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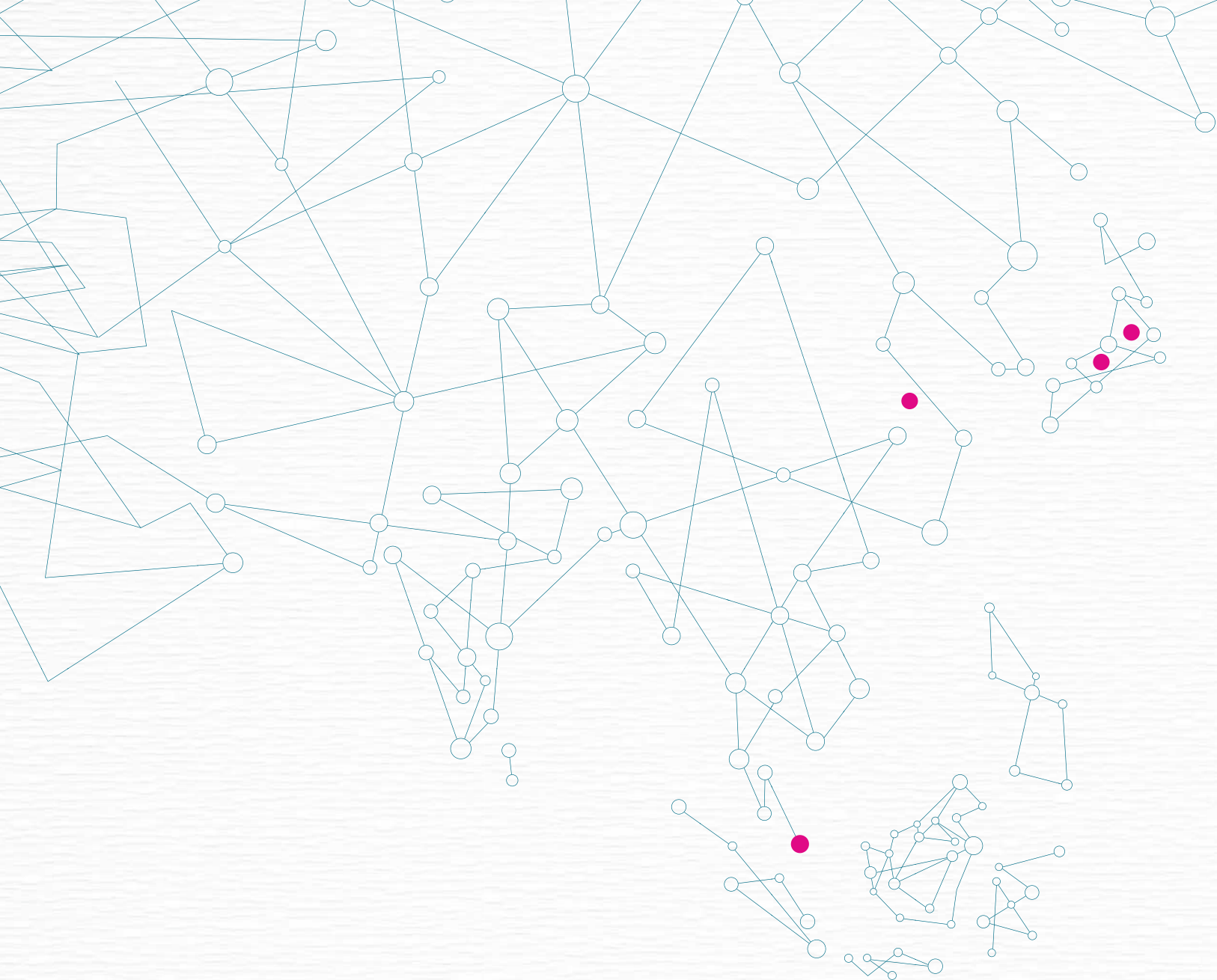
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ascendas hospitality trust

A N N U A L
R E P O R T
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AUSTRALIA

Cairns

Pullman Cairns International*

Brisbane

Pullman and Mercure Brisbane King George Square

Sydney

Pullman Sydney Hyde Park

Novotel Sydney Central

Novotel Sydney Parramatta

Courtyard by Marriott North Ryde

Melbourne

Pullman and Mercure Melbourne Albert Park

CHINA

Beijing

Novotel Beijing Sanyuan

Ibis Beijing Sanyuan

JAPAN

Tokyo

Hotel Sunroute Ariake and

Oakwood Apartments Ariake Tokyo

Osaka

Osaka Namba Washington Hotel Plaza

SINGAPORE

Park Hotel Clarke Quay

* A-HTRUST owns 50% of Pullman Cairns International

PORTFOLIO
VALUATION

\$1,373
MILLION¹

ROOMS

4,512

HOTELS

12

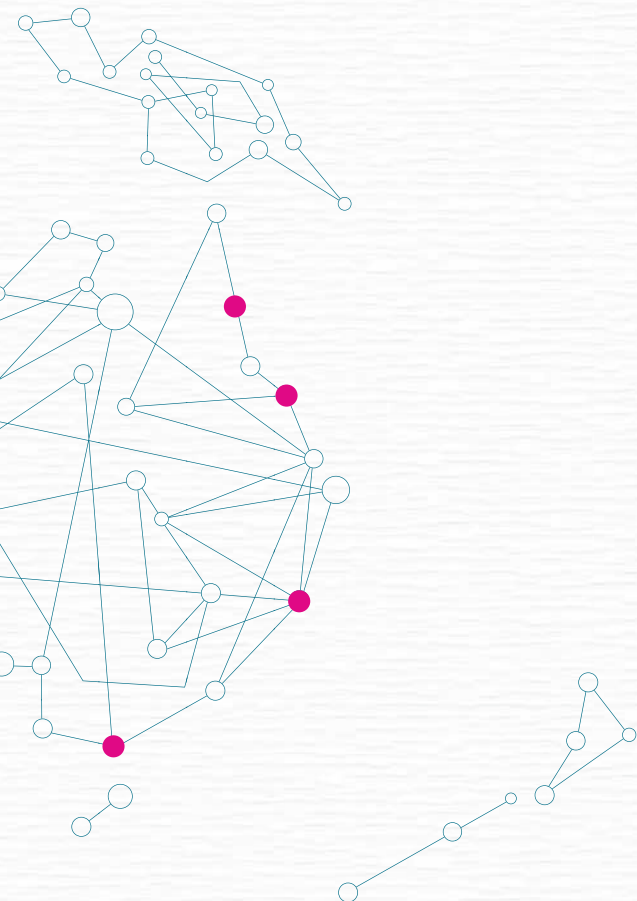
CITIES

8

COUNTRIES

4

¹ Valuation as at 31 March 2015



CORPORATE PROFILE

Ascendas Hospitality Trust (A-HTRUST) is an investment trust established with the principal strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes in Asia, Australia, and New Zealand, as well as real estate related assets in connection with the foregoing. As of 31 March 2015, its portfolio consisted of 12 quality hotels with over 4,500 rooms. These hotels which are located across eight cities have a portfolio valuation of \$1,373 million.

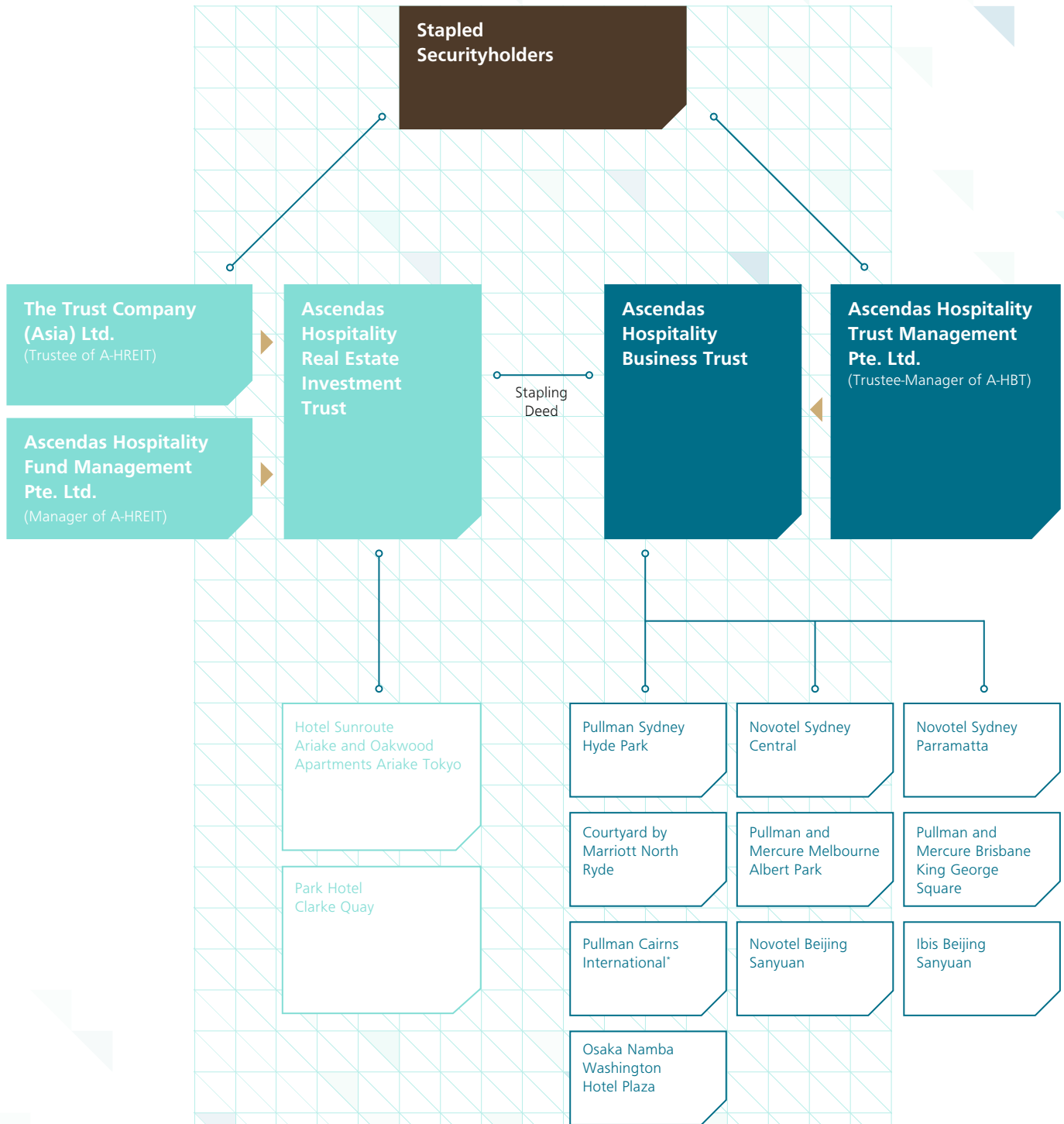
These hotel properties, which cater to different customer segments from upscale to economy and short-term to long-term, are located close to central business districts, transportation nodes as well as iconic tourist landmarks in Beijing, Brisbane, Cairns, Melbourne, Osaka, Singapore, Sydney and Tokyo.

