PRESS RELEASE

Frasers Hospitality Trust reports lower DPS of 0.3137 cents for 2Q FY2020

- **Portfolio performance has been adversely affected by the impact of the COVID-19 outbreak**
- **To conserve cash, FHT has conservatively retained 80% of DI for 1H FY2020 in order to weather this storm**
- **Distribution rate after retention for 1H FY2020 is 0.3287 cents per stapled security**
- **Given the significant uncertainty on the duration of the COVID-19 outbreak, the full extent of its impact on FHT's financial performance for the rest of FY2020 cannot be ascertained at this point**

Summary of results

S$ million	2Q FY2020	2Q FY2019	Variance	1H FY2020	1H FY2019	Variance
Gross revenue ("**GR**")	20.2	34.6	-41.5%	62.6	75.2	-16.8%
Net property income ("**NPI**")	12.1	25.2	-52.0%	45.3	56.3	-19.6%
Income available for distribution ("**DI**")	6.1	18.7	-67.2%	31.6	42.4	-25.5%
Distribution per stapled security ("**DPS**") (cents)	0.3137	0.9846	-68.1%	1.6438	2.2388	-26.6%
Distribution to stapled securityholders after retention				6.3	42.4	-85.1%
Distribution rate per stapled security after retention (cents)				0.3287	2.2388	-85.3%

SINGAPORE, 8 MAY 2020

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 2020 ("**2Q FY2020**"), its GR and NPI declined year-on-year ("**yoy**") by 41.5% and 52.0% to S$20.2 million and S$12.1 million respectively.

The rapid spread of COVID-19 globally has severely impacted travel demand as many countries have implemented tight entry restrictions, strict social distancing measures and activities lockdown. This has led to steep occupancy declines and event cancellations across FHT's portfolio which in turn have adversely affected its performance in 2Q FY2020.

With the lower NPI, DI decreased 67.2% yoy to $$6.1 million while DPS was 0.3137 cents, down 68.1% yoy.

For the first half of the financial year ended 31 March 2020 ("**1H FY2020**"), a good first quarter performance helped partially mitigate the impact of the COVID-19 outbreak in 2Q FY2020. Consequently, FHT's GR and NPI declined yoy by 16.8% and 19.6% to S$62.6 million and S$45.3 million respectively. Its DI decreased 25.5% to S$31.6 million in 1H FY2020 while DPS was 1.6438 cents, down 26.6% yoy.

Mr Colin Low, Chief Executive Officer of the Managers[1] said, "We started FY2020 on a firm footing with the entire portfolio recording healthy growth in the first quarter. However, the speed and scale of transmission of COVID-19 has cast a shadow over our performance not just for 2Q FY2020 but also for the remaining FY2020."

"As the situation is rapidly evolving, and the duration and severity of the outbreak impact remain uncertain, it is only prudent for us to conserve cash in unprecedented times like this. To tide over this challenging period, we have conservatively retained S$25.3 million or 80.0% of the DI for 1H FY2020, in anticipation of continued weak operating performance, for critical and mandatory capital commitments relating to health, safety and regulatory compliance, and to support Novotel Melbourne on Collins which has no third-party master lease protection. As such, the distribution rate for 1H FY2020 would be 0.3287 cents per stapled security after the retention of S$25.3 million," Mr Low added.

Proactive cost containment and capital preservation measures

Since February 2020, the Managers have initiated a series of proactive cost containment and capital preservation measures to safeguard the portfolio performance and interests of FHT's stapled securityholders, and to preserve staff employment as much as possible.

Together with the hotel and serviced residence operators, significant cost controls have been implemented through:

- temporary closure of rooms and amenities by floor;
- limiting or discontinuing food and beverage ("**F&B**") offerings;
- freezing of overtime and recruitment, operating with minimum manning level on-site, releasing casual labour, putting property staff on unpaid leave and on furlough;
- renegotiating with vendors to secure better pricing; and
- freezing all discretionary expenses including those related to marketing.

The Managers have also secured reduction in various fees from the hotel chains and have taken further steps to preserve capital and liquidity by suspending S$5.6 million of non-essential capital expenditure as well as making a pre-emptive drawdown of a S$30 million revolving credit facility to augment FHT's liquidity position.

