



Press Release

For Immediate Release

A-HTRUST posts DPS increase of 2.8% y-o-y to 1.46 cents for 2Q FY2018/19

- DPS increased by 2.8% y-o-y as a result of savings in net finance costs as well as partial distribution of the proceeds from the divestment of hotels in Beijing
- Recently completed the acquisition of two freehold hotels in Osaka which will help boost income to A-HTRUST

Overview of financial results

S\$' million	2Q FY2018/ 19	2Q FY2017/ 18	Change ¹ (%)	1H FY2018/ 19	1H FY2017/ 18	Change ¹ (%)
Gross Revenue ²	46.4	52.7	(11.9)	91.3	100.7	(9.3)
Net Property Income ²	20.5	22.1	(7.5)	39.2	42.1	(6.9)
Income available for distribution	17.8	17.2	3.6	34.3	33.0	3.7
Income available for distribution (less income retained for working capital) ³	16.6	16.1	3.0	31.9	30.8	3.4
DPS (cents) ³	1.46	1.42	2.8	2.81	2.73	2.9

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

2. Gross revenue and net property income for the corresponding period last year excluded contribution from the China portfolio. The divestment of the China portfolio was completed on 18 May 2018.

3. Retention of income for 2Q FY2018/19 and 1H FY2018/19 was based on 7.0%, while retention of income for 2Q FY2017/18 and 1H FY2017/18 was based on 6.4% and 6.7% of distributable income respectively.

Singapore, 31 October 2018 – Ascendas Hospitality Trust (“A-HTRUST”) posted a year-on-year (“y-o-y”) increase of 3.0% for income available for distribution for the second quarter ended 30 September 2018 (“2Q FY2018/19”). The improvement was attributed to savings in net finance costs and partial distribution of the proceeds from the divestment of the two hotels in Beijing (“Divestment’). Correspondingly, distribution per stapled security (“DPS”) for 2Q FY2018/19 increased by 2.8% y-o-y to 1.46 cents.

Net property income (“NPI”) was lower mainly due to the performance of the Australia portfolio. The Australia portfolio was affected by challenging market conditions as well as the 7% depreciation of the Australian Dollar (“AUD”) against Singapore Dollar (“SGD”).

Portfolio performance

Portfolio of hotels under management agreements

	2Q FY2018/ 19	2Q FY2017/ 18	Change	1H FY2018/ 19	1H FY2017/ 18	Change
Australia						
Avg Occupancy Rate (%)	85.8	87.6	(1.8)pp	84.0	85.5	(1.5)pp
Avg Daily Rate ("ADR")(AUD)	164	169	(3.0)%	165	169	(2.4)%
Revenue per Available Room ("RevPAR")(AUD)	141	148	(4.7)%	138	145	(4.8)%

Amidst new supply of rooms in Sydney, Pullman Sydney Hyde Park and Novotel Sydney Central managed to maintain a high average occupancy at close to 90% but were affected by lower room rates. The hotels in Melbourne and Brisbane also had healthy occupancy at around mid-80%. However, lower room rates and loss of conferences and events ("C&E") business affected the performance of these hotels.

Portfolio of hotels under master leases

During the quarter, Osaka was affected by a powerful earthquake as well as a strong typhoon that resulted in the temporary closure of Kansai International Airport. Despite these occurrences, the Japan portfolio demonstrated resilience and its performance in 2Q FY2018/19 was only marginally weaker y-o-y.

The Splaisir Seoul Dongdaemun in South Korea contributed a full quarter to A-HTRUST following its acquisition in May 2018. While the hotel has not started contributing variable rent, the underlying performance of the hotel continued to show encouraging growth with improvements in both occupancy and room rates. The performance of Park Hotel Clarke Quay in Singapore is consistent with the recovering hotel market in Singapore as it posted another quarter of improvement.

