



PRESS RELEASE

For Immediate Release

Frasers Hospitality Trust's distribution income jumped 23.2% while DPS increased 7.5% in 1Q FY2016

- **Distributable income was higher by 23.2% at \$23.7 million while DPS was up 7.5% at 1.72 cents as compared to 1Q FY2015¹**
- **Full contribution of Sofitel Sydney Wentworth bolstered the portfolio performance**
- **Strong performance continued in Japan and Australia**

Singapore, 28 January 2016 – Frasers Hospitality Trust (“FHT”) is pleased to announce that both distributable income (“DI”) and distribution per stapled security (“DPS”) for its financial quarter ended 31 December 2015 (“1Q FY2016”) were 23.2% and 7.5% higher at \$23.7 million and 1.72 cents respectively as compared to the previous corresponding financial quarter 1Q FY2015¹.

Summary of Results

S\$ mil	1Q FY2016	1Q FY2015¹	Variance
Gross Revenue	31.4	27.0	+16.2%
Net Property Income	26.3	22.5	+16.9%
Distributable Income	23.7	19.2	+23.2%
DPS (cents)	1.72	1.60	+7.5%

Any discrepancies in the figures included herein are due to rounding

Strong first quarter bolstered by full contribution of Sofitel Sydney Wentworth

Gross revenue (“GR”) and net property income (“NPI”) both increased over 16% to \$31.4 million and \$26.3 million respectively on the back of stellar performances turned in from the Japan and Australia properties.

Ms Eu Chin Fen, Chief Executive Officer of the REIT Manager, said, “We have achieved commendable results in 1Q FY2016 despite challenging operating conditions in some hospitality markets. Our properties in Japan and Sydney continue to see high growth and with a well-diversified portfolio, we are better placed to ride out challenges in other weaker markets. The strong contribution of Sofitel Sydney Wentworth acquired in July 2015 showed the value of the acquisition to the existing portfolio.”

DBS Bank Ltd. is the Sole Global Coordinator and Issue Manager for the initial public offer of stapled securities in FHT (the “Offering”). DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., Standard Chartered Securities (Singapore) Pte. Limited and United Overseas Bank Limited are the Joint Bookrunners and Underwriters for the Offering.

¹ For 1Q FY2015, apportioned on a pro-rata basis at 92 days from an actual 171-day period from 14 Jul to 31 Dec 2014. The pro-rata figures are only for comparative purposes and do not represent the actual results for any specific 92-day period. 1Q FY2015 does not include the contribution of Sofitel Sydney Wentworth acquired in July 2015

Ms Eu continued, "On 14 January 2016, we announced the establishment of a S\$1 billion multicurrency debt issuance programme to enable us to tap on diversified sources of funding. With the strong asset pipeline from our sponsor, Frasers Centrepoint Limited, as well as the flexibility to source for third-party hospitality assets, we will continue to look for suitable acquisition opportunities."

Our Japan and Australia properties continued the good track record in 1Q FY2016. In Kobe, GR increased by 15.3% to JPY418.7 million while NPI was 9.8% higher at JPY353.9 million. Helped by the weaker Japanese yen which resulted in increased international travel demand to Kobe, the property enjoyed higher average daily rates ("ADR") and healthy occupancy during 1Q FY2016.

In Sydney, demand for accommodation was well-supported by prominent corporate and leisure events such as the Telstra Rugby Finals, Australian Masters (golf), and Sydney International Art Series during the quarter. The full contribution of Sofitel Sydney Wentworth acquired in July 2015 boosted the GR and NPI of the Australia properties to respective amounts of AUD9.6 million and AUD8.5 million, which were 161.3% and 197.6% higher than in 1Q FY2015 respectively. Excluding the contribution of Sofitel Sydney Wentworth, GR and NPI were respectively 28% and 32% higher as compared to 1Q FY2015.

