

Press Release

For Immediate Release

A-HTRUST's distributable income 17.6% higher y-o-y for 3Q FY2015/16

- Income available for distribution for 3QFY2015/16 improved by 17.6% y-o-y, after taking into account a portion of proceeds from the divestment of Pullman Cairns International
- DPS, after retaining 5% of income, grew by 11.5% y-o-y

Overview of financial results

| S\$' million | 3Q FY2015/ 16 | 3Q FY2014/ 15 | Change | 3Q YTD FY2015/ 16 | 3Q YTD FY2014/ 15 | Change |
|---|---------------------|---------------------|--------|-------------------------|-------------------------|--------|
| Gross Revenue | 54.9 | 60.7 | (9.5)% | 162.2 | 173.1 | (6.3)% |
| Net Property Income | 23.4 | 25.8 | (9.3)% | 67.5 | 70.7 | (4.6)% |
| Income available for distribution | 17.0 | 14.5 | 17.6% | 48.3 | 42.3 | 14.1% |
| - Operation | 16.3 | 14.5 | 12.7% | 47.0 | 42.3 | 11.0% |
| - Proceeds from Divestment | 0.7 | - | - | 1.3 | - | - |
| Income available for distribution (less 5% income retained for working capital) | 16.2 | 14.5 | 12.0% | 46.0 | 42.3 | 8.6% |
| DPS (cents) | 1.45 | 1.30 | 11.5% | 4.11 | 3.81 | 7.9% |

Singapore, 28 January 2016 – Ascendas Hospitality Trust (“A-HTRUST”) posted year-on-year (“y-o-y”) decline in gross revenue and net property income of 9.5% and 9.3%, respectively, for the third quarter ended 31 December 2015 (“3Q FY2015/16”). This was mainly due to (i) loss of income from Pullman Cairns International (“Cairns Hotel”) which was divested in June 2015; (ii) lower contribution from Pullman and Mercure Brisbane King George Square (“Brisbane Hotel”), due to the lack of large-scale events such as G20 Summit held in the corresponding quarter last year, as well as additional competition from new supply of hotel rooms; and (iii) the continual weakening of the Australian Dollar (“AUD”) against the Singapore Dollar (“SGD”).

Income available for distribution for 3Q FY2015/16 improved by 17.6% y-o-y to S\$17.0 million, largely attributed to absence of costs related to the unwinding of a cross currency swap this quarter, as well as the inclusion of a portion of proceeds from the divestment of the Cairns Hotel. After deducting income retained for working capital purposes, distribution per stapled security (“DPS”) was 1.45 cents for 3Q FY2015/16, improving by 11.5% y-o-y.

Portfolio performance

| | 3Q FY2015/ 16 | 3Q FY2014/ 15 | Change | 3Q YTD FY2015/ 16 | 3Q YTD FY2014/ 15 | Change |
|---|---------------------|---------------------|---------|-------------------------|-------------------------|---------|
| Australia | | | | | | |
| Avg Occupancy Rate (%) | 84.4 | 87.3 | (2.9)pp | 83.2 | 83.2 | - |
| Avg Daily Rate ("ADR")(AUD) | 182 | 184 | (1.1)% | 172 | 171 | 0.6% |
| Revenue per Available Room ("RevPAR")(AUD) | 153 | 161 | (5.0)% | 143 | 142 | 0.7% |
| China | | | | | | |
| Avg Occupancy Rate (%) | 82.0 | 79.8 | 2.2pp | 84.0 | 84.3 | (0.3)pp |
| ADR (RMB) | 411 | 406 | 1.2% | 414 | 409 | 1.2% |
| RevPAR (RMB) | 337 | 324 | 4.0% | 347 | 345 | 0.6% |

Apart from the Brisbane Hotel, the other five hotels in the Australia portfolio recorded better performances in 3Q FY2015/16. Excluding the Brisbane Hotel, the RevPAR for the Australia portfolio was approximately 5% higher than in the previous year. In 3Q FY2015/16, higher income was derived from the office space in Pullman Sydney Hyde Park, which is now fully leased out. There were also better performances from the refurbished conferencing facilities in Novotel Sydney Parramatta and outsourced car park operation in Novotel Sydney Central.

