PRESS RELEASE

Frasers Hospitality Trust First Quarter Distribution Income Rose 3.1% to $24.4 Million

Boosted by the addition of Novotel Melbourne on Collins and Maritim Hotel Dresden but partially offset by soft performance of Singapore, UK and Malaysia properties

Singapore, 26 January 2017 – Frasers Hospitality Trust ("**FHT**" or the "**Trust**"), a stapled group comprising Frasers Hospitality Real Estate Investment trust ("**FH-REIT**") and Frasers Hospitality Business Trust ("**FH-BT**"), is pleased to announce that its gross revenue ("**GR**") and net property income ("**NPI**") for the first quarter ended 31 December 2016 ("**1Q FY2017**") rose 26.1% and 15.9% year-on-year ("**yoy**") to $39.6 million and $30.5 million respectively. Distribution income ("**DI**") for the quarter was up 3.1% yoy to $24.4 million but due to the enlarged stapled security base post-Rights Issue[1], distribution per stapled security ("**DPS**") was lower at 1.3258 cents.

Summary of Results

S$ mil	Actual			Against Forecast[2]		
	1Q FY2017	1Q FY2016	Variance	1Q FY2017	1QFY2017 F	Variance
GR	39.6	31.4	+26.1%	39.6	38.3	+3.2%
NPI	30.5	26.3	+15.9%	30.5	30.1	+1.3%
NPI Margin	77.1%	83.8%	-6.7ppt	77.1%	78.6%	-1.5ppt
DI	24.4	23.7	+3.1%	24.4	23.1	+5.7%
DPS (cents) – restated	1.3258	1.6354[3]	-18.9%	1.3258	1.2545	+5.7%
No. of Stapled Securities in FHT entitled to distribution (mil) – restated	1,841.2	1,447.7[1]	+27.2%	1,841.2	1,841.2	-
DPS (cents) – as previously reported	1.3258	1.7232	-23.1%	n.a.	n.a.	n.a.
No. of Stapled Securities in FHT entitled to distribution (mil) – as previously reported	1,841.2	1,373.9	+34.0%	n.a.	n.a.	n.a.

[1] On 14 October 2016, FHT issued 441,549,281 Rights Stapled Securities at a unit price of S$0.603.
[2] A profit forecast for the period from 1 October 2016 to 31 December 2016 was disclosed in the Offer Information Statement dated 20 September 2016 in relation to the Rights Issue.
[3] DPS and the number of Stapled Securities entitled to distribution have been restated to reflect the effect of bonus element in relation to the Rights Issue.

The higher GR, NPI and DI for 1Q FY2017 was boosted by the addition of Novotel Melbourne on Collins and Maritim Hotel Dresden as well as the better performance of the Sydney properties and ANA Crowne Plaza Kobe. These were partially offset by the soft performance of Singapore, UK and Malaysia properties.

As Novotel Melbourne on Collins was acquired with no external master lease, its NPI margin, which is computed based on NPI over the hotel's gross operating revenue ("**GOR**"), is lower as compared to the NPI margin of master leased properties which is computed based on GR. As a result, FHT's NPI margin was lower yoy.

With an increase in the number of stapled securities in FHT ("**Stapled Securities**") to 1,841.2 million following the recent Rights Issue, DPS, which has been restated to reflect the effect of bonus element, declined by 18.9% yoy.

Compared to the 1Q FY2017 forecast disclosed in the Offer Information Statement dated 20 September 2016 in relation to the Rights Issue, GR and NPI were 3.2% and 1.3% above forecast respectively due to the better-than-expected performance of Sydney properties. The earlier completion of the acquisition of Novotel Melbourne on Collins on 20 October 2016 also contributed to the outperformance. Consequently, DPS was 5.7% higher than the forecast.

Ms Eu Chin Fen, Chief Executive Officer of the Managers said, "We are pleased to report that our 1Q FY2017 results have exceeded forecast. The acquisition of Novotel Melbourne on Collins has added income contribution from Melbourne which is a growing market, and enabled us to further diversify our earnings base. With a stronger balance sheet and a lower gearing at 33.7%, we are now in a better position to pursue growth opportunities through asset enhancement initiatives and value creating acquisitions."

