

**FRASERS HOSPITALITY TRUST**

**MINUTES OF THE ANNUAL GENERAL MEETING  
HELD ON TUESDAY, 23 JANUARY 2024, AT 10.00 A.M.  
GRAND BALLROOM, LEVEL 2, INTERCONTINENTAL SINGAPORE, 80 MIDDLE ROAD,  
SINGAPORE 188966**

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Present: Stapled Securityholders (present in person or by proxy)

As per attendance list

In attendance: Directors of Frasers Hospitality Asset Management Pte. Ltd., as manager of Frasers Hospitality Real Estate Investment Trust (“FH-REIT”, and the manager of FH-REIT, the “REIT Manager”) and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of Frasers Hospitality Business Trust (“FH-BT”, and the trustee-manager of FH-BT, the “Trustee-Manager”, and together with the REIT Manager, the “Managers”)

Present in person:

Mr Panote Sirivadhanabhakdi, Chairman

Mr Soong Hee Sang

Mr Quah Ban Huat

Mr Nagaraj Sivaram

Dr David Wong See Hong

Executive Officers of the Managers

Present in person:

Mr Eric Gan, Chief Executive Officer

Mr Liu Qingbin, Head of Finance

Company Secretary of the Managers

Present in person:

Ms Catherine Yeo

Representative from Perpetual (Asia) Limited, as trustee of FH-REIT

Present in person:

Ms Sin Li Choo

Representatives from KPMG LLP, as External Auditors of FHT

Present in person:

As per attendance list

**1. Introduction**

- 1.1 Prior to the commencement of the Annual General Meeting (“**AGM**” or the “**Meeting**”), Ms Catherine Yeo (“**Ms Yeo**”), the Company Secretary of the Managers, informed the Meeting that Perpetual (Asia) Limited, as trustee of FH-REIT (the “**Trustee**”), and Frasers Hospitality Trust Management Pte. Ltd., in its capacity as Trustee-Manager, had each nominated Mr Panote Sirivadhanabhakdi (the “**Chairman**”), to preside as the Chairman of the Meeting. In accordance with the trust deeds constituting FH-BT and FH-REIT (and the stapled group Frasers Hospitality Trust comprising FH-BT and FH-REIT, “**FHT**”) dated 20 June 2014 (as amended, supplemented and restated) and 12 June 2014 (as amended, supplemented and restated) respectively, Mr Panote Sirivadhanabhakdi presided as the Chairman of the Meeting. Noting that the requisite quorum for the Meeting had been met, Ms Yeo invited the Chairman to proceed with the Meeting.
- 1.2 The Chairman welcomed all stapled securityholders of FHT (the “**Stapled Securityholders**”, and the stapled securities held by the Stapled Securityholders, “**Stapled Securities**”) to the Meeting. The Chairman then stated that there would be ample time for questions and comments before the Resolutions were put to the vote.
- 1.3 The Chairman then introduced the Board and senior executives of the Managers, as well as the representative of the Trustee, who were present at the Meeting.
- 1.4 Following the Chairman’s introduction of the Board and senior executives of the Managers, as well as the representative of the Trustee, the Chairman thanked the representatives of KPMG LLP, the auditors of FHT, for their attendance at the AGM.
- 1.5 The Chairman noted that the annual report of FHT for the financial year ended 30 September 2023 (“**FY2023**”, and the annual report for FY2023, the “**Annual Report**”), the Notice of Annual General Meeting dated 22 December 2023 (the “**Notice of AGM**”) and the Proxy Form were published on the corporate website of FHT and on SGXNet on 22 December 2023. Printed copies of the Notice of AGM, the Proxy Form and the Request Form (for the purpose of requesting printed copies of the Annual Report) were also despatched to all Stapled Securityholders for their convenience.
- 1.6 The Chairman noted that the Annual Report contains the Sustainability Report, Corporate Governance Report, Report of the Trustee, Statement by the Manager, Report of the Trustee-Manager, Statement by the Trustee-Manager, Statement by the Chief Executive Officer of the Trustee-Manager, Independent Auditors’ Report and Audited Financial Statements of FHT for FY2023. The Notice of AGM was taken as read.
- 1.7 The Chairman then invited Ms Yeo to elaborate on the procedures for the question and answer session and voting.