The China portfolio showed an improved performance despite a challenging operating environment. The RevPAR of the two hotels in Beijing improved, on average, by 4.0% y-o-y. Effective cost control measures also benefitted the China portfolio, resulting in a higher net property income.

Riding on the thriving tourism sector in Japan, Oakwood Apartments Ariake Tokyo posted another strong quarter with an improvement in RevPAR of 24.7% y-o-y.

Income derived from Park Hotel Clarke Quay in Singapore declined, as the hospitality sector in the country continued to face headwinds.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: "The overall performance of the portfolio for this quarter was mainly affected by the performance of our hotel in Brisbane, which was, in turn, due to the soft market environment in the city. However, there are positives that we can draw from the portfolio performance. Apart from the hotel in Brisbane, all the other hotels in Australia recorded y-o-y growth in net property income in AUD. In China, the portfolio recorded a second consecutive quarter of y-o-y growth in RevPAR despite the tough operating environment. Our portfolio in Japan continued to post strong growth, while in Singapore, Park Hotel Clarke Quay remained one of the better performers amongst its peers."

Capital management

As at 31 December 2015, A-HTRUST's financial position remained healthy with a gearing ratio of 38.2% and 89.4% of total borrowings with fixed interest rates. The effective interest rate was relatively stable at 3.4% while weighted average tenor of the borrowings was approximately 2.3 years.

Outlook

The tourism sector in Australia remained buoyant, where both international arrivals and domestic overnight trips improved by 7% y-o-y for 12 months ended September 2015¹. The uptrend is expected to continue with international arrivals and domestic overnight trips forecasted to grow at an average annual growth rate of 4.1% and 3.7%, respectively, to year ending June 2025¹. Against this backdrop, the near term outlook for the hotel market in Australia is expected to be positive in general. However, market conditions in Brisbane are expected to remain soft in the short term

Amidst China's slowing economy and the pollution issue in Beijing, the number of international visitors to China's capital city in 2015 was down by 1.8% to 4.2 million compared to 2014². These factors coupled with an oversupply of hotel rooms may continue to hamper the hotel market sector.

The growing trend of foreign visitors to Japan continued with 19.7 million foreign visitors last year, an increase of 47.1% compared to 2014. To further improve the number of arrivals, the government launched a key advisory panel to draw up a mid-term program³. For fiscal year 2016, Japan also intends to double the budget for the Japan Tourism Agency to JPY20 billion to step up efforts to achieve the goal of increasing the number of foreign tourists⁴.

International arrivals to Singapore recorded a y-o-y growth for the seventh consecutive month since May 2015⁵. This resulted in 13.8 million international arrivals for year-to-date ("YTD") November 2015, representing a 0.4% y-o-y growth⁵. However, the increase in the supply of hotel rooms may moderate the sector's performance.

Mr Tan continued: "Given the positive sector outlook in Japan in general, we believe that our hotels in Tokyo and Osaka respectively will perform better. In addition, the JPY1.1 billion renovation work on the hotel in Osaka, renamed as Hotel Sunroute Osaka Namba, has commenced and is expected to be completed by end of March 2016. We believe that following the renovation, the hotel's contribution to the portfolio will be enhanced.

¹ Source: Tourism Research Australia

² Source: Beijing Municipal Commission of Tourism Development

³ Source: Article from www.japantimes.co.jp dated 9 November 2015 – "Abe launches tourism panel; inbound target may be raised"

⁴ Source: Article from www.japantimes.co.jp dated 24 December 2015 – "Cabinet approves record ¥96.7 trillion budget for fiscal 2016"

⁵ Source: Singapore Tourism Board

In December 2015, we entered into an agreement to acquire the serviced apartments component of the iconic Aurora Melbourne Central, a mixed-use development in Melbourne expected to be completed in 2019. Situated in the heart of the city, the development is located within close proximity of attractions such as Queen Victoria Market and State Library of Victoria. The development will have direct access to Melbourne Central Railway Station and RMIT University is also nearby. This acquisition will add a quality asset to A-HTRUST's portfolio.