A-HTRUST hotels are operated under a good mix of leading global brands, Asia's leading brands, and well-known local brands. These include Ibis, Novotel, Mercure, Pullman, Courtyard by Marriott, Oakwood, Park Hotel, as well as Sunroute and Washington Hotel Plaza brands in Japan.

Listed on the Main Board of the Singapore Exchange Securities Trading Ltd on 27 July 2012, A-HTRUST is a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (A-HREIT) and Ascendas Hospitality Business Trust (A-HBT). A-HREIT is managed by Ascendas Hospitality Fund Management Pte Ltd, and A-HBT is managed by Ascendas Hospitality Trust Management Pte. Ltd., both of which are wholly-owned subsidiaries of Ascendas Pte Ltd.

A-HTRUST is sponsored by Ascendas Land International Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd, one of Asia's leading providers of business space solutions with more than 30 years of experience and presence in 26 cities across 10 countries.

TRUST STRUCTURE



* A-HTRUST owns 50% of Pullman Cairns International.

FINANCIAL HIGHLIGHTS



1 Restated to reflect 50% share of revenue and expenses of Pullman Cairns International operations accounted for as joint operation
 2 Restated to reflect 50% share of assets and liabilities of Pullman Cairns International operations accounted for as joint operation

MILESTONES

APRIL 2014

Completed private placement raising \$50.0 million to partially fund the acquisition of Osaka Namba Washington Hotel Plaza

JULY 2014

Second Annual General Meeting of A-HTRUST



OCTOBER 2014

Completed the refurbishment of office space in Pullman Sydney Hyde Park



DECEMBER 2014

Completed the refurbishment of multi-purpose conference and event spaces in Novotel Sydney Parramatta

APRIL 2014

Completed the acquisition of Osaka Namba Washington Hotel Plaza for JPY8.9 billion. This is A-HTRUST's second acquisition since listing and also its second property in Japan

OCTOBER 2014

Established a \$1.0 billion Multicurrency Stapled Medium Term Note Programme

DECEMBER 2014

Entered into a management agreement with Wilson Parking to operate the Novotel Sydney Central carpark

APRIL 2015

Successfully issued the first series of 5-year stapled notes amounting to \$75.0 million, with an interest rate of 3.3% per annum



OUR STRATEGY

MAY 2015

Entered into a master lease agreement with Sunroute Co., Ltd., which will also operate Osaka Namba Washington Hotel Plaza with effect from 1 January 2016

MAY 2015

Entered into a put and call deed for the divestment of Pullman Cairns International¹ for AUD75.08 million, which represents a premium of 12.1% above its valuation as at 31 March 2015



A-HTRUST aims to deliver value and sustainable returns to Stapled Securityholders through four strategic pillars:

ACQUISITION GROWTH

A-HTRUST will actively pursue and acquire properties that can improve the overall quality of the portfolio. The Managers will continue to look out for properties in urban markets that have sound fundamentals, organic growth potential, offer attractive yields and are well positioned for growth amongst business and leisure customer segments.

ACTIVE ASSET MANAGEMENT

A-HTRUST will proactively work towards improving the value of its hotels through various measures. These measures will involve the Managers working in close consultation with the hotel operators to improve performance through operational efficiencies, marketing innovations as well as identifying suitable asset enhancement initiatives and refurbishment works, with a view to enhance growth potential.

CAPITAL AND RISK MANAGEMENT

A-HTRUST will continue to manage exposures to risks, maintain a prudent level of borrowings and strong balance sheet through various strategies deployed by the Managers, and through this, optimise returns for our Stapled Securityholders.

DISCIPLINED DEVELOPMENT

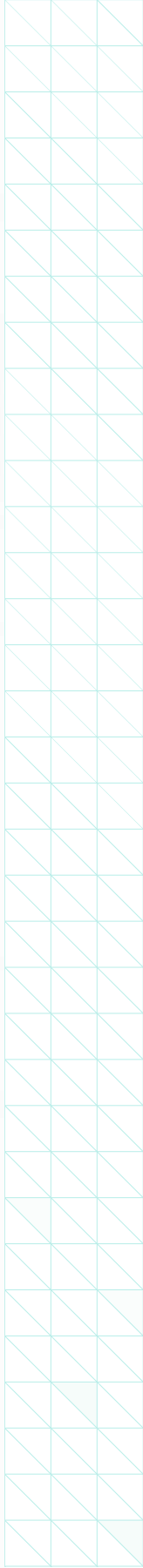
A-HTRUST will continue to seek the right development activities which can provide optimal risk-adjusted returns. The Managers will select and undertake relevant development activities that will enhance the value of the portfolio.

1 A-HTRUST owns 50% of Pullman Cairns International

CHAIRMAN'S MESSAGE

DEAR STAPLED
SECURITYHOLDERS,

THE LAST FINANCIAL YEAR ENDED 31 MARCH 2015 WAS A CHALLENGING YEAR FOR ECONOMIES AROUND THE WORLD. THE ROADS TO RECOVERY HAD NOT BEEN EASY FOR MANY AS THEY GRAPPLED WITH REVITALISING THEIR ECONOMIES WHILE UNDERTAKING IMPORTANT STRUCTURAL REFORMS. EVENTS SUCH AS THE DEBT CRISIS IN GREECE, THE DOWNWARD TREND OF COMMODITY PRICES, THE CURRENCY WARS WITH CENTRAL BANKS IN SEVERAL ASIAN MARKETS THAT HAVE RESULTED IN THE EASING OF THEIR MONETARY POLICIES AS WELL AS FALLING OIL PRICES HAVE MADE IT A DIFFICULT YEAR FOR BUSINESSES, INCLUDING A-HTRUST.



Against this backdrop, I am pleased to report that A-HTRUST had been able to maintain growth and deliver an encouraging portfolio performance for FY2014/15.

REVIEW OF FINANCIAL YEAR

A-HTRUST started FY2014/15 on a promising note with the successful acquisition of the Osaka Namba Washington Hotel Plaza on 15 April 2014. This hotel property has since contributed positively towards A-HTRUST's overall performance. With this acquisition, A-HTRUST is well-placed to benefit from the growth in Japan's tourism industry, especially as the country gears up for 2020 Olympics Games.

In general, our portfolio has done well with an overall improvement in RevPAR recorded for hotels under management contract arrangements in FY2014/15. The portfolio of hotels under management contract arrangements are complemented by Park Hotel Clarke Quay Singapore, Hotel Sunroute Ariake and Osaka Namba Washington Hotel Plaza, which all provide a steady stream of rental income to A-HTRUST through master lease arrangements. Overall, although our underlying assets in the portfolio have improved in performance, A-HTRUST's performance was impacted by the weakening of AUD and JPY against SGD.

A-HTRUST's portfolio of assets was valued at \$1,373.4 million as of 31 March 2015. The portfolio comprises 12 quality hotels with over 4,500 rooms which are located in 8 gateway cities, attracting a mix of business and leisure travellers. This portfolio will help to provide sustainable returns for our Stapled Securityholders in the long run.

LOOKING AHEAD

The challenges that we faced in FY2014/15, such as the impending rising interest rates, currency volatility, slowing growth in China and uncertain prospects for Japan, Australia and

Europe, will continue to affect business sentiments. These in turn will impact both business and leisure travel, posing a potential drag to our growth. Despite these challenges, I have confidence in the capabilities of our experienced Managers and the quality of our portfolio to see us through these challenges.

Elsewhere in Asia, with its increasing political stability as well as a growing middle class, we are seeing encouraging signs for growth and development in the hospitality sector in our markets. Our assets are aligned to grow in these travel segments as the A-HTRUST portfolio comprises hotel properties located in business and commercial precincts across gateway cities in Singapore, Australia, China and Japan, which cater to different customer segments – from upscale to economy, and short-term to long-term.

A-HTRUST will continue to seek value-accretive acquisitions in gateway cities in Asia and Australia, including cities in the Greater China region, Japan, Korea and Australia which are favoured by business and leisure travellers. We believe that these markets offer positive long-term prospects for A-HTRUST and we will evaluate each target carefully to select the appropriate assets that will add quality to the portfolio and increase value for Stapled Securityholders. Apart from inorganic growth, we will stay focused on our core assets and concentrate our resources on improving their performance.

NEW RISK MANAGEMENT COMMITTEE

In FY2015/16, A-HTRUST will establish a new committee, the Risk Management Committee, to guide Management and assist the Board of Directors in identifying and assessing various risks including major strategic, operational and regulatory risks. This new committee will take over this role which was previously undertaken by the Audit Committee.

DEVELOPMENTS AT OUR SPONSOR'S LEVEL

In February 2015, JTC Corporation and Temasek Holdings entered into an agreement to merge four of their operating subsidiaries, Ascendas Pte Ltd, JURONG International Holdings Pte Ltd, Surbana International Consultants Holdings Pte. Ltd and Singbridge Group, into a combined integrated platform for sustainable urban development.

