

Fraser's Hospitality Trust reports DPS of 1.2542 cents for the first quarter

Summary of Results

| S\$ million | 1Q FY2019 | 1Q FY2018 | Variance |
|--|-----------|-----------|----------|
| Gross Revenue ("GR") | 40.6 | 41.5 | -2.0% |
| Net Property Income ("NPI") | 31.1 | 31.4 | -1.2% |
| Income Available for Distribution ("DI") | 23.7 | 24.4 | -3.0% |
| Distribution Per Stapled Security, cents ("DPS") | 1.2542 | 1.3107 | -4.3% |

SINGAPORE, 30 JANUARY 2019

Fraser's Hospitality Trust ("FHT"), a stapled group comprising Fraser's Hospitality Real Estate Investment Trust ("FH-REIT") and Fraser's Hospitality Business Trust ("FH-BT"), today announced that for the first quarter ended 31 December 2018 ("1Q FY2019"), its GR and NPI were S\$40.6 million and S\$31.1 million respectively, down 2.0% and 1.2% year-on-year ("yoy").

The declines were mainly due to weaker performance of the Malaysia and Japan portfolios as both The Westin Kuala Lumpur and ANA Crowne Plaza Kobe turned in lower room and food and beverage ("F&B") revenue for the quarter.

In contrast, the Australia and UK portfolios performed better yoy as the revenue per available room ("RevPAR") of these portfolios improved on the back of higher average daily rate ("ADR") and occupancy.

DI decreased by 3.0% yoy while DPS was 1.2542 cents, 4.3% below last year.

Ms Eu Chin Fen, Chief Executive Officer of the Managers¹ said, "1Q FY2019 remains a challenging quarter for FHT as the performance of The Westin Kuala Lumpur continued to be affected by softer corporate demand. While ANA Crowne Plaza Kobe's RevPAR was relatively stable in this quarter, it saw lower wedding and general banquet revenue due to a decline in wedding and year-end social events."

"Moving ahead, we remain focused on creating value for our stapled securityholders. We will continue to proactively pursue opportunities to optimise our portfolio, which may include portfolio rebalancing. We will also continue to work closely with our operators to drive revenue growth," Ms Eu added.

Review of Portfolio's Performance

In 1Q FY2019, the Australia portfolio saw gross operating revenue ("GOR") and gross operating profit ("GOP") increased yoy by 6.4% and 7.3% respectively. Portfolio RevPAR rose 2.7% on the back of higher occupancy and ADR. Novotel Sydney Darling Square performed better yoy with the return of its full room

¹ Fraser's Hospitality Asset Management Pte. Ltd. (the REIT Manager of FH-REIT) and Fraser's Hospitality Trust Management Pte. Ltd. (the Trustee-Manager of FH-BT) are collectively known as the "Managers"

inventory. It also achieved higher ADR which led to a RevPAR growth of 19.7% yoy. The RevPAR of Novotel Melbourne on Collins rose 3.7% yoy on the back of higher occupancy.

The Singapore portfolio's performance remained stable in 1Q FY2019. GOR increased marginally by 0.3% yoy due to higher F&B revenue from InterContinental Singapore while GOP declined 0.4% mainly due to higher utilities costs. The portfolio RevPAR declined 1.8% yoy as a result of lower ADR from InterContinental Singapore and Fraser Suites Singapore. Competition from new entrants in the Bugis precinct and softness in corporate long stay demand continued to exert downward pressure on the portfolio ADR.

GOR and GOP of the UK portfolio grew yoy by 9.3% and 8.1% respectively. All properties in the portfolio achieved higher ADR. This led to an overall increase in portfolio RevPAR of 9.2%. All properties also reported higher RevPAR except ibis Styles London Gloucester Road as renovation works at the hotel peaked during the quarter, resulting in 51 guest rooms being taken out of inventory. All guest rooms in ibis Styles London Gloucester Road were fully renovated by end December 2018 and renovation for the public areas is scheduled to be completed by March 2019.

ANA Crowne Plaza Kobe's GOR decreased 4.4% yoy due mainly to lower F&B revenue. A reduction in wedding and year-end social events saw the hotel's general banquet and wedding revenue declining 10.0% yoy. Its GOP declined more than its GOR mainly due to the timing of staff bonus write-back. As compared to 1Q FY2018, staff bonus write-back was absent in 1Q FY2019 as it was recognised in the last quarter of FY2018.

The Westin Kuala Lumpur's GOR and GOP continued to drop significantly yoy by 11.7% and 31.1% respectively as corporate demand in the city remained weak, affecting both room and F&B revenue. The hotel's RevPAR declined 11.6% yoy, on the back of lower ADR and occupancy. Notwithstanding the decline in RevPAR, the hotel continues to maintain its market share vis-à-vis its peers. With the weaker economic climate, corporations have been renewing their contracts at lower rates. The hotel remains focused on expanding its customer base.

Capital Management

As at 31 December 2018, FHT's total borrowings were S\$852.4 million, with gearing at 34.4% and the weighted average years to maturity at 2.65 years. The proportion of fixed-rate borrowings to total borrowings was 73.5% while the effective cost of borrowing was 2.5% per annum. Interest cover remained healthy at 5.3 times and net asset value per Stapled Security was S\$0.75 cents.