GR and NPI of the Singapore portfolio were 16.5% and 19.5% lower than 1Q FY2015 respectively due to the on-going asset enhancement initiatives at Intercontinental Singapore which commenced in April 2015 (3Q FY2015). Despite the renovation, InterContinental Singapore held up with high occupancies of close to 87% based on available room inventory. Revenue per Available Room ("RevPAR") improvement at Fraser Suites Singapore in the reporting quarter partially offset softer performance during the renovation at InterContinental Singapore.

GR and NPI of The Westin Kuala Lumpur were 5.3% and 3.8% higher in 1Q FY2016 respectively, vis-à-vis a weaker quarter during 1Q FY2015. In 1Q FY2016, on the back of efforts to increase higher yielding leisure and corporate group business, RevPAR marginally increased compared to 1Q FY2015, despite the continued weakness of the Kuala Lumpur ("KL") market.

The United Kingdom ("UK") properties recorded a decline in GR and NPI by 8.3% and 9.8% respectively compared to 1Q FY2015. The decline was due to seasonality and further exacerbated by the Paris attacks in mid-November 2015, which resulted in cancellation of bookings and drop in occupancy at the London properties in November and December 2015.

Prudent and proactive capital management with increased proportion of fixed debt

As at 31 December 2015, total debt stood at S\$791.7 million while fixed-rate debt increased to 87.9% from 73.0% of total debt as at 30 September 2015. This limits FHT's exposure to rising interest rates. Total cost of debt year-to-date is at 2.6% per annum with a healthy interest cover of 5.35 times. There is no immediate refinancing requirement as weighted average year-to-maturity stands at 3.1 years. Net asset value was 86.03 cents per stapled security. Gearing is at a healthy 38.8%.

FHT hedges all anticipated foreign currency exposure in respect of net distribution income at least six months forward.

Outlook

Tourist arrivals to Singapore from January to October 2015 improved 0.1% compared to the same period in 2014². After consecutive months of falling visitor arrivals, growth was recorded monthly from May 2015 primarily attributed to increased visitor numbers from China, Taiwan, South Korea and parts of South Asia and Africa. However, the hospitality operating environment is expected to remain competitive with increasing room supply in Singapore in 2016. Capitalising on its strength as a MICE destination, two first-ever prestigious medical events, the ISMRM annual meeting and exhibition and SpineWeek 2016 would be

² Singapore Tourism Board, 16 Dec 2015

held in Singapore in May 2016³. Together with the Singapore Air Show, Unicity Global Convention, World Rugby Sevens Series among others, the strong events pipeline may benefit the tourism sector.

Visitor arrivals to Malaysia dropped 7.6% to 19.1 million from January to September 2015⁴. The operating environment in KL is expected to remain soft amid an underperforming oil and gas market, previous aviation incidents and economic uncertainty. Increasing room supply in KL will put further pressure on ADR and occupancy in the current weaker economic environment. To woo more tourists, MYR1.2 billion has been allocated to the Tourism and Culture Ministry with a target of 30.5 million tourists and MYR103 billion in tourist receipts for 2016⁵. To better facilitate tourist arrivals to Malaysia, a new online visa application process will be implemented in 2016 for visitors from China, India, Myanmar, Nepal, Sri Lanka, the United States and Canada.

Japan looks set to reach its target of 20 million tourist arrivals by the year of the Tokyo Olympics in 2020. In January to November 2015, Japan recorded its highest number of international tourist arrivals at 17.9 million⁶. With its proximity to Osaka, Kobe is set to benefit from the new Kansai airport extension which is expected to be completed by 2017 to handle the increasing international low cost carrier passenger volume.

International visitors to Australia increased by 7.2% to 7.34 million for the year ended November 2015⁷. The number of Chinese visitors to Australia surpassed 1 million as at 30 November 2015, driven by the lower Australian dollar, which helped hotels, retailers and tourist attractions⁸. In Sydney, the weaker Australian dollar and the city growing as a major international cruise destination is expected to benefit its hotels. From January to October 2015, strong occupancy and ADR growth drove RevPAR for Sydney to rise 8.4% to AUD176.21 against the corresponding period in 2014⁹.