The merger is expected to take place at the level of the holding company of A-HTRUST's Sponsor, and I would like to assure Stapled Securityholders that there will be no impact to the assets of A-HTRUST and the merger is not expected to have any direct material impact on the day-to-day operations and continuity of A-HTRUST. A-HTRUST continues to be guided by its own separate Board of Directors and its Managers will continue to operate within its investment mandate and be guided by its key strategies.

ACKNOWLEDGEMENTS

I would like to extend my deepest thanks and appreciation to everyone who has supported us over the years, in particular to the Board of Directors for their insights and guidance, and the team in A-HTRUST and Ascendas for their dedication and professionalism in helping A-HTRUST grow from strength to strength. On behalf of the Board and Management, I thank our Stapled Securityholders for your loyal support.

As we move ahead into FY2015/16, I want to reiterate the Board's commitment to building a portfolio that is able to deliver regular and sustainable returns for the long-term.

Yours sincerely,
Lim Neo Chian

CEO'S MESSAGE

DEAR STAPLED SECURITYHOLDERS,

THE FINANCIAL YEAR ENDED 31 MARCH 2015 MARKED OUR THIRD SUCCESSFUL YEAR IN OPERATION. SINCE ITS ESTABLISHMENT, A-HTRUST HAD BEEN OPERATING IN CHALLENGING TIMES DUE TO CHANGES IN THE GLOBAL ECONOMIC ENVIRONMENT. LAST YEAR WAS ANOTHER CHALLENGING YEAR WHICH SAW INCREASED VOLATILITY IN FOREIGN CURRENCY RATES, AND IN PARTICULAR AUD AND JPY WHICH AFFECTED A-HTRUST'S RESULTS. GUIDED BY OUR BOARD OF DIRECTORS, THE MANAGERS CONTINUED TO DELIVER RETURNS TO STAPLED SECURITYHOLDERS THROUGH THE GROWTH OF A-HTRUST'S PORTFOLIO OF QUALITY ASSETS, BOTH ORGANIC AND INORGANIC, AND PRUDENT CAPITAL MANAGEMENT.

REVIEW OF FINANCIAL YEAR

On the whole, I am pleased to report that A-HTRUST has accomplished all the initiatives that the Managers had set for FY2014/15 and delivered on organic growth for the year. For FY2014/15, our gross revenue was \$227.1 million, a 6.0% increase from the previous financial year, while net property income was \$93.3 million, an increase of 11.8%.

Overall portfolio performance improved in FY2014/15, underpinned by the continued growth of our Australia portfolio and the Oakwood Apartments Ariake Tokyo in Japan. A-HTRUST also benefitted from the positive contribution by our latest acquisition of the Osaka Namba Washington Hotel Plaza in April 2014, along with full year contribution from Park Hotel Clarke Quay, which was acquired in June 2013.



PRUDENT CAPITAL MANAGEMENT

In October 2014, A-HTRUST established a Multicurrency Stapled Medium Term Note Programme, to provide an alternative channel to raise funds with a longer tenure as compared to conventional bank loans. In April 2015, we successfully issued our maiden series of Stapled Notes, which amounted to \$75 million.

Originally expected to complete by June 2015, we completed the unwinding of the AUD/SGD cross-currency swaps by October 2014, thereby reducing A-HTRUST's exposure to currency risks as the AUD continues to look weak. As a result of the unwinding, more than 95% of our loans are matched to assets in local currencies as at 31 March 2015. All these initiatives completed in FY2014/15 were aimed at ensuring a healthy and strong balance sheet.

MARKET OVERVIEW

The hospitality sector in Australia continued on its recovery with growing inbound travels, and with domestic travelling hitting a record high number of trips in 2014. We remain optimistic about the Australian hospitality market as the major cities continue to draw business and leisure travellers.

In 2014, Japan had a record year of inbound travel. This positive trend in the tourism sector is looking to continue into 2015. The "2020 Olympics Effect" is also expected to support positive sentiments in the hospitality sector. These bode well for our hotels in Japan, which saw a strong uplift in RevPAR from Oakwood Apartments Ariake Tokyo in FY2014/15.

In China, the hospitality sector came under pressure due to a combination of the government's austerity drive and the supply of new hotel rooms. In the near term, the operating environment in China will still hold challenges for A-HTRUST. However, we are confident of the long-term prospects of our hotels

in China given their strategic location in its capital city. Furthermore, these hotels are in the economy to midscale room segments, which are less susceptible to economic changes compared to the high-end and luxury segments of the Chinese market.

Singapore continues to strengthen its position as the premier MICE destination while it revitalises current tourist attractions such as Jurong Bird Park. With Singapore marking its jubilee year with a number of major events and celebratory activities, these activities along with the hosting of the South East Asian Games are expected to have a positive effect on the country's tourism sector in 2015.

KEY DEVELOPMENTS

In FY2014/15, A-HTRUST completed the refurbishment of the conferencing facilities in Novotel Sydney Parramatta, making it more attractive for business travellers and major event organisers in Western Sydney area. We also completed the renovation of office spaces in Pullman Sydney Hyde Park, attracting better prospects that demand higher quality office space.

In May 2015, we entered into a new master lease agreement in relation to the Osaka Namba Washington Hotel Plaza. The new lease, which will come into effect on 1 January 2016, will provide an uplift in the fixed rent received. In the same month, A-HTRUST entered into a put and call option deed for the divestment of Pullman Cairns International for AUD75,080,000.

KEY INITIATIVES FOR THE YEAR AHEAD

Moving ahead for FY2015/16, we will continue to explore ways to optimise value for our Stapled Securityholders, including seeking suitable acquisitions that will enhance the quality of A-HTRUST's portfolio. We will also continue to look out for potential asset enhancement opportunities across our current portfolio, and work closely with

hotel operators to assess, improve and obtain greater value for each asset, as we seek to improve the overall growth potential of the portfolio.

In FY2015/16, the Osaka Namba Washington Hotel Plaza will undergo renovation and repositioning to better meet travellers' demands, while rooms in Mercure Brisbane King George Square, and Courtyard by Marriott North Ryde will also be refurbished.

CONCLUSION

In view of the uncertainties in the global financial markets and muted business sentiments in major markets, we are bracing ourselves for yet another challenging year. However, the Managers will continue to strive to do well and deliver value to Stapled Securityholders in the immediate and long-term. It is imperative that we stay vigilant to the changes in the marketplace and manage the growth of A-HTRUST portfolio to the best of our ability in the dynamic marketplace. Our goal is to set A-HTRUST on the path to delivering sustainable growth.

In closing, I want to extend my appreciation to our Board of Directors for their guidance and counsel, and to our Stapled Securityholders for your support. As we move ahead into the new financial year, we will continue to work hard, stay focused on our key strategies and, ultimately, optimise value for our Stapled Securityholders.

Yours sincerely,
Tan Juay Hiang



MR LIM NEO CHIAN
Chairman and Independent Director



DR HO KIM WAI
Independent Director



DR CHOO KIAN KOON, STEVEN
Independent Director

BOARD OF DIRECTORS

MR LIM NEO CHIAN Chairman and Independent Director

Mr Lim Neo Chian is the Chairman and an Independent Director of the Board of the Managers.

Mr Lim is also the Deputy Chairman of Gardens by the Bay, Deputy Chairman of Agri-food and Veterinary Authority of Singapore, and Director of Singapore Cruise Centre, Economic Development Innovations Singapore Pte Ltd, InnoSpring Development Pte Ltd, Home Nursing Foundation and Supreme Wealth Development Sdn Bhd.

Mr Lim was previously Deputy Chairman and CEO of Singapore Tourism Board, Chairman and CEO of Jurong Town Corporation, CEO of China-Singapore Suzhou Industrial Park Development Co Ltd, Chairman of Bangalore IT Park Board's EXCO, Deputy Chairman of Singapore Economic Development Board, Deputy Chairman and CEO of ST Engineering, CEO of Singbridge International, Chairman of SCP Consultants Pte Ltd and Chief of Army, Singapore Armed Forces.

For 10 years, Mr Lim served as a Council Member of the Singapore Red Cross Society, stepping down as its Vice Chairman in 2011.

Mr Lim holds a Bachelor of Engineering degree from Sheffield University, United Kingdom. He has a Certificate in Computer Science from Nanyang University, Singapore and a Diploma in Business Administration from the National University of Singapore. He completed the Program for Management Development and Advanced Management Program at Harvard Business School, United States of America, in 1988 and 2002, respectively.

Mr Lim had been recognised by the Government of Singapore for his contributions to the nation. In 1993, Mr Lim was conferred the Public Administration Medal (Gold) (Military) and, again, in 2003, he was conferred the Public Administration Medal (Gold) for his handling of the tourism sector during the SARS period. Mr Lim received an Honorary Doctorate in Engineering by Sheffield University, United Kingdom in 1996.

DR HO KIM WAI
Independent Director

Dr Ho Kim Wai is an Independent Director of the Board of the Managers.

Dr Ho is currently an Associate Professor of Banking and Finance at Nanyang Business School, Nanyang Technological University, Singapore. At Nanyang Business School, he had served as the Associate Dean (Research), the founding Director of the Master of Science (Financial Engineering) Programme,

the Director of the Nanyang Master of Business Administration (Banking and Finance) programme and a member of the Nanyang Master of Business Administration Advisory Committee.

Prior to joining Nanyang Technological University in October 1989, Dr Ho was the Financial Controller and Company Secretary of Metal Box Singapore Limited, now known as Crown Asia Pacific Holdings Pte Ltd. Before that, he had several years of audit experience in international accounting firms in London and Singapore.

Dr Ho holds a Bachelor of Science (Honours) degree in Mechanical Engineering from Imperial College London, United Kingdom and a Master of Finance from the RMIT University, Australia. He also holds a Doctorate in Philosophy in Finance from Nanyang Technological University. He is a Fellow of both the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in England and Wales.