- 1.8 As stated in the Notice of AGM, Ms Yeo noted that Stapled Securityholders could submit questions in advance of or at this Meeting. In respect of questions received prior to the Meeting before the deadline specified in the Notice of AGM, the Managers had published the responses to the substantial and relevant questions received from Stapled Securityholders on the corporate website of FHT and on SGXNet on 18 January 2024. Ms Yeo also informed the Stapled Securityholders and proxies in attendance of this Meeting that they would have the opportunity to ask questions or make comments after each Resolution had been introduced and explained. For record purposes, Ms Yeo requested for the Stapled Securityholders to state their name if they wished to make a comment or ask a question, and if they were proxies, to state their name and the name of the Stapled Securityholders whom they represented.
- 1.9 Ms Yeo noted that the Managers would be addressing the substantial and relevant questions received from Stapled Securityholders after the deadline specified in the Notice of AGM during the course of the Meeting.
- 1.10 Ms Yeo informed that voting on all Resolutions at the Meeting would be conducted by poll via an online platform. Ms Yeo then invited Stapled Securityholders to view a video on how to submit their votes by electronic poll via the AGM@Convene platform and informed the Stapled Securityholders and proxies in attendance of this Meeting that assistance would be available should they experience any difficulties in accessing the voting platform or casting their votes.
- 1.11 To facilitate the voting process, and so that voting could commence and continue concurrently while the Resolutions at the Meeting were being introduced and explained, Ms Yeo noted that all the Resolutions would be formally proposed and put to the vote by electronic poll. Ms Yeo elaborated that voting for each Resolution would end approximately 10 seconds after the relevant Resolution had been introduced and explained, and questions and comments on the relevant Resolution, if any, had been addressed. Stapled Securityholders or their duly appointed proxy(ies) may change their votes at any time prior to the close of voting for each Resolution. In this regard, Ms Yeo explained that for Stapled Securityholders attending in person, any proxies they appointed would be revoked and cannot vote in respect of those units.
- 1.12 Ms Yeo informed the Meeting that RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. had been appointed as the scrutineers for the Meeting.
- 1.13 Ms Yeo noted that Resolutions 1, 2 and 3 as found in the Notice of AGM were ordinary resolutions and explained that such resolutions would be passed if more than 50% of the total number of votes were cast in favour of the Resolution.
- 1.14 The Chairman informed all present that in his capacity as Chairman of the Meeting, he had been appointed as a proxy by some Stapled Securityholders, and would be voting in accordance with their instructions. As a proxy, the Chairman proposed all the Resolutions being tabled at this Meeting. The Chairman proceeded to put all the Resolutions at the Meeting to vote by electronic poll.
- 1.15 Before proceeding with the business of the Meeting, the Chairman invited Mr Eric Gan, the Chief Executive Officer of the Managers (the “CEO”), to give a short presentation summarising the key highlights and performance of FHT in FY2023. The Chairman noted that a copy of the presentation (the “Presentation”) had been uploaded on the corporate website of FHT and on

SGXNet on 22 January 2024.

- 1.16 After the presentation, the Chairman then proceeded to introduce the Resolutions to be tabled at the Meeting, as set out in the Notice of AGM.

2. **Ordinary Resolution 1:**

**To receive and adopt the Report of the Trustee-Manager and the Statement by the Trustee-Manager issued by Frasers Hospitality Trust Management Pte. Ltd., in its capacity as the Trustee-Manager, the Statement by the Chief Executive Officer of the Trustee-Manager, the Report of the Trustee issued by Perpetual (Asia) Limited, in its capacity as the FH-REIT Trustee, the Statement by the Manager issued by Frasers Hospitality Asset Management Pte. Ltd., as the REIT Manager and the Audited Financial Statements of FHT, FH-BT and FH-REIT for the financial year ended 30 September 2023 and the Auditors' Report thereon**

- 2.1 The Chairman introduced Resolution 1 as set out in the Notice of AGM.

- 2.2 The full text of Resolution 1, as set out in the Notice of AGM, was taken as read.

- 2.3 Before opening the floor to any comments and questions that the Stapled Securityholders and proxies in attendance of this Meeting might have, the Chairman asked to address the two substantial and relevant questions relating to Resolution 1 which were received in advance of the Meeting and which had not been addressed earlier.

