

FRASERS HOSPITALITY TRUST

**MINUTES OF THE ANNUAL GENERAL MEETING
HELD ON WEDNESDAY, 15 JANUARY 2025, AT 10.00 A.M.
GRAND BALLROOM, LEVEL 2, INTERCONTINENTAL SINGAPORE, 80 MIDDLE ROAD,
SINGAPORE 188966**

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 Ho Hon Cheong, Chairman

Mr Chang Tou Chen

Mr Quah Ban Huat

Mr Nagaraj Sivaram

Dr David Wong See Hong

Present by way of electronic means:

Mr Panote Sirivadhanabhakdi

Executive Officers of the Managers

Present in person:

Mr Eric Gan, Chief Executive Officer

Mr Benjamin Kuah, Chief Financial Officer

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 Ho Hon Cheong (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 Ho Hon Cheong 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 the management of the Managers, as well as the representative of the Trustee, who were present at the Meeting. The Chairman also took the opportunity to convey the gratitude and appreciation of the Board of the Managers to Mr Soong Hee Sang, who retired as Non-Executive and Lead Independent Director of the Managers with effect from 1 December 2024, for his dedication and invaluable contributions during his tenure of service.
- 1.4 Following the Chairman’s introduction of the Board and the management 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 2024 (“**FY2024**”, and the annual report for FY2024, the “**Annual Report**”), the Notice of Annual General Meeting dated 23 December 2024 (the “**Notice of AGM**”) and the Proxy Form were published on the corporate website of FHT and on SGXNet on 23 December 2024. 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 ESG 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 FY2024. 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 10 January 2025. 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 represent.
- 1.9** 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.
- 1.10** 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 shortly 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.
- 1.11** Ms Yeo informed the Meeting that CitadelCorp Services Pte. Ltd. had been appointed as the scrutineers for the Meeting.
- 1.12** Ms Yeo noted that all the Resolutions 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.
- 1.13** 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.
- 1.14** 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 presentation summarising the

key highlights and performance of FHT in FY2024. The Chairman noted that a copy of the presentation (the “**Presentation**”) had been uploaded on the corporate website of FHT and on SGXNet on 14 January 2025.

1.15 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 Trustee-Manager’s Report, the Trustee- Manager’s Statement, the Statement by the Chief Executive Officer of the Trustee-Manager, the REIT Trustee’s Report, the REIT Manager’s Statement, and the Audited Financial Statements of FHT, FH-BT and FH-REIT for the financial year ended 30 September 2024 and the 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 The Chairman invited comments and questions from the floor, the salient points of which are recorded below.

2.4 Mr Manohar Sabnani (“**Mr Mano**”) first noted that FHT Australia Trust (“**FHTAT**”) did not qualify for the Managed Investment Trust (“**MIT**”) status, which resulted in a higher tax rate being imposed on FHT’s assets in Australia, a major market for FHT.¹ Mr Mano noted that this is one of the reasons which had impacted FHT’s distribution per Stapled Security (“**DPS**”) and shared his concern regarding whether this has stalled the recovery of FHT from the effects of COVID. With reference to pages 8 and 9 of the Annual Report, which outlined FHT’s five-year financial results, Mr Mano observed that while Gross Income has been increasing since FY2020,² DPS has declined. Mr Mano also noted that there was mention of plans to rebalance FHT’s portfolio and requested for further elaboration on this strategy.

2.5 The CEO thanked Mr Mano for his question and clarified that the main reason for the decrease in DPS in FY2024 was the higher interest expense of \$5.0 million as a result of refinancing of borrowings in a higher interest rate environment, while the impact from loss of MIT status was \$1.3 million.³

2.6 The CEO addressed Mr Mano’s query on the strategy to rebalance FHT’s portfolio. The CEO shared that this refers to re-looking into FHT’s portfolio, which would include assessing divestment opportunities for any assets in the portfolio if a well-priced offer arises and also considering if there are any potential opportunities to invest in other geographical locations to further diversify and change the weightage of FHT’s portfolio. For instance, the Managers are

¹ Please refer to the Managers’ announcement titled ‘Update on FH-REIT’s Australian Managed Investment Trust Status’ dated 9 October 2024 and the financial statements for the financial year ended 30 September 2024 for further information.