In 2005, Dr Ho was conferred the Public Service Medal Award in recognition of his community work.

DR CHOO KIAN KOON,
STEVEN
Independent Director

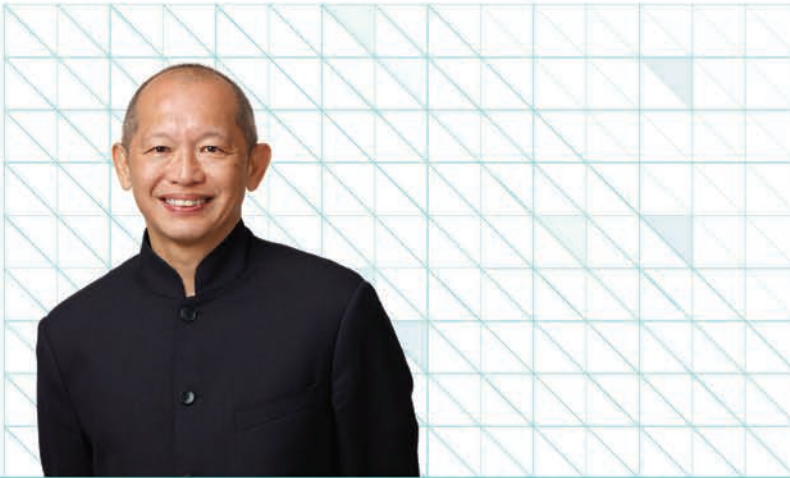
Dr Steven Choo Kian Koon is an Independent Director of the Board of the Managers.

He is Chairman of Vestasia Group, a real estate advisory firm, and an Adjunct Associate Professor at the Department of Real Estate of the National University of Singapore. He is also an Independent Non- Executive Director with Pan Hong Property Group Limited. Dr Choo has been an Independent Consultant with Surbana Technologies Pte. Ltd. since 2007 and an Independent Trainer with the Wealth Management Institute since 2005 on real estate and REITs.

Dr Choo was previously the CEO of the Real Estate Developers' Association of Singapore (REDAS) from August 2009 to December 2011. He was with CapitaLand Limited from January 2002 to March 2006 where he held the positions of Senior Vice-President (Research & Direct Investments) and Senior Vice-President (Research & Corporate Development). He was also Senior Vice- President (Malaysia Investment) of CapitaLand Residential Limited.

Dr Choo holds a Bachelor of Science degree in Estate Management from the University of Singapore and a Master of Philosophy in Environmental Planning from the University of Nottingham, United Kingdom. He also holds a Doctorate in Urban Planning from the University of Washington, United States of America.

Dr Choo is a fellow of the Singapore Institute of Surveyors and Valuers and an affiliate member of the Singapore Institute of Planners.



MR BENSON PUAH TUAN SOON
Independent Director



MR TAN CHONG HUAT
Independent Director



MR MICHAEL ISSENBERG
Non-Executive Director

BOARD OF DIRECTORS

MR BENSON PUAH TUAN SOON Independent Director

Mr Benson Puah is an Independent Director of the Board of the Managers.

Mr Puah is the CEO of The Esplanade Co Ltd, where he is responsible for its overall development, management, programming and artistic direction. Mr Puah also serves on various boards, companies and committees.

An honours graduate in Hotel, Catering and Tourism Administration from the University of Surrey, United Kingdom, Mr Puah has over 20 years of experience in pioneering hospitality projects from his international career in the hospitality industry with leading luxury hotel companies around the world. He then joined the public sector as Chief Executive of Sentosa Development Corporation where he repositioned Sentosa as an attractive resort getaway and was involved in the master planning of the prestigious Sentosa Cove residential development.

Between August 2009 and July 2013, Mr Puah was concurrently the CEO of the National Arts Council (NAC), a statutory board under the Ministry of Information, Communications and the Arts now known as Ministry of Culture, Community & Youth. At NAC, he played a significant role in facilitating the development of the arts in Singapore. He was also the Chairman of the Association of Asia Pacific Performing Arts Centres from January 2003 to October 2013. Mr Puah

was CEO of Temasia Health Pte Ltd, a government-linked company investing and developing business in health care services from August 1997 to June 1998.

In 2008, Mr Puah was the first Asian to be elected as Chair of the New York-based International Society for the Performing Arts, a position he held for two years before retiring as immediate Past Chair for another year. In April 2010, he was awarded the Chevalier of the Ordre des Arts et des Lettres by the French government for his contributions to the arts in Singapore.

MR TAN CHONG HUAT Independent Director

Mr Tan Chong Huat is an Independent Director of the Boards of the Managers.

Mr Tan is the Senior Partner and one of the founding members of RHTLaw Taylor Wessing. Besides being Managing Partner of the Firm, he also heads the Firm's Banking and Finance Practice, and Capital Markets Practice. He also serves as a member of the International Management Board of Taylor Wessing.

His experience and track record, as a leading finance and corporate lawyer, successful entrepreneur and investor, reputable corporate leader and public service champion, and dedicated law professor have made Mr Tan an expert on complex financing (corporate finance and project finance) transactions, deals structuring, funding and matching, corporate governance and board matters, and reputational management matters in the region and internationally.

Mr Tan has extensive experience in corporate, banking and project finance law in Singapore and the region, and acted in numerous significant corporate transactions. He has been named a

leading practitioner in many reputable professional publications, with a recent recognition by IFLR1000 as a "Leading Lawyer" and by Legal 500 Asia Pacific as a "Leading Individual" for Corporate and Mergers & Acquisitions.

Mr Tan is a Fellow with the Singapore Institute of Directors and sits on the boards as an independent director of SII Environment Holdings Ltd and as a non-executive chairman of Ramba Energy Limited, and P99 Holdings Ltd. He also co-founded RHT group of companies which is the leading professional services group in Asia. Over the years he has successfully invested in start-ups, SMEs and listed companies.

Mr Tan is active in public service and charity work. He is currently a council member of the Football Association of Singapore and the Singapore Road Safety Council, and is a member of the International Affairs Committee of Singapore Chinese Chamber of Commerce & Industry. He also sits as a Lay Person on the Institute of Singapore Chartered Accountants' Investigation and Disciplinary Panel. Mr Tan is the chairman of the RHT Rajan Menon Foundation. He has also established a National University of Singapore Grant in favour of the Law Faculty under the name of his deceased father. The Financial Planning Association of Singapore has conferred on Mr Tan an honorary membership. He was until recently a council member of the Corporate Governance Council set up by the Monetary Authority of Singapore and a board member of World Wide Fund for Nature (WWF) Singapore.

Despite his active practice, management duties and public service, Mr Tan continues to serve as an adjunct faculty and lecture on a regular basis. He was Associate Professor at the Law Faculty, National University of Singapore (AY 2007–2013), Business School, National

University of Singapore (AY 2008/2009) and Nanyang Business School, Nanyang Technological University (AY 2008–2012). Besides authoring two leading literature on PRC Investment laws, he has co-authored a title on Corporate Governance of Listed Companies in Singapore and is a co-editor for a new title on Corporate Governance: The Good, The Bad and The Ugly. Mr Tan also contributes articles and opinion pieces to leading journals and newspapers regularly.

MR MICHAEL ISSENBERG Non-Executive Director

Mr Michael Issenberg is a Non-Executive Director of the Board of the Managers.

Mr Issenberg is currently the Chairman and Chief Executive Officer of Accor Asia Pacific (AAPC Singapore Pte Ltd), where he is responsible for overseeing the company's overall development and management activities in the Asia-Pacific region. He is also a member of Accor's Executive Committee and was previously the Chief Operating Officer of Accor Asia Pacific.

Prior to joining Accor in August 1994, Mr Issenberg was CEO of Mirvac Hotels. Prior to that, he worked for Westin Hotels & Resorts, Laventhol & Horwath and Horwath & Horwath Services Pty Limited and Merlin Properties in San Francisco and Sydney.

Mr. Issenberg is also a director of the Reef Casino Trust listed on the Australian Stock Exchange.

Mr. Issenberg holds a degree in hotel administration from Cornell University, USA, and is a Lifetime Member of the Cornell Hotel Society. He is also a Lifetime Member of the Tourism and Transport Forum in Australia.



MR KHIATANI MANOHAR RAMESH
Non-Executive Director



MR CHIA NAM TOON
Non-Executive Director



MR TAN JUAY HIANG
Chief Executive Officer

BOARD OF DIRECTORS

**MR KHIATANI
MANOHAR RAMESH**
Non-Executive Director

Mr Manohar Khiatani is a Non-Executive Director of the Board of the Managers.

Mr Manohar Khiatani is the President and Group CEO of Ascendas, a leading provider of business space solutions in Asia with assets under management exceeding US\$10 billion. From its base in Singapore, Ascendas has developed a strong regional footprint, serving a global clientele of over 2,400 customers across Asia.

Mr Khiatani was previously the Chief Executive Officer of JTC Corporation (JTC), the Singapore Government's lead agency to plan, promote and develop industrial infrastructure and facilities. At JTC, Mr Khiatani spearheaded the development of specialized and innovative infrastructure solutions for various industrial sectors.

Prior to joining JTC, Mr Khiatani was the Deputy Managing Director at the Singapore Economic Development Board (EDB). Mr Khiatani joined the EDB in 1986 where he played an instrumental role in the development and transformation of important sectors in Singapore's economy such

as aerospace, marine and offshore, electronics, precision engineering, logistics, infocomms and media, and clean technology. He was also in charge of the EDB's operations in the Americas and Europe.

Between 1994 and 1999, Mr Khiatani was the Managing Director of Preussag SEA, a diversified German conglomerate, where he was responsible for developing the group's business in South-East Asia. In 1999, Mr Khiatani returned to the Singapore Economic Development Board (EDB).

Mr Khiatani is a Board Member of Ascendas Pte Ltd, Ascendas Funds Management (S) Limited, Ascendas Property Fund Trustee Pte Ltd and SIA Engineering Company Ltd.

