

## Press Release

For Immediate Release

### A-HTRUST grew full year FY2015/16 distributable income by 13.2% y-o-y

- Including portion of proceeds from divestment of Pullman Cairns, distributable income for 4QFY2015/16 and FY2015/16 grew by 10.2% and 13.2% y-o-y, respectively
- DPS for 4QFY2015/16 grew by 4.0%, resulting in full year DPS growth of 6.9%
- Portfolio valuation up by 14.0%, on a same store basis, to S\$1,524.7 million

#### Overview of financial results

| S\$' million   | 4Q<br>FY2015/<br>16 | 4Q<br>FY2014/<br>15 | Change | FY2015/<br>16 | FY2014/<br>15 | Change |
|--|---------------------|---------------------|--------|---------------|---------------|--------|
| Gross Revenue  | 52.9                | 54.5                | (3.0)% | 215.1         | 227.1         | (5.3)% |
| Net Property Income  | 23.4                | 22.6                | 3.5%   | 90.9          | 93.3          | (2.7)% |
| Income available for<br>distribution   | 15.4                | 14.0                | 10.2%  | 63.7          | 56.3          | 13.2   |
| - Operation  | 14.7                | 14.0                | 5.2%   | 61.7          | 56.3          | 9.6%   |
| - Proceeds from<br>Divestment  | 0.7                 | -                   | -      | 2.0           | -             | -      |
| Income available for<br>distribution<br>(less 5% income retained<br>for working capital) | 14.6                | 14.0                | 4.3%   | 60.5          | 56.3          | 7.6%   |
| DPS (cents)  | 1.30                | 1.25                | 4.0%   | 5.41          | 5.06          | 6.9%   |

**Singapore, 12 May 2016** – Ascendas Hospitality Trust (“A-HTRUST”) posted 10.2% year-on-year (“y-o-y”) improvement in income available for distribution in the fourth quarter ended 31 March 2016 (“4Q FY2015/16”), mainly due to improvement in net property income (“NPI”) and including a portion of proceeds from the divestment of the Pullman Cairns International. After retaining income for working capital purposes, distribution per stapled security (“DPS”) for 4Q FY2015/16 improved by 4.0% y-o-y to 1.30 cents. As a result, DPS for FY2015/16 grew by 6.9% to 5.41 cents. Without the retention of income in FY2015/16, DPS would have been 5.68 cents, an increase of 12.3% compared to last year.

Although gross revenue for 4Q FY2015/16 declined by 3.0% y-o-y, NPI improved 3.5% y-o-y, mainly due to improved margins of the Australia and China portfolios and the contribution of variable rent from Hotel Sunroute Ariake. The decline in gross revenue was mainly due to the lower contribution from the Pullman & Mercure Brisbane King George Square (“Brisbane Hotel”) and Park Hotel Clarke Quay, compounded by a weaker Australian Dollar (“AUD”) against the Singapore Dollar (“SGD”).

## Portfolio performance

|   | 4Q<br>FY2015/<br>16 | 4Q<br>FY2014/<br>15 | Change  | FY2015/<br>16 | FY2014/<br>15 | Change  |
|---|---------------------|---------------------|---------|---------------|---------------|---------|
| <b>Australia</b>                              |                     |                     |         |               |               |         |
| Avg Occupancy Rate (%)                        | 83.8                | 86.1                | (2.3)pp | 83.3          | 84.0          | (0.7)pp |
| Avg Daily Rate<br>("ADR")(AUD)                | 179                 | 178                 | 0.6%    | 174           | 173           | 0.6%    |
| Revenue per Available<br>Room ("RevPAR")(AUD) | 150                 | 154                 | (2.6)%  | 145           | 145           | -       |
| <b>China</b>                                  |                     |                     |         |               |               |         |
| Avg Occupancy Rate (%)                        | 74.0                | 74.7                | (0.7)pp | 81.9          | 81.9          | -       |
| ADR (RMB)                                     | 398                 | 379                 | 5.0%    | 408           | 402           | 1.5%    |
| RevPAR (RMB)                                  | 294                 | 283                 | 3.9%    | 334           | 330           | 1.2%    |

Excluding the Brisbane Hotel, the performance of the Australia portfolio in 4Q FY2015/16 was stable. For the full year, hotels in Sydney and Melbourne recorded strong growth. The Sydney hotels benefitted from strong demand in both corporate and leisure segments while the Pullman & Mercure Melbourne Albert Park added another airline crew contract. The Brisbane Hotel, on the other hand, continued to be impacted by the oversupply of hotel rooms.

The China portfolio continued to improve despite challenging conditions, posting a RevPAR growth of 3.9% y-o-y in 4Q FY2015/16, ending the year with a RevPAR growth of 1.2% y-o-y. In 4Q FY2015/16, net property income derived from the China portfolio improved mainly due to leasing of space to convenience store and an F&B outlet and absence of once-off expense incurred in the corresponding quarter.

