Fraser Hospitality Trust reports DPS of 1.11 cents for the second quarter

Summary of Results

<table>
<thead>
<tr>
<th>S$ million</th>
<th>2Q FY2018</th>
<th>2Q FY2017</th>
<th>Variance</th>
<th>1H FY2018</th>
<th>1H FY2017</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue (&quot;GR&quot;)</td>
<td>37.5</td>
<td>38.7</td>
<td>-3.1%</td>
<td>78.9</td>
<td>78.2</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Net Property Income (&quot;NPI&quot;)</td>
<td>27.8</td>
<td>28.9</td>
<td>-4.0%</td>
<td>59.2</td>
<td>59.4</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Income Available for Distribution (&quot;DI&quot;)</td>
<td>20.9</td>
<td>22.3</td>
<td>-6.5%</td>
<td>45.3</td>
<td>46.7</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Distribution Per Stapled Security, cents (&quot;DPS&quot;)</td>
<td>1.1126</td>
<td>1.2063</td>
<td>-7.8%</td>
<td>2.4233</td>
<td>2.5321</td>
<td>-4.3%</td>
</tr>
</tbody>
</table>

SINGAPORE, 26 APRIL 2018

Fraser Hospitality Trust ("FHT"), a stapled group comprising Fraser Hospitality Real Estate Investment Trust ("FH-REIT") and Fraser Hospitality Business Trust ("FH-BT"), today announced that for the second quarter ended 31 March 2018 ("2Q FY2018"), its GR and NPI were S$37.5 million and S$27.8 million respectively, down 3.1% and 4.0% year-on-year ("yoy"). The decline was due to weaker overall portfolio performance except for the Japan and Singapore portfolios.

The Australia portfolio turned in weaker performance this quarter due to the more competitive trading environment in Sydney and Novotel Sydney Darling Square's renovation which was completed in end January 2018. The softer trading performance of the UK and Malaysia portfolios was attributed to weaker corporate demand, with adverse weather conditions this winter also affecting leisure demand in the UK.

DI decreased by 6.5% to S$20.9 million on the back of lower NPI as well as higher finance costs incurred due mainly to the refinancing of existing term loans with longer tenure bonds. Consequently, DPS was 1.1126 cents, 7.8% lower yoy.

Ms Eu Chin Fen, Chief Executive Officer of the Managers1 said, "This quarter, our Sydney properties face a more competitive landscape due to softer corporate demand. Post-renovation, Novotel Sydney Darling Square is expected to ramp up its performance in the next few months. We remain confident of the quality of our assets and will continue to work closely with the respective operators to drive performance. With our debt headroom and the strength of our balance sheet, we will continue to actively pursue acquisition opportunities to support our earnings growth and create value for our stapled securityholders."

Review of Portfolio’s Performance

In 2Q FY2018, FHT’s Australia portfolio recorded a 1.0% and 12.0% decline in gross operating revenue ("GOR") and gross operating profit ("GOP") respectively. While Novotel Melbourne on Collins continued to perform well, the trading environment in Sydney has been more competitive and Novotel Sydney Darling Square was still affected by renovation. The decline in GOP would be lower at 7.1% disregarding the absence of a A$0.9 million write-back of consultancy fees for Sofitel Sydney Wentworth’s asset

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1 Fraser Hospitality Asset Management Pte. Ltd. (the manager of FH-REIT) and Fraser Hospitality Trust Management Pte. Ltd. (the trustee-manager of FH-BT) are collectively known as the "Managers"
enhancement initiative in 2Q FY2017. Revenue per available room (“RevPAR”) for the portfolio was on par with last year, on the back of higher average daily rate (“ADR”) achieved but offset by lower occupancy.

The Singapore portfolio recorded stable GOP performance in 2Q FY2018 despite a 2.9% decline in GOR yoy. InterContinental Singapore achieved higher RevPAR on the back of healthy ADR gains. However, the portfolio RevPAR was 4.1% lower yoy due to lower ADR and occupancy at Fraser Suites Singapore.

The GOR and GOP of the UK portfolio declined 3.4% and 7.5% respectively in 2Q FY2018 due to overall weaker room revenue as a result of continued soft corporate demand and adverse weather conditions affecting leisure demand, as well as higher staff costs arising from the increase in minimum wage rates. Pressure on GOP remains as further increase in minimum wage rates is anticipated in April 2018.

Due to softer room and banquet performance, the GOR of ANA Crowne Plaza Kobe was 3.2% lower yoy. However, its GOP was 3.5% higher yoy on the back of tighter cost controls to drive higher efficiency, particularly in the F&B areas.

In 2Q FY2018, the RevPAR of The Westin Kuala Lumpur decreased by 4.9% due to softer corporate demand. Coupled with weaker F&B revenue, the GOR and GOP of the hotel declined 6.1% and 8.9% respectively.

Capital Management with High Proportion of Fixed-Rate Borrowings

As at 31 March 2018, FHT’s total borrowings were S$838.9 million, with gearing at 33.1% and the weighted average years to maturity at 2.68 years. The proportion of fixed-rate borrowings to total borrowings was 87.8% while the effective cost of borrowing was 2.7% per annum. Interest cover remained healthy at 5.2 times and net asset value per Stapled Security was higher at 79.68 cents.

