



Press Release

For Immediate Release

**A-HTRUST ends FY2017/18 with
3.2% y-o-y growth in DPS**

- DPS for 4Q FY2017/18 improved by 25.5% y-o-y, resulting in full year growth in DPS to 5.86 cents, largely due to fee received in connection with the divestment of China portfolio
- Low gearing to support pursuit of acquisitions

Overview of financial results

S\$' million	4Q FY2017/ 18	4Q FY2016/ 17	Change ¹ (%)	FY2017/ 18	FY2016/ 17	Change ¹ (%)
Gross Revenue ²	54.7	57.4	(4.6)	224.7	224.4	0.1
Net Property Income ²	23.7	25.8	(8.0)	95.7	99.2	(3.5)
Income available for distribution	21.1	16.2	30.7	71.3	67.2	6.1
Income available for distribution (less income retained for working capital) ³	19.5	15.4	26.3	66.2	63.9	3.7
DPS (cents) ³	1.72	1.37	25.5	5.86	5.68	3.2

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

2. Presented on a “same-store” basis inclusive of contribution from China portfolio. The China portfolio was classified as “Profit from discontinued operation, net of tax” following the announcement of the divestment of the two hotels in Beijing dated 29 January 2018.

3. The amount retained from income available for distribution was approximately 7% for FY2017/18 and 5% for FY2016/17.

Singapore, 10 May 2018 – Ascendas Hospitality Trust (“A-HTRUST”) posted higher income available for distribution for the fourth quarter ended 31 March 2018 (“4Q FY2017/18”) despite lower net property income. Income available for distribution grew by 26.3% year-on-year (“y-o-y”) largely due to the inclusion of look fee received in connection with the divestment of the two hotels in Beijing, China¹. Distribution per stapled security (“DPS”) was correspondingly higher by 25.5% y-o-y at 1.72 cents. On a full year basis, A-HTRUST posted a growth of 3.2% y-o-y in DPS to 5.86 cents.

¹ Please refer to the announcement dated 29 January 2018 for further information on the divestment.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “We are pleased to end the year with a higher DPS for the Stapled Securityholders. While certain hotels in the Australia portfolio face headwinds, other hotels in the portfolio continue to trade at a healthy level.

During the quarter, we announced the divestment of the two hotels in China². We believe that we are divesting the China hotels at a compelling price and are pleased that we are able to extract substantial value from selling the two hotels at a significant premium to the latest valuation.

We are also excited about our foray into South Korea with the acquisition of KY-Heritage Hotel Dongdaemun in Seoul, a gateway city in Asia³. The hotel is situated at the prominent Dongdaemun locality, and is well positioned to benefit from the improving hospitality market in Seoul. Upon completion of this acquisition and the divestment of the two hotels in China, gearing of A-HTRUST is expected to be lower and this will support our pursuit for attractive acquisitions that can enhance the quality of the portfolio.”

Portfolio performance

Portfolio of hotels under management agreements

	4Q FY2017/ 18	4Q FY2016/ 17	Change	FY2017/ 18	FY2016/ 17	Change
Australia						
Avg Occupancy Rate (%)	84.1	87.7	(3.6)pp	85.4	84.9	0.5pp
Avg Daily Rate (“ADR”)(AUD)	184	182	1.1%	177	175	1.1%
Revenue per Available Room (“RevPAR”)(AUD)	154	159	(3.1)%	151	149	1.3%
China						
Avg Occupancy Rate (%)	79.7%	76.1	3.6pp	85.4	85.1	0.3pp
ADR (RMB)	417	388	7.5%	421	403	4.5%
RevPAR (RMB)	333	296	12.5%	360	343	5.0%

Australia portfolio posted a weaker performance for 4Q FY2017/18 mainly due to lower contribution from the hotels in Melbourne and Brisbane. Melbourne city saw increased competition for conferences and events (“C&E”) business as the International Convention Centre Sydney (“Sydney ICC”) drew such business away from the city, while oversupply situation persisted in Brisbane. On a positive note, Novotel Sydney Central continued its strong showing as the hotel leveraged on the strong demand to drive rates and occupancy.

