

Press Release

For Immediate Release

A-HTRUST improves NPI by 5.5% for 1Q FY2016/17

- Improved rent structure under new master lease agreement resulted in stronger contribution from Hotel Sunroute Osaka Namba, helping to boost NPI by 5.5% y-o-y
- Distributable income and DPS recorded sixth consecutive quarter of y-o-y improvement growing by 1.6% y-o-y and 0.8% y-o-y respectively, in 1Q FY2016/17

Overview of financial results

S\$' million	1Q FY2016/17	1Q FY2015/16	Change
Gross Revenue	52.4	52.8	(0.8)%
Net Property Income	22.6	21.4	5.5%
Income available for distribution	15.2	15.0	1.3%
Income available for distribution (less 5% income retained for working capital)	14.5	14.2	1.6%
Distribution per stapled security (cents)	1.29	1.28	0.8%

Singapore, 4 August 2016 – Ascendas Hospitality Trust (“A-HTRUST”) posted an improvement of 5.5% year-on-year (“y-o-y”) in net property income (“NPI”) for the first quarter ended 30 June 2016 (“1Q FY2016/17”), although gross revenue declined marginally by 0.8% y-o-y. The decline in gross revenue was mainly due to weaker Australian Dollar (“AUD”) and Renminbi (“RMB”) against the Singapore Dollar (“SGD”), partially offset by the strengthening of Japanese Yen (“JPY”) against SGD. Despite the decline in gross revenue, NPI improved due to higher contribution from Hotel Sunroute Osaka Namba.

Income available for distribution, net of retention of income for working capital purpose, for 1Q FY2016/17 grew by 1.6% y-o-y to S\$14.5 million. This was mainly due to higher NPI for 1Q FY2016/17 but partially offset by realised loss in relation to currency forward contracts. Distribution per stapled security (“DPS”) improved by 0.8% y-o-y to 1.29 cents for 1Q FY2016/17.

Portfolio performance

	1Q FY2016/17	1Q FY2015/16	Change
Australia			
Average Occupancy Rate (%)	81.3	81.8	(0.5)pp
Average Daily Rate ("ADR")(AUD)	168	164	2.4%
Revenue per Available Room ("RevPAR")(AUD)	137	134	1.7%
China			
Average Occupancy Rate (%)	86.5	82.9	3.6pp
ADR (RMB)	412	419	(1.7)%
RevPAR (RMB)	357	347	2.9%

All hotels in the Australia portfolio recorded better performance in 1Q FY2016/17 compared to 1Q FY2015/16, except for Courtyard by Marriott North Ryde ("CMNR"), and Pullman and Mercure Brisbane King George Square ("Brisbane Hotel"). CMNR was affected by closure of rooms for refurbishment purposes as well as opening of a new hotel in the vicinity. The Brisbane Hotel started refurbishment of rooms in April 2016 and also continued to be impacted by the oversupply situation in the city. The other hotels showed strong performance due to higher demand for rooms and more conferencing and event business. Novotel Sydney Central and Pullman and Mercure Melbourne Albert Park also benefitted from new aircrew contracts.

The hotels in China posted an improved performance in 1Q FY2016/17 as overall RevPAR grew 2.9% y-o-y, mainly due to the successful execution of volume strategy for Novotel Beijing Sanyuan in driving occupancy. In addition, leasing of space in Ibis Beijing Sanyuan to a convenient store and a local eatery has contributed to higher NPI for 1Q FY2016/17 in RMB terms.

Japan portfolio posted strong performance in 1Q FY2016/17, growing NPI by 22.3% y-o-y in JPY terms. This was mainly driven by improvement in performance for Hotel Sunroute Osaka Namba as a result of the improved rent structure under the new master lease, increasing its NPI by 66.9% y-o-y. Oakwood Apartments Ariake Tokyo also posted improvement in RevPAR of 7.2% y-o-y.

Contribution from Park Hotel Clarke Quay in Singapore was marginally down compared to the corresponding quarter last year as a result of subdued corporate travelling. The hotel also incurred higher commission costs in its effort to increase bookings through online travel agent.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “Despite the sale of Pullman Cairns International, the overall portfolio recorded NPI growth of 5.5% y-o-y in 1QFY2016/17. On a same store basis¹, NPI for this quarter has improved by 7.3% y-o-y.

We are heartened by the strong performance recorded by the Japan portfolio which posted 22.3% y-o-y improvement in NPI in JPY terms. This was largely driven by Hotel Sunroute Osaka Namba, which benefitted from the recent refurbishment and improved rent structure, which now included a variable rent component, to contribute significantly higher this quarter following its reopening on 1 April 2016. Oakwood Apartments Ariake Tokyo also continued its growth trend with a RevPAR improvement of 7.2% y-o-y.

As part of our asset management initiatives, the rooms in Courtyard by Marriott North Ryde are being refreshed during 1Q FY2016/17 which is a low season for the hotel. The refurbishments of all the rooms are scheduled to be completed by the peak season, typically between September and November, so that the new product can be offered to compete better.”

Capital management

As at 30 June 2016, A-HTRUST’s financial position remained healthy with a gearing ratio of 33.2%. The effective interest rate remained at 3.4% while weighted average tenor of the borrowings was approximately 2.3 years. As at 30 June 2016, 90.5% of total borrowings are on fixed interest rates.

Mr Tan added: “In line with our proactive and prudent capital management approach, we have been in discussions to refinance certain borrowings due in the first half of 2017, and are in an advanced stage of discussion. The refinancing should lower our cost of borrowings and also extend the overall weighted average debt to maturity for our borrowings.”

Outlook

The weak AUD is expected to drive both international arrivals and domestic travelling in Australia. This in turn will benefit the Australia hotel market in general. Sydney and Melbourne in particular are expected to remain attractive in the near term given their positions as major corporate centres and leisure destinations, with relatively modest supply of new hotel rooms². However, the supply of new hotel rooms in Brisbane is expected to continue in the near term hence, the accommodation business in the city is likely to remain soft.

While the increased competition in the Beijing hotel market is expected to moderate its performance in the near term, the market will continue to be supported by domestic travel. The Beijing railway network will be expanded over the next five years which will enhance accessibility of Beijing and help to boost domestic travelling to the capital city of China.

¹ Excluding Pullman Cairns International which was divested in June 2015

² Source: Jones Lang LaSalle

Inbound visitors to Japan continue to remain strong, improving by 29.1% y-o-y for the period YTD May 2016³. In Osaka, the recent opening of the new “Flying Dinosaur” attraction, a popular roller coaster ride, in Universal Studio Japan is expected to attract more visitors to the theme park, boosting the number of travellers to the city. While the outlook for the sector is expected to remain positive in the near term, the recent appreciation trend of JPY may affect travelling sentiments and discourage inbound travelling to the country.

Despite the encouraging growth in inbound visitors to Singapore for the period YTD May 2016 of 13.3% y-o-y⁴, the hotel market in general will be challenging in the short term. The hotel market performance is expected to be affected by weakness in corporate demand compounded by the increased competition from the supply of new hotel rooms.

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

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³ Source: Japan National Tourism Organisation

⁴ Source: Singapore Tourism Board

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, 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

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.