83)	(5,299)	(5,216)	(83)	(27.7)	(28.1)	-
Finance income	1,614	1,443	255	450	441	96	>100.0	>100.0	>100.0
Amortisation of debt upfront costs	(878)	(878)	-	(1,156)	(1,156)	-	(24.0)	(24.0)	-
Finance costs	(20,885)	(20,969)	(1,985)	(21,597)	(21,684)	(2,272)	(3.3)	(3.3)	(12.6)
Total return/(Loss) before foreign exchange differences, fair value changes and tax	53,308	55,925	(354)	28,602	32,219	(786)	86.4	73.6	(55.0)
Foreign exchange loss, net	(1,245)	(1,202)	(43)	(4,042)	(3,980)	(62)	(69.2)	(69.8)	(30.6)
Net change in fair value of investment properties	50,725	54,560	-	24,199	28,340	-	>100.0	92.5	-
Loss on disposal of property, plant and equipment	(49)	-	(49)	-	-	-	N.M	-	N.M
Revaluation of property, plant and equipment	-	-	-	1,347	-	-	(100.0)	-	-
Gain on divestment of investment property and deemed disposal of business of foreign operations	-	-	-	17,585	17,585	-	(100.0)	(100.0)	-
Net change in fair value of derivative financial instruments	116	116	-	-	-	-	N.M	N.M	-
Realised (loss)/gain on derivative financial instruments, net	(244)	(244)	-	1,090	1,090	-	N.M	N.M	-
Total return/(Loss) for the year before tax	102,611	109,155	(446)	68,781	75,254	(848)	49.2	45.0	(47.4)
Taxation	(10,708)	(11,715)	78	(10,464)	(11,410)	94	2.3	2.7	(17.0)
Total return/(Loss) for the year after tax	91,903	97,440	(368)	58,317	63,844	(754)	57.6	52.6	(51.2)

N.M – Not meaningful

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

Note	FH-BT Group		
	FY 2023	FY 2022	Variance
	1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022	Increase/ (Decrease)
	\$'000	\$'000	%
Loss for the year after tax	(368)	(754)	(51.2)
Other comprehensive income			
Items that may be reclassified to statement of profit or loss:			
Foreign currency translation differences	(53)	(100)	(47.0)
Total comprehensive income for the year, net of tax	(421)	(854)	(50.7)
Total comprehensive income for the year attributable to			
– Stapled Securityholders	(421)	(854)	(50.7)

Consolidated Distribution Statements for FY 2023 and FY 2022

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

	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	FY 2023			FY 2022			Variance		
Note	1 Oct 2022 to 30 Sep 2023			1 Oct 2021 to 30 Sep 2022			Increase/(Decrease)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%
Total return/(Loss) for the year after tax	91,903	97,440	(368)	58,317	63,844	(754)	57.6	52.6	(51.2)
(Non-taxable)/non-tax deductible items and other adjustments:									
Amortisation of debt upfront costs	878	878	-	1,156	1,156	-	(24.0)	(24.0)	-
Depreciation	3,831	-	3,994	4,224	-	4,386	(9.3)	-	(8.9)
Foreign exchange loss, net	1,246	1,203	43	4,042	3,980	62	(69.2)	(69.8)	(30.6)
Net change in fair value of investment properties	(50,725)	(54,560)	-	(24,199)	(28,340)	-	>100.0	92.5	-
Loss on disposal of property, plant and equipment	49	-	49	-	-	-	N.M	-	N.M
Revaluation of property, plant and equipment	-	-	-	(1,347)	-	-	(100.0)	-	-
Net change in fair value of derivative financial instruments	(116)	(116)	-	-	-	-	N.M	N.M	-
Realised loss/(gain) on derivative financial instruments	244	244	-	(1,086)	(1,086)	-	N.M	N.M	-
Trustee's fee in relation to FH-REIT	254	254	-	274	274	-	(7.3)	(7.3)	-
Interest expense on lease liabilities	120	120	1,985	125	125	2,272	(4.0)	(4.0)	(12.6)
Lease payments	-	-	(5,283)	-	-	(5,723)	-	-	(7.7)
Deferred tax	4,783	5,899	(187)	(6,988)	(6,102)	(34)	N.M	N.M	>100.0
Gain on divestment of investment property and deemed disposal of business of foreign operations	-	-	-	(17,585)	(17,585)	-	(100.0)	(100.0)	-
Withholding tax on capital gain on divestment of investment property	-	-	-	15,011	15,011	-	(100.0)	(100.0)	-
Other adjustments	(192)	663	17	3,035	3,472	21	N.M	(80.9)	(19.0)
Net effect of (non-taxable)/non-tax deductible items and other adjustments	(39,628)	(45,415)	618	(23,338)	(29,095)	984	69.8	56.1	(37.2)
Income available for distribution	52,275	52,025	250	34,979	34,749	230	49.4	49.7	8.7
Income available for distribution attributable to:									
– Stapled Securityholders	52,275	52,025	250	34,979	34,749	230	49.4	49.7	8.7
Distribution to Stapled Securityholders	47,048	47,048	-	31,504	31,274	230	49.3	50.4	(100.0)