Review of Portfolio's Performance

In 1Q FY2017, the Australia portfolio recorded a significant increase of 31.6% in both GOR and gross operating profit ("**GOP**"), boosted by the addition of Novotel Melbourne on Collins. Revenue per available room ("**RevPAR**") for the portfolio increased 2% yoy, with RevPAR for Sydney and Melbourne increasing by 7.9% and 10.0% respectively. Both cities continue to benefit from a busy events calendar, with Sydney in particular benefitting from the completion of the International Convention Centre in December 2016.

The Singapore portfolio reported GOR and GOP growth of 4.1% and 5.6% respectively in 1Q FY2017. The higher GOR and GOP was mainly due to the return of full inventory in InterContinental Singapore. Following the completion of its renovation, InterContinental Singapore's average daily rate ("**ADR**") and food and beverage revenues are improving. It is making progress in reaching its optimal performance. On the other hand, Fraser Suites Singapore turned in lower RevPAR for the quarter due to continued weakness in corporate demand from the oil and gas and banking sectors. It is actively reaching out to other sectors such as engineering, government and manufacturing.

GOR of the UK portfolio was stable with a 0.5% increase yoy, despite the weaker business sentiment following Brexit. GOP, however, was 3.4% lower yoy as the properties were impacted by an approximately 3% increase in minimum wage which took effect on 1 October 2016.

The strengthening of the Japanese yen (up to mid-October 2016) has led to a decline in international arrivals in the Kansai region and resulted in lower occupancy in ANA Crowne Plaza Kobe. However, strong revenue management has allowed the hotel to increase its ADR by 10.6% yoy, resulting in an increase in RevPAR of 2.7%. GOR dropped 3.4% mainly as a result of decline in banquet revenues but astute expense management enabled the hotel to improve GOP by 2.4% yoy.

In 1Q FY2017, RevPAR of The Westin Kuala Lumpur was slightly higher than a year ago on the back of higher occupancy due to stronger transient and corporate demand from industries other than oil & gas. GOR and GOP declined 8.9% and 20.0% respectively due to the weak performance in banquet revenues. The hotel is focusing its efforts on increasing banquet revenue through government and social events.

Capital Management with High Proportion of Fixed-Rate Borrowings

As at 31 December 2016, FHT's total debt was $792.8 million, with gearing at 33.7% and the weighted average years to maturity at 2.09 years. The proportion of fixed-rate debt was 87.8% while the effective cost of debt was 2.6% per annum. Interest cover was 4.93 times and net asset value per Stapled Security was 74.79 cents.

Outlook

For January to November 2016, Tourism Australia reported a yoy growth of 11.4% in international arrivals to 7.3 million, with Chinese visitors growing 18.0% yoy. Sydney has benefitted from a combination of steady corporate and leisure demand. The outlook for its hospitality market remains strong, with further strengthening of RevPAR expected as demand continues to outstrip supply growth[4]. Like Sydney, Melbourne's calendar of major global events is a draw card for visitors to the city and demand is expected to stay firm[5].

Singapore Tourism Board reported a 7.9% increase in tourist arrivals for January to November 2016, fuelled in part by a surge in arrivals of Chinese and Indonesian visitors. As a leading MICE destination, Singapore continues to grow its pipeline of events including Bio Pharma Asia Convention 2017, IoT Asia, IMDEX Asia 2017, BroadcastAsia 2017, CommunicAsia 2017 and ITB Asia 2017. However, soft corporate demand, pressure arising from supply of new rooms and increasing regional competition are expected to weigh on the hospitality sector.

According to Visit Britain, inbound visitors to the UK for January to October 2016 were up 2% yoy to 31.4 million. While Brexit and the subsequent currency fluctuations have further enhanced the UK's attractiveness to international tourists as it became a cheaper destination, the outlook for 2017 is less transparent due to the knock-on economic effects that the invoking of Article 50 could have on the market[6]. On the other hand, the outlook for Edinburgh and Glasgow is expected to remain positive given the rising confidence in the Scottish economy and growing tourism demand in both cities[7].

