

## Press Release

For Immediate Release

### A-HTRUST's distributable income for 2Q FY2015/16 grew by 15.1% y-o-y

- Including portion of proceeds from the divestment of Pullman Cairns International, income available for distribution for this quarter improved by 15.1% y-o-y
- After deducting income retained for working capital purposes in 2Q FY2015/16, DPS was higher by 8.7% y-o-y
- Improvement in portfolio's performance in local currencies across all four countries A-HTRUST operates in

#### Overview of financial results

S\$' million	2Q FY2015/ 16	2Q FY2014/ 15	Change	1H FY2015/ 16	1H FY2014/ 15	Change
Gross Revenue	54.5	58.1	(6.1%)	107.3	112.3	(4.5%)
Net Property Income	22.6	23.3	(2.9%)	44.0	44.9	(1.9%)
Income available for distribution	16.3	14.1	15.1%	31.3	27.8	12.4%
- Operation	15.7	14.1	10.9%	30.7	27.8	10.2%
- Proceeds from Divestment	0.6	-	-	0.6	-	-
Income available for distribution (less 5% income retained for working capital)	15.5	14.1	9.6%	29.7	27.8	6.8%
DPS (cents)	1.38	1.27	8.7%	2.66	2.51	6.0%

**Singapore, 28 October 2015** – Ascendas Hospitality Trust (“A-HTRUST”) posted 15.1% year-on-year (“y-o-y”) growth in income available for distribution to S\$16.3 million in the second quarter ended 30 September 2015 (“2Q FY2015/16”). Certain costs related to the unwinding of a cross currency swap did not recur this quarter and a portion of proceeds from the divestment of Pullman Cairns International to be distributed to stapled securityholders (“Proceeds from Divestment”) was also included this quarter. Excluding the Proceeds from Divestment, income available for distribution would have been S\$15.7 million, improving by 10.9% y-o-y. After taking into account income retained for working capital purposes, distribution per stapled security (“DPS”) was 1.38 cents for 2Q FY2015/16, recording a growth of 8.7% y-o-y.

Overall, the portfolio's performance in local currencies has improved across the four countries that A-HTRUST operates in. However, the improvements were negated by continued depreciation of Australian Dollar (“AUD”) and Japanese Yen (“JPY”) against the

Singapore Dollar (“SGD”), which resulted in a decline in gross revenue of 6.1% y-o-y to S\$54.5 million in 2Q FY2015/16. In line with the decline in gross revenue, net property income declined by 2.9% y-o-y to S\$22.6 million in 2Q FY2015/16.

### Portfolio performance

	2Q FY2015/ 16	2Q FY2014/ 15	Change	1H FY2015/ 16	1H FY2014/ 15	Change
<b>Australia</b>						
Avg Occupancy Rate (%)	83.4	84.3	(0.9)pp	82.6	81.4	1.2pp
Avg Daily Rate (“ADR”)(AUD)	170	162	4.9%	167	163	2.5%
Revenue per Available Room (“RevPAR”)(AUD)	142	136	4.4%	138	133	3.8%
<b>China</b>						
Avg Occupancy Rate (%)	86.9	89.5	(2.6)pp	84.9	86.6	(1.7)pp
ADR (RMB)	412	399	3.3%	415	411	1.0%
RevPAR (RMB)	358	357	0.3%	353	356	(0.8)%

Led by strong room demand in the hotels in Sydney and Melbourne, the Australia portfolio posted a y-o-y growth in average RevPAR of 4.4% in 2Q FY2015/16. Apart from improvement in average RevPAR, the Australia portfolio also benefitted from: (i) full occupancy of the office component in Pullman Sydney Hyde Park in 2Q FY2015/16 whereas part of it was undergoing refurbishment in the corresponding quarter last year; (ii) stronger demand for conferencing facilities in Novotel Sydney Parramatta following the refurbishment of the facilities; and (iii) outsourcing of car park operation in Novotel Sydney Central.

Despite challenging operating conditions in Beijing, the two hotels posted, on average, a marginal growth in RevPAR of 0.3% y-o-y in 2Q FY2015/16. The China portfolio also benefitted from effective costs control measures.