N.M – Not meaningful

Footnotes:

- (a) Other income in FY 2023 comprises mainly of carpark income and GOP guaranteed top-up arising from the terms in the hotel management contract with the hotel operator while in FY 2022, comprises of carpark income and no-show revenue from the Government Quarantine Business. The decrease in other income is mainly due to the absence of the Government Quarantine Business in FY 2023 and this is partially offset by the GOP guaranteed top-up which resumed in FY 2023.
- (b) Gross revenue comprises mainly master lease rental from master tenanted properties and hotel revenue from NMOC. The master lease rental earned by FH-REIT Group from FH-BT Group is eliminated at FHT level.
- (c) This relates mainly to the write back of rental receivables upon receipt of such rental receivables that was previously impaired in prior periods.
- (d) The increase in rental expense in FY 2023 as compared to FY 2022 is in line with better performance from NMOC in FY 2023 over FY 2022.
- (e) NMOC is being classified as property, plant and equipment in FHT's financial statements. The depreciation expense relates mainly to the depreciation of the building and furniture, fittings and equipment of NMOC.
- (f) Other management fees relate mainly to management fees payable to the MIT Manager.
- (g) Other trust expenses relate mainly to professional fees, audit fees, tax fees and administrative expenses. The lower trust expenses is mainly due to the unsuccessful privatisation expenses that was only incurred in FY 2022.
- (h) Finance income relates to interest income received from fixed deposits and cash balances. The higher finance income due to the increase in cash placed in fixed deposit accounts at higher interest rates.
- (i) Finance costs comprise mainly interest expense on FH-REIT Group's borrowings in S\$, JPY, MYR and AUD, net interest expense or income arising from the interest rate swaps and cross currency swaps, and interest expense on lease liabilities recognised under FRS 116/SFRS(I) 16 Leases.
- (j) The net foreign exchange loss mainly relates to unrealised foreign exchange loss that arises from the appreciation of S\$. The appreciation of S\$ is lower in FY 2023 over FY 2022.
- (k) The net change in fair value of investment properties relates to the net fair value gain arising from the measurement of the investment properties at fair value based on valuations performed by independent valuers as at 30 September 2023 and 30 September 2022. The net fair value gains on investment properties in FY 2023 was largely attributable to the Singapore, Australia, UK and Malaysia properties. Please refer to FHT's asset valuations announcement on the SGX-ST dated 7 November 2023 for further details.
- (l) Revaluation of property, plant and equipment in FY 2022 relates to the revaluation gain of NMOC.
- (m) This relates to the gain on the divestment of SSW in FY 2022 and the related realised foreign exchange translation differences.
- (n) This relates mainly to unrealised net gain arising from the revaluation of foreign currency forward contracts.
- (o) This relates to net realised (loss)/gain arising from the settlement of foreign currency forward contracts for each respective financial year.
- (p) This relates to current and deferred tax. The increase is mainly due to the increase in deferred tax expense from fair value change in investment properties in FY 2023, which is partially offset by the absence of withholding tax on the capital gain arising from the divestment of SSW in FY 2022.
- (q) This relates to master lease rental paid to FH-REIT Group and is eliminated at FHT level.
- (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 Group and FH-BT Group.