Mr Low said: "This is a trying time for many businesses and the trading conditions in many markets are anticipated to get worse before they get better. I want to thank all staff at our properties and our team for working hard and staying united as one to ensure the safety and well-being of our guests, our colleagues and all stakeholders during this very difficult period."

Stepping up to support national efforts to curb COVID-19 spread

"Apart from driving cost containment measures, we have also readily tapped into government reliefs and incentives in different jurisdictions. Furthermore, we have proactively pursued alternative revenue opportunities where feasible, while stepping up to support the various national efforts to curb the spread of COVID-19 and provide safe accommodation for our guests and returning residents."

"With their prime locations and the established protocols of our operators, 4 of our properties, namely InterContinental Singapore, Novotel Melbourne on Collins, Sofitel Sydney Wentworth and Fraser Suites

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[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**".

Sydney, have been selected by the local government agencies to house returning residents serving quarantine and stay home notices since late March or early April," Mr Low added.

Property tax rebates

In accordance with the property tax rebates announced by the Singapore government to support businesses, it is mandatory for FHT to pass the full rebates received to the respective master lessees of its Singapore properties.

2Q FY2020 portfolio performance

Australia

In 2Q FY2020, the Australia portfolio's gross operating revenue ("**GOR**") and gross operating profit ("**GOP**") declined 22.4% and 40.2% yoy respectively on the back of weaker room and F&B revenue. Bush fires affected both international and domestic demand in the first 2 months of 2020 while the COVID-19 impact has been felt since March 2020.

As a result, occupancies for the Sydney and Melbourne properties dropped yoy by 15.1% and 23.9% in this quarter to 73.7% and 69.5% respectively. Coupled with a lower average daily rate ("**ADR**"), portfolio revenue per available room ("**RevPAR**") declined 24.2% yoy.

Australia has closed all borders since 20 March 2020. Subsequently, the Premiers of New South Wales and Victoria ordered the shutdown of non-essential services. As such, all F&B outlets in FHT's Sydney and Melbourne hotels have been temporarily closed.

Singapore

The Singapore portfolio reported a 34.9% decline in GOR and 57.4% decline in GOP yoy due to the COVID-19 outbreak.

Since late January 2020, Singapore has progressively implemented tighter border measures to reduce the risk of importation of COVID-19. These include disallowing entry of short-term visitors from all countries from 24 March 2020.

While room rates were relatively stable in 2Q FY2020, portfolio RevPAR decreased 35.6% yoy due to a 34.4% drop in occupancy to 58.2%. However, Fraser Suites Singapore recorded occupancy of 74.2% as more than 60% of the serviced residence's guests were long stays, which provided support to its occupancy during this challenging period.

UK

The UK portfolio has been impacted by the COVID-19 outbreak since end-February 2020. As a result, GOR and GOP declined yoy by 21.0% and 35.0% respectively.

Despite a stable ADR, portfolio RevPAR declined 21.6% yoy on the back of lower occupancy at 66.6% due mainly to travel restrictions affecting inbound visitors to London.

Given the surge in the number of COVID-19 cases, the UK government has, on 23 March 2020, ordered all non-essential businesses and premises including hotels, restaurants and bars across the country to close. On a temporary basis, FHT's UK properties suspended operations progressively between 27 March 2020 and 1 April 2020.

Japan

The impact of the COVID-19 outbreak has led ANA Crowne Plaza Kobe's GOR to decline 29.1% yoy. Its GOP dropped steeper by 62.3% due to the high proportion of fixed payroll costs.

Like other countries, Japan has also enforced tighter entry restrictions, and requested closure to tourist attractions and suspension of conferences, festivals and community gatherings in March 2020. In addition, it has postponed the Tokyo 2020 Olympics and Paralympics to July 2021. As domestic guests account for 60% to 80% of occupancy at ANA Crowne Plaza Kobe, it has seen the pace of room and event cancellations pick up since February 2020.

Malaysia

The Westin Kuala Lumpur's GOR and GOP declined 34.2% and 73.1% yoy respectively as the hotel reported cancellation of rooms and events with the acceleration of the COVID-19 outbreak.

Its RevPAR declined 35.0% yoy on the back of lower occupancy at 52.5%. ADR for the quarter increased marginally as strong ADR, driven by higher corporate and transient demand, was seen in January 2020 before the COVID-19 outbreak.