² “FY2020” means the financial year ended 30 September 2020.

³ The Managers wish to further clarify that operationally, the properties also incurred higher property taxes and there was a general increase in operating expenses due to inflationary pressures. While the properties were able to achieve higher room rates through dynamic pricing in order to pass on higher operating costs resulting in an improvement in Net Property Income (“**NPI**”), the decline in Distribution Income (“**DI**”) was due mainly to higher interest expense.

looking into opportunities to invest in Japan to increase the current portfolio percentage of Japan assets from 10.0% to a greater percentage. The CEO also acknowledged that given the higher tax exposure in Australia, the Managers have to reassess the geographical locations that FHT should invest in. To this end, the CEO added that the Managers are evaluating the effectiveness of FHT's tax structure in light of the changes in tax landscape and regulations, as it has become increasingly complex. Notwithstanding these challenges, the CEO assured Stapled Securityholders that the Managers are cognisant of the various concerns and would take all these into consideration in reviewing its portfolio.

- 2.7** Mr Mano then commented that while FHT has a good portfolio of hotels and serviced apartments that are currently managed by Frasers or third parties, the Managers would need to consider the returns to FHT's Stapled Securityholders. Mr Mano noted that while FHT has been able to deliver stable distributions to its Stapled Securityholders, achieving growth in this aspect has been challenging. Mr Mano observed that other hospitality trusts have been actively acquiring and divesting assets, and in cases of divestments, they have also been able to capitalise by divesting the assets at a premium to book value. Mr Mano queried if FHT would also consider such a strategy if an opportunity for divestment arises and requested for further elaboration on FHT's growth strategies.
- 2.8** The CEO shared that its strategies have remained the same, which was to look into organic and inorganic growth. The Managers are committed to growing FHT and are actively assessing FHT's portfolio. As for organic growth strategies, the CEO shared that the Managers are monitoring the performance of the overall portfolio, the properties itself, and property cycles. Currently, properties that are due for renovation have been identified, and once these properties have completed renovation, FHT will be in a stronger position to compete and hopefully be able to achieve higher revenue and profit flowthrough. The CEO added that this will in turn, improve FHT's valuations and increase FHT's overall value. As for inorganic growth, the CEO reiterated that the Managers will consider opportunistic divestments if a well-priced offer arises and highlighted the example of Sofitel Sydney Wentworth, which was divested in 2022, at a 34.3% premium over costs. To this end, the CEO emphasised that each property presents its own challenges and opportunities, and the Managers will continuously explore and consider any compelling offers that may arise.
- 2.9** Lastly, the CEO also noted that FHT has ample debt headroom for acquisition, and the Managers are also actively looking for yield-accretive acquisition opportunities, with Japan being a key market that the Managers are keen to venture in. However, acquisitions have been difficult to secure at an acceptable price that will be yield-accretive to FHT, taking into consideration amongst others, foreign exchange rates and interest rate outlook. In every acquisition, the Managers have to consider the property's potential for future capital recycling, and have to be judicious in the assets it chooses to invest in. The CEO reiterated that the Managers are continuously assessing opportunities for asset enhancement, acquisitions and divestments. While growth remains challenging due to factors such as market conditions, foreign exchange rates and interest rates, the Managers will continue to monitor the market and capitalise on opportunities when they arise.
- 2.10** The Chairman added that assets are not acquired for tax reasons and the Managers do not seek to take advantage of differential tax treatments between states. The Chairman explained that it is only a bonus if FHT happens to receive a reduction in tax liability after it acquires an

asset, however it is important for the assets to be profitable and accretive to FHT even without any additional tax reduction.

