PRESS RELEASE

Frasers Hospitality Trust reports DPS of 0.9846 cents for the second quarter

Summary of Results

S$ million	2Q FY2019	2Q FY2018	Variance	1H FY2019	1H FY2018	Variance
Gross Revenue ("GR")	34.6	37.5	-7.6%	75.2	78.9	-4.7%
Net Property Income ("NPI")	25.2	27.8	-9.1%	56.3	59.2	-4.9%
Income Available for Distribution ("DI")	18.7	20.9	-10.4%	42.4	45.3	-6.4%
Distribution Per Stapled Security, cents ("DPS")	0.9846	1.1126	-11.5%	2.2388	2.4233	-7.6%

SINGAPORE, 30 APRIL 2019

Frasers Hospitality Trust ("FHT"), a stapled group comprising Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and Frasers Hospitality Business Trust ("FH-BT"), today announced that for the second quarter ended 31 March 2019 ("2Q FY2019"), its DPS and DI declined year-on-year ("yoy") by 11.5% and 10.4% to 0.9846 cents and $18.7 million respectively.

GR and NPI were $34.6 million and $25.2 million respectively, down 7.6% and 9.1% yoy, due mainly to the weaker performance of the Australia, Malaysia and Japan portfolios. In addition, the foreign exchange impact of all functional currencies (Japanese yen, Australian dollar, Malaysian ringgit, British pound and Euro) on GR and NPI ranged from -0.8% to -6.6% and accounted for 53% and 40% of the decline in GR and NPI respectively. But they were partially mitigated by better performance of the UK portfolio which reported stronger revenue per available room ("RevPAR") growth in 2Q FY2019.

Ms Eu Chin Fen, Chief Executive Officer of the Managers[1] said, "Our properties in Sydney have been affected by the challenging trading environment in the city, and softer group and leisure demand while The Westin Kuala Lumpur reported lower room and food and beverage ("F&B") revenue as corporate demand has remained weak for some time. ANA Crowne Plaza Kobe turned in stable room revenue in this quarter although its F&B revenue was affected by the reduced wedding business.

"Moving ahead, we will continue to proactively pursue opportunities to rebalance and optimise our portfolio to create value for our stapled securityholders. We will also stay focused on driving operational efficiency and revenue growth with our operators," Ms Eu added.

Review of Portfolio's Performance

In 2Q FY2019, the Australia portfolio saw gross operating revenue ("GOR") and gross operating profit ("GOP") decrease yoy by 4.0% and 6.1% respectively. The portfolio RevPAR declined 5.4% yoy on the back of lower average daily rate ("ADR") and occupancy. Sofitel Sydney Wentworth and Fraser Suites Sydney reported weaker performance as the trading environment in Sydney continued to be challenging.

[1] Frasers Hospitality Asset Management Pte. Ltd. (the manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd. (the trustee-manager of FH-BT) are collectively known as the "Managers"

However, Novotel Sydney Darling Square performed better yoy as its banquet revenue doubled on the back of increased conferences and events business. Novotel Melbourne on Collins also fared better with a 3.4% improvement in its RevPAR.

The performance of the Singapore portfolio remained stable in 2Q FY2019, with GOR increasing by 0.9% and GOP declining by 0.7% yoy. The portfolio RevPAR grew 2.2%, underpinned by higher occupancies, primarily at Fraser Suites Singapore. However, the absence of the Singapore Airshow this year and competition from new entrants in the Bugis precinct continued to exert downward pressure on InterContinental Singapore's ADR.

The UK portfolio's GOR and GOP increased yoy by 14.2% and 11.4% respectively. The portfolio RevPAR was 13.2% higher than a year ago as all the UK properties reported strong RevPAR growth. The full renovation of ibis Styles London Gloucester Road, which lasted 7 months, was completed in February 2019. Post-renovation, the hotel achieved a strong RevPAR growth of 31.0% on the back of improved occupancy and higher ADR.

ANA Crowne Plaza Kobe's GOR decreased 1.9% yoy due to lower F&B revenue while its GOP declined 4.6% due mainly to higher utilities costs arising from increased tariffs. Notwithstanding a weak lodging market, the hotel improved its RevPAR by 0.4%, hence increasing its market share during the quarter. While it has proactively sought to drive more revenue from corporate and other social events, the trend of declining wedding business continued to impact its F&B revenue.

The Westin Kuala Lumpur's GOR and GOP decreased yoy by 11.5% and 30.3% respectively as weaker corporate and group demand in Kuala Lumpur continued to affect the hotel's room and F&B revenue. Its RevPAR declined yoy by 7.5% on the back of lower ADR while its F&B revenue was 29.1% lower due to softer demand in general banqueting. Notwithstanding the weaker RevPAR, the hotel has been able to maintain its market share vis-à-vis its peers.