- 2.4 Head of Investor Relations of the REIT Manager then read out the substantial and relevant questions received, as follows:

*“Despite your strong performance last year, distribution per Stapled Security was only S\$0.024 and share price did not move much either. There has not been any acquisition for a long time and it does not help that the high interest rate environment will continue to pose challenges for FHT to grow and scale up. For Stapled Securityholders, what is in it for us to remain invested in FHT?”*

*“What options is the Board considering to help unitholders? Have you done a strategic review?”*

- 2.5 The CEO then proceeded to address the substantial and relevant questions received. The CEO recognised that while FHT's portfolio recovered well in FY2023 and its distribution per Stapled Security (“DPS”) had increased by 49.3% year-on-year, the price of its Stapled Securities had not been reflective and had only increased by approximately 7% to close at S\$0.505 per Stapled Security as at the end of FY2023. In this regard, the CEO explained that the price of Stapled Securities does not move necessarily in tandem with the performance of FHT and trading price is beyond the control of the Managers. However, the CEO elaborated on the options that are within the control of and which are available to the Managers.

- 2.6 Firstly, the CEO emphasised that the Managers would continue to pursue a growth strategy encompassing both organic and inorganic growth. Referring to his Presentation, the CEO highlighted that FHT has been undertaking organic growth strategies and initiatives, and the Managers intend to continue doing this moving forward. The CEO noted that the asset

management team would continue to work with property operators to run operations more effectively and efficiently and continuously look out for opportunities to further enhance and create value within the existing portfolio for FHT, such as through asset enhancement initiatives (“**AEIs**”) to further improve its assets’ operating performance in the future. In relation to inorganic growth, the CEO noted that the current interest rate environment may not be conducive, with the exception of Japan which is a location the Managers are interested to explore due to the relatively good asset yield spread in comparison to the cost of borrowing. The CEO emphasised however, that the Managers remain judicious in how to best utilise FHT’s limited resources.

- 2.7** Secondly, the CEO noted that capital is required for inorganic growth and one option would be to recycle capital by maximising and optimising the valuations of all existing properties in FHT’s portfolio (for example, through AEIs) so that the properties can be sold at an optimum price when the right opportunity arises. While the CEO also noted that equity fund raising would be a good option to support inorganic growth, the current market environment and trading price of the Stapled Securities might not be conducive for fund raising. The CEO acknowledged the concerns raised by the Stapled Securityholder in his/her question that FHT was trading at a discount of approximately 20% of its net asset value (“**NAV**”) per Stapled Security and observed that, on a comparable basis as of 30 September 2023, all other hospitality S-REITs<sup>1</sup> were trading at a discount to NAV of between 10% and 60%. Having said that, the CEO referred Stapled Securityholders to a recent Business Times article<sup>2</sup> and highlighted that FHT was ranked amongst the top five S-REITs and delivered total returns of 16.9% for 2023. The CEO assured Stapled Securityholders that the Managers will continue to do their best.
- 2.8** The Chairman also informed Stapled Securityholders that the new Board members have raised questions and conducted strategic reviews of the markets that are core to FHT. The Chairman commented that as there are many uncertainties in the global economy, the Managers will remain cautious and will seek ways to protect the value of FHT’s assets and scale up FHT’s portfolio. While it remains difficult for the Managers to raise capital, the Chairman informed Stapled Securityholders that the Managers will explore opportunities to bring the right benefits to Stapled Securityholders.
- 2.9** The CEO also added in his response that the Managers are cognisant of the various concerns of the Stapled Securityholders and the challenges which FHT faces. In particular, the Managers conducted a strategic review in 2022 to understand the best way to unlock value for Stapled Securityholders, which culminated in the proposal for the privatisation of FHT by way of a scheme of arrangement, to unlock value for the Stapled Securityholders. The CEO lastly acknowledged that the Managers would review all strategic options to best maximise returns to Stapled Securityholders.
- 2.10** As all of the substantial and relevant questions relating to Resolution 1 received in advance of the Meeting had been addressed, the Chairman invited comments and questions from the floor, the salient points of which are recorded below.

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<sup>1</sup> “**S-REITs**” means real estate investment trusts (“**REITs**”) listed on the Singapore Exchange Securities Trading Limited.

<sup>2</sup> Please refer to the Business Times article titled “*Better year expected for S-REITs as data centre, hospitality players top volatile 2023*” dated 9 January 2024.