- 2.11** Mr Venkatachalam Alagappan (“**Mr Alagappan**”) requested for clarifications regarding the impact of the loss of MIT status on FHT’s financial statements and the DPS. Mr Alagappan also queried about the impact going forward, and if there is no significant recurring impact, whether it is even necessary for FHT to reconsider its investments in Australia.
- 2.12** The CEO shared that as a result of not qualifying for MIT status, FHT’s DI for FY2024 has reduced by approximately S\$1.3 million. Assuming that the performance of FHT’s Australian portfolio remains the same as FY2024, the impact would also be S\$1.3 million for the following years. FHT has also recognised an additional accounting deferred tax liability of S\$21.6 million for FY2024 (to account for future capital gains tax), which arose due to the non-qualification of MIT status. Going forward, FHT will only need to account for additional deferred tax liability if the valuation for the Australian portfolio continues to increase, and vice versa. However, the impact will likely be lower as FHT will only need to account for fair value for that year, while the \$21.6 million provision made in FY2024 was a cumulative deferred tax liability up to FY2024. Mr Alagappan queried if the DPS would be affected. The CEO highlighted that DPS would not be affected as a deferred tax provision is a non-cash item and FHT has accounted for it on its balance sheet on grounds of prudence, in line with Financial Reporting Standards. The CEO explained that the deferred tax liability will only crystallise when FHT divests the properties.
- 2.13** In response, Mr Alagappan opined that the change in tax rate should not significantly affect the Managers’ decision on whether it should continue to invest in Australia. The CEO sought to clarify that it will affect FHT’s decisions because of the higher tax regime in Australia. In comparison, for example, assuming that the tax rates in Japan are lower, it would appear on first instance to be commercially more attractive for FHT to invest in Japan rather than Australia. However, the CEO also noted that the returns from the properties across different jurisdictions are different and there are also other considerations involved. Accordingly, the feasibility of each option will have to be considered.
- 2.14** Mr Alagappan’s second query was in relation to FHT’s properties in the UK and Germany. Mr. Alagappan commented that FHT has too much exposure in the UK, and given the increase in interest rates, the upcoming recession, and the depreciating pound, the Managers should evaluate where to prioritise their divestments. Mr Alagappan suggested for the Managers to consider divesting the properties in the UK, instead of the properties in Australia, and to re-evaluate FHT’s performance in Germany given that FHT only has one hotel there and Germany’s economy is currently not performing well.
- 2.15** The CEO thanked Mr Alagappan for his comments, and explained that the Managers do take into consideration these factors when reviewing how and where FHT should invest in. The CEO explained that the Managers look for opportunities across the portfolio and will consider all opportunities that can unlock value for FHT’s portfolio. In respect of Germany, the CEO explained that when FHT first invested in Dresden, it was with the intention to explore further opportunities in other cities where the Sponsor had properties in and for which FHT was granted a right of first refusal over. However, the situation in Germany has changed due to the impact of COVID, which derailed the hospitality sector, and the CEO noted that these properties would have otherwise shown better performance. While FHT remains open to acquiring new

properties in Germany, any potential acquisitions will depend on whether there are suitable opportunities in that geographical location.