Mr Khiatani holds a Master's Degree (Naval Architecture) from the University of Hamburg, Germany. He also attended the Advanced Management Program at the Harvard Business School in 2006.

MR CHIA NAM TOON **Non-Executive Director**

Mr Chia Nam Toon is a Non-Executive Director of the Board of the Managers.

Mr Chia is currently the Chief Financial Officer and Assistant Chief Executive Officer (Corporate Services) of the Ascendas Group.

Prior to joining the Ascendas Group in May 2006, Mr Chia was the Finance Director and Acting Chief Operating Officer of PEC Tech Group, an engineering and forestry services business division of a large regional conglomerate from April 2004 to March 2006. Mr Chia has extensive Asia-Pacific experience having spent 12 years with ICI Plc, a major specialty chemical company in various senior roles in finance, corporate planning, and general management based in Kuala Lumpur, London and Singapore. He had also spent four years with F&N Coca-Cola in Malaysia.

Mr Chia holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia. He is also a Fellow Member of the Association of the Chartered Certified Accountants UK (FCCA) and the Institute of Singapore Chartered Accountants.

MR TAN JUAY HIANG **Chief Executive Officer**

Mr Tan Juay Hiang is Executive Director of the Board and CEO of the Managers, where he is responsible for the overall management and planning of the strategic direction of A-HTRUST.

Prior to his current appointment, Mr Tan was Senior Vice President of Real Estate Funds for Ascendas Pte Ltd. He was responsible for structuring

and launching new real estate private funds, raising capital for private funds, initiating new real estate investment trusts and undertaking internal audits on the various private funds within the Ascendas Group.

From October 2007 to April 2010, Mr Tan was Fund Manager for the Ascendas ASEAN Business Space Fund (the ASEAN Fund) where he was responsible for structuring the Fund and raising US\$400 million from institutional investors. During his tenure, Mr Tan oversaw the acquisition of assets in Malaysia, Vietnam and the Philippines with aggregate development value which amounted to approximately US\$500 million, and managed the portfolio of the ASEAN Fund and investor relations.

Before joining Ascendas, Mr Tan held positions in various companies including Liang Court, Agilent Technologies and Hewlett Packard.

Mr Tan holds a Bachelor of Engineering (Honours) degree from the National University of Singapore. In 1996, he topped his class for the MBA programme at Nanyang Technological University.

Mr Tan was awarded a Gold Medal from the National Science & Technology Board, the predecessor of Agency for Science, Technology and Research ("A*STAR").

DIRECTORSHIPS

MR LIM NEO CHIAN

Directorships and other major appointments:

Deputy Chairman and Director,
Gardens by the Bay

Deputy Chairman, Agri-food and
Veterinary Authority of Singapore

Director, Economic Development
Innovations Singapore Pte Ltd

Director, Innospring Development
Pte. Ltd.

Director, Zhi*Lim Pte. Ltd.

Director, Singapore Cruise Centre
Pte Ltd

Director, Home Nursing Foundation

Director, Supreme Wealth
Development Sdn Bhd

Past Directorships in listed companies held over the preceding 3 years:

Nil

DR HO KIM WAI

Directorships and other major appointments:

Nil

Past Directorships in listed companies held over the preceding 3 years:

Nil

DR CHOO KIAN KOON, STEVEN

Directorships and other major appointments:

Chairman and Director,
VestAsia Group Pte Ltd

Director, Pan Hong
Property Group Limited

Past Directorships in listed companies held over the preceding 3 years:

Nil

MR BENSON PUAH TUAN SOON

Directorships and other major appointments:

Director and Chief Executive Officer,
The Esplanade Co Ltd

Director, SISTIC.com Pte Ltd

Director, Parkway Trust Management
Limited

Director, National Gallery Singapore

Past Directorships in listed companies held over the preceding 3 years:

Nil

MR TAN CHONG HUAT

Directorships and other major appointments:

Managing Partner, RHTLaw Taylor
Wessing LLP

Non-Executive Chairman and Director,
Ramba Energy Limited

Director, SIIC Environment Holdings Ltd

Non-Executive Chairman and Director,
P99 Holdings Limited

Director, RHT Corporate Advisory Pte Ltd

Director, RHT Compliance Solutions
Pte Ltd

Director, RHTCS Holdings Pte Ltd

Director, RHT Capital Pte Ltd

Director, RHT Academy Pte Ltd

Director, RHT Digital & Media Pte Ltd

Director, RHT I-Assets Advisory Pte Ltd

Director, RHT Analytics Pte Ltd

Director, RHT Holdings Pte Ltd

Director, RHT Fiduciary Pte Ltd

Past Directorships in listed companies held over the preceding 3 years:

China Fashion Holdings Limited

Luye Pharma Group Ltd

WWF – World Wide Fund for nature
(Singapore) Limited

MR MICHAEL ISSENBERG**Directorships and other major appointments:**

Director, AAPC Ltd.

Director, AAPC Japan KK

Director, AAPC Properties Pty. Ltd.

Director, ACCOR Asia SA

Director, AAPC (Thailand) Ltd.

Director, AAPC Singapore Pte. Ltd.

Director, AA Korea Hotel Management Co, Ltd

Director, AAPC Hong Kong Ltd.

Director, AAPC Shanghai Co, Ltd

Director, AAPC India Hotel Management Pte. Ltd.

Director, Reef Corporate Services Ltd.

Director, AHDF Pte. Ltd.

Past Directorships in listed companies held over the preceding 3 years:

Nil

MR KHIATANI MANOHAR RAMESH**Directorships and other major appointments:**

Director, President & CEO, Ascendas Pte Ltd

Vice Chairman, Ascendas Funds Management (S) Limited

Director, Ascendas Property Fund Trustee Pte Ltd

Director, Ascendas Investment Pte Ltd

Director, Ascendas Land International Pte Ltd

Director, Ascendas Land (Singapore) Pte Ltd

Director, Ascendas Frasers Pte Ltd

Director, Ascendas-Citramas Pte Ltd

Director, Carmelray-JTCI Corporation

Director, Nusajaya Tech Park Sdn Bhd

Director, SIA Engineering Company Limited

Directorships in other Ascendas Group companies

Past Directorships in listed companies held over the preceding 3 years:

Nil

MR CHIA NAM TOON**Directorships and other major appointments:**

Director, Plambee Ltd

Director, Skyxo Ltd

Director, Azco Ltd

Director, Ascendas Protrade Company Limited

Director, Ascendas Holdings (Manila) Pte Ltd

Director, Ascendas Fusion 5 Pte Ltd

Director, Nusajaya Tech Park Sdn Bhd

Directorships in other Ascendas Group Companies

Past Directorships in listed companies held over the preceding 3 years:

Frasers Property (China) Limited

MR TAN JUAY HIANG**Directorships and other major appointments:**

Director, Dr Fresh Health Care Private Ltd

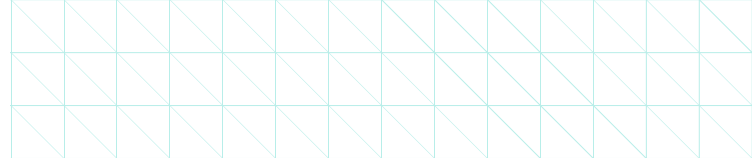
Director, Notron No. 346 Pty Limited

Director, Armenian Office Pte Ltd

Directorships in other Ascendas Group Companies

Past Directorships in listed companies held over the preceding 3 years:

Nil



THE MANAGERS

Back Row: Cass Yong, Chee Kum Tin, Valerie Oh, Grace Tho, Cyndi Chong, Ng Kok Keong, Dina Goh, Fumiyo Takei, Jocelyn Tay, Akiyoshi Hakama
Front Row: Pang Hui Siang, Mary Judith de Souza, Tan Juay Hiang, Susanna Lim San San, Edwin Kung



MR TAN JUAY HIANG
Chief Executive Officer

Please refer to page 17 for Mr Tan’s work experience.

MS LIM SAN SAN, SUSANNA
Chief Financial Officer

Ms Lim San San is Chief Financial Officer at A-HTRUST, where she is responsible for the financial management of A-HTRUST. She has more than 20 years of experience in audit, accounting and finance-related work.

Prior to her current appointment, Ms Lim was Assistant Vice President of the Finance department of Ascendas Pte Ltd.

From August 2007 to October 2011, Ms Lim was Assistant Vice-President in the Finance department of Singapore Press Holdings Ltd. In that position, she was responsible for financial and management reporting as well as accounting operations for one of its business groups.

Prior to that, Ms Lim spent 9 years at Singapore Telecommunications Ltd, first with its Strategic Investments unit where she was involved in mergers, acquisitions and joint venture management, before moving on to a business controllership role for the consumer mobile business. Ms Lim holds a Bachelor of Accountancy degree from NUS and an MBA from NTU. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

MS PANG HUI SIANG
Head, Investments

Ms Pang Hui Siang is Head of Investments at A-HTRUST, where she is responsible for identifying and evaluating potential acquisitions and related investments or divestments, where applicable. She has over 10 years of experience in the real estate industry.

Prior to her current appointment, Ms Pang was Vice President of the Real Estate Funds department of Ascendas Pte Ltd, responsible for the acquisition

and management of hospitality real estate assets in the Asia-Pacific region.

From September 2002 to July 2010, Ms Pang was Vice President (Investments) of Mapletree Investments Pte Ltd where she successfully completed real estate acquisitions worth over \$2 billion in Singapore, Malaysia, Japan and Vietnam, and explored potential deals in Australia, China, Hong Kong, India and Thailand. Ms Pang previously worked at DBS Bank, where she managed the banking facilities of a portfolio of some 30 companies in the real estate and construction sectors, and at the Urban Redevelopment Authority, where she executed property acquisitions.

Ms Pang holds a Bachelor of Science (Honours) in Estate Management from NUS, and an MBA from Indiana University (Bloomington), United States.

