



Press Release

For Immediate Release

**A-HTRUST reports 3.1% increase in DPS
y-o-y for 1Q FY2018/19**

- DPS increased by 3.1% y-o-y, mainly due to distribution of partial proceeds from the divestment of hotels in Beijing and lower net finance costs
- Substantial value created via the divestment of China portfolio, as NAV per stapled security increased by almost 10% compared to previous quarter
- A-HTRUST maintains momentum in seeking investment opportunities to further enhance income stability, portfolio diversification and value creation

Overview of financial results

S\$' million	1Q FY2018/19	1Q FY2017/18	Change ¹ (%)
Gross Revenue ²	48.2	53.5	(9.8)
Net Property Income ²	20.2	22.3	(9.3)
Income available for distribution	16.4	15.8	3.9
Income available for distribution (less income retained for working capital) ³	15.3	14.7	3.8
DPS (cents) ³	1.35	1.31	3.1

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. The divestment was completed on 18 May 2018.

3. The amount retained from income available for distribution was approximately 7% for 1Q FY2018/19 and 1Q FY2017/18.

Singapore, 2 August 2018 – Ascendas Hospitality Trust (“A-HTRUST”) started the financial year with a higher year-on-year (“y-o-y”) distribution income for the first quarter ended 30 June 2018 (“1Q FY2018/19”). This was largely due to the partial distribution of the proceeds from the divestment of the two hotels in Beijing (“Divestment”) and lower net finance costs. As a result, distribution per stapled security (“DPS”) increased by 3.1% y-o-y to 1.35 cents for 1Q FY2018/19.

Gross revenue and net property income (“NPI”) were lower due to lower contribution from the Australia portfolio and partial loss of income arising from the Divestment. In addition, Australian Dollar (“AUD”) and Japanese Yen (“JPY”) were weaker against Singapore Dollar (“SGD”).

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “During the quarter, we completed the divestment of the two hotels in Beijing and the acquisition of The Splaisir Seoul Dongdaemun¹, and announced the acquisition of the portfolio of hotels in Osaka. We are pleased to be able to seek out accretive acquisitions in keeping up the growth momentum.

The proceeds from the Divestment was substantially used to pare down bank borrowings and fund the acquisition in Seoul. Part of the proceeds will be distributed to Stapled Securityholders in FY2018/19 to mitigate the dip in income as result of the Divestment. The Divestment allowed us to realise substantial value and redeploy the capital into The Splaisir Seoul Dongdaemun, which is freehold and well positioned for value creation. The Divestment also resulted in a significant increase in net asset value per stapled security to S\$1.01, and at the same time, lowered our gearing ratio to 23.7%, providing headroom for further acquisitions to support growth.”

Portfolio performance

Portfolio of hotels under management agreements

	1Q FY2018/19	1Q FY2017/18	Change
Australia			
Avg Occupancy Rate (%)	82.1	83.3	(1.2)pp
Avg Daily Rate (“ADR”)(AUD)	165	170	(2.9)%
Revenue per Available Room (“RevPAR”)(AUD)	136	141	(3.5)%

In 1Q FY2018/19, the hotels in Sydney experienced weakness in market conditions and contributed lower NPI with the exception of Courtyard by Marriott Sydney-North Ryde, which continued to improve following the major refurbishment in 2016. The hotel in Melbourne was affected by a weaker conferences and events (“C&E”) business in the city, but managed to secure an aircrew contract in 1Q FY2018/19. While the Brisbane hotel continued to operate in a challenging market, the hotel also managed to secure aircrew contracts in 1Q FY2018/19. These aircrew contracts would provide a base load of demand for the hotels.

Portfolio of hotels under master leases

The variable rent, if any, for Hotel Sunroute Ariake, is payable in fourth quarter of the financial year. As such, the extension of the master lease to the serviced apartment component (previously under management contract) of Hotel Sunroute Ariake resulted in the slightly lower NPI for 1QFY2018/19 from Hotel Sunroute Ariake due to absence of variable rent in the quarter. The renovation of rooms in Hotel Sunroute Ariake was completed recently and Hotel Sunroute Osaka Namba posted an improvement y-o-y.

The Splaisir Seoul Dongdaemun in South Korea started contributing to A-HTRUST following the completion of the acquisition on 21 May 2018. Park Hotel Clarke Quay in Singapore continued

¹ Previously known as KY-Heritage Hotel Dongdaemun.

its growth trend from the last financial year, contributing higher NPI by 6.0% y-o-y, as supply of new hotel rooms begin to ease.

Capital management

Following the receipt of proceeds from the Divestment and the repayment of bank borrowings, gearing ratio was low at 23.7% as at 30 June 2018. In 1Q FY2018/19, weighted average interest rate was also lower at 2.4% compared to 2.8% a year ago. As at 30 June 2018, proportion of borrowings on fixed rates remained high at 90.5%.

Outlook

The market condition in Sydney is expected to remain competitive. While demand is expected to remain healthy in the near term, increase in hotel rooms inventory in the city may moderate growth. As Melbourne is faced with more supply of hotel rooms in the next 12 months and competes for C&E business with Sydney, the performance of the hotel market is expected to be moderate in the short term. In the coming year, the increasingly competitive environment in Brisbane will continue to exert pressure on the performance of the hotel market.

Inbound arrivals to Japan recorded a y-o-y increase of 15.6% for YTD June 2018². As international inbound arrivals to Tokyo and Osaka continue to grow, this is expected to support the hotel markets in these cities. However, the recent earthquake in Osaka and the adverse weather that affected certain parts of Japan may dampen travel sentiments into the country temporarily. On the supply front, stricter laws recently implemented on private home rentals are likely to lessen their adverse impact on the hotel market in Japan.

Inbound arrivals to South Korea continue to improve and posted y-o-y growth of 6.9% for YTD June 2018³. This will help to lift the performance of the hotel market which endured a challenging year in 2017. Inbound arrivals from the key source market of China recorded a fourth consecutive month of y-o-y growth in June 2018, while effective marketing efforts saw strong growth in visitorship from South East Asian countries such as Malaysia, Thailand and Vietnam⁴.

The number of international visitors to Singapore kept up the momentum following a record year last year and posted y-o-y growth of 7.6% YTD June 2018⁵. As supply of new hotel rooms begin to taper, the performance of the hotel market in Singapore is expected to recover.

Mr Tan concluded: "Our recent acquisitions are a reinforcement of our strategy to invest in a stable and well-diversified portfolio. Further, through these acquisitions, we have also reconfigured the portfolio by improving income stability through master leases and further diversification into improving markets. Gearing is expected to remain healthy after the

² Source: Japan National Tourism Organization.

³ Source: Korea Tourism Organization.

⁴ Source: Korea Tourism Organization.

⁵ Source: Singapore Tourism Board.

acquisition in Osaka, which can support further growth as we continue looking out for assets that can enhance the portfolio.

While some of our Australia hotels currently experience challenges, we continue to be confident in the long term prospects of Australia in general, given the sound fundamentals of its hospitality market.”

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

The asset portfolio comprises 10 quality hotels with approximately 4,000 rooms geographically diversified across key cities in Australia, South Korea, Japan and Singapore; and located in 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.

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 28 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.