

PRESS RELEASE

For Immediate Release

DPS for A-HTRUST up by 2.8% y-o-y to 1.45 cents for 3Q FY2018/19

- Income available for distribution improved by 3.4% y-o-y mainly due to lower expenses and lower net financing costs
- A-HTRUST continued the growth momentum in 3Q FY2018/19, adding two new hotels including its second hotel in Seoul
- NPI contribution from new hotels made up for loss of NPI from the sale of China hotels

Overview of financial results

S\$' million	3Q FY2018/ 19	3Q FY2017/ 18	Change ¹ (%)	3Q YTD FY2018/ 19	3Q YTD FY2017/ 18	Change ¹ (%)
Gross Revenue ²	50.1	52.8	(5.1)	141.4	153.5	(7.9)
Net Property Income ²	23.2	23.2	0.0	62.4	65.3	(4.5)
Income available for distribution	17.7	17.2	3.4	52.0	50.2	3.6
Income available for distribution (less income retained for working capital) ³	16.5	16.0	3.1	48.3	46.8	3.3
DPS (cents) ³	1.45	1.41	2.8	4.26	4.14	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, which was divested on 18 May 2018. Including contribution from the China portfolio, gross revenue and NPI for 3Q FY2017/18 were S\$58.1 million and S\$25.2 million, respectively, gross revenue and NPI for 3Q YTD FY2018/19 were S\$144.8 million and S\$63.9 million, respectively, and gross revenue and NPI for 3Q YTD FY2017/18 were S\$170.0 million and S\$72.0 million, respectively.
3. Retention of distributable income for 3Q FY2018/19 and 3Q YTD FY2018/19 was 7.2% and 7.1% respectively, while retention of distributable income for 3Q FY2017/18 and 3Q YTD FY2017/18 was 7.0% and 6.8% respectively.

29 January 2019, Singapore – Ascendas Hospitality Trust (“A-HTRUST”) posted 2.8% year-on-year (“y-o-y”) improvement in distribution per stapled security (“DPS”) for the third quarter ended 31 December 2018 (“3Q FY2018/19”). This was mainly attributed to the absence of due diligence costs incurred in the corresponding quarter last financial year in relation to a proposed acquisition which did not materialise, as well as lower net financing costs.

Excluding the net property income (“NPI”) from the China portfolio in the corresponding quarter last year, NPI for A-HTRUST in 3Q FY2018/19 was stable. In 3Q FY2018/19, the contribution from the newly

acquired hotels made up for loss of NPI resulting from the sale of China hotels. The Australia portfolio contributed lower in 3Q FY2018/19, which was also impacted by the depreciating Australian Dollar (“AUD”) against Singapore Dollar (“SGD”).

Portfolio performance

Portfolio of hotels under management agreements

	3Q FY2018/ 19	3Q FY2017/ 18	Change	3Q YTD FY2018/ 19	3Q YTD FY2017/ 18	Change
Australia						
Avg Occupancy Rate (%)	86.0	86.7	(0.7)pp	84.6	85.8	(1.2)pp
Avg Daily Rate (“ADR”) (AUD)	179	184	(2.7)%	169	174	(2.9)%
Revenue per Available Room (“RevPAR”) (AUD)	154	160	(3.8)%	143	150	(4.7)%

Despite new supply of rooms, average occupancy rate for the A-HTRUST hotels in Sydney remained strong at close to 90%, but room rates were generally softer. Increased supply of rooms and soft conferences and events business have weighed on the performance of the hotels in Melbourne and Brisbane.

Portfolio of hotels under master leases

With the completion of Hotel WBF Kitasemba East and Hotel WBF Kitasemba West in September 2018, these two hotels contributed a full quarter of earnings for 3Q FY2018/19, which resulted in higher NPI from the Japan portfolio.

The Splaisir Seoul Dongdaemun posted another quarter of improved operating performance, driven by both higher occupancy and room rates. Income from the Korea portfolio was also lifted by contribution from Ibis Ambassador Seoul Insadong following the completion of the acquisition on 12 December 2018. Income from Park Hotel Clarke Quay for 3Q FY2018/19 was stable.

Capital management

As at 31 December 2018, gearing remained at a healthy level of 33.1%. Weighted average tenor of borrowings was 3.8 years with no significant refinancing requirement until 2020. Weighted average interest rate was approximately 2.0%, with 81.3% of the borrowings on fixed rates.

Outlook

The domestic travelling and inbound arrivals for Australia is expected to remain healthy in the near term as AUD remains relatively weak. While demand in the Sydney hotel market is expected to be strong in the near term, new supply is also expected to continue. Upcoming new supply of rooms in Melbourne will weigh on the hotel market, amidst intensified competition for C&E business. The Brisbane hotel market is poised for recovery as the new supply of rooms is expected to decline over the coming years.

Despite enduring major earthquakes and typhoons in 2018, inbound arrivals into Japan remained resilient and the country welcomed a record 31.2 million visitors¹. The inbound arrivals are expected to

¹ Source: Japan National Tourism Organization.

continue the growth trend in the near term, and the 6-weeks Rugby World Cup 2019 to be held across 12 venues from September 2019 will boost the hotel market. Up to 1.8 million spectators are estimated to turn up for the tournament, including 400,000 from overseas². In 2019, a substantial supply of new rooms is expected to be added to the Osaka hotel market.

South Korea continued to see recovery in inbound arrivals which increased by 15.1% y-o-y to 15.4 million for 2018³, as its key source markets such as China, Japan, Taiwan and United States posted growth. With moderate new supply in Seoul over the medium term, the expected continual growth in inbound will drive the performance of the Seoul hotel market.

Singapore also posted an increase in inbound arrivals of 6.6% y-o-y to 16.9 million for the period YTD November 2018⁴. With limited new supply projected in the next few years, the performance of the hotel market is expected to continue its recovery trend in the short term.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “Despite challenging market conditions in Australia, we are pleased to announce an increase in distribution as the trust continued to benefit from a diversified portfolio.

During the quarter ended 31 December 2018, A-HTRUST kept up the growth momentum and added a second hotel in Seoul, Ibis Ambassador Seoul Insadong, and Hotel WBF Honmachi in Osaka to its growing portfolio of quality assets. The acquisitions of the five hotels during the year reinforced our diversification strategy and will add further stability to the income stream, and as a result, strengthened the resilience of the portfolio as a whole.”

While we expect to continue facing headwind in the Australia market, contributions from the newly acquired hotels and the diversified nature of the portfolio will help to mitigate the impact.”

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

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² Source: The Economic Impact of Rugby World Cup 2019 by Rugby World Cup 2019 Organising Committee.

³ Source: Korea Tourism Organization.

⁴ Source: Singapore Tourism Board.

About Ascendas Hospitality Trust

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 14 quality hotels with approximately 4,700 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.

www.a-htrust.com

About Ascendas-Singbridge Group

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

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.

www.ascendas-singbridge.com

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 SGXST. 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.