MR BERNARD TEO
Head, Asset Management

Mr Bernard Teo is Head of Asset Management at A-HTRUST, where

Back Row: Donne Salcombe, Giorgio Leung, Marina Luo
Front Row: Bernard Teo, Nicholas Tsia



he is responsible for formulating the business plans in relation to A-HTRUST's properties with short, medium and long-term objectives. He has more than 20 years of experience in the hospitality industry.

Prior to his current appointment, he was Head of the Hospitality division for a private developer opening hotels in Malaysia, China and Australia.

From January 2008 to June 2012, Mr Teo was with Frasers Hospitality Pte Ltd where he successfully opened two hotels in Beijing and Perth. Prior to Frasers, Mr Teo spent several years in hotel groups – Shangri-La Hotels and Resorts, Hilton International and Gloria Hotels and Resorts (COFCO) – where he was involved in hotel refurbishments, hotel relaunch activities and new hotel openings.

MS MARY JUDITH DE SOUZA
Joint Company Secretary

Ms Mary Judith de Souza is Joint Company Secretary at A-HTRUST, where

she attends to corporate secretarial administration matters. She has more than 20 years of practice as a corporate and commercial lawyer.

Ms de Souza concurrently heads Ascendas Group's Legal and Corporate Secretarial Department.

Ms de Souza joined Ascendas in 2005 and has experience as legal counsel with a government-linked technology group and thereafter, while in practice in a local law firm based in Singapore with several branches in the region.

Ms de Souza has worked with both local and foreign companies and has a broad-based understanding of the concerns and needs of investors in Southeast Asia. As a result of her regional exposure while in legal practice, she has been able to acquire first-hand knowledge of the commercial, business, cultural and operational issues encountered in doing business outside Singapore.

Ms de Souza holds an LL.B. (Hons) degree from NUS and a Masters degree in Counselling Psychology from Monash University. She is an advocate

and solicitor of the Supreme Court of Singapore.

MR EDWIN KUNG
Joint Company Secretary

Mr Edwin Kung is Joint Company Secretary at A-HTRUST, where he attends to corporate secretarial administration matters. He has more than 20 years of legal work experience.

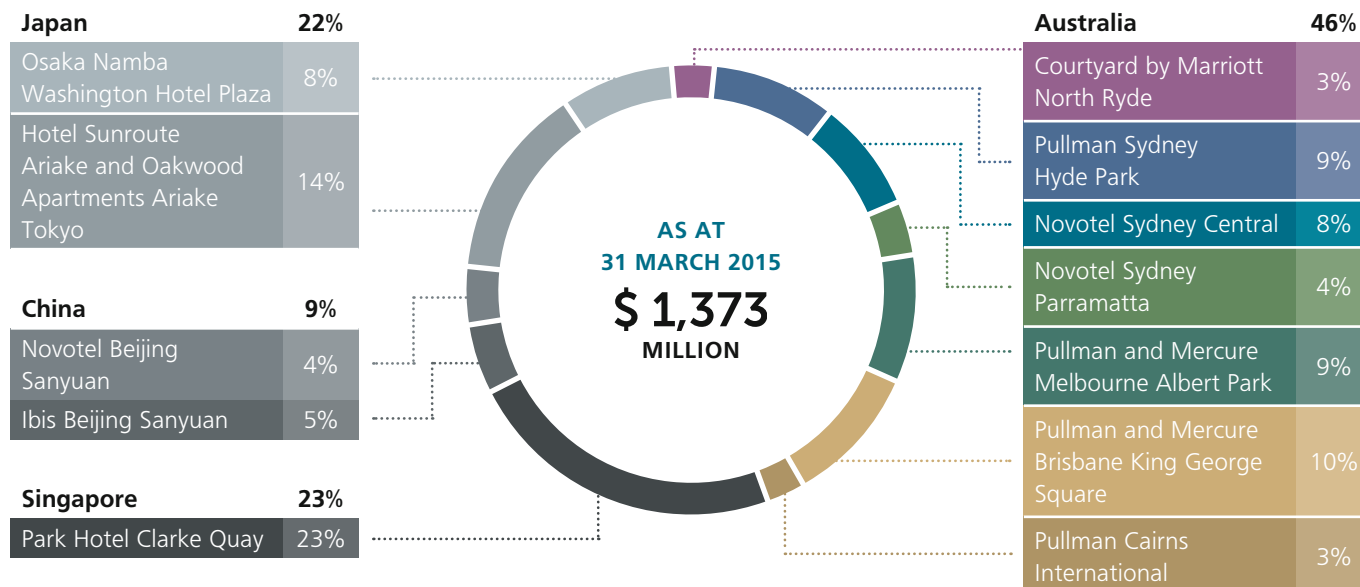
He is concurrently the Deputy Head of Ascendas Group's Legal and Corporate Secretarial Department.

Mr Kung joined Ascendas in 2005. He has worked with both local and foreign companies in real estate transactions and mergers and acquisitions in the region.

Mr Kung holds an LL.B. (Hons) degree from NUS, MSc (Information Studies) degree from NTU and an Advance Tax Programme Certificate from the Tax Academy of Singapore. He is also an advocate and solicitor of the Supreme Court of Singapore.

PORTFOLIO SUMMARY

VALUATION BY PROPERTY



KEY PROPERTY DETAILS

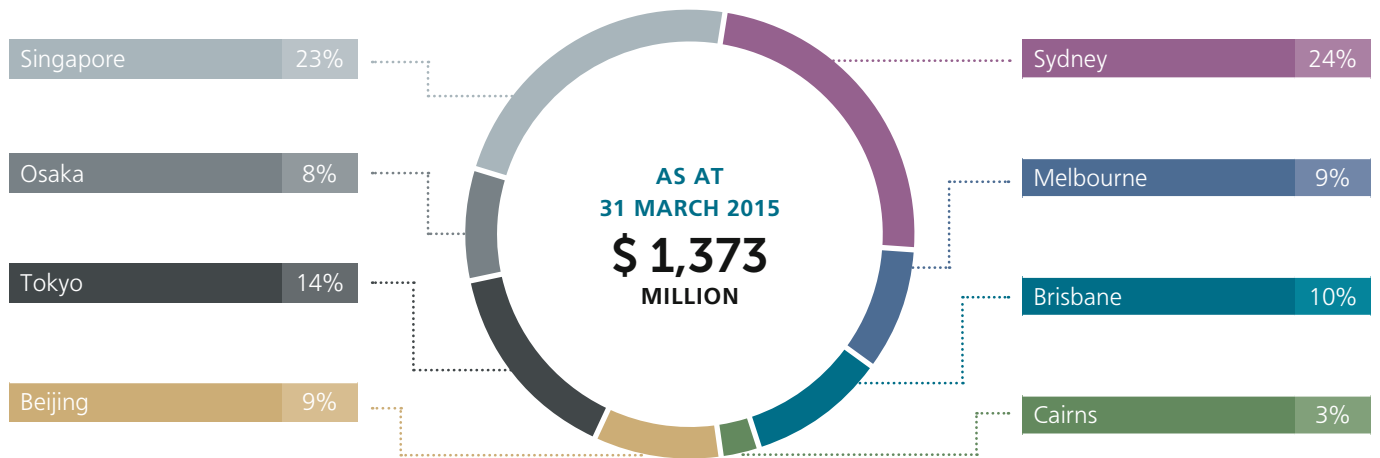
	NO. OF ROOMS
AUSTRALIA	
Pullman Sydney Hyde Park	241
Novotel Sydney Central	255
Novotel Sydney Parramatta	194
Courtyard by Marriott North Ryde	196
Pullman and Mercure Melbourne Albert Park	378
Pullman and Mercure Brisbane King George Square	438
Pullman Cairns International ²	321
CHINA	
Novotel Beijing Sanyuan	306
Ibis Beijing Sanyuan	397
JAPAN	
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo	912
Osaka Namba Washington Hotel Plaza	698
SINGAPORE	
Park Hotel Clarke Quay	336

1 All the properties were valued as at 31 March 2015. The property valuations as at 31 March 2015 included the revaluation of land use rights of the China properties. The \$ equivalent of the valuation figures are arrived at based on the exchange rate as at 31 March 2015 of AUD0.95 : \$1.00, JPY87.3 : \$1.00 and RMB4.44 : \$1.00.

2 A-HTRUST owns 50% of Pullman Cairns International.

PORTFOLIO SUMMARY

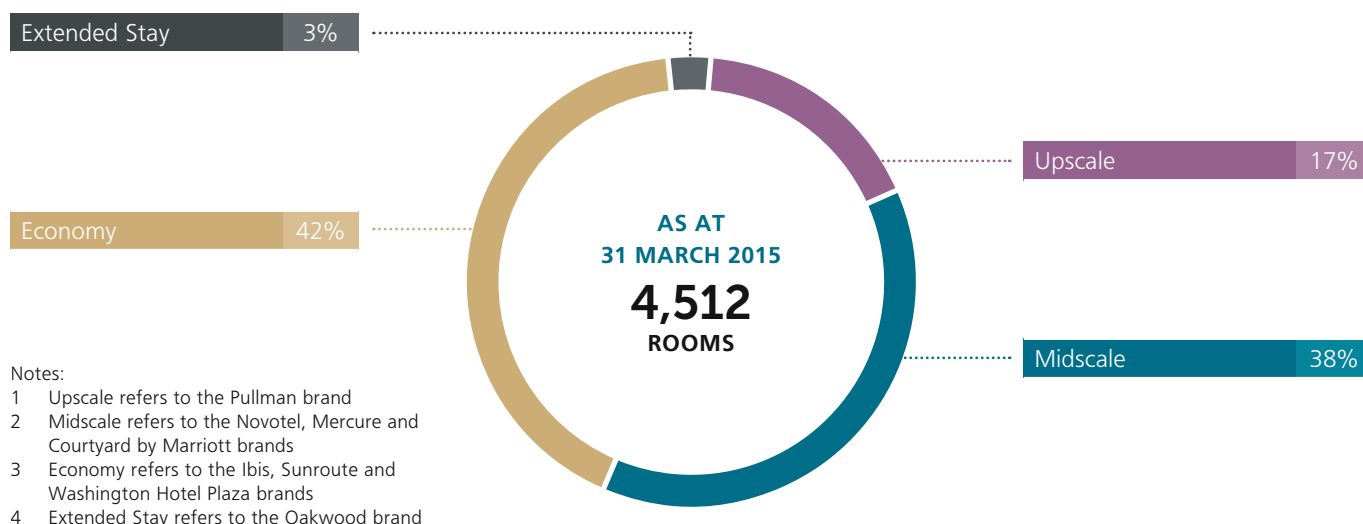
VALUATION BY GEOGRAPHY



TITLE	DATE OF ACQUISITION	VALUATION (\$ MILLION) ¹
Freehold	27 July 2012	123.1
Freehold	27 July 2012	108.3
Freehold	27 July 2012	52.8
Freehold	27 July 2012	48.6
Freehold	27 July 2012	125.7
Freehold	27 July 2012	141.1
Freehold	27 July 2012	70.8
Land use term due to expire in August 2044	27 July 2012	55.1
Land use term due to expire in August 2044	19 December 2012	65.0
Freehold	27 July 2012	199.4
Freehold	15 April 2014	106.8
Leasehold for a term of 99 years due to expire in Nov 2105	28 June 2013	312.0