Market Outlook

Tourism Research Australia, in its 2017 tourism forecast report, has projected international visitors to Australia to increase from 8.6 million in 2016–17 to 9.2 million in 2017–18 and 9.7 million in 2018–19. From January to November 2018, Australia saw a 5.0% yoy increase in international arrivals to 8.2 million, with Chinese visitors growing by 5.7%². Sydney CBD saw a few new hotel openings over the last two years and this is beginning to impact hotel performance. This trend is expected to continue as more than 2,000 rooms are planned for completion in the next 2 years. While Sydney remains a popular destination, the room supply outlook could weigh on future performance³. In Melbourne, delays in hotel developments have pushed completion dates out to 2021. While this has helped in part to alleviate the pressure on hotel performance in the short-term, future declines are expected when these projects come to fruition³.

Singapore Tourism Board ("STB") forecasts international visitor arrivals for 2018 to be in the range of 17.6 million to 18.1 million, representing a growth of 1.0% to 4.0% yoy. For the period from January to November 2018, STB reported a yoy growth of 6.6% in visitor arrivals to 16.9 million. China, Indonesia

² Source: www.tourism.australia.com/en/markets-and-stats/tourism-statistics/international-visitor-arrivals.html

³ Source: CBRE – MarketView Australia Hotels, Q3 2018

and India remained the top three source markets for tourism, accounting for 42.6% of total visitor arrivals. In 2019, growth in visitor arrivals is anticipated to continue to offset any potential supply-side pressures⁴.

According to VisitBritain, the volume of inbound tourism for 2018 is forecast to reach 40.9 million visitors, an increase of 4.4% on 2017. The UK welcomed 28.7 million overseas visitors in the first 9 months of 2018, down 5.0% yoy. Business visits were 4.0% below levels seen in the first 9 months of 2017. Going forward, caution remains as the impact on business investment from ongoing economic and political uncertainty relating to the outcome of the Brexit negotiations is expected to have a bearing on hotel performance. In addition, the headwinds of rising payroll costs are set to continue in 2019, following the announcement of further increases to the national minimum wage⁵.

From January to November 2018, Japan National Tourism Organization recorded a yoy growth of 9.1% in foreign visitors. Growth in inbound tourism remains and hotel operators are likely to enjoy an improved outlook as the rate of increase in hotel supply appears to have slowed. Japan's marketing initiatives to increase tourism from outside Asia could potentially yield a positive impact on hotels in terms of diversification and profitability⁶.

For the first 9 months of 2018, Tourism Malaysia reported a marginal 0.3% decline in tourist arrivals to 19.4 million. Malaysia has revised down its tourist arrival target for 2020 by 17.0% to 30 million. Accordingly, the targets for 2018 and 2019 have also been adjusted down to 26.4 million and 28.1 million respectively⁷. In Kuala Lumpur, hotel trading performance, particularly in the upscale and luxury segments, is expected to continue to face pressure amid increasing competition due to the large incoming room supply⁸.

From January to November 2018, the Federal Statistical Office of Germany recorded a 4.0% yoy increase in the number of overnight stays by domestic and foreign visitors⁹. In Dresden, the total number of domestic and foreign visitors rose 3.4% yoy for the first 10 months of 2018¹⁰. Dresden, the capital city of the Free State of Saxony, continues to grow its pipeline of MICE events for 2019 including Baumesse HAUS 2019, Sachsenback, Green and Sustainable Chemistry Conference, EuroBrake, and the International Conference on Adhesion in Aqueous Media: From Biology to Synthetic Materials.

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⁴ Source: JLL – Asia Pacific Property Digest, Q3 2018

⁵ Source: Knight Frank UK Hotel Trading Performance Review 2018

⁶ Source: Savills – Spotlight: Japan Hospitality, August 2018

⁷ Source: The Edge Markets, 14 September 2018

⁸ Source: JLL – Asia Pacific Property Digest, Q2 2018

⁹ Source: www.destatis.de

¹⁰ Source: www.dresden.de

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 strategy of investing globally, on a long-term basis, in income-producing real estate assets used primarily for hospitality purposes.

FHT provides investors exposure to one of the largest international hospitality portfolios by number of keys. Its geographically diversified portfolio of 15 quality assets are in prime locations across 9 key cities in Asia, Australia and Europe. With a combined appraised value of S\$2.40 billion, 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 3,913 rooms comprising 3,071 hotel rooms and 842 serviced residence units.

FHT is managed by Frasers Hospitality Asset Management Pte. Ltd., the REIT manager of FH-REIT, and Frasers Hospitality Trust Management Pte. Ltd., the trustee-manager of FH-BT (collectively known as the "Managers"). The Managers are wholly-owned subsidiaries of Frasers Property Limited which is the sponsor of FHT.

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

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Group"), 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 Group has total assets of approximately S\$32 billion as at 30 September 2018.

Frasers Property's assets range from residential, retail, commercial and business parks, to logistics and industrial 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 Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging on its 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, commercial, and logistics and industrial properties respectively. Frasers Hospitality Trust (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.

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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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This advertisement has not been reviewed by the Monetary Authority of Singapore.

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

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