



Press Release

For Immediate Release

**A-HTRUST’s DPS for
3Q FY2016/17 grew by 13.1%**

- NPI for 3Q FY2016/17 increased by 12.9% y-o-y, driven by overall improvement in portfolio performance
- Distributable income and DPS grew by 14.6% and 13.1% y-o-y, respectively, despite the corresponding quarter last year having a partial distribution of ‘proceeds from divestment’
- Excluding the ‘proceeds from divestment’, distributable income and DPS would have improved by 19.5% and 18.0% y-o-y, respectively

Overview of financial results

S\$' million	3Q FY2016/ 17	3Q FY2015/ 16	Change ¹	3Q YTD FY2016/ 17	3Q YTD FY2015/ 16	Change ¹
Gross Revenue	59.2	54.8	8.0%	167.1	161.8	3.3%
Net Property Income	26.4	23.4	12.9%	73.4	67.5	8.8%
Income available for distribution	19.5	17.0	14.6%	51.0	48.3	5.7%
- Operation	19.5	16.3	19.5%	51.0	47.0	8.6%
- Proceeds from Divestment	-	0.7	-	-	1.3	-
Income available for distribution (less 5% income retained for working capital)	18.5	16.2	14.0%	48.5	46.0	5.5%
DPS (cents)	1.64	1.45	13.1%	4.31	4.11	4.9%

1. Save for DPS, percentage changes are based on figures rounded to nearest thousands

Singapore, 26 January 2017 – Ascendas Hospitality Trust (“A-HTRUST”) posted year-on-year (“y-o-y”) growth in income available for distribution of 14.6% to S\$19.5 million in the third quarter ended 31 December 2016 (“3Q FY2016/17”), which was mainly due to the higher net property income (“NPI”) as well as higher realised foreign exchange gain. This was despite the partial distribution of proceeds from the sale of Pullman Cairns International (“Proceeds from Divestment”) in the corresponding quarter last year. After deducting income retained for working capital purposes, distribution per stapled security (“DPS”) improved by 13.1% y-o-y to 1.64 cents for 3Q FY2016/17. Excluding the Proceeds from Divestment, DPS for 3Q FY2015/16 would be 1.39 cents and DPS for 3Q FY2016/17 would be 18.0% higher y-o-y.

All countries, with the exception of Singapore, had a stronger y-o-y performance resulting in the overall improvement in portfolio performance. The improved portfolio performance, together with appreciation of Japanese Yen (“JPY”) and Australian Dollars (“AUD”), resulted in the y-o-y improvement in gross revenue and NPI of 8.0% and 12.9%, respectively, in 3Q FY2016/17.

Portfolio performance

Portfolio of hotels under management agreements

	3Q FY2016/ 17	3Q FY2015/ 16	Change	3Q YTD FY2016/ 17	3Q YTD FY2015/ 16	Change
Australia						
Avg Occupancy Rate (%)	86.6	84.4	2.2pp	84.1	83.2	0.9pp
Avg Daily Rate (“ADR”)(AUD)	181	182	(0.5)%	173	172	0.6%
Revenue per Available Room (“RevPAR”)(AUD)	157	153	2.6%	145	143	1.4%
China						
Avg Occupancy Rate (%)	86.1	82.0	4.1pp	88.0	84.0	4.0pp
ADR (RMB)	402	411	(2.2)%	407	414	(1.7)%
RevPAR (RMB)	346	337	2.7%	358	347	3.2%

The y-o-y improvement in the performance of the Australia portfolio was primarily driven by Pullman Sydney Hyde Park (“PSHP”), Novotel Sydney Central (“NSC”), and Pullman and Mercure Melbourne Albert Park. PSHP benefitted from stronger public demand, while NSC leveraged on new aircrew contract to yield stronger results. The Melbourne hotel experienced strong conferencing business to post a strong quarter.

For the China portfolio, the y-o-y improvement was mainly attributable to Ibis Beijing Sanyuan, which benefitted from leasing of restaurant space and the loyalty programme of China Lodging Group.