- 2.11** Mr Yeo Sin Teck (“**Mr Yeo**”) shared his observations. Noting the need to register in person at the registration counter outside the AGM venue, Mr Yeo first shared his concern of a potential personal data security issue since Stapled Securityholders were required to present their NRIC/passport to verify their identities and share their mobile phone numbers.<sup>3</sup> Referring to pages 88, 118 and 121 of the Annual Report, Mr Yeo also shared that he was confused why the highest price per Stapled Security was indicated as S\$0.505 when he had managed to divest certain Stapled Securities at around S\$0.530. Mr Yeo also noted that the general offer for the privatisation was at S\$0.70 but the lowest price for FY2023 was S\$0.425. Lastly, Mr Yeo also commented that he had difficulties in using the web browser device in the voting procedure.
- 2.12** In response, Ms Yeo clarified that manual voting by physical poll can be done by submitting the Proxy Form, printed copies of which had been dispatched to Stapled Securityholders, by 10.00 a.m. on Sunday, 21 January 2024, being 48 hours before the time fixed for the Annual General Meeting.
- 2.13** Referring to page 192 of the Annual Report, Mr Venkatachalam Alagappan (“**Mr Alagappan**”) enquired in relation to the foreign currency translation reserve of approximately S\$211 million. Mr Alagappan commented that upon observation of FHT’s portfolio valuation, almost half were in Singapore Dollars with the remaining in foreign currencies. Mr Alagappan noted that there might have been a 20% to 25% decrease in the valuations accumulated over the years. Mr Alagappan agreed with the CEO that foreign currency pressures have been a common theme in FHT’s operations and given Mr Alagappan’s belief that the Singapore Dollar will continue to appreciate against other currencies, Mr Alagappan first queried as to how the Board will try to minimise this impact given the dilemma between purchasing cheaper properties overseas compared to in Singapore and potential foreign currency translation losses. Along the same vein, Mr Alagappan observed that foreign currency pressures mainly affect the balance sheet and the capital reserves statement, as opposed to the DPS.
- 2.14** Referring to page 247 of the Annual Report, Mr Alagappan’s second query was in relation to FHT’s borrowings. Mr Alagappan commented that while FHT has properties in the UK and one property in Germany, FHT does not seem to have a Euro or a Sterling Pound loan which leads him to assume that FHT is borrowing in Singapore Dollars to finance the properties in the UK and Germany. Therefore, Mr Alagappan expressed his concerns of appreciating Singapore Dollar on FHT’s cost of borrowing and depreciating asset value in the UK and Germany; that said, Mr Alagappan acknowledged that the cost of borrowing in the UK and Germany could be too expensive. With three loans maturing in the financial year ending 30 September 2024 (“**FY2024**”), and assuming the cost of borrowing increases from the current 3.1% per annum, Mr Alagappan queried as to how much of an issue the aforesaid will present.
- 2.15** The CEO thanked Mr Alagappan for his comments and noted that FHT’s policy in acquiring an asset in a foreign jurisdiction is to first consider the possibility of an onshore loan, as a natural hedge strategy. However, the CEO noted that the Frasers Property Limited (“**FPL**”) group is

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<sup>3</sup> At FHT, a Personal Data Protection Policy has been implemented to protect our information assets and establish responsibilities that employees must undertake to ensure maximum data confidentiality and security. In the case of information security incidents, FHT’s Personal Data Breach Incident Management Policy sets out procedures for employees to manage and mitigate any negative impacts. During the year, some of the staff at our properties attended cybersecurity training which equipped them with knowledge on basic cyber safety and the handling of personal data. Please refer to page 88 of the Annual Report for further information.

well recognised in Singapore which helps entities of the FPL group command competitive costs of borrowing in Singapore. The CEO added that the cost of borrowing might be too steep in the UK, which would make onshore loans even more expensive than borrowing from banks in Singapore, despite the overlay of cross currency swaps.

