



Press Release

For Immediate Release

A-HTRUST continues growth momentum with a second acquisition in Seoul

- Expands presence in Seoul, a gateway city in Asia with good growth prospects
- Hotel is conveniently located near major business district and prominent tourist attractions
- Established South Korean operator and ability to tap on AccorHotels' extensive network
- Master lease arrangement further strengthens cashflow to A-HTRUST
- Further diversification of portfolio

Singapore, 28 November 2018 – Ascendas Hospitality Trust (“A-HTRUST”) kept up its acquisition momentum, agreeing to acquire Ibis Ambassador Seoul Insadong (“Hotel”) on 28 November 2018 (“Acquisition”) for KRW77.5 billion (S\$94.5 million)¹. This followed closely after A-HTRUST’s maiden entry into Seoul with the acquisition of The Splaisir Seoul Dongdaemun², as A-HTRUST expands its footprint in the gateway city.



*Ibis Ambassador Seoul Insadong**

The consideration for the Hotel is at a discount of 3.1% to its latest valuation and translates to a pro forma net property income yield of 4.6%. The Acquisition is expected to be fully funded by debt and is expected to be completed by end of December 2018.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers said: “We are pleased to acquire Ibis Ambassador Seoul Insadong, which is strategically located near to a major business district and leisure destinations. As such, the Hotel caters to both business and leisure travellers. We

¹ The Hotel will be acquired via acquisition of interest in Richmond Private Jongno Business Hotel Real Estate Trust No. 1 (“Trust No. 1”) which owns 100% of the Hotel. Ascendas Hospitality Business Trust will acquire 98.8% interest in Trust No. 1 and Ascendas (Korea) Pte. Ltd., a wholly-owned subsidiary of Ascendas Land International Pte Ltd (“ALI”) will acquire the remaining 1.2%. ALI is a controlling stapled securityholder of A-HTRUST and also the Sponsor of A-HTRUST. The consideration for 100% of the Hotel is KRW77.5 billion, to be adjusted for the net working capital of Trust No. 1 as at completion.

² Previously known as KY-Heritage Hotel Dongdaemun.

* Source of image from the websites of the Hotel.

are confident that the operator's deep knowledge of the local market and access to AccorHotels' extensive loyalty programme will drive the performance of the Hotel. In addition, the master lease with a minimum rent also provides further income stability to A-HTRUST.

The hotel market in Seoul has benefitted from the strong recovery in inbound arrivals as a result of, amongst others, marketing campaigns and the draw of Korean culture (Hallyu or Korean Wave). Inbound to South Korea for year-to-date September 2018 climbed 12.1% year-on-year, while visitors from its top source market, China, grew 9.4% year-on-year during the same period³."

Key Highlights

- **Strategic location**

The Hotel is located near a major business district and several prominent tourist attractions, allowing it to capture both leisure and corporate segments. The Hotel is easily accessible via the nearby Jongno 3-ga Station, which connects the Hotel to other parts of Seoul.

- **DPS accretive acquisition**

The Acquisition is expected to be accretive to Stapled Securityholders. On a pro forma basis, assuming A-HTRUST had owned the Hotel since 1 April 2017, the DPS for FY2017/18 would have increased from 5.86 Singapore cents to 5.87 Singapore cents⁴.

- **Well-established operator**

The operator is part of Ambassador Hotel Group, a hotel group in South Korea with approximately 60 years of experience. Ambassador Hotel Group also has a collaboration with AccorHotels via joint investment in a hotel management company. The Hotel can also tap on the extensive loyalty program of AccorHotels which has 41 million members⁵. The Acquisition further diversifies the pool of operators for hotels under master leases, mitigating the concentration of counterparty risks.

- **Improved income stability**

The rent payable is based on pre-determined percentage of the total revenue with a minimum rent payable to A-HTRUST by the operator. The minimum rent helps to mitigate downside risk and provides added stability to the income stream of A-HTRUST. Assuming the Acquisition was completed on 31 March 2018, the weighted average lease expiry of

³ Source: Korea Tourism Organization.

⁴ Please refer to the announcement on the Acquisition dated 18 June 2018 for further details on the financial effects of the Acquisition.

⁵ Source: AccorHotels Annual Report 2017.

the hotels under master leases in A-HTRUST's portfolio increases to approximately 12 years⁶ from approximately 10 years as at 31 March 2018.

- **Relatively new freehold hotel**

The Hotel was completed in 2013 and major capital expenditure is not expected in the near term. The Acquisition also brings the total number of freehold properties to 13 out of 14 hotels in A-HTRUST's portfolio⁷.

Mr Tan added: "We have demonstrated our ability to efficiently redeploy the proceeds from the divestment of the two hotels in Beijing into accretive acquisitions. The acquisitions of The Splasir Seoul Dongdaemun, the three hotels in Osaka and now, Ibis Ambassador Seoul Insadong, will make up for the loss of net property income from the sale of the hotels in Beijing, on a full year basis. In addition, the acquisitions further diversified the portfolio into markets which we believe have good long term growth prospects.

Following the Acquisition, gearing is expected to remain relatively low, thereby providing us debt headroom for further acquisitions. We will maintain a disciplined approach as we continue to seek appropriate acquisitions."

Description of the Hotel



*Bar in the Hotel **

The Hotel is located near Jung-gu, one of the major business districts in Seoul. The Hotel is also conveniently located in close proximity to prominent tourist destinations including the Insadong retail precinct, Changdeokgung Palace and Jongmyo Shrine. Completed in 2013, the facilities offered by the 363-rooms Hotel include a restaurant, a bar, two meeting rooms, a gym, a sauna, as well as 24 carpark spaces.

The Hotel is managed by Ambastel, Inc., which is part of Ambassador Hotel Group, a hotel group which opened its first hotel in the 1950s. Ambassador Hotel Group, which has a collaboration with AccorHotels via a joint investment in a hotel management company, currently operates more than 20 hotels across South Korea.

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

⁶ Based on the fixed rent component of the respective master leases and assuming the Acquisition, the acquisition of The Splasir Seoul Dongdaemun (previously known as KY-Heritage Hotel Dongdaemun) ("Dongdaemun Hotel Acquisition") and the acquisition of the portfolio of hotels in Osaka ("Osaka Portfolio Acquisition") were completed on 31 March 2018. Please refer to the announcements dated 27 April 2018 and 18 June 2018 for further information on the Dongdaemun Hotel Acquisition and Osaka Portfolio Acquisition, respectively.

⁷ Assuming the Osaka Portfolio Acquisition has been completed.

* Source of image from the websites of the Hotel.

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, 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 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.