PORTFOLIO SUMMARY

HOTEL MARKET SEGMENT BY ROOMS



Management Contracts

	GROSS REVENUE		REVPAR	
	FY2014/15	FY2013/14	FY2014/15	FY2013/14
AUSTRALIA	AUD million	AUD million	AUD	AUD
Pullman Sydney Hyde Park	23.7	20.3	191	167
Novotel Sydney Central	23.5	21.4	156	141
Novotel Sydney Parramatta	14.2	13.1	134	124
Courtyard by Marriott North Ryde	13.4	12.6	145	141
Pullman and Mercure Melbourne Albert Park	33.4	33.5	116	112
Pullman and Mercure Brisbane King George Square	33.1	32.3	143	140
CHINA	RMB million	RMB million	RMB	RMB
Novotel Beijing Sanyuan	56.1	56.8	407	400
Ibis Beijing Sanyuan	40.9	40.0	270	261

Master Leases

	GROSS REVENUE	
	FY2014/15	FY2013/14
Japan	JPY million	JPY million
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo ¹	1,591.4	1,448.2
Osaka Namba Washington Hotel Plaza ²	629.4	—
Singapore	\$ million	\$ million
Park Hotel Clarke Quay ³	15.5	12.1

¹ Includes contribution from Oakwood Apartments Ariake Tokyo which is under management contract.

² Osaka Namba Washington Hotel Plaza was acquired on 15 April 2014. Gross revenue for FY2014/15 is based on the period from 15 April 2014 to 31 March 2015.

³ Park Hotel Clarke Quay was acquired on 28 June 2013. Gross revenue for FY2013/14 is based on the period from 28 June 2013 to 31 March 2014.





RENDERING
1000
1000
1000

For Lease
Office Space
10,000 - 100,000 sq. ft.

pull
1000

OUR HOTELS**PULLMAN SYDNEY HYDE PARK**

36 College Street, Sydney, New South Wales, Australia

Pullman Sydney Hyde Park is an upscale business hotel located in Sydney's CBD overlooking the beautiful Hyde Park. Situated in the epicentre of the city's business, cultural, theatre, sports and retail precincts, it is in close proximity to well-known attractions such as Darling Harbour, the Australian Museum, Circular Quay, Sydney Tower, Haymarket, Paddy's Market and the entertainment precincts of Oxford Street and George Street. The hotel is just 12 km away from the airport and easily accessible via the nearby Museum Station.

The 23-storey hotel offers 241 well-appointed guest rooms and facilities such as a bistro-style restaurant, a bar, and a rooftop recreation deck. The recreation deck, which comprises a gymnasium, a swimming pool and jacuzzi, a spa and a sauna, offers a picturesque view of Sydney's skyline.

Business facilities include two levels of meeting and event spaces, with a total area of 588 sqm. Other facilities include an executive lounge and seven levels of basement parking facility with 160 parking lots. The hotel also has a commercial component with five levels of office space with a total net leasable space of approximately 4,600 sqm, which has its own lobby and lift access.



NUMBER OF ROOMS
241

F&B FACILITIES
1 Restaurant
1 Bar
1 Cafe
1 Executive Lounge

MEETING FACILITIES
9 Meeting Rooms

CAR PARKING
160 Lots

LAND AREA
1,631 sqm

LAND TITLE
Freehold

OWNERSHIP
100%

VALUATION
AUD116.5 million
(\$123.1 million)





OUR HOTELS

NOVOTEL SYDNEY CENTRAL

169-179 Thomas Street, Sydney, New South Wales, Australia

Novotel Sydney Central is a midscale business hotel located on Thomas Street, Haymarket, at the southern part of the Sydney CBD. Situated next to the Sydney Darling Harbour, the hotel is in close proximity to Chinatown, the University of Technology Sydney, Sydney Exhibition & Convention Centre (now closed for major redevelopment which is due for completion in late 2016), Haymarket and Paddy's Market.

It is well connected to other parts of Sydney CBD through the railway network and is easily accessible through the nearby Central Railway Station which has direct underground access to the hotel.

The 18-storey Novotel Sydney Central offers 255 well-appointed and spacious guest rooms and facilities such as a restaurant, a bar, a heated swimming pool, a spa, a 24-hour gymnasium, a business centre and 1,135 sqm of spacious meeting and event spaces. It has a generous allotment of 600 parking lots spread over eight levels which is managed by Wilson Parking.



NUMBER OF ROOMS
255

F&B FACILITIES
1 Restaurant
1 Bar

MEETING FACILITIES
14 Meeting Rooms

CAR PARKING
600 Lots

LAND AREA
4,272 sqm

LAND TITLE
Freehold

OWNERSHIP
100%

VALUATION
AUD102.5 million
(\$108.3 Million)





OUR HOTELS**NOVOTEL SYDNEY PARRAMATTA**

350 Church Street, Parramatta, New South Wales, Australia

Novotel Sydney Parramatta is a midscale business hotel located on the northern end of the Parramatta CBD, which is approximately 23 km away from the Sydney CBD. It is close to visitor attractions such as the Parramatta Stadium, Rosehill Garden Racecourse and Parramatta Ferry Wharf, and also within walking distance to Westfield Parramatta, one of Australia's largest shopping centres. The hotel also offers convenient access to Parramatta's main restaurant and entertainment precincts along Church Street. It is served by the Parramatta Station, a major transport interchange on the Sydney rail network, which is within walking distance from the hotel.

The 12-storey Novotel Sydney Parramatta appeals to business travellers as one of the leading hotels and event venues in Western Sydney. It offers 194 guest rooms and facilities such as a restaurant, a bar, an outdoor heated swimming pool, a spa, a sauna and a gymnasium. Its three-level basement parking facility provides 198 parking lots.

In FY2014/15, the hotel refurbished its multi-purpose conference and event spaces which have a total area of 915 sqm. Completed in December 2014, the refurbished facilities are able to host meetings for up to 550 people and it also boasts one of the largest column-less hotel ballrooms in the Parramatta region.



NUMBER OF ROOMS
194

F&B FACILITIES
1 Restaurant
1 Bar

MEETING FACILITIES
9 Meeting Rooms
2 Boardrooms

CAR PARKING
198 Lots

LAND AREA
2,674 sqm

LAND TITLE
Freehold

OWNERSHIP
100%

VALUATION
AUD50.0 million
(\$52.8 million)





OUR HOTELS**COURTYARD BY
MARRIOTT NORTH RYDE**

7-11 Talavera Road, North Ryde, New South Wales, Australia

Courtyard by Marriott North Ryde is a midscale business hotel centrally located in Macquarie Business Park in the heart of the North Ryde business district. It is approximately 15 km northwest of the Sydney CBD and approximately 28 km from Sydney Airport.

It is close to several commercial buildings popular with multinational corporations, providing the hotel with a steady stream of business travellers. It is also close to Macquarie Shopping Centre, the ANZ Stadium and the Sydney Olympic Park. It is served by the nearby Macquarie Park station.

The 9-storey hotel offers 196 guest rooms and facilities such as a restaurant, a bar, a fitness centre, a business centre, 223 sqm of meeting space and a parking facility with 94 parking lots.

COURTYARD[®]
Marriott

NUMBER OF ROOMS
196

F&B FACILITIES
1 Restaurant
1 Bar

MEETING FACILITIES
7 Meeting Rooms

CAR PARKING
94 Lots

LAND AREA
6,227 sqm

LAND TITLE
Freehold

OWNERSHIP
100%

VALUATION
AUD46.0 million
(\$48.6 million)





pullman

mercure pullman
HOTEL

OUR HOTELS

PULLMAN AND MERCURE MELBOURNE ALBERT PARK

65 Queens Road, Melbourne, Victoria, Australia

Pullman and Mercure Melbourne Albert Park is a unique dual-branded, upscale and midscale full service hotel catering to business and leisure travellers. Located close to Melbourne's CBD, the hotel overlooks scenic Albert Park, the venue for the annual Australian Formula One Grand Prix. It is also near the entertainment and hip dining precinct of St Kilda Road and the Royal Botanic Gardens, amongst other iconic destinations in Melbourne. The hotel is well served by various tram routes services.

One of the largest and most comprehensive hotel event venues in Melbourne, the hotel offers a wide range of flexible space configurations to accommodate various events. Its 2,305 sqm convention centre which can accommodate up to 1,600 participants, strategic location and comprehensive service offerings are strong attractions for business events in the city.

The hotel offers a total of 378 guest rooms – 169 Pullman rooms and 209 Mercure rooms. It also offers a varied range of facilities including a restaurant, a bar, a cafe, an executive lounge, an indoor heated swimming pool, a spa, a sauna, a gymnasium and a business centre. The hotel also has two levels of basement parking offering a generous 510 parking lots.