1(b)(i) Statements of Financial Position

Note	FHT	FH-REIT Group	FH-BT Group	FHT	FH-REIT Group	FH-BT Group
	30 Sep 2023			30 Sep 2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets						
Investment properties	(a) 1,720,676	1,929,908	-	1,683,220	1,898,078	-
Property, plant and equipment	(b) 210,009	-	49,100	215,918	-	55,476
Derivative financial instruments	(c) 35,605	35,605	-	32,422	32,422	-
Rental deposits	-	-	1,976	-	-	1,980
Deferred expense	-	-	1,288	-	-	1,450
Deferred tax assets	(d) 620	-	2,028	586	-	1,929
	1,966,910	1,965,513	54,392	1,932,146	1,930,500	60,835
Current assets						
Inventories	26	-	26	25	-	25
Prepayments	1,728	1,544	184	1,491	1,302	189
Trade and other receivables	(e) 12,925	15,031	1,837	9,284	11,471	420
Derivative financial instruments	(c) 3,263	3,263	-	18,816	18,816	-
Cash and cash equivalents	(f) 88,134	81,395	6,739	123,883	118,775	5,108
	106,076	101,233	8,786	153,499	150,364	5,742
Total assets	2,072,986	2,066,746	63,178	2,085,645	2,080,864	66,577
Current liabilities						
Trade and other payables	(g) 20,345	16,144	9,338	19,330	16,112	6,630
Rental deposits	6,080	6,080	-	-	-	-
Lease liabilities	(h) -	-	3,340	-	-	3,373
Deferred income	83	83	-	-	-	-
Derivative financial instruments	(c) 494	494	-	-	-	-
Borrowings	(i) 149,050	149,050	-	173,832	173,832	-
Income tax payables	3,666	3,513	153	980	953	27
	179,718	175,364	12,831	194,142	190,897	10,030
Net current liabilities	(j) (73,642)	(74,131)	(4,045)	(40,643)	(40,533)	(4,288)
Non-current liabilities						
Rental deposits	14,570	16,546	-	20,451	22,431	-
Other payables	227	-	227	204	-	204
Lease liabilities	(h) 2,992	2,992	50,613	3,006	3,006	56,415
Deferred income	3,817	5,105	-	4,383	5,833	-
Derivative financial instruments	(c) 1,392	1,392	-	-	-	-
Borrowings	(i) 552,407	552,407	-	582,900	582,900	-
Deferred tax liabilities	(k) 39,406	39,406	-	34,625	34,625	-
	614,811	617,848	50,840	645,569	648,795	56,619
Total liabilities	794,529	793,212	63,671	839,711	839,692	66,649
Net assets/(liabilities)	1,278,457	1,273,534	(493)	1,245,934	1,241,172	(72)
Represented by:						
Stapled Securityholders' funds						
Stapled Securities in issue	1,539,879	1,530,288	9,591	1,539,879	1,530,288	9,591
Issue costs	(25,764)	(25,759)	(5)	(25,764)	(25,759)	(5)
Revenue reserves	(45,387)	(29,623)	(9,394)	(94,978)	(84,751)	(9,026)
Hedging reserve	10,195	10,195	-	18,404	18,404	-
Foreign currency translation reserve	(211,798)	(211,567)	(685)	(197,091)	(197,010)	(632)
Revaluation reserve	(l) 11,332	-	-	5,484	-	-
	1,278,457	1,273,534	(493)	1,245,934	1,241,172	(72)

Footnotes:

- (a) Investment properties as at 30 September 2023 include the recognition of ROU assets, amounting to approximately S\$3.0 million (30 September 2022: S\$3.0 million).
- (b) In FHT's financial statements, the property, plant and equipment relates to the land, building, furniture, fittings and equipment of NMOC. This hotel is classified as property held for own use instead of as an investment property. Accordingly, this hotel is treated as property, plant and equipment and applied the revaluation model of *FRS 16 Property, Plant and Equipment* where the asset is depreciated during the period and revalued at least once a year at the end of financial year. The lower net book value as at 30 September 2023 at FHT is mainly due to depreciation of AUD.

In FH-BT Group's financial statements, property, plant and equipment as at 30 September 2023 includes the recognition of ROU assets, amounting to approximately S\$48.3 million (30 September 2022: S\$54.4 million), arising from the adoption of *SFRS(I) 16 Leases* in relation to the operating lease that meets the definition of property, plant and equipment.