² Please refer to the announcement dated 29 January 2018 for further information on the divestment of the two hotels in China.

³ Please refer to the announcement dated 27 April 2018 for further information on the acquisition of KY-Heritage Hotel Dongdaemun.

The China portfolio was able to benefit from healthy public and corporate demand coupled with limited new supply in the city centre to drive performance.

Portfolio of hotels under master leases

The performance of the Japan portfolio was lower than the corresponding period last year mainly due to the ongoing renovation of the rooms in Hotel Sunroute Ariake. The renovation was executed in phases with a number of floors closed off during 4Q FY2017/18.

Park Hotel Clarke Quay demonstrated resilience and was able to maintain a stable performance amidst the current hotel rooms supply overhang in the Singapore hotel market.

Portfolio valuation

After growing by 6.5% last year, the portfolio valuation posted a more modest growth of S\$10.5 million or 0.6% y-o-y to S\$1,634.1 million this year. Net asset value (“NAV”) per Stapled Security as at 31 March 2018 was S\$0.92.

Capital management

Balance sheet remained healthy with gearing ratio of 30.8% as at 31 March 2018. 77.2% of the borrowings are on fixed rates to mitigate against volatile interest rate environment.

Outlook

Demand is expected to remain healthy within Sydney city centre with limited upcoming supply of hotel rooms. However, challenges are expected for hotel markets in suburban Sydney from increased competition. Competition is expected to intensify in the Melbourne hotel market with influx of rooms coming into the market over the next 24 month, while the city will also continue to face competition from Sydney ICC for share of the C&E business. While oversupply situation continue to affect the Brisbane hotel market in the near term, supply growth is expected to ease off after 2018, which will provide reprieve to the hotel market in the city.

Inbound arrivals into Japan continued to grow in 2018, with 15.7% y-o-y increase for the first two months of the year⁴. Inbound arrivals are expected to continue growing, benefitting particularly hotels in Tokyo. Despite upcoming supply of hotel rooms, the hotel market performance for Osaka is expected to remain stable with moderate growth in the near term as inbound visitors to the city is expected to continue supporting the hotel market.

Singapore welcomed a record number of foreigners in 2017, and the positive momentum continued with 7.3% y-o-y increase in the first two months of 2018⁵. Based on forecast from Singapore Tourism Board, international arrivals for 2018 is forecasted to grow by 1% to 4%. As the supply growth tapers off from 2018, the competition in the hotel market is expected to ease.

⁴ Source: Japan National Tourism Organisation.

⁵ Source: Singapore Tourism Board.

The divestment of the two hotels in China and the acquisition of KY-Heritage Hotel Dongdaemun⁶ are expected to be completed by the first quarter of FY2018/19.

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

Media and investor queries:

Mr Chee Kum Tin
Capital Markets & Investor Relations
Direct : +65 6508 4927
Email : kumtin.chee@ascendas-singbridge.com

Ms Susanna Lim San San
Chief Financial Officer
Direct: +65 6508 8585
Email: sansan.lim@ascendas-singbridge.com

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, as well as real estate related assets in connection with the foregoing.

The asset portfolio comprises 11 quality 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.

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.

⁶ Please refer to the announcements dated 29 January 2018 and 27 April 2018 for further information on the divestment of the two hotels in China and acquisition of KY-Heritage Hotel Dongdaemun, respectively.

About Ascendas-Singbridge Group

www.ascendas-singbridge.com

Ascendas-Singbridge Group is Asia's leading sustainable urban development and business space solutions provider with Assets Under Management exceeding S\$20 billion.

Jointly owned by Temasek Holdings and JTC Corporation through a 51:49 partnership, the Group undertakes urbanisation projects spanning townships, mixed-use developments and business/industrial parks. Headquartered in Singapore, Ascendas-Singbridge has projects in 29 cities across 9 countries in Asia, including Australia, China, India, Indonesia, Singapore and South Korea.

Ascendas-Singbridge holds commercial, hospitality and industrial assets across Asia Pacific. It has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas, namely Ascendas Reit (a Straits Times Index component stock), Ascendas India Trust and Ascendas Hospitality Trust. Besides these listed funds, it also manages a series of private real estate funds.

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.