PRESS RELEASE

Frasers Hospitality Trust reports DPS of 1.0086 cents for the third quarter

Summary of Results

S$ million	3Q FY2019	3Q FY2018	Variance	9M FY2019	9M FY2018	Variance
Gross Revenue (“**GR**”)	35.0	38.2	-8.4%	110.3	117.2	-5.9%
Net Property Income (“**NPI**”)	25.4	28.5	-11.0%	81.6	87.7	-6.9%
Income Available for Distribution (“**DI**”)	19.2	21.1	-9.0%	61.6	66.4	-7.2%
Distribution Per Stapled Security (“**DPS**”), cents	1.0086	1.1226	-10.2%	3.2474	3.5459	-8.4%

SINGAPORE, 30 JULY 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 third quarter ended 30 June 2019 (“**3Q FY2019**”), its DI and DPS declined year-on-year (“**yoy**”) by 9.0% and 10.2% to S$19.2 million and 1.0086 cents respectively.

GR and NPI were S$35.0 million and S$25.4 million respectively, down 8.4% and 11.0% yoy, due mainly to weaker performance of the Australia portfolio.

In addition, the foreign exchange impact of all functional currencies (Australian dollar, British pound, Japanese yen, Malaysian ringgit and Euro) accounted for 32% and 20% of the decline in GR and NPI respectively.

Mr Colin Low, Chief Executive Officer of the Managers[1] said, “While most of our country portfolios recorded better yoy performance in this quarter, our Australia portfolio reported weaker room revenue on the back of continued pressure on rates and lower occupancy. In Sydney, the trading environment has remained challenging and softer corporate demand has led to lower room revenue across our properties while in Melbourne, the performance of our property has been affected by fewer sporting events and concerts.”

“Moving ahead, we remain focused on optimising and rebalancing our portfolio to create value for our stapled securityholders. We will continue to work closely with our operators to drive operational efficiency and revenue growth,” Mr Low added.

---

[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”.

Review of Portfolio's Performance

In 3Q FY2019, the Australia portfolio's gross operating revenue ("**GOR**") and gross operating profit ("**GOP**") decreased yoy by 5.4% and 14.8% respectively. The portfolio's revenue per available room ("**RevPAR**") declined 5.8% yoy on the back of lower average daily rate ("**ADR**") and occupancy. Sydney properties continued to face a tough trading environment and room revenue has been lower due to softer corporate demand. Novotel Melbourne on Collins' RevPAR declined 4.6% yoy due mainly to fewer sporting events and concerts. The steeper decline in the portfolio's GOP was attributed to higher staff costs across all Sydney properties and higher outsourced housekeeping costs at Sofitel Sydney Wentworth and Novotel Sydney Darling Square.

The Singapore portfolio's performance remained stable in 3Q FY2019. GOR declined marginally by 0.4% yoy while GOP improved by 3.8% due mainly to lower staff costs at Fraser Suites Singapore. The portfolio's RevPAR declined slightly by 0.5% on the back of lower occupancy. Fraser Suites Singapore recorded higher ADR due to new long-stay accounts secured, mainly in the IT and electronics sectors.

The UK portfolio's GOR and GOP rose yoy by 6.0% and 1.4% respectively. The portfolio's RevPAR was 7.2% higher than a year ago as all the properties reported healthy RevPAR growth and gains in market share, leading to the higher GOR. GOP, on the other hand, grew at a slower rate due to the impact of the increase in minimum wage rate which took effect from 1 April 2019.

ANA Crowne Plaza Kobe's GOR increased 2.0% yoy due to higher room and food and beverage ("**F&B**") revenue while its GOP increased 2.8% due mainly to lower staff costs. During the quarter, the hotel increased its market share and saw its RevPAR improve by 1.5% yoy. The hotel will continue to drive more revenue through rooms and general banquet business. In September, it is expected to host selected teams during the Rugby World Cup 2019.

The Westin Kuala Lumpur's GOR and GOP increased yoy by 4.7% and 4.4% respectively, mainly driven by higher revenue from rooms and F&B outlets. Its RevPAR increased 6.4% on the back of higher occupancy as compared to last year when there were consequential pullbacks in business and government spending leading up to and after the Malaysia general election. In this quarter, the hotel has continued to outperform its peers and the market in terms of RevPAR growth.

Capital Management

As at 30 June 2019, FHT's total borrowings were S$858.0 million, with gearing at 35.0% and the weighted average years to maturity at 2.14 years. The proportion of fixed-rate borrowings to total borrowings was 69.4% while the effective cost of borrowing was 2.5% per annum. Interest cover remained healthy at 4.6 times and net asset value per Stapled Security was S$0.74.