- (c) Derivative financial instruments relate mainly to fair value of foreign currency forward contracts, cross currency swaps, cross currency interest rate swaps and interest rate swaps.
- (d) Deferred tax assets of FHT and FH-BT Group relate mainly to the excess of the tax written down value over the net book value of the plant and equipment of NMOC. For FH-BT Group, they also include deferred tax on the temporary differences arising from the ROU assets and lease liabilities due to the adoption of *SFRS(I) 16 Leases*.
- (e) Trade and other receivables comprise mainly GST receivables, rental income receivables from master lessees and trade receivables from hotel operations. The higher trade and other receivables are largely due to increase in rental income receivables from master lessees.
- (f) For movement in cash balances, please refer to the "Condensed Interim Statements of Cash Flows" on pages 13 to 14.
- (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) The lease liabilities represent lease payments to be made in relation to the ROU assets in respect of the ground lease for an investment property for FHT and FH-REIT Group and the building lease for NMOC for FH-BT Group.
- (i) For the detailed breakdown of total borrowings, please refer to the "Borrowings" note on page 28.
- (j) FH-REIT Group has net current liabilities of S\$74.1 million as at 30 September 2023, primarily due to borrowings maturing within the next 12 months. FH-REIT Group will be able to discharge its obligations as and when they fall due in the next 12 months, having regard to its ongoing operational cash flows, cash reserves of S\$81.4 million as at 30 September 2023, unutilised S\$172.0 million committed revolving credit facilities and are in advanced discussions with lenders to refinance maturing borrowings and additional credit facilities to further strengthen financial flexibility. In addition, FH-REIT Group has a S\$1 billion Multicurrency Debt Issuance Programme, of which S\$880.0 million remains available to refinance its borrowings.

FH-BT Group has net current liabilities of S\$4.0 million and net liabilities position of S\$0.5 million as at 30 September 2023. FH-BT Group will be able to discharge its obligations as and when they fall due in the next 12 months, as it has access to an unutilised S\$10 million committed revolving credit facility from FH-REIT to FH-BT.

With both FH-REIT Group and FH-BT Group able to meet their obligations as and when they fall due, FHT, being the stapled trust comprising FH-REIT Group and FH-BT Group, is able to meet its obligations as and when they fall due.

- (k) This relates mainly to deferred tax on the cumulative revaluation gains on the investment properties.
- (l) The revaluation reserve relates to revaluation of land and building of NMOC, net of deferred tax.

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

The condensed interim statements of financial position of FHT, FH-REIT Group and FH-BT Group as at 30 September 2023 and the related condensed interim statements of total return of FHT and FH-REIT Group, the condensed interim statement of profit or loss and statement of comprehensive income of FH-BT Group, and the condensed interim distribution statements, statements of changes in Stapled Securityholders' funds and statements of cash flows of FHT, FH-REIT Group and FHBT Group for the second half and full year ended 30 September 2023 and certain explanatory notes have not been audited or reviewed.

3. Review of performance

(a) 2H 2023 VS 2H 2022

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Revenue			Gross Operating Revenue		
		2H 2023	2H 2022	Variance	2H 2023	2H 2022	Variance
		1 Apr 2023 to 30 Sep 2023	1 Apr 2022 to 30 Sep 2022		1 Apr 2023 to 30 Sep 2023	1 Apr 2022 to 30 Sep 2022	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Singapore	S\$	54,801	40,695	34.7	-	-	N/A
Australia ^(a)	AUD	21,102	20,157	4.7	15,464	12,572	23.0
United Kingdom	GBP	16,693	14,414	15.8	-	-	N/A
Japan	JPY	2,023,465	1,532,737	32.0	-	-	N/A
Malaysia	MYR	48,698	29,661	64.2	-	-	N/A
Germany	EUR	7,669	6,361	20.6	-	-	N/A

