

Fraser's Hospitality Trust registers 6.1% increase in DPS for 1Q FY2020

Growth attributed to better performance across the entire portfolio

Summary of Results

S\$ million	1Q FY2020	1Q FY2019	Variance
Gross Revenue ("GR")	42.4	40.6	+4.3%
Net Property Income ("NPI")	33.2	31.1	+6.8%
Income Available for Distribution ("DI")	25.5	23.7	+7.4%
Distribution Per Stapled Security ("DPS")	1.3301 cents	1.2542 cents	+6.1%

SINGAPORE, 23 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 2019 ("1Q FY2020"), its GR and NPI grew 4.3% and 6.8% year-on-year ("yoy") to S\$42.4 million and S\$33.2 million respectively. The improvements were due to better performance across the entire portfolio.

DI increased 7.4% yoy to S\$25.5 million on the back of higher NPI while DPS rose 6.1% to 1.3301 cents.

Mr Colin Low, Chief Executive Officer of the Managers¹ said, "Following the growth in GR and NPI in the fourth quarter of last financial year, we are pleased to continue the positive momentum in this quarter with stronger growth, as well as a yoy increase in DPS."

"While our better performance remained underpinned by our Singapore, UK and Germany portfolios, we are heartened to see our Australia portfolio reporting improved profit despite the challenging trading environment. Our Japan and Malaysia portfolios are also continuing their recovery from a low base."

"We are starting to see our initiatives to drive revenue growth and operational efficiency bearing fruits, with all country portfolios achieving improved performance. Moving forward, we will continue to build on our progress and pursue strategic opportunities to grow our portfolio and create value for our stapled securityholders," Mr Low added.

Review of 1Q FY2020 Portfolio Performance

In 1Q FY2020, the Australia portfolio's gross operating revenue ("GOR") and gross operating profit ("GOP") increased 1.9% and 5.4% yoy respectively. GOR improved due to higher food and beverage ("F&B") revenue while the steeper GOP increase was attributed to better cost control on operating expenses. Portfolio occupancy rose to 90.3%, from 88.7% a year ago, despite the weaker trading environment weighing on average daily rate ("ADR"). This mitigated the decline in revenue per available room ("RevPAR") and enabled all properties to outperform the market.

The Singapore portfolio reported a 2.6% increase in GOR and a 2.0% increase in GOP yoy. The portfolio RevPAR improved 6.9% yoy on the back of higher ADR and occupancy. Both InterContinental Singapore

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

and Fraser Suites Singapore saw healthy gains in RevPAR, driven by stronger leisure and corporate demand.

The UK portfolio continued to benefit from the weak pound. As a result, GOR and GOP rose yoy by 5.5% and 7.3% respectively. The portfolio RevPAR was 4.9% above the levels in 1Q FY2019 due to higher ADR and occupancy.

ANA Crowne Plaza Kobe's GOR declined 3.3% yoy due mainly to lower room and F&B revenue. Notwithstanding the lower GOR, its GOP increased 13.1% or ¥65.9 million yoy. The hotel has been reviewing and re-grouping resources to streamline its operations. This continual effort in driving operational efficiency resulted in the positive GOP growth.

The Westin Kuala Lumpur continued to recover from a market-wide low base as GOR improved 7.5% yoy, driven mainly by higher room revenue. With its continual efforts to increase operational efficiency, the hotel has achieved reduction in operating costs and improved its profitability. Its recent sustainability drive including the installation of new energy-efficient heat pumps led to substantial savings in utilities costs. Coupled with the 11.5% increase in room revenue, its GOP rose 46.4% or RM2.5 million yoy.

Capital Management

As at 31 December 2019, FHT's total borrowings were S\$870.0 million, with gearing at 35.5% and the weighted average debt to maturity at 4.38 years. The proportion of fixed-rate borrowings to total borrowings was 73.4% and the effective cost of borrowing was 2.4% per annum. Interest cover remained healthy at 5.7 times and net asset value per Stapled Security was S\$0.72.