From January to October 2015, inbound visitors to the UK increased 4% to 30.5 million¹⁰. In October 2015 alone, inbound visitors jumped 12% to 3.4 million compared to October 2014. London continues to be one of the best performing cities in Europe for hotel performance indicators although the impact of the unstable wider global economy remains uncertain. Incidents such as the Paris terrorist attacks and other Eurozone security threats which happened in late 2015 may also present geopolitical and security risks¹¹. In Scotland, Edinburgh and Glasgow experienced RevPAR growth of 3% to above GBP60 and 9% to over GBP55 respectively in the first half of 2015¹². The trend of growth across Scotland's primary cities is expected to continue over the next 2 years¹².

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³ Singapore Tourism Board, 18 Dec 2015 "Slew of prominent medical congresses in Singapore and Southeast Asia for the first time"

⁴ Tourism Malaysia

⁵ www.travel.asiaone.com, 24 Oct 2015 "Malaysia budget 2016 big boost and big hopes for tourism sector"

⁶ Japan National Tourism Organisation

⁷ Tourism Research Australia

⁸ Sydney Morning Herald, 13 Jan 2016 "Annual Chinese visitor numbers exceed 1 million for first time"

⁹ Savills hotel market report Q3/2015

¹⁰ www.visitbritain.org

¹¹ www.visitbritain.org

¹² Savills market review, Sep 2015

About Frasers Hospitality Trust

Frasers Hospitality Trust (“FHT”) is the first global hotel and serviced residence trust listed in Singapore on 14 July 2014, comprising Frasers Hospitality Real Estate Investment Trust (“FH-REIT”) and Frasers Hospitality Business Trust (“FH-BT”).

FHT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing.

The current portfolio is valued at approximately S\$1.96 billion as at 30 September 2015, with 13 quality properties strategically located across seven key gateway cities in Asia, Australia and the United Kingdom. These seven hotels and six serviced residences are: InterContinental Singapore, Fraser Suites Singapore, The Westin Kuala Lumpur, ANA Crowne Plaza Kobe, Sofitel Sydney Wentworth, Novotel Rockford Darling Harbour, Fraser Suites Sydney, Park International London, Best Western Cromwell London, Fraser Suites Queens Gate, Fraser Place Canary Wharf, Fraser Suites Glasgow and Fraser Suites Edinburgh. Collectively, the current portfolio has a total of 2,364 hotel rooms and 842 serviced residence units, for a total of 3,206 rooms.

For more information on FHT, please visit www.frasershospitalitytrust.com

About the Sponsor: Frasers Centrepoint Limited

Frasers Centrepoint Limited (“FCL”) is a full-fledged international real estate company and one of Singapore’s top property companies with total assets above S\$23 billion as at 30 September 2015. FCL has four core businesses focused on residential, commercial and industrial properties in the key markets of Singapore, Australia and China, and in the hospitality business spanning more than 70 cities across North Asia, Southeast Asia, Australia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company is also the sponsor of three real estate investment trusts listed on the Main Board of the SGX-ST. They are Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Hospitality Trust (a stapled group comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust), which are focused on retail properties, office and business space properties, and hospitality properties, respectively.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit www.fraserscentrepoint.com

About the Strategic Partner: The TCC Group

The TCC Group is among the largest conglomerates in Southeast Asia and is engaged in a variety of businesses including real estate. The TCC Group invests in and develops a wide range of real estate projects globally, including hotels, office towers, retail centres, residences, serviced apartments, convention centres, golf courses and resorts. As at 31 December 2014, it owns, among others, 20 retail shopping centres with approximately 500,000 sq m of retail space, seven commercial offices with approximately 810,000 sq m of office space, 44 hotels with 9500 keys in Thailand and 6 countries worldwide.

Important Notice

This publication 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 property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.