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Profit			Gross Operating Profit		
		2H 2023	2H 2022	Variance	2H 2023	2H 2022	Variance
		1 Apr 2023 to 30 Sep 2023	1 Apr 2022 to 30 Sep 2022		1 Apr 2023 to 30 Sep 2023	1 Apr 2022 to 30 Sep 2022	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Singapore	S\$	20,102	16,509	21.8	-	-	N/A
Australia ^(a)	AUD	8,882	8,973	(1.0)	6,599	4,887	35.0
United Kingdom	GBP	6,759	7,218	(6.4)	-	-	N/A
Japan	JPY	512,055	339,784	50.7	-	-	N/A
Malaysia	MYR	16,897	6,336	>100.0	-	-	N/A
Germany	EUR	3,199	2,744	16.6	-	-	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 2H 2023 compared to 2H 2022

During the financial period under review from 1 April 2023 to 30 September 2023 (“**2H 2023**”), Gross Revenue (“**GR**”) rose 17.8% year-on-year (“**YoY**”) to S\$61.0 million and Net Property Income (“**NPI**”) increased 19.5% YoY to S\$45.3 million. The increase in GR and NPI was supported by significant improvements in its operating environment in 2H 2023, compared to the same period a year ago, as travel demand further recovers with FHT’s operating markets fully re-opened.

In tandem with the higher revenue, FHT recorded Distributable Income (“**DI**”) and Distribution per Stapled Security (“**DPS**”) of S\$25.2 million and 1.1777 cents respectively in 2H 2023, both of which increased by 26.6% and 26.4% respectively, compared to 2H 2022.

Singapore

Singapore recorded 10.1 million visitor arrivals between January 2023 and September 2023, reaching 71% of pre-COVID levels. The Singapore Tourism Board expects visitor arrivals to hit 12 million to 14 million for the full year. Singapore portfolio’s Revenue Per Available Room (“**RevPAR**”) increased 35.0% YoY in 2H 2023 and surpassed pre-COVID levels by 18.7% due mainly to strong growth in Average Daily Rate (“**ADR**”). ADR and Occupancy rate (“**Occ**”) improved 25.5% and 5.4 percentage points (“**ppts**”) YoY respectively in 2H 2023 as Singapore’s tourism sector continued its recovery, further supported by the return of marquee events such as FHA, IMDEX Asia, F1 Grand Prix and Forbes Global CEO Conference.

Australia

Tourism Australia reported that the country received 4.5 million international visitors between January 2023 and August 2023, reaching 70% of pre-COVID levels. In 2H 2023, Australia portfolio’s RevPAR grew 22.5% YoY, boosted by robust growth in Occ. It also exceeded pre-COVID levels by 8.5%. ADR and Occ increased YoY by 0.7% and 14.4 ppts respectively in 2H 2023, on the back of recovery from corporate and group segments, and strong events calendar in Sydney and Melbourne. However, demand from domestic transient segment turned soft as inflation and rising interest rates saw consumption growth moderate.

United Kingdom (“UK”)

The UK has fully lifted its COVID-19 pandemic restrictions and remaining international travel restrictions as part of the government’s “Living with COVID” plan since March 2022. From January 2023 to July 2023, the UK welcomed 21.5 million inbound visitors, 42% higher YoY but down 6% over pre-pandemic levels. For 2023, Visit Britain’s inbound visitor forecast is 37.5 million, 92% of the 2019 levels. UK portfolio’s RevPAR rose 15.7% YoY in 2H 2023 and exceeded pre-COVID levels by 12.6% on the back of ADR growth. ADR and Occ increased 11.6% and 2.9 ppts YoY respectively in 2H 2023, boosted by domestic leisure demand. On the other hand, demand for business travel continued to recover gradually amidst challenging market and economic conditions. As energy, food and payroll costs remained high, further recovery of the portfolio performance was impeded.

Japan

Japan has re-opened its international borders in October 2022, ending almost three years of tight border controls that kept tourists out of the country. Japan National Tourism Organization reported 17.4 million visitor arrivals from January 2023 to September 2023, hitting 71% of pre-pandemic levels. International travellers exceeded 2 million for 4 consecutive months from June 2023 to September 2023. ANA Crowne Plaza Kobe’s RevPAR increased 76.7% YoY in 2H 2023 and almost reached pre-COVID levels. ADR and Occ increased 34.8% and 17.2 ppts YoY respectively in 2H 2023 as Japan’s hospitality market continued to improve following the reopening of borders since October 2022. However, shortage of labour in the tourism industry and inflationary pressures have hindered the pace of recovery.