Capital Management

As at 31 March 2019, FHT's total borrowings were $842.4 million, with gearing at 34.1% and the weighted average years to maturity at 2.4 years. The proportion of fixed-rate borrowings to total borrowings was 73.6% while the effective cost of borrowing was 2.6% per annum. Interest cover remained healthy at 4.8 times and net asset value per Stapled Security was $0.76 cents.

Distribution Details

Distribution Period	1 October 2018 to 31 March 2019
DPS	2.2388 cents
Last Day of Trading on "Cum" Basis	7 May 2019
Ex-Date	8 May 2019
Books Closure Date	9 May 2019
Distribution Payment Date	28 June 2019

Market Outlook

Tourism Australia reported a yoy increase of 4.9% in international arrivals to 9.2 million for 2018, with Chinese visitors growing by 5.5% yoy. For the first 2 months of 2019, international arrivals rose 2.5% yoy to 1.7 million. However, in Sydney, new room supply added to the market over the past 2 years has been affecting hotel performance. The city's development pipeline is forecast to grow at 5.7% per annum over the next 3 years. While the city remains a popular destination, the risks to the market revolve around the strength of the corporate sector as economic growth may soften in 2019[2]. In Melbourne, the hotel market is anticipated to remain under pressure, with over 1,400 rooms to be added by 2020. If all the projects come to fruition, future declines would be expected[2].

For 2018, the Singapore Tourism Board ("STB") recorded a 6.2% yoy growth in international visitor arrivals to 18.5 million. For the period from January to February 2019, international visitor arrivals rose 2.0% yoy to 3.1 million. China, Indonesia and India were the top three source markets for tourism, accounting for 42.5% of total visitor arrivals. To maintain Singapore's competitiveness as an attractive tourist destination, STB and industry partners have put in place a slew of initiatives including the redevelopment of Sentosa and the rejuvenation of Orchard Road. In 2019, close to 2,000 new hotel rooms are expected to enter the pipeline. After 2019, new supply is expected to taper off, which would help ease any supply pressure as the hotel market would be able to consolidate further in light of healthy tourist arrival numbers. Despite slower economic growth and ongoing US-China trade war, the Singapore hotel market is expected to remain steady[3].

According to VisitBritain, the UK welcomed 37.8 million overseas visitors for 2018, down 4.0% yoy. Business visits were 4.0% below the levels seen in 2017. Going forward, uncertainty relating to global trade tensions and Brexit are anticipated to take a toll on the UK's economic growth. Although the weaker British pound would continue to support leisure demand, new room supply and weaker corporate demand are likely to put pressure on occupancy rates and RevPAR growth[4].

For 2018, Japan National Tourism Organization recorded a yoy growth of 8.7% in foreign visitors to 31.2 million. The number of foreign visitors increased by 5.6% yoy for the first 2 months of 2019. While inbound tourism from Europe and North America continues to see strong growth, the slowdown in the Chinese economy may weaken outbound tourism to Japan which remains highly dependent upon visitors from East Asia[5].

For 2018, Tourism Malaysia reported a marginal 0.4% decline in tourist arrivals to 25.8 million. It aims to achieve tourist arrivals of 28.1 million for 2019. In Kuala Lumpur, significant supply influx has continued to weigh on room rates. As Malaysia is likely to implement a departure levy on all outbound travellers from June 2019, this raises concern that it may undermine growth in tourist arrivals[6].

For 2018, the Federal Statistical Office of Germany recorded a yoy increase of 3.9% in the number of overnight stays by domestic and foreign visitors. For the first 2 months of 2019, the number of overnight stays increased 2.0% to 54.0 million [7]. In Dresden, the total number of domestic and foreign visitors for 2018 rose 3.2% yoy. For January 2019, the total number of visitors declined 7.4% yoy[8]. Dresden, the capital city of the Free State of Saxony, continues to grow its pipeline of MICE events for 2019 and 2020 including Green and Sustainable Chemistry Conference, EuroBrake, Lab-Supply, 18th European Conference on Applications of Surface and Interface Analysis, Bauen Kaufen Wohnen (Construction and Real Estate) and Borsentag Tag Dresden (Banking and Finance).

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[2] Source: CBRE – MarketView Australia Hotels, Q4 2018 (24 January 2019)
[3] Source: CBRE - Singapore Hotel Marketview, H2 2018 (20 February 2019)
[4] Source: PwC UK Hotels Forecast Update for 2019 and 2020, March 2019
[5] Source: Savills – Spotlight: Japan Hospitality, January – February 2019 (20 February 2019)
[6] Source: JLL – Asia Pacific Property Digest, Q4 2018 (14 February 2019)
[7] Source: www.destatis.de
[8] 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 $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 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 $33 billion as at 31 December 2018.

Frasers Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Southeast Asia, Australia, Europe and China. 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 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.

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.

The value of Stapled Securities and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, Perpetual (Asia) Limited (the Trustee of FH-REIT) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

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.

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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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