For January to December 2016, Japan National Tourism Organization reported growth in the number of foreign visitors, with Chinese visitors being the largest group by country. Following the US Federal Reserve's decision to raise its benchmark interest rate in December 2016, Japanese yen has been depreciating against the US dollar. In the short term, the Japanese tourism market is likely to be supported by the weaker currency, which tends to deliver benefits for the hotel sector[8].

According to Tourism Malaysia, tourist arrivals increased 3.6% yoy to 19.7 million for January to September 2016, with Chinese tourists growing 24.8% yoy. To further boost Chinese tourist arrivals, Tourism Malaysia has launched the Malaysia Tourism Pavilion on online platform Alitrip, facilitating easy access to travel and tourism products and services for Chinese travellers. Kuala Lumpur – predominantly a corporate market with strong weekday business – could face oversupply in the short

[4] JLL – Hotel Destinations Asia Pacific – October 2016
[5] CBRE Research – MarketView Australia Hotels – Q3 2016
[6] Savills – UK Hotel Investments – Q4 2016
[7] JLL Hotel Intelligence, September 2016
[8] JLL – Softer yen supports investment in Japan – 10 January 2017

to medium term as a significant supply of new hotel rooms and serviced apartments is expected to come on stream till 2020[9].

For January to November 2016, the Federal Statistical Office of Germany reported a 3% increase in the number of domestic and foreign overnight stays to 420.2 million[10]. However, in Dresden, the combined number of domestic and foreign visitors declined marginally by 0.2% to 1.7 million for January to October 2016[11]. The capital city of the Free State of Saxony continues to enjoy a growing pipeline of MICE events for 2017 which include the International Symposium Additive Manufacturing, HAUS (construction tradeshow), International Conference on the European Energy Market, Lab Supply Dresden and Cryogenics Conferences.

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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**").

It 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.

With 15 quality properties strategically located across 9 key cities in Asia, Australia and Europe, FHT's portfolio value as at 31 December 2016 was approximately S$2.3 billion. These 9 hotels and 6 serviced residences are: Novotel Melbourne on Collins, Novotel Rockford Darling Harbour, Sofitel Sydney Wentworth, Fraser Suites Sydney, InterContinental Singapore, Fraser Suites Singapore, Best Western Cromwell London, Park International London, Fraser Suites Edinburgh, Fraser Suites Glasgow, Fraser Suites Queens Gate, Fraser Place Canary Wharf, ANA Crowne Plaza Kobe, The Westin Kuala Lumpur and Maritim Hotel Dresden. Collectively, they have a total of 3,914 rooms comprising 3,072 hotel rooms and 842 serviced residence units.

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

[9] JLL – Hotel Destinations Asia Pacific – October 2016
[10] Tourism-Review.com – Tourism in Germany continues growing – 17 Jan 2017.
[11] Dresden.de

About 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 of S$24 billion as at 30 September 2016. FCL has three strategic business units – Singapore, Australia and Hospitality, which focus on residential, commercial, retail and industrial properties in Singapore and Australia, and the hospitality business spanning more than 80 cities across Asia, Australia, Europe, and the Middle-East. FCL also has an International Business unit that focuses on the Group's investments in China, Southeast Asia, and the United Kingdom.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). FCL is also a sponsor and its subsidiaries are the managers of three REITs listed on the SGX-ST, Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust that are focused on retail properties, office and business space properties, and industrial properties respectively, as well as one stapled trust listed on the SGX-ST, Frasers Hospitality Trust (comprising FH-REIT and FH-BT) that is focused on hospitality properties.

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 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 2016, it owns, among others, 21 retail shopping centres with approximately 515,000 square metres of retail space, 11 commercial offices with approximately 1,000,000 square metres of office space, 45 hotels with 10,100 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.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on Frasers Hospitality Asset Management Pte. Ltd.'s (as the manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd.'s (as the trustee-manager of FH-BT) (collectively, the "**Managers**") current view on future events.

The value of Stapled Securities and the income derived from them, if any, may fall or rise. Stapled

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Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of FHT and the Managers is not necessarily indicative of the future performance of FHT and the Managers.

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