Market Outlook

For the first 9 months of 2019, Tourism Australia reported a yoy increase of 2.5% in international arrivals to 5.3 million. While hotel visitor nights in Sydney and Melbourne have risen, the growth has been offset by new supply. In Sydney, approximately 2,300 rooms will be built in the CBD by 2021. This is likely to inhibit rates increase in the short term. However, given the city's global reputation and traditionally strong holiday and corporate visitor demand, the market is expected to absorb the new supply in the medium term². In Melbourne, approximately 4,200 rooms are currently under construction and will enter the market from 2020 to 2022. The significant room pipeline and its impact on rates and occupancy levels warrant some cause for concern for hoteliers².

For the period from January to November 2019, the Singapore Tourism Board reported a 2.9% yoy growth in international visitor arrivals to 17.4 million. The outlook for Singapore's tourism sector continues to be positive as refreshed and new tourism offerings and the introduction of new flight services are expected to support hotel trading performance³. Additionally, Singapore will play host to biennial and sizeable inaugural MICE (meetings, incentives, conferences and exhibitions) events in 2020. Supply is also anticipated to remain limited for the next 3 years, growing at a compound annual growth rate of 0.7% from end-2019 to end-2022³.

According to VisitBritain, the UK welcomed 29.2 million overseas visitors in the first 9 months of 2019, up 2.0% yoy. Business visits were 1.0% below levels seen in 2018 but holiday visits were up 3.0% yoy. Looking ahead, the weak macroeconomic outlook and Brexit uncertainty may continue to impact business sentiment and corporate bookings. Hotel performance is expected to vary by geography and segment. However, London is anticipated to hold on to some growth, with the weak pound continuing to support inbound leisure demand and events such as the Farnborough International Airshow and UEFA Euro 2020 providing further boost⁴.

² Source: CBRE – MarketView Australia Hotels, Q3 2019 (30 October 2019)

³ Source: JLL – Asia Pacific Property Digest Q3 2019 (20 November 2019)

⁴ Source: PwC UK Hotels Forecast Update 2019-2020 (September 2019)

For the period from January to November 2019, Japan National Tourism Organization reported a 2.8% yoy increase in foreign visitors to 29.4 million. Moving forward, the Tokyo Olympics is expected to drive inbound visitors to reach the 2020 goal of 40.0 million. Hotel supply, on the other hand, is anticipated to soften, which should provide some breathing room for hoteliers⁵.

For the first 9 months of 2019, Tourism Malaysia reported a yoy growth of 3.7% in tourist arrivals to 20.1 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. In Kuala Lumpur, hotel trading performance in the near term is expected to remain subdued due to the ongoing room supply glut. However, new supply may be partially absorbed by continued visitor growth⁶.

For the period from January to November 2019, the Federal Statistical Office of Germany recorded a 3.7% yoy increase in the number of overnight stays by domestic and foreign visitors⁷. In Dresden, the total number of domestic and foreign visitors for the first 9 months of 2019 rose 1.2% yoy⁸. Dresden, the capital city of the Free State of Saxony, continues to grow its pipeline of MICE events for 2020 including HAUS (construction and energy fair), Bauen Kaufen Wohnen (real estate and construction fair), 25th Congress of the International Commission for Optics, Hematology and Oncology Conference, and International Conference on Metal-Organic Frameworks and Open Framework Compounds.

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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

⁵ Source: Savills – Spotlight: Japan Hospitality (9 August 2019)

⁶ Source: JLL – Asia Pacific Property Digest, Q2 2019 (19 August 2019)

⁷ Source: www.destatis.de

⁸ Source: www.dresden.de

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\$37.6 billion as at 30 September 2019.

Frasers Property's assets range from residential, retail, commercial & business parks, to industrial & logistics 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 industrial & logistics 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. In addition, the Group has two real estate investment trusts listed on the Stock Exchange of Thailand. Frasers Property Thailand 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 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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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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