Distribution Details

<table>
<thead>
<tr>
<th>Distribution Period</th>
<th>1 October 2017 to 31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS</td>
<td>2.4233 cents</td>
</tr>
<tr>
<td>Last Day of Trading on “cum” Basis</td>
<td>2 May 2018</td>
</tr>
<tr>
<td>Ex-Date</td>
<td>3 May 2018</td>
</tr>
<tr>
<td>Books Closure Date</td>
<td>7 May 2018</td>
</tr>
<tr>
<td>Distribution Payment Date</td>
<td>29 June 2018</td>
</tr>
</tbody>
</table>

Market Outlook

Tourism Australia reported an increase in international arrivals of 6.5% yoy for 2017, with Chinese visitors growing 12.2%. For the first two months of 2018, international arrivals rose 7.0% yoy. Sydney’s hotel trading metrics is expected to continue to thrive. Stable occupancy and anticipated increase in ADR are likely to push RevPAR upwards. Although a relatively large number of new rooms is anticipated to enter the market over the next three years, continued strong demand is expected to offset the supply increase. Melbourne has recorded higher international visitor growth but the hotels have struggled to raise rates without impacting occupancy. With an influx of new supply in 2018 and 2019, the challenge to increase room rates is anticipated to persist in the near to medium term.

2 Source: JLL – Asia Pacific Property Digest, Q4 2017
3 Source: CBRE – 2018 Asia Pacific Real Estate Market Outlook – Australia, February 2018
Singapore Tourism Board reported a yoy growth of 6.2% in visitor arrivals for 2017. China and Indonesia were the top source markets for tourism, accounting for 35.5% of total visitor arrivals. For January 2018, visitor arrivals rose 5.4% yoy. In the near term, hotel demand is expected to continue rising on the back of strong visitor arrivals growth. Limited hotel supply in 2018 should provide some respite for the market and reduce pressure on ADR and occupancy rates. Under the Singapore Tourism Board’s Hotel Industry Transformation Map, initiatives in 2018 will be centred on future-proofing the industry, equipping the workforce with necessary skills and promoting ‘smart’ hotels that leverage on the latest technologies. These government-led initiatives are expected to lend greater support to the industry’s continued drive for innovation and transformation, enhancing its overall competitiveness.

According to Visit Britain, the UK received 38.9 million overseas visitors in 2017, up 3.0% yoy. But there were 5.0% fewer business visits yoy. While the softening of the British pound has boosted hotel trading performance in 2017, modest growth is expected in 2018, albeit at a slower rate than last year. The headwinds of rising costs in operational expenses, payroll and business rates highlight the challenges ahead for the industry, at a time of heightened concerns with Brexit casting a shadow over the future of the UK economy and the free movement of labour.

In 2017, Japan National Tourism Organization recorded 19.3% growth in foreign visitors, with the number of Korean and Chinese visitors growing yoy by 40.3% and 15.4% respectively. For January to February 2018, the number of foreign visitors increased by 15.7% yoy. While growth of inbound tourism continues, supported by major events such as Rugby World Cup 2019 and 2020 Tokyo Olympic Games, high supply levels may concern hoteliers. But new regulations on minpaku (home-sharing type of accommodation) and strong demand fundamentals could mitigate the negative impact of heightened competition.

According to Tourism Malaysia, tourist arrivals in 2017 declined 3.0% yoy to 25.9 million. However, Chinese tourists continued to increase, with a yoy growth of 7.4% for the same period. While the hotel trading performance in Kuala Lumpur improved in 2017, the significant supply pipeline over the next few years may add downward pressure on occupancy and ADR amid an increasingly competitive market. This is particularly so in the light of moderating growth in international visitor arrivals as well as the recent appreciation of the Malaysian Ringgit.

The Federal Statistical Office of Germany recorded a 3.0% yoy increase in the number of domestic and foreign overnight stays in 2017. For January to February 2018, the yoy increase was 6.0%. Dresden, the capital city of the Free State of Saxony, continues to grow its pipeline of MICE events for 2018 including Graphene Conference, Lab Supply, Bauen Kaufen Wohnen, Florian, Borsentag Tag Dresden, International Symposium Additive Manufacturing and Sachsenback.

END

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4 Source: http://www.jllapssites.com/research/appd-market-report/q4-2017-hotels-singapore/
5 Source: Knight Frank – Spring Market Overview, UK Hotel & Leisure Property 2018
6 Source: Savills – Spotlight: Japan Hospitality, February 2018
7 Source: JLL – Asia Pacific Property Digest Q4 2017
8 Source: www.destatis.de
PRESS RELEASE

About FHT

FHT is the first global hotel and serviced residence trust listed in Singapore on 14 July 2014, comprising FH-REIT and 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 total asset value is approximately S$2.5 billion as at 31 December 2017. These 9 hotels and 6 serviced residences are: Novotel Melbourne on Collins, Novotel Sydney Darling Square (formerly Novotel Rockford Darling Harbour), Sofitel Sydney Wentworth, Fraser Suites Sydney, InterContinental Singapore, Fraser Suites Singapore, Ibis Styles London Gloucester Road (formerly 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

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" or the "Company"), is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and headquartered in Singapore, the Company is organised around five asset classes with assets totalling S$28.0 billion as at 31 December 2017.

Frasers Property’s assets range from residential, retail, commercial and business parks, to industrial and logistics in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and / or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Company is unified by its commitment to deliver enriching and memorable experiences for customers and stakeholders, leveraging knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Frasers Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail properties, office and business space properties and business parks, logistics and industrial properties respectively. FHT (comprising FH-REIT and FH-BT) is a stapled trust focused on hospitality properties.

For more information on Frasers Property, please visit www.frasersproperty.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. 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, 47 hotels with 10,409 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 the Managers’ current view on future events.

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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.

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