- 2.16** The CEO added that while FHT seeks to purchase at lower prices, vendors would typically aim to sell at higher prices. While FHT maintains a strategy for every country it invests in, the strategies have been derailed by COVID, Brexit, geo-political tension and trade wars. The Managers will consider all factors holistically when considering where FHT should invest in.
- 2.17** Mr Alagappan suggested that moving forward, the Managers should focus on growth rather than tax components, which are difficult to control. The CEO replied that the Managers will take these into consideration.
- 2.18** Referring to page 9 of the Annual Report, Mr Lee Kim Ming (“**Mr Lee**”) observed that between FY2023⁴ and FY2024, while the Gross Revenue increased by approximately S\$9.0 million and NPI increased by approximately S\$2.0 million, the DI decreased by approximately S\$15.0 million. Mr Lee noted that the interest expenses represented approximately S\$5.0 million to S\$6.0 million and the loss of MIT status represented approximately S\$2.0 million reduction to the DI. Mr Lee pointed out that there is still a difference of approximately S\$8.0 million and requested for an explanation on what resulted in the reduction of S\$8.0 million to the DI. The CEO clarified that DI had declined \$4.0 million mainly due to higher interest expense, and further explained that while Gross Revenue and NPI increased, both components did not increase in the same quantum, as operating costs and property taxes have also increased.
- 2.19** Mr Lee inquired further on the reasons behind the increase in operating costs. The CEO explained that one of the reasons was the rise in energy costs at the operating level, partly attributed to the Russia-Ukraine war, which has driven up energy costs, especially in the UK and Europe. This increase in energy costs has contributed to general inflation, which in turn, increased labour cost and other operating costs. Referring to FHT’s financial statements, the CEO also noted that for instance, property taxes have also increased. The CEO clarified that notwithstanding higher operating costs, FHT still achieved incremental NPI as it achieved higher revenue over costs.
- 2.20** Mr Lee’s second query was on the reasons why FHTAT did not qualify for MIT status and if there is a way for FHTAT to qualify again. The CEO explained that to qualify as a MIT, one of the conditions is that no foreign individual (i.e. non-Australian) is allowed to hold an effective interest of more than 10.0% in FH-REIT. The CEO noted that being a public listed entity, FHT has no control over the trading activity and the identity of FHT’s stapled securityholders. The CEO then elaborated that FHTAT did not qualify for MIT status due to the share swap exercise undertaken by InterBev Investment Limited and TCC Assets Limited in September 2024. The CEO noted that the foregoing corporate action was beyond the control of the Managers. However, the CEO noted that MIT status is assessed in every income year, and if FHT fulfils all MIT conditions, it would be able to qualify again for MIT status.
- 2.21** Mr Lee also requested that going forward, the Managers should share the occupancy rate for each geographical location. Mr Lee explained that this would allow stapled securityholders to understand what the potential upsides are and for the Manager to focus on improving the

⁴ “FY2023” means the financial year ended 30 September 2023.

occupancy rates. The CEO thanked Mr Lee for his suggestion and clarified that the occupancy rate for each geographical location was included in his Presentation.⁵

- 2.22** Ms Quek Ah Chit (“**Ms Quek**”) shared her observations that there are now more Singapore developers that are developing student accommodations in the UK and there is a shortage of student accommodations. Ms Quek also noted that she had previously stayed in Frasers’ serviced apartment in Sydney, and the occupancy rate was good as it is located near Sydney Harbour and Sydney Opera House. To this end, Ms Quek suggested that while FHT’s mainstay customer base is international tourists and corporate clients, FHT can consider expanding its customer base to staff and student accommodation. Ms Quek explained that FHT can source for suitable buildings and convert them into staff and student accommodations. Instead of undertaking expensive asset enhancement initiatives for hotels, this strategy can be undertaken at lower costs and FHT does not then need to only rely on international tourists and corporate clients. Ms Quek noted that while the revenue obtained from individual staff or student may be lower compared to international tourists or corporate clients, the higher volume of staff and students will help to counterbalance this. Ms Quek also added that this can help to combat foreign exchange and tax concerns, and FHT may potentially apply for tax incentive if FHT is addressing the needs of the country.
- 2.23** The CEO thanked Ms Quek for her suggestions and highlighted that the Managers do explore opportunities for student accommodations. However, the CEO shared his concerns that FHT’s portfolio valuation will decline if FHT were to convert its hotels into student accommodations. Nonetheless, the CEO noted the comments and will look into Ms Quek’s suggestions.
- 2.24** Mr Tan Soo Liang shared his concern as to whether FHT has the trademark to “Fraser Residence”. The CEO clarified that the trademark did not belong to FHT and the trademark belongs to Frasers Property Limited.
- 2.25** The Chairman thanked the Stapled Securityholders for their suggestions. He highlighted that the suggested options come with risks, and the Managers would consider the risks involved in its decision-making process.
- 2.26** 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.
- 2.27** The result of the poll on Resolution 1 was as follows:

⁵ Please refer to the presentation slides on FY2024 in review, published on SGXNet on 14 January 2025.

For		Against	
No. of Stapled Securities	%	No. of Stapled Securities	%
1,235,216,508	99.97%	309,444	0.03%

2.28 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 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	%
1,233,931,181	99.84%	2,029,881	0.16%

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	%
1,233,390,250	99.78%	2,780,276	0.22%

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 11.31 a.m.

CONFIRMED BY,

MR HO HON CHEONG

CHAIRMAN OF MEETING