- 2.16** Mr Alagappan enquired whether the cross currency swaps are for the duration of the relevant loans.
- 2.17** The CEO responded that the cross currency swaps are for the duration of the relevant loans. The CEO shared that out of the S\$149.3 million maturing in FY2024, approximately S\$130 million are borrowings on fixed interest rates. Assuming that the loans are successfully refinanced and interest rates increase by 1.0%, the impact will be about S\$1.49 million. The CEO acknowledged that FHT anticipates further interest rate increases based on the current interest rate environment. The CEO added that the negotiations for these loans are at an advanced stage, though not finalised. The CEO is confident that FHT will be able to refinance the borrowings due in FY2024 and assured that the team will negotiate to secure the best financing terms.
- 2.18** Mr Alagappan asked whether the Managers, with the foresight that interest rates will be lowering within the next couple of years, could negotiate for one-year loans.
- 2.19** The Chairman responded that while there is hope for interest rates to normalise or reduce in 2024, it remains largely speculative. The Chairman informed Stapled Securityholders that the Managers are working towards obtaining the best financing terms for FHT and noted that refinancing in and of itself will not be an issue in light of FHT's credit standing and the quality of FHT's assets. As for foreign exchange risks, the Chairman also noted that the Board attempts to minimise such risks and shared some available options, such as natural hedges.
- 2.20** The CEO further explained that FHT does not take speculative positions. The CEO emphasised that FHT's policy is to enter into positions to protect Stapled Securityholders from volatility or increase in costs. In relation to foreign exchange risks, the CEO highlighted that one of the reasons why foreign currency translation reserves are more than S\$200 million is because foreign exchange rates were higher during the initial public offering of FHT ("IPO"). In this regard, the CEO noted that most currencies have depreciated against the Singapore Dollar, such as the Australian Dollar, the Malaysian Ringgit and the Japanese Yen which have depreciated by approximately 25% since IPO. The CEO reiterated that where appropriate, the Managers will consider pursuing natural hedging by borrowing onshore or utilising cross currency swaps. Mr CEO then sought to clarify Mr Alagappan's misconception – foreign exchange impact does affect the DPS as well due to the fact that the funds for distributions are also derived from the contribution of overseas assets which are repatriated back to Singapore and hence subjected to foreign exchange volatility over time.
- 2.21** Mr Alagappan commented that as certain overseas markets may be in the decline, he queried whether it is still worthwhile for the Managers to continue investing in those jurisdictions.
- 2.22** The Chairman assured Stapled Securityholders that the Managers will actively evaluate FHT's portfolio allocation and ways to optimise returns on FHT's portfolio, and review its investment

strategies for FHT so that the Managers will be able to best-position FHT for potential opportunities, taking into account that different markets have different risks and returns.

- 2.23** Referring to page 8 of the Annual Report, Mr Henry Ho (“**Mr Ho**”) queried as to how the management fee is derived and its connection with the DPS. Mr Ho observed that there are both base and performance fees, and that performance fees are sometimes pegged to the net property income or DPS increment. With reference to the DPS of 2.44 Singapore cents for FY2023, Mr Ho noted that this is approximately 50% lower than the pre-COVID DPS of 4.41 Singapore cents for the financial year ended 2019 but approximately 50% higher than the DPS at 1.64 Singapore cents for the financial year ended 2022. Mr Ho asked if there is an indicator or a threshold in place to determine whether performance is a good or bad in terms of the DPS.
- 2.24** The Chairman responded that the quality and effort of the team to drive the right returns from the assets is relevant to the performance. To this end, the Chairman noted that the improvement does not just come from the market recovery but also from the hard work of the Management teams. The Chairman added that active benchmarking against other S-REITs and against the performance of similar assets within the same geography are relevant indicators. The Chairman also noted that the Nominating and Remuneration Committee of the Managers have fully assessed the Managers’ efforts and the resultant performance of FHT when deciding on the remuneration payable.
- 2.25** The CEO added that the base fee is equivalent to 0.3% of the total deposited property which is the total asset value (excluding lease liabilities) and the performance fee is a function of DPS, which is equivalent to 5.5% of the aggregate distributable income of FHT in the relevant financial year, as mentioned in the Annual Report. Therefore, the CEO noted that this results in an alignment of interests with Stapled Securityholders, as it will be in the Managers’ interest to improve the performance of FHT’s assets so that valuations will increase and to deliver a higher distributable income for Stapled Securityholders. The CEO also added that the base and performance fees payable to the Managers are within market range.
- 2.26** Referring to slide 13 of the Presentation, Mr Lee Shin Ho (“**Mr Lee**”) enquired how one should interpret the balance sheet hedging of 21.6% in Malaysian Ringgit.
- 2.27** The CEO replied that it means 21.6% of the capital value of FHT’s asset in Malaysia has been hedged through borrowings in the same currency. The CEO also shared that the Japanese Yen has a higher balance sheet hedging due to the favourable interest rates in Japan.
- 2.28** Noting that FHT only owns one property in Japan (i.e., ANA Crowne Plaza Kobe) and the revenue contribution from Japan is approximately 5% to 6%, Mr Lee queried as to whether, in absolute terms, the total revenue from Japan is approximately S\$4.5 million.
- 2.29** The CEO responded that the total revenue derived from ANA Crowne Plaza Kobe is JPY3.8 billion which would be approximately S\$38 million, assuming an exchange rate of SGD 1 : JPY 100. The CEO added that this figure is at the property level as presented in the portfolio

performance in the Presentation. The CEO clarified that S\$38 million was the revenue at the property level, which is different from FHT's master lease income of \$7.2 million.<sup>4</sup>