Oakwood Apartments Ariake Tokyo continued its strong performance with a y-o-y RevPAR growth of 21.7%, as the tourism sector in Japan remained buoyant. In Singapore, the income derived from Park Hotel Clarke Quay, which is anchored by master lease arrangement, was relatively stable.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “We are pleased with the overall performance of our portfolio, where the average RevPAR for our portfolio of hotels in Australia, China, Japan and Singapore posted y-o-y growth.

Our hotels are well-positioned to benefit from the overall buoyant tourism sector in Australia and Japan. The portfolio in these countries continued from where we left off in 1Q FY2015/16 to post another quarter of organic growth. Despite the challenging environment, we are encouraged by the performance of the China portfolio, which managed to stem four quarters of decline of revenue and posted a y-o-y improvement this quarter in RMB terms. On the

Singapore front, the sector looked increasingly affected by slowing economy and new supply of rooms. However, Park Hotel Clarke Quay continued to outperform majority of its peer and posted a y-o-y growth in RevPAR.

The portfolio posted improvement in net property income in each of the four countries that we operated in the respective local currencies. However, as AUD and JPY continued to depreciate against SGD, our financial results were adversely affected in SGD terms.”

### **Capital management**

As at 30 September 2015, A-HTRUST’s financial position remained healthy with a gearing ratio of 37.5% and 89.4% of total borrowings with fixed interest rates. The effective interest rate was relatively stable at 3.3% while weighted average tenor of the borrowings was approximately 2.5 years.

Consistent with its proactive capital management approach, the Managers are looking to extend the weighted average debt to maturity, and are in advanced negotiations for the refinancing of borrowings that are due in 2016.

### **Outlook**

International arrivals to Australia continued to improve as the number grew by 7% y-o-y for the year ended June 2015<sup>1</sup>. On the domestic front, overnight trips were also up, increasing by 5% y-o-y for the year ended June 2015 to 83.2 million<sup>1</sup>. For this period, domestic overnight trips for business increased to 17.3 million compared to 14.9 million in the same period last year<sup>1</sup>. Inbound and domestic travels are expected to remain healthy in the near term, which will help to support the tourism sector.

Whilst international visitors to Beijing YTD August grew by 0.6%<sup>2</sup> y-o-y, austerity drive, slowing economy and new supply of rooms continued to weigh on the hotel sector, and the near term outlook is expected to remain challenging. However, the slated development of an international theme park in Beijing (expected to complete by 2019)<sup>3</sup>, may help to boost the city’s tourism sector.

Up to August this year, 12.9 million foreign visitors visited Japan, representing an increase of 49% compared to the same period last year<sup>4</sup>. Key to this was the development of low cost carriers in Japan as well as various government initiatives aimed at improving the Japan tourism sector. The weak JPY continues to boost inbound arrivals, and the near term outlook for hotel market in Japan is expected to be positive.

Although international arrivals to Singapore YTD August were still short by 0.6% compared to the same period last year<sup>5</sup>, the sector saw some reprieve in the recent months. Y-o-y growth

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<sup>1</sup> Source: Tourism Research Australia

<sup>2</sup> Source: Beijing Municipal Commission of Tourism Development

<sup>3</sup> Source: Article from news.xinhuanet.com dated 14 September 2015 - “Universal Studios to complete Beijing theme park in 2019”

<sup>4</sup> Source: Japan National Tourism Organization

<sup>5</sup> Source: Singapore Tourism Board

was recorded for four consecutive months from May to August<sup>5</sup>. Singapore being a top meeting and convention destination, it continues to attract high profile events. However, with new supply of rooms coming into the market, the sector may moderate in the near term.

Mr Tan said, “While factors such as global economic uncertainty, currency volatility and impending interest rate hike continue to shroud the landscape ahead, we remain committed to deliver value to our stapled securityholders. Overall, we are optimistic that our portfolio in Australia and Japan is well-positioned to benefit from the positive hospitality trends in these countries. We will continue to seek out opportunities to improve performance of our Beijing hotels, while the defensive rental structure for Park Hotel Clarke Quay will help to mitigate weakness in the Singapore hotel market.”

A copy of the full results announcement is available at [www.sgx.com](http://www.sgx.com) and [www.a-htrust.com](http://www.a-htrust.com).

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**About Ascendas Hospitality Trust**

[www.a-htrust.com](http://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](http://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 and Vietnam.*

*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.