NUMBER OF ROOMS

169 (Pullman)
209 (Mercure)

F&B FACILITIES

1 Restaurant
1 Cafe
1 Bar
1 Executive Lounge

MEETING FACILITIES

28 Meeting Rooms

CAR PARKING

510 Lots

LAND AREA

10,300 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

AUD119.0 million
(\$125.7 million)





MERCURE
HOTEL

PULLMAN

OLIVE

OLIVE

KEEP LEFT

OLIVE

OLIVE

OUR HOTELS

PULLMAN AND MERCURE BRISBANE KING GEORGE SQUARE

2 Roma Street and 106 Ann Street, Brisbane, Queensland, Australia

Pullman and Mercure Brisbane King George Square is an attractive dual-branded, upscale and midscale hotel prominently situated in the Brisbane CBD, facing Brisbane City Hall Museum. The hotel is close to the corporate and financial districts, and visitor attractions such as Eagle Street Pier. It is within walking distance to the Brisbane Convention & Exhibition Centre, Suncorp Stadium, the Queen Street Mall retail precinct and Brisbane Transit Centre. The Brisbane International Airport, approximately 19 km away, is easily accessible from the hotel. Two railway stations, Central Station and Roma Street Station, are a short walk away.

The centrally located hotel has a large accommodation inventory with various room configurations, and is also one of the largest conference and convention hotels in the city with meeting and conference spaces of 2,990 sqm.

It comprises two 16-storey towers, the Pullman Tower with 210 contemporary guest rooms and the Mercure Tower with 228 guest rooms. Facilities include a restaurant, a café, a bar and an executive lounge. There are recreational facilities on the rooftop of the Mercure Tower such as a gym, sauna and outdoor heated swimming pool which enjoy scenic views of the city. The hotel also has a three-level basement parking facility with 105 parking lots.


NUMBER OF ROOMS

210 (Pullman)

228 (Mercure)

F&B FACILITIES

1 Restaurant

1 Cafe

1 Bar

1 Executive Lounge

MEETING FACILITIES

11 Meeting Rooms

CAR PARKING

105 Lots

LAND AREA

3,722 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

AUD133.5 million

(\$141.1 million)





pullman

OUR HOTELS

PULLMAN CAIRNS INTERNATIONAL

17 Abbott Street, Cairns, Queensland, Australia

Pullman Cairns International is an upscale hotel in the commercial centre of Cairns, conveniently located within walking distance to the Convention Centre, Reef Casino, Reef Fleet Terminal and Cairns Cruise Liner Terminal, as well as various shopping streets and services. It is just 8 km away from the Cairns International and Domestic Airports.

The 17-storey hotel offers 321 guest rooms and a host of facilities such as a restaurant, a lobby bar and a well-appointed recreational hub featuring a swimming pool, a Vie Spa, a sundeck, a gymnasium and two saunas. Corporate travellers have access to a business centre and 1,618 sqm of spacious conference space. The hotel also has an underground parking facility with 184 parking lots.


NUMBER OF ROOMS

321

F&B FACILITIES

1 Restaurant

1 Bar

MEETING FACILITIES

11 Meeting Rooms

CAR PARKING

184 Lots

LAND AREA

8,139 sqm

LAND TITLE

Freehold

OWNERSHIP

50%

VALUATION

AUD67.0 million
(\$70.8 million)





NOVOTEL

诺富特三元酒店

NOVOTEL

NOVOTEL
BEIJING
三元
Welcome
欢迎光临

OUR HOTELS

NOVOTEL BEIJING SANYUAN

Tower 18, A5, Shuguang Xili, Chaoyang District, Beijing, China

Novotel Beijing Sanyuan is a midscale business and leisure hotel located in the heart of Beijing in the Chaoyang District, adjoining Sanyuan Bridge of the East Third Ring Road and the Airport Expressway.

The hotel is strategically located within the Lufthansa Commercial Area and close to three exhibition centres and major embassies. In addition, the Beijing International Capital Airport is only approximately 20 km away from the hotel. Besides enjoying convenient access to roadways, the hotel is just in front of the Sanyuanqiao Station which serves the Airport Express Train and Metro Line 10.

The 17-storey hotel offers 306 guest rooms and houses a signature restaurant called The Square and a lobby bar. Other facilities include an exclusive premier lounge, a fitness centre and an indoor heated swimming pool. It also has a total meeting space of 340 sqm with four meeting rooms and a function room.



NUMBER OF ROOMS
306

F&B FACILITIES
1 Restaurant
1 Bar
1 Executive Lounge

MEETING FACILITIES
5 Meeting Rooms

LAND AREA
3,073 sqm

LAND TITLE
Leasehold expiring in
Aug 2044

OWNERSHIP
100%

VALUATION
RMB245.0 million
(\$55.1 million)





OUR HOTELS

IBIS BEIJING SANYUAN

Tower 17, A5, Shuguang Xili, Chaoyang District, Beijing, China

Ibis Beijing Sanyuan is an economy business hotel adjacent to Novotel Beijing Sanyuan. It is popular with business and leisure travellers due to its central location, convenient access to a variety of attractions and amenities at affordable rates.

The 14-storey hotel has 397 guest rooms and a restaurant which serves daily breakfast.



NUMBER OF ROOMS
397

F&B FACILITIES
1 Restaurant

LAND AREA
2,044 sqm

LAND TITLE
Leasehold expiring in
Aug 2044

OWNERSHIP
100%

VALUATION
RMB289.0 million
(\$65.0 million)





OUR HOTELS

HOTEL SUNROUTE ARIAKE AND OAKWOOD APARTMENTS ARIAKE TOKYO

3-6-6 Ariake, Koto-ku, Tokyo, Japan

Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo are dual-brand accommodations in a 20-storey building. Hotel Sunroute Ariake is in the economy segment with 790 guest rooms while Oakwood Apartments Ariake Tokyo is an extended-stay hotel with 122 cosy apartments catering to long-staying guests.

The complex is located in the Ariake district within the Tokyo Waterfront Secondary City Centre which includes the Odaiba and Aomi districts. It enjoys easy access to both Haneda and Narita Airports, and is within walking distance to major train stations. It is well-connected by public transport to the main commercial area of Odaiba and business district of Ginza. Nearby attractions include a major international convention center - Tokyo Big Sight, Ariake Colosseum, Tokyo Tatsumi International Swimming Centre, Fuji TV and retail hubs such as Odaiba and Ginza. Hotel Sunroute Ariake is also a 'Tokyo Disney Resort Good Neighbor Hotel' and offers free shuttle bus services to and from the world famous Tokyo Disney Resort.

Facilities include two restaurants, a business centre, meeting and conference spaces totalling 418 sqm and a multi-level underground parking facility with 113 parking lots.



HOTEL SUNROUTE ARIAKE



Oakwood.
Apartments
ARIAKE
TOKYO

NUMBER OF ROOMS

790 (Hotel Sunroute Ariake)

122 (Oakwood Apartments
Ariake Tokyo)

F&B FACILITIES

2 Restaurants

3 Banquet Halls

MEETING FACILITIES

2 Meeting Rooms

CAR PARKING

113 Lots

LAND AREA

6,188 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

JPY17,400.0 million
(\$199.4 million)





OUR HOTELS

OSAKA NAMBA WASHINGTON HOTEL PLAZA

1-1-13, Nipponbashi, Chuo-ku, Osaka, Japan

Osaka Namba Washington Hotel Plaza is an economy 14-storey business hotel with two basement levels, centrally located in the Namba area in the heart of Minami, Osaka's most prominent dining, entertainment and shopping district. It is a one-minute walk from Dotonbori, the city's glitzy stretch of dining and entertainment attractions. Takashimaya department store, Shinsaibashi shopping street and Kuromon food market are also all nearby. The hotel is a mere 15-minute train ride to the famed Osaka Castle.

The hotel benefits from excellent connectivity to different transportation options, namely a two-minute walk from the Nipponbashi Station on the Osaka Municipal Subway Line and a 10-minute walk from Namba Station, Osaka's main south-central railway terminus with a direct connection via the Rapid Express Train to Kansai International Airport. The Japan Railway (JR), Kintetsu and Nankai railway lines are also easily accessible.

The hotel offers 698 guest rooms, two restaurants (one Chinese and one Japanese) which can seat a total of 580 diners in total and 68 basement parking lots.

 WASHINGTON HOTEL PLAZA

NUMBER OF ROOMS
698

F&B FACILITIES
2 Restaurants

CAR PARKING
68 Lots

LAND AREA
2,496 sqm

LAND TITLE
Freehold

OWNERSHIP
100%

VALUATION
JPY9,320.0 million
(\$106.8 million)





PARK HOTEL

OUR HOTELS**PARK HOTEL CLARKE QUAY**

1 Unity Street, Singapore

Park Hotel Clarke Quay is strategically located in the vibrant Clarke Quay precinct along the Singapore River and sits on a prime site within the CBD with convenient access to entertainment and shopping areas such as Robertson Quay, Orchard Road, Marina Bay, the Civic District and Chinatown. The hotel has excellent transport connectivity, within walking distance to the Clarke Quay MRT Station and the future Fort Canning MRT Station.

Opened in 2009, Park Hotel Clarke Quay has 330 guest rooms and six suites, all fitted with state-of-the-art amenities, elevated ceilings and full-length windows offering superb views of the city skyline and the Singapore River. The hotel has two food and beverage outlets and three meeting venues with approximately 167 sqm of dedicated meeting spaces. It offers full recreational facilities including an outdoor swimming pool and jacuzzi, a fitness centre and spa pavilions. Business travellers have access to a well-equipped business centre. A ground floor parking facility is also conveniently available for guests.



PARK HOTEL
CLARKE QUAY

NUMBER OF ROOMS

336

F&B FACILITIES

1 Restaurant

1 Bar

MEETING FACILITIES

3 Meeting Rooms

CAR PARKING

50 Lots

LAND AREA

3,949 sqm

LAND TITLE99-year Leasehold
expiring in Nov 2105**