- 2.30** Mr Lee also noted that there are two components in ANA Crowne Plaza Kobe, namely the hotel and retail component.
- 2.31** The CEO clarified that the revenue from the retail component of ANA Crowne Plaza Kobe ("**Kobe Retail Mall**") had not been included in FHT's revenue or income. The CEO informed that an announcement was made in December 2023 on FHT's termination of the retail master lease agreement ("**Retail MLA**"), and the effective date of termination of the Retail MLA is tentatively in March 2024<sup>5</sup>. Consequently, no revenue from Kobe Retail Mall had been captured in FY2023 or in the previous financial years during the term of the Retail MLA.
- 2.32** Noting that the termination of the Retail MLA will also oblige the payment of a termination sum of approximately S\$38 million (the "**Termination Sum**") to the master lessee thereunder,<sup>6</sup> Mr Lee was concerned that FHT was losing out on its bargain.
- 2.33** The CEO explained that under the Retail MLA, it was agreed for the master lessee to commit capital of up to JPY4.25 billion (approximately S\$53.13 million at the exchange rate then prevailing in March 2017 when the Retail MLA was announced) towards various asset enhancement initiatives to reposition and uplift the Kobe Retail Mall with the objective of improving the performance of the property (the "**Kobe Retail Mall AEI**"). Further, the CEO explained that the Retail MLA was entered into with intention that it would be terminated once the cash flow from the Kobe Retail Mall had stabilised and the net operating income was positive, and that the Termination Sum was due to the master lessee in consideration of its investment for the Kobe Retail Mall AEI.<sup>7</sup> Once the Termination Sum was paid, FHT would then receive revenue from Kobe Retail Mall in future.
- 2.34** In response, Mr Lee queried the usefulness of the Kobe Retail Mall AEI carried out by the master lessee, pointing out that despite earning no revenue or income from Kobe Retail Mall, FHT will be spending S\$38 million to terminate the Retail MLA. Mr Lee further raised his concerns as to whether the entry into the Retail MLA was carefully considered by the Board then in light that the Kobe Retail Mall AEI involves a related party.
- 2.35** The Chairman thanked Mr Lee for his comments and elaborated that even though ANA Crowne Plaza Kobe was part of FH-REIT's initial portfolio, FH-REIT lacked the knowledge and expertise to manage and operate the Kobe Retail Mall at that time. The entry into the Retail MLA was

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<sup>4</sup> FHT's master lease income is derived from a certain defined percentage of the property's gross operating profit ("**GOP**"). As disclosed on page 69 of the Annual Report, FH-REIT's master lease income is 77.8% GOP of ANA Crowne Plaza Kobe, subject to minimum fixed rent of JPY600 million per annum.

<sup>5</sup> Please refer to the Managers' announcement titled '*Termination of the Master Lease Agreement in relation to the retail component of ANA Crowne Plaza Kobe*' dated 28 December 2023, for further information.

<sup>6</sup> Subject to a cap of JPY4.25 billion, which is approximately S\$38.8 million based on the assumed exchange rate of SGD 1 : JPY 109.56. Please refer to the Managers' announcement titled '*Termination of the Master Lease Agreement in relation to the retail component of ANA Crowne Plaza Kobe*' dated 28 December 2023, for further information.

<sup>7</sup> Please refer to the Managers' announcement titled '*Asset Enhancement Initiatives for Retail Component of Ana Crowne Plaza Kobe for Greater Synergies with the Hotel Management*' dated 2 March 2017, for further information.

targeted at minimising FH-REIT's risks in operating the Kobe Retail Mall and shifting the operations to a party with the relevant expertise to help stabilise its cash flows and performance.