Portfolio of hotels under master leases¹

The Japan portfolio also posted a stronger quarter, due to higher contribution from Hotel Sunroute Osaka Namba. With the improved rent structure, the NPI contribution from the hotel in 3Q FY2016/17 increased by 68.5% y-o-y in JPY term.

The performance of Park Hotel Clarke Quay in Singapore continued to be weighed down by weak corporate demand and the additional rooms that have entered the market.

¹ Japan portfolio is primarily anchored by hotels under master leases, with Oakwood Apartments Ariake Tokyo under management contract arrangement

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “We are pleased to deliver a strong set of results to the stapled securityholders this quarter, as DPS improved by 13.1% y-o-y this quarter. This was due mainly to the stronger performance of the portfolio as a whole, which benefitted from the quality and geographical diversification of the portfolio.

The portfolio also benefitted from the earlier asset management initiatives carried out. The Ibis Beijing Sanyuan had positive effects from the novation of management agreement and the improved rent structure for the hotel in Osaka resulted in the improvement of the Japan portfolio.”

Capital management

As at 31 December 2016, A-HTRUST’s financial position remained healthy with a gearing ratio of 33.3%, with the weighted average tenor of the borrowings at 2.6 years. The effective interest rate was lower at 3.0% compared to the previous quarter.

Outlook

International visitors to Australia grew 11% y-o-y for the 12-month period ended September 2016², and the growth trend is expected to continue in the near term as international flight routes to Australia grows³. In Sydney, the recently opened International Convention Centre Sydney, which boasts a rich event calendar in the coming year, will help to boost the hospitality sector in the city. In general, the hotel markets in Sydney and Melbourne are expected to be healthy in the near term, while the hotel market in Brisbane is expected to remain soft due to oversupply of rooms.

While factors such as air quality in the city may continue to deter foreign arrivals into Beijing in the near term, the hospitality sector of the capital city will continue to be supported by domestic travelling. As China continues to develop its transportation system, the accessibility of Beijing from the other parts of China will be enhanced, further promoting domestic tourism in the capital city.

Despite slower growth in international visitors in recent months in part due to strengthening of JPY, Japan welcomed almost 24 million international visitors in 2016, up by 21.8% compared to 2015⁴. Looking forward, the hotel markets in Tokyo and Osaka are expected to remain healthy in the near term.

While inbound arrivals to Singapore has grown by 7.9% y-o-y for the period January to November 2016⁵, the relatively large inventory of hotel rooms continued to weigh down performance of the Singapore hotel market. Headwinds are likely to persist in the near term as corporate demand is expected to remain subdued, compounded by new supply of rooms coming into the market.

² Source: Tourism Research Australia

³ Source: Tourism Australia

⁴ Source: Japan National Tourism Organisation

⁵ Source: Singapore Tourism Board

Mr Tan concluded: "Looking ahead, while Sydney, Melbourne and Japan markets are expected to remain healthy in the near term, Brisbane and Singapore continue facing headwinds. However, the various markets we are in are experiencing different cycles, and we believe that the diversified portfolio can continue to benefit A-HTRUST. The Managers will also continue to explore ways to enhance our portfolio through active asset management and looking out for value accretive acquisitions in our target markets."

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 proximity to central business districts, business precincts, suburban centres, transportation nodes and 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-Singbridge Group

www.ascendas-singbridge.com

Ascendas-Singbridge Group is Asia's leading provider of sustainable urban solutions. With the combined capabilities of Ascendas and Singbridge, the group is uniquely placed to undertake urbanisation projects spanning townships, mixed-use developments and business/industrial parks. Headquartered in Singapore, Ascendas-Singbridge has projects in 29 cities across 10 countries in Asia, including Australia, China, India, Indonesia, Singapore and South Korea.

Ascendas-Singbridge Group has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas. Besides these listed funds – Ascendas REIT, Ascendas India Trust (a-iTrust) and Ascendas Hospitality Trust (A-HTRUST), Ascendas also manages a series of private real estate funds, which hold commercial and industrial assets across Asia.

Jointly owned by Temasek and JTC Corporation (JTC) through a 51:49 partnership, Ascendas-Singbridge Group is the asset and investment holding arm of the integrated urban solutions platform formed by Temasek and JTC to capitalise on urbanisation trends in the region.

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.