With effect from January, we have novated the management of our two hotels in Beijing to Huazhu Hotels Group Ltd., a leading hotel management company in China. The novation allows A-HTRUST to leverage on Huazhu's in-depth knowledge of the China market as well as its loyalty programme of more than 40 million members and sales channels for the benefit of the Beijing hotels. We have also outsourced the operation of the restaurant in Ibis Beijing Sanyuan to save costs and derive stable income.

In addition, we will be commencing the refurbishment of hotel rooms in Courtyard by Marriott North Ryde and Pullman and Mercure Brisbane King George Square shortly. This will ensure that the hotel rooms are refreshed and enable them to compete and perform better."

A copy of the full results announcement is available at www.sgx.com and www.a-htrust.com.

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About Ascendas Hospitality Trust

www.a-htrust.com

Ascendas Hospitality Trust (“A-HTRUST”) was listed in July 2012 as a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) and Ascendas Hospitality Business Trust (“A-HBT”), established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes located across Asia, Australia and New Zealand, as well as real estate related assets in connection with the foregoing.

The asset portfolio comprises 11 hotels with over 4,000 rooms geographically diversified across key cities in Australia, China, Japan and Singapore; and located close to central business districts and conference centres as well as iconic tourist landmarks. These hotels are Pullman Sydney Hyde Park, Novotel Sydney Central, Novotel Sydney Parramatta, Courtyard by Marriott North Ryde, Pullman and Mercure Melbourne Albert Park, Pullman and Mercure Brisbane King George Square, Novotel Beijing Sanyuan, Ibis Beijing Sanyuan, Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo, Osaka Namba Washington Hotel Plaza and Park Hotel Clarke Quay.

A-HTRUST is managed by Ascendas Hospitality Fund Management Pte. Ltd., the manager of A-HREIT, and Ascendas Hospitality Trust Management Pte. Ltd., the trustee-manager of A-HBT. A-HTRUST is sponsored by Ascendas Land International Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd.

About Ascendas Group

www.ascendas.com

A member of the Ascendas-Singbridge Group, Ascendas is Asia’s leading provider of business space solutions with more than 30 years of experience. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 26 cities across 10 countries including Singapore, China, India, Malaysia, South Korea, Vietnam and Australia.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-specs facilities, office and retail spaces. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities and solutions which seamlessly combine high-quality business, lifestyle, retail and hospitality spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park and Changi City at Changi Business Park in Singapore, International Tech Park Bangalore in India and Ascendas-Xinsu in Suzhou Industrial Park, China. Ascendas provides end-to-end real estate solutions, assisting companies across the entire real estate process.

In November 2002, Ascendas launched Singapore’s first business space trust, Ascendas Real Estate Investment Trust (A-REIT), and in August 2007, Ascendas India Trust (a-iTrust) was listed as the first Indian property trust in Asia. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of quality hotels in Australia, China, Japan and Singapore. Besides managing listed real estate funds, Ascendas also manages a series of private funds with commercial and industrial assets across Asia.

Important Notice

This press release 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 and foreign exchange rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses, including employee wages, benefits and training, 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Managers' current view of future events.

The value of securities in A-HTRUST ("Securities") and the income derived from them, if any, may fall as well as rise. Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its affiliates. An investment in Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Managers to redeem or purchase their Securities for so long as the Securities are listed on the SGX-ST. It is intended that stapled securityholders of A-HTRUST may only deal in their Securities through trading on the SGX-ST. Listing of the Securities on the SGX-ST does not guarantee a liquid market for the Securities. The past performance of A-HTRUST is not necessarily indicative of the future performance of A-HTRUST. Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.