To curb the spread of COVID-19, Malaysia has closed its borders to all foreigners and imposed movement control order since 18 March 2020. As a result, The Westin Kuala Lumpur saw a sharp yoy decline of 55.5 percentage points in its occupancy for the month of March 2020 (occupancy at 25.7%).

Germany

In 2Q FY2020, Maritim Hotel Dresden reported a 13.2% decline in GOR and a 30.0% decline in GOP. The hotel's performance has begun to weaken in February 2020 due to the COVID-19 outbreak.

Since 16 March 2020, Germany has imposed stricter border controls to curb the rapid spread of the virus. Subsequently, public gatherings of more than 2 persons have been banned and non-essential businesses have been ordered to close.

Financial position

As at 31 March 2020, FHT's total borrowings stood at S$878.7 million, with gearing at 36.0% and the weighted average debt to maturity at 4.14 years.

FHT does not have any loans due in FY2020 and FY2021. The earliest loan maturity is in FY2022 and its borrowings are well spread out, with no more than 30% due in any one year. The effective cost of borrowing was 2.4% per annum, unchanged from 1Q FY2020.

FHT has 72.7% of its borrowings on fixed rates and its interest cover was 4.1 times. Its net asset value per stapled security was S$0.71.

FHT remains in compliance with its debt obligations and covenants.

1H FY2020 distribution

Distribution Period	**1 October 2019 to 31 March 2020**
Distribution rate	0.3287 cents per stapled security
Last day of trading on "cum" basis	14 May 2020
Ex-date	15 May 2020
Record date	18 May 2020
Distribution payment date	29 June 2020

Market outlook

The World Health Organization has declared the COVID-19 outbreak a global pandemic while the International Monetary Fund has, in April 2020, projected the global economy to contract 3% this year, which is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period.

Due to the outbreak, the tourism, travel and hospitality industries have experienced significant disruptions and the trading environment in the months ahead is expected to remain challenging as the full impact of the containment measures to flatten the virus spread will weigh on FHT's portfolio performance.

Thus, the Managers have taken a holistic look at each property within the portfolio – its expense run rate and near-term revenue opportunities. Following their review, the Managers have reached the difficult decision to temporarily suspend the operations at The Westin Kuala Lumpur for 2 months, starting from 1 May 2020. With its current low occupancy level, the suspension will help minimise the hotel's ongoing expenditures.

During the period of suspension, FHT will continue to receive fixed rent from the master lessees of The Westin Kuala Lumpur and its UK properties, which are entities of its sponsor, Frasers Property Limited[2].

The Managers are also working with the operators to develop recovery plan for each property and will continue to closely monitor the situation to ensure that FHT will be best positioned to re-open its properties when demand returns.

As the duration of COVID-19 outbreak remains uncertain, coupled with the adverse impact of the measures taken by governments to contain its spread, the full extent of the outbreak impact on FHT's FY2020 financial performance cannot be ascertained at this point. In light of this, the Managers anticipate moderating the eventual distribution of the S$25.3 million that has been retained, depending on the available DI based on the financial statements for FY2020.

For the avoidance of doubt, FH-REIT will maintain its policy of distributing at least 90% of its distributable income to FHT stapled securityholders.

The Managers will continue to provide material updates as and when they arise.

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[2] All FHT's properties, except for Maritim Hotel Dresden and Novotel Melbourne on Collins, are master leased to entities of Frasers Property Limited, the sponsor of FHT. Maritim Hotel Dresden's master lessee is Maritim Hotelgesellschaft mbH, part of the established German hotel operator Maritim Hotel Group and Novotel Melbourne on Collin's master lessee is FH-BT NMCS Operations Pty Ltd, a subsidiary of FH-BT.

About Frasers Hospitality Trust

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 $2.33 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 "**Frasers Property Group**" or the "**Group**"), is a multi-national owner-operator-developer of real estate products and services across the property value chain. 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$38.8 billion as at 31 December 2019.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and 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.

Frasers Property is also the sponsor of two real estate investment trusts ("**REITs**") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties respectively. Frasers Hospitality Trust (comprising FH-REIT and FH-BT) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on logistics and industrial properties in Thailand, and Golden Land Property Development Public Company Limited is the sponsor of Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial and hospitality properties.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

For more information on Frasers Property, please visit www.frasersproperty.com.

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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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