Benefitting from the buoyant hospitality sector in Japan, Oakwood Apartments Ariake Tokyo posted a strong performance with RevPAR improving by 13.7% y-o-y in the fourth quarter, resulting in RevPAR growth of 23.3% y-o-y in FY2015/16. For the first time, Hotel Sunroute Ariake contributed variable rent, amounting to S\$1.3 million.

Income derived from Park Hotel Clarke Quay in Singapore for 4Q FY2015/16 was lower y-o-y. The hotel saw weak corporate segment demand during the quarter, as the hotel sector in Singapore continued to remain challenging.

## Portfolio Valuation

Portfolio valuation was S\$1,524.7 million as at 31 March 2016, an increase of 14.0%, on a same store basis<sup>1</sup>, largely driven by the increase in valuation of the Japan portfolio. Net asset value per Stapled Security was S\$0.86 as at 31 March 2016, representing an increase of 16.2% compared to S\$0.74 as at 31 March 2015.

<sup>1</sup> Excluding Pullman Cairns International which was divested in June 2015, the valuation of the portfolio as at 31 March 2015 was approximately S\$1,338 million

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “The increase in portfolio valuation demonstrated the quality of the portfolio. The Japan portfolio, which was one of the key drivers for the valuation uplift, increased significantly by 54.2% to S\$472.3 million. While this was partly due to the buoyant hospitality sector in Japan in general, it was also a reflection of effective asset management strategies. Hotel Sunroute Osaka Namba underwent a three-month refurbishment to reposition the hotel and with effect from 1 January 2016, the hotel also operated under an improved rent structure. Hotel Sunroute Ariake has also performed strongly, contributing variable rent to A-HTRUST for the first time in FY2015/16.

We will continue to explore opportunities to improve performance of the hotels and to enhance the value of the portfolio. Currently, the rooms in Courtyard by Marriott North Ryde and Pullman & Mercure Brisbane King George Square are being refurbished, so as to ensure that the hotels remain competitive.”

### **Capital management**

As at 31 March 2016, A-HTRUST’s financial position remained healthy with a gearing ratio of 32.7%. The effective interest rate was relatively stable at 3.4%, with 91.2% of total borrowings with fixed interest rates. During the quarter, AUD 70 million of borrowings were refinanced which extended the weighted average tenor of the borrowings to approximately 2.6 years.

### **Outlook**

The tourism sector in Australia continued to see steady growth on both foreign and domestic fronts. The Australian hotel market, in general, is expected to benefit from the continued growth in both international arrivals and domestic travelling, as AUD remained relatively weak. However, the performance of the hotel market in Brisbane is expected to remain soft against a backdrop of increased supply in hotel rooms.

Looking ahead, oversupply of hotel rooms in Beijing is expected to continue affecting the market in the near term. However, the tourism sector will continue to be supported by domestic travel.

In Japan, with the goal of 20 million foreign visitors achieved ahead of schedule, the government has doubled the target to 40 million by 2020<sup>2</sup>. Some of the initiatives to achieve the new target included campaigns to attract more visitors from Europe, and the United States and Australia<sup>4</sup>. The number of international visitors to Japan continued its growth momentum with 39.3% increase y-o-y in the first three months of 2016<sup>3</sup>.

The number of international visitors to Singapore was forecasted to remain stable at between 15.2 and 15.7 million in 2016, and the year got off to an encouraging start posting a y-o-y increase of 12.3% YTD February<sup>4</sup>. However, supply of new hotel rooms may continue to impede the performance of the general hotel market. Demand from corporate is also

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<sup>2</sup> Source: Article from [www.japantimes.co.jp](http://www.japantimes.co.jp) dated 30 March 2016 – “Japan doubles overseas tourist target for 2020”

<sup>3</sup> Source: Japan National Tourism Organisation

<sup>4</sup> Source: Singapore Tourism Board

expected to remain weak in the near term. To support the tourism sector, the government will continue to drive arrivals through initiatives such as marketing in new source cities in key markets as well as global campaigns to position Singapore as a top business destination<sup>5</sup>.

Mr Tan added: “In FY2015/16, the effectiveness of the diversification strategy that A-HTRUST has adopted was more apparent as we witnessed that the slower growth in the Singapore and Beijing hotel markets is compensated by positive growth in the hotel markets of Sydney, Melbourne, Osaka and Tokyo. The NPI derived from the hotels in these cities contributed to the majority of the distribution income. In addition, the hotels under master lease arrangements, which formed close to 40% of the portfolio NPI, have contributed more, through variable income in addition to the fixed rent, providing a boost to the growth. We are also looking forward to stronger contributions from the hotel in Osaka in the coming year.

Moving into the new financial year, we will continue to build on the performance of the portfolio in FY2015/16 and strive to develop a sustainable growth platform to deliver long-term value to stapled securityholders.”

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

## **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, Hotel Sunroute Osaka Namba 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](http://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.