- 2.36** The CEO clarified that FH-REIT will be paying no more than JPY4.25 billion, approximately S\$42.5 million<sup>8</sup>. The CEO explained that an independent valuer has been engaged and the whole process will be undertaken on arm's length basis. The CEO further elaborated that pre-COVID, the operations at Kobe Retail Mall were positioning well to be profitable; however, COVID derailed the whole process, as it led to the departure of tenants. Even though the termination notice of the Retail MLA was served on 28 December 2023 before the Kobe Retail Mall was profitable (as it was agreed in the Retail MLA that the termination notice shall be issued no later than 31 December 2023), the CEO noted that the Kobe Retail Mall is almost breaking even and is hopeful that it may become yield-accretive, albeit marginally.
- 2.37** Mr Lee also acknowledged the impact COVID had on the Japanese tourism industry. Mr Lee then went on to comment that he fails to see how the Kobe Retail Mall AEI brings value to Stapled Securityholders, specifically for the period from 2016 to 2019 when the Japanese economy was booming back then but no revenue or income from the Kobe Retail Mall was collected by FHT. Mr Lee suggested that, going forward, more details could be shared with Stapled Securityholders on the dynamics surrounding the Retail MLA.
- 2.38** Following up on the discussions on the Kobe Retail Mall, Mr Winston Seah ("**Mr Seah**") enquired how the termination of the Retail MLA would benefit Stapled Securityholders.
- 2.39** The CEO responded that the termination of the Retail MLA is akin to taking over ownership of the Kobe Retail Mall. By doing so, FH-REIT will be able to capture all the income and revenue derived from the Kobe Retail Mall, which was previously not available. The CEO also added that the master lessee had helped to uplift and refurbish the Kobe Retail Mall, and noted that FHT will be in a better position as the Kobe Retail Mall AEI has been completed and the asset will be transferred to FH-REIT with existing leases. In this regard, the CEO also believed that it is an opportune time for FH-REIT to take over the Kobe Retail Mall and manage it going forward.
- 2.40** Mr Lee then queried whether, after independent valuation, the termination of the MLA will result in FH-REIT paying S\$38 million to the master lessee.
- 2.41** The CEO responded that the Termination Sum would be up to JPY4.25 billion, and the actual Termination Sum will still be subject to independent valuation.
- 2.42** Mr Lee queried further as to where the Termination Sum will be derived from and whether the payment will affect the distributions to Stapled Securityholders.
- 2.43** The CEO responded that, assuming the amount to be paid is JPY4.25 billion (approximately S\$38 million based on prevailing exchange rate), and taking into account that the cost of borrowing in Japan is approximately 1%, the Managers expect that the Kobe Retail Mall will at least be able to break even with the borrowing costs of S\$380,000. Further, the S\$380,000 will not be significant relative to the overall distributions and it is a small investment to take over ownership of Kobe Retail Mall in a refurbished condition. Accordingly, the net profit (if any)

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<sup>8</sup> Based on a simple exchange rate of SGD 1: JPY 100. The eventual Termination Sum will be subject to independent valuation.

distributable to Stapled Securityholders is unlikely to be material and it is unlikely to have any significant impact to the DPS.

- 2.44** The Chairman noted that in the interests of time, only two more questions would be addressed before proceeding with the voting on Resolution 1.
- 2.45** However, as Mr Lee still had certain concerns, the Chairman invited Mr Lee to clarify his doubts with the CEO and the Chairman separately. To this end, Mr Chia Hong Kiat (“**Mr Chia**”) expressed that he has similar concerns and requested that the Managers provide more details on the matters discussed to all Stapled Securityholders.<sup>9</sup>
- 2.46** The Chairman responded that the entry into the Retail MLA had been reviewed by the Independent Directors and the Audit, Risk and Compliance Committees of the Managers. The Chairman assured that any action taken by the Managers is with a view to bringing value and returns to Stapled Securityholders.
- 2.47** Noting that retail is not a core competence of FHT, Mr Chia enquired as to the Board’s decision to operate and manage Kobe Retail Mall moving forward.
- 2.48** The Chairman responded that it was flagged to Stapled Securityholders in the IPO Prospectus of FHT<sup>10</sup> that Kobe Retail Mall was at loss and it required capital expenditure to nurse it back to profitability. Since it was intended for FH-REIT to be constituted as a hospitality trust consisting of assets with stable cashflows, Kobe Retail Mall was not ‘injected’ into FHT at that point in time and it was for the master lessee to invest and stabilise the performance of Kobe Retail Mall. In order to insulate investors from the costs involved in the major repositioning works required, operational uncertainty and unstable cashflows arising from the ownership of Kobe Retail Mall, FH-REIT had entered into the retail master lease so that the master lessee assumes both the economic benefits and losses attributable to Kobe Retail Mall.<sup>11</sup>
- 2.49** As there were no further questions, the Chairman informed the Meeting that voting on Resolution 1 by electronic poll would close in 10 seconds and reminded the Stapled Securityholders and proxies in attendance of this Meeting to cast their votes if they had not done so.
- 2.50** The result of the poll on Resolution 1 was as follows:

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<sup>9</sup> The Managers had considered the concerns raised by Stapled Securityholders over the Retail MLA and set out detailed information on the same in slides 15 to 17 of the presentation slides dated 1 February 2024 on the business updates of FHT for the first quarter ended 31 December 2023.