Capital management

Following the refinancing of AUD borrowings during the quarter, the weighted average tenor of the borrowings was extended to 4.0 years as at 30 September 2018. As at 30 September 2018, gearing remained relatively low at 30.8%, while 78.3% of borrowings are on fixed rates. There was also significant savings in finance costs of approximately S\$2.0 million as a result of repayment of loans in the previous quarter.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: "Despite a challenging quarter for our Australia portfolio, we are able to deliver higher DPS for the stapled securityholders. During the quarter, we also completed the acquisitions of Hotel WBF Kitasemba East and Hotel WBF Kitasemba West. Together with the recent acquisition of the hotel in Seoul, these hotels will boost the income to A-HTRUST and provide added income stability. We continue to

diversify and enhance the portfolio, and we expect to complete the acquisition of Hotel WBF Honmachi by December 2018.”

Outlook

The soft market conditions in Sydney are expected to persist in the near term and this will continue to exert pressure on the hotel market in the city. The hotel market in Melbourne is faced with large supply of new rooms over the next few years and the city also continues to experience strong competition from Sydney for C&E business. While supply of new hotel rooms in Brisbane is expected to moderate, the hotel market remains challenging in the near term due to the recent increase in room inventory.

Over the past few months, Japan was affected by strong earthquakes and typhoons. As a result, travelling sentiments into the country have turned cautious. The hotel markets in Tokyo and Osaka are also faced with increasing supply of rooms although stricter regulations for “minpaku” (private lodging) may provide some respite.

South Korea continued to post strong recovery in inbound arrivals with a growth of 12.1% y-o-y for YTD September 2018¹ amidst improving ties with its neighbouring countries. Inbound from China, its top source market, posted its seventh consecutive month of y-o-y growth in September resulting in an improvement of 9.4% y-o-y for YTD September 2018¹. The country also saw healthy growth from its other key source markets as well as the South East Asia region. Majority of the inbound arrivals into South Korea are to Seoul and as inbound arrivals continue to improve, they will benefit the hotel market in the city.

Inbound arrivals to Singapore posted an increase of 7.5% y-o-y for YTD August 2018². The encouraging trend for inbound arrivals will improve the performance of the hotel market in Singapore as it continues to recover, with a market-wide RevPAR growth of 3.5% y-o-y for YTD August 2018². As supply of new hotel rooms tapers, the growth in inbound arrivals will continue to drive the recovery of the hotel market.

Mr Tan concluded: “While the Australia portfolio is currently going through a challenging period, we continue to be positive on the longer term prospects of the Australian markets we are in. Sydney and Melbourne are key financial centres and popular leisure destinations, while Brisbane is also expected to benefit from the significant infrastructure investments in the city. Such projects include the proposed development of the new state-of-the-art “Brisbane Live” entertainment precinct near our hotel as well as the ongoing construction of Queen’s Wharf Brisbane, a A\$3.0 billion integrated resort development.

The diversity of the portfolio will also benefit A-HTRUST as its hotels in Seoul and Singapore are expected to benefit from the recovering hotel markets in these cities. While the Japan market experienced a temporary setback due to recent events, the Japan portfolio showed resilience

¹ Source: Korea Tourism Organization.

² Source: Singapore Tourism Board.

and Japan remains a key market for us. Through the new acquisitions in South Korea and Japan, we also continued to diversify the portfolio.

In the meantime, we will continue to work closely with our hotel operators to drive the performance of the portfolio while looking out for asset enhancement opportunities. On this front, the cafe at the hotel in Brisbane will be revamped to feature a more open concept to attract customers, while a storage space at the Melbourne hotel is proposed to be converted into a bar to create an additional income stream. Novotel Sydney Parramatta will also commence refurbishment of its rooms in early 2019 to refresh the product offering and improve its competitiveness.”

A copy of the full results announcement is available at www.sqx.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

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 12 quality hotels with more than 4,000 rooms geographically diversified across key cities in Australia, Japan, South Korea 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 a leading provider of sustainable urban development and business space solutions with Assets Under Management exceeding S\$20 billion.

Jointly owned by Temasek Holdings and JTC Corporation, Ascendas-Singbridge Group undertakes projects spanning townships, mixed-use developments, business/industrial parks, offices, hotels and warehouses. Headquartered in Singapore, the Group has a presence across 11 countries in Asia, Australia, Europe and the United States of America.

Ascendas-Singbridge Group has deep capabilities in real estate fund management, holding commercial, hospitality and industrial assets. 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.