Malaysia

According to Tourism Malaysia, the country is targeting 16.1 million foreign tourists in 2023, 60% more than a year ago, with 5 million arrivals expected to come from the Chinese market. As of June 2023, Malaysia recorded 9.2 million international tourist arrivals. Its authorities continue to focus on improving flight connectivity to boost arrivals. The Westin Kuala Lumpur’s RevPAR rose 72.8% YoY in 2H 2023 and exceeded pre-COVID levels by 12.5%, boosted by ADR growth. ADR and Occ grew YoY by 14.0% and 27.7 ppts respectively in 2H 2023, with corporate and leisure demand improved significantly compared to last year after re-opened borders.

Germany

The Federal Statistical Office of Germany reported a total of 450.8 million of overnight stays by domestic and foreign visitors in 2023, an increase of 45.3% YoY and only 9.1% below pre-pandemic levels. Germany also ended its testing requirements for Chinese travellers in February 2023. Maritim Hotel Dresden’s performance further improved YoY in 2H 2023, supported by the recovery in domestic travel and the return of MICE business. Its performance also surpassed pre-COVID levels, driven by stronger ADR growth.

(b) FY 2023 VS FY 2022

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Revenue			Gross Operating Revenue		
		FY 2023	FY 2022	Variance	FY 2023	FY 2022	Variance
		1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022		1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Singapore	S\$	105,368	63,759	65.3	-	-	N/A
Australia ^(a)	AUD	43,508	42,213	3.1	32,396	21,100	53.5
United Kingdom	GBP	29,847	23,110	29.2	-	-	N/A
Japan	JPY	3,847,244	2,874,698	33.8	-	-	N/A
Malaysia	MYR	93,537	43,225	>100.0	-	-	N/A
Germany	EUR	13,376	9,257	44.5	-	-	N/A

		FH-REIT Group			FH-BT Group		
		Master Lessees - Gross Operating Profit			Gross Operating Profit		
		FY 2023	FY 2022	Variance	FY 2023	FY 2022	Variance
		1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022		1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022	
		LC\$'000	LC\$'000	%	LC\$'000	LC\$'000	%
Singapore	S\$	41,933	25,307	65.7	-	-	N/A
Australia ^(a)	AUD	19,934	19,460	2.4	14,952	9,091	64.5
United Kingdom	GBP	12,233	10,499	16.5	-	-	N/A
Japan	JPY	950,604	717,450	32.5	-	-	N/A
Malaysia	MYR	31,542	5,922	>100.0	-	-	N/A
Germany	EUR	5,210	3,553	46.6	-	-	N/A

Footnote:

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

Operational Performance

Review of performance for FY 2023 compared to FY 2022

During the financial period under review from 1 October 2022 to 30 September 2023 (“**FY 2023**”), GR rose 28.5% YoY to S\$123.2 million and NPI increased 30.1% YoY to S\$90.5 million. The increase in GR and NPI was supported by significant improvements in its operating environment in FY 2023, compared to the same period a year ago, as travel demand further recovers with FHT’s operating markets fully re-opened.

In tandem with the higher revenue, FHT recorded DI and DPS of S\$52.3 million and 2.4426 cents respectively in FY 2023, both of which increased by 49.4% and 49.3% respectively, compared to FY 2022.

Singapore

Singapore recorded 9.0 million visitor arrivals between January 2023 and August 2023, reaching 70% of pre-COVID levels. The Singapore Tourism Board expects visitor arrivals to hit 12 million to 14 million for the full year. The Singapore portfolio recorded higher ADR and Occ YoY, which in turn led to a YoY increase in RevPAR by more than 60% in FY 2023. This was mainly supported by InterContinental Singapore’s transient business and Fraser Suites Singapore’s long-stay business. Consequently, the Gross Operating Revenue (“**GOR**”) and Gross Operating Profit (“**GOP**”) of the Singapore portfolio also increased by more than 60% YoY respectively in FY 2023.

Australia

Tourism Australia reported that the country received 4.5 million international visitors between January 2023 and August 2023, reaching 70% of pre-COVID levels. In FY 2023, excluding Sofitel Sydney Wentworth which was divested on 29 April 2022, the Australia portfolio’s Occ grew by 31.3 ppts YoY to 79.7% and ADR grew by 14.4%, resulting in RevPAR increasing by 88.5% YoY. The portfolio’s GOR and GOP increased by 64.3% and 91.6% YoY in FY 2023.

United Kingdom (“UK”)

The UK has fully lifted its COVID-19 pandemic restrictions and remaining international travel restrictions as part of the government’s “Living with COVID” plan since March 2022. From January 2023 to March 2023, the UK welcomed 7.7 million inbound visitors, 105% higher YoY but down 8% over pre-pandemic levels. For 2023, Visit Britain’s inbound visitor forecast is 37.5 million, 92% of the 2019 levels. The UK portfolio’s Occ rose by 9.8 ppts to 79.6% and RevPAR grew by 28.8% YoY in FY 2023, supported by a higher ADR YoY. The GOR increased 29.2% YoY while its GOP was £12.2 million, 16.5% higher YoY.

Japan

Japan has re-opened its international borders in October 2022, ending almost three years of tight border controls that kept tourists out of the country. Japan National Tourism Organization reported 15.2 million visitor arrivals from January 2023 to August 2023, hitting 68.6% of pre-pandemic levels. International travellers exceeded 2 million for 3 consecutive months from June 2023 to August 2023. In FY 2023, ANA Crowne Plaza Kobe’s RevPAR increased by 74.4% YoY. The hotel’s GOR and GOP were up 33.8% and 32.5% YoY respectively in FY 2023.

Malaysia

According to Tourism Malaysia, the country is targeting 16.1 million foreign tourists in 2023, 60% more than a year ago, with 5 million arrivals expected to come from the Chinese market. Its authorities continue to focus on improving flight connectivity to boost arrivals. The recovery in travel outlook in Malaysia has led to improved performance for The Westin Kuala Lumpur. The hotel’s RevPAR more than doubled YoY in FY 2023. Consequently, the hotel’s GOR more than doubled, while GOP was more than four times higher YoY at MYR 31.5 million.

Germany

The Federal Statistical Office of Germany reported a total of 450.8 million of overnight stays by domestic and foreign visitors in 2023, an increase of 45.3% YoY and only 9.1% below pre-pandemic levels. Germany also ended its testing requirements for Chinese travellers in February 2023. Maritim Hotel Dresden showed further signs of recovery in its performance. Despite ongoing challenges with the macroeconomic outlook, the hotel reported YoY increases of 44.5% and 46.6% in GOR and GOP respectively in FY 2023.

4. 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.

5. 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 International Monetary Fund's ("IMF") October projections¹, global economic growth is expected to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the historical average of 3.8%, as the global economy continues to recover from COVID-19, the conflict in Ukraine and higher cost of living.

Global inflation is forecast to decline steadily, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024 while core inflation, excluding food and energy, is projected to decline more gradually, from 6.4% in 2022 to 6.3% in 2023 and 5.3% in 2024. With core inflation still high and declining slowly in many advanced economies, central banks are expected to keep monetary policy tighter for longer than is currently priced in markets.

The IMF remains concerned about risks related to China's property crisis, volatile commodity prices, increasing geopolitical fragmentation and resurgence in inflation. It has cut its growth forecasts for China to 5.0% in 2023 and 4.2% in 2024, 0.2 and 0.3 percentage points less than previously expected, amid weakness in the property sector, rising debt and weak external demand.

The World Tourism Organization ("UNWTO") reported² that international tourism recovered to 84% of pre-pandemic levels in the period January-July 2023, backed by continued pent-up demand. International arrivals for 2023 remain well on track to reach 80% to 95% of pre-pandemic levels as projected.

Prospects for September-December 2023 point to continued recovery, though at a more moderate pace following the peak travel season of June-August. The results are expected to be driven by the still pent-up demand, increased air connectivity and reopening of China. However, UNWTO warns that the challenging economic environment could weigh on spending patterns over the remainder of 2023, with tourists increasingly seeking value for money, travelling closer to home and making shorter trips.

¹ Source: IMF, World Economic Outlook, October 2023

² Source: UNWTO, World Tourism Barometer, September 2023

6. Distributions

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

(a) Current financial period

Any distribution declared for the current financial period? Yes.

Name of Distribution Distribution for period from 1 April 2023 to 30 September 2023

Distribution Type/Rate

	Cents (Per Stapled Security)
Taxable income distribution	0.4820
Tax-exempt income distribution	0.0285
Capital income distribution	0.6672
	<hr/> <u>1.1777</u>

Tax rate

Taxable income distribution component

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

Tax-exempt income distribution component

The tax-exempt income distribution component is exempt from Singapore income tax in the hands of all unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

Capital distribution component

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the current financial period?

Yes.

Name of Distribution

Distribution for period from 1 April 2022 to 30 September 2022

Distribution Type/Rate

Taxable income distribution
Tax-exempt income distribution

Cents (Per Stapled Security)
0.2649
0.6667
<u>0.9316</u>

Tax rate

Taxable income distribution component

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

Tax-exempt income distribution component

The tax-exempt income distribution component is exempt from Singapore income tax in the hands of all unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

Capital distribution component

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

(c) Date payable

29 December 2023

(d) Record date

16 November 2023

7. Interested Party Transactions

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

8. Review of performance of the Group – turnover and earnings

Refer to Note 3.

9. Breakdown of Revenue

	FHT		
	FY 2023	FY 2022	Variance
	1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022	
	\$'000	\$'000	%
Gross revenue for first half year	62,220	44,103	41.1
Total return for first half year	23,486	9,380	>100.0
Gross revenue for second half year	60,978	51,753	17.8
Total return for second half year	68,417	48,937	39.8

10. Breakdown of Total Annual Distribution

	FHT	
	FY 2023	FY 2022
	1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022
	\$'000	\$'000
1 Apr 2021 to 30 Sep 2021	-	15,488
1 Oct 2021 to 31 Mar 2022	-	13,557
1 Apr 2022 to 30 Sep 2022	17,949	-
1 Oct 2022 to 31 Mar 2023	24,363	-

11. Additional information

(i) FHT's interests in Australia Land Trust

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

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

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

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

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

As at 30 September 2023, the value of the Australian assets comprised in FHT's portfolio is 23.0% of the total asset value of FHT. Consequently, FHT is not considered to be an ALT.

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

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

Please note that on 1 July 2023, the Australian Taxation Office introduced the Register of Foreign Ownership of Australian Assets ("Register"), which is governed by the FATA and related legislation. Under the Register, a foreign investor is required to notify certain actions under the FATA in relation to investments in Australian assets and for certain events (e.g. if FHT stops being a foreign person or if the percentage interest changes in an Australian asset). Notification is made by giving a 'register notice' and is typically required within 30 days of the date of the action or event. The scope of the Register is broader than the current FIRB Clearance regime and captures certain transactions that do not require FIRB Clearance. Relevantly, all acquisitions of land in Australia (including as a result of the acquisition of any percentage interest of an ALT) will need to be reported to the Register irrespective of whether FIRB Clearance is required.

11. Additional information (Cont'd)

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

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

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

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

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

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

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

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

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

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

As FHTAT's withholding MIT status is assessed every income period, the temporary breach in the 2021 income period should not impact the withholding MIT status of FHTAT for the income year ending 30 September 2023.

12. 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.

13. Confirmation pursuant to Rule 704(13) of the SGX-ST Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Managers confirm that there is no person occupying a managerial position in the Managers or in any of the principal subsidiaries of the Managers, FH-REIT or FH-BT who is a relative of a Director, Chief Executive Officer, substantial shareholder of the Managers or substantial Stapled Securityholder of FHT.

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

Panote Sirivadhanabhakdi
Chairman

Nagaraj Sivaram
Director

BY ORDER OF THE BOARD

Fraser Hospitality Asset Management Pte. Ltd.
(Company registration no. 201331351D)
As manager of Fraser Hospitality Real Estate Investment Trust

Fraser Hospitality Trust Management Pte. Ltd.
(Company registration no. 201401270M)
As trustee-manager of Fraser Hospitality Business Trust

Catherine Yeo
Company Secretary
7 November 2023

IMPORTANT NOTICE

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

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

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

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