<sup>10</sup> Please refer to the IPO Prospectus of FHT dated 30 June 2014.

<sup>11</sup> Please refer to the disclosures made in relation to Kobe Retail Mall in the IPO Prospectus of FHT dated 30 June 2014.

For		Against	
No. of Stapled Securities	%	No. of Stapled Securities	%
1,243,215,740	99.98%	264,544	0.02%

2.51 Based on the results of the poll, the Chairman declared the Resolution as carried.

### 3. Ordinary Resolution 2:

**To re-appoint KPMG LLP as Auditors of FHT (a stapled group comprising FH-REIT and FH-BT) to hold office until the conclusion of the next annual general meeting of FHT, and to authorise the REIT Manager and the Trustee-Manager to fix their remuneration**

3.1 The Chairman introduced Resolution 2 set out in the Notice of AGM, as follows:

*“Resolution 2 seeks Stapled Securityholders’ approval for the re-appointment of KPMG LLP as the auditors of Frasers Hospitality Trust to hold office until the conclusion of the next Annual General Meeting, and authorisation for the REIT Manager and Trustee-Manager to fix their remuneration.”*

3.2 The Chairman further informed that the Audit, Risk and Compliance Committee of the Managers, with the Board’s endorsement, had nominated KPMG LLP for re-appointment as auditors of FHT, and that KPMG LLP had expressed their willingness to accept the re-appointment.

3.3 The full text of Resolution 2, as set out in the Notice of AGM, was taken as read.

3.4 As there were no questions, the Chairman informed the Meeting that voting on Resolution 2 by electronic poll would close in 10 seconds and reminded the Stapled Securityholders and proxies in attendance of this Meeting to cast their votes if they had not done so.

3.5 The result of the poll on Resolution 2 was as follows:

For		Against	
No. of Stapled Securities	%	No. of Stapled Securities	%
1,242,009,576	99.83%	2,160,544	0.17%

3.6 Based on the results of the poll, the Chairman declared Resolution 2 as carried.

4. **Ordinary Resolution 3:**

**To authorise the REIT Manager and the Trustee-Manager to issue Stapled Securities and to make or grant convertible instruments**

4.1 The Chairman invited Ms Yeo to explain Resolution 3, as follows:

*“This Resolution seeks Stapled Securityholders’ approval to authorise the Managers to issue Stapled Securities and/or to make or grant instruments which are convertible into Stapled Securities, and issue Stapled Securities pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Stapled Securities (excluding treasury Stapled Securities if any), of which up to 20% may be issued other than on a pro rata basis to Stapled Securityholders. The mandate, if approved and unless revoked or varied, shall be effective from the date of this Meeting until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting is required by applicable law or regulations to be held, whichever is earlier. The basis of calculating the number of Stapled Securities that may be issued is described in the full text of this Resolution and the Explanatory Notes to this Resolution in the Notice of Annual General Meeting.”*

4.2 The full text of Resolution 3 and the Explanatory Notes to the Resolution, as set out in the Notice of AGM, were taken as read.

4.3 As there were no questions, the Chairman informed the Meeting that voting on Resolution 3 by electronic poll would close in 10 seconds and reminded the Stapled Securityholders and proxies in attendance of this Meeting to cast their votes if they had not done so.

4.4 The result of the poll on Resolution 3 was as follows:

For		Against	
No. of Stapled Securities	%	No. of Stapled Securities	%
1,241,763,676	99.83%	2,142,344	0.17%

4.5 Based on the results of the poll, the Chairman declared Resolution 3 as carried.

5. **Close of AGM**

The Chairman thanked the Stapled Securityholders for their attendance and support on behalf of the Board and the management team of the Managers and wished all Stapled Securityholders a happy, healthy and prosperous Lunar New Year in advance, and declared the Meeting closed at 12.02 p.m.

CONFIRMED BY,  
MR PANOTE SIRIVADHANABHAKDI  
CHAIRMAN OF MEETING