In July 2019, FH-REIT had successfully refinanced (i) the S$325 million term loan with S$370 million bank loan facilities comprising S$350 million term loan and S$20 million revolving credit facility; (ii) the RM95 million Class A Senior Bond; and (iii) the ¥2.35 billion Kobe Excellence TMK Series 1 Bonds. Consequently, the weighted average years to maturity has been extended to 4.84 years.

Market Outlook

For the first 5 months of 2019, Tourism Australia reported a yoy increase of 2.2% in international arrivals to 3.9 million, with Chinese visitors recording a 0.4% yoy decline. However, in Sydney, RevPAR has been declining on the back of lower occupancy and ADR. With the room supply in the city expected to grow by 29% over the next 4 years, this will continue to put pressure on occupancy and hotel performance[2]. In Melbourne, the supply pipeline is cause for concern as more than 7,000 rooms are expected to be

---

[2] Source: CBRE – MarketView Australia Hotels, Q1 2019 (7 May 2019)

developed over the next 4 years. If all the projects come to fruition, future declines in RevPAR are to be expected[2].

For the period from January to May 2019, the Singapore Tourism Board recorded a 1.5% yoy growth in international visitor arrivals to 7.8 million. China, Indonesia and India were the top 3 source markets for tourism, accounting for 42.8% of total visitor arrivals. For 2019, the Singapore Tourism Board forecasts visitor arrivals to increase by 1.0% to 4.0%. However, headwinds in the global economy could deter leisure and corporate travel demand. Notwithstanding, the supply of hotel rooms is expected to remain limited until 2021 as most of the pipeline of approximately 3,000 rooms are anticipated to come online in 2019 and taper off thereafter. This would help to rebalance the supply and demand in the hotel market[3].

According to VisitBritain, the UK welcomed 7.8 million overseas visitors for the first 3 months of 2019, down 1.0% yoy. Business visits were 4.0% below levels seen in 2018 while holiday visits were up 7.0% yoy. Going forward, uncertainty relating to global trade tensions and Brexit are anticipated to take a toll on the UK's economic growth. New room supply and weaker corporate demand may put pressure on occupancy and RevPAR growth[4].

For the first 5 months of 2019, Japan National Tourism Organization recorded a yoy growth of 4.2% in foreign visitors to 13.8 million. Upcoming major events including the Rugby World Cup 2019 and the 2020 Tokyo Olympics are expected to provide opportunities for hotels to capture the growing tourist demand in Japan[5].

For the first 3 months of 2019, Tourism Malaysia reported a 2.7% growth in tourist arrivals to 6.7 million, with Singapore, Indonesia and China being the biggest contributors of tourist arrivals to Malaysia. For 2019, Tourism Malaysia aims to achieve tourist arrivals of 28.1 million. However, the slowdown in China's growth, a weaker Chinese yuan and waning consumer confidence may hurt outbound travel. The China tourism boom is also not immune to the effects of the US-China trade war[6]. In Kuala Lumpur, significant supply influx is expected to continue weighing on room rates[7].

For the first 5 months of 2019, the Federal Statistical Office of Germany recorded a yoy increase of 2.3% in the number of overnight stays by domestic and foreign visitors[8]. Dresden, the capital city of the Free State of Saxony, continues to grow its pipeline of MICE events for 2019 and 2020 including Bauen Kaufen Wohnen (Exhibition for Real Estate, Construction and Financing), Börsentag Tag Dresden (Banking and Finance Fair), IEEE 5G Summit, 5G World Forum, HAUS (Construction and Energy Fair), Innovation Forum for Automation, and International Laser Symposium & International Symposium.

END

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

---

[3] Source: CBRE – Singapore Hotel MarketView H1 2019 (26 July 2019)
[4] Source: PwC UK Hotels Forecast Update for 2019 and 2020, March 2019
[5] Source: CBRE – Hotel Viewpoint June 2019 (10 June 2019)
[6] Source: The Edge Malaysia – The Arabs and Chinese are back (6 June 2019)
[7] Source: JLL – Asia Pacific Property Digest, Q4 2018 (14 February 2019)
[8] Source: www.destatis.de

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 develops, owns 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$33.2 billion as at 31 March 2019.

Frasers Property's assets range from residential, retail, commercial & business parks, to logistics & industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 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 3 real estate investment trusts and 1 stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail, commercial & business parks, and logistics & industrial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) 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.

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.

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.

FOR MEDIA QUERIES, PLEASE CONTACT:

Frasers Hospitality Trust

Sandy Leng
Vice President, Head of Investor Relations
T +65 6349 0423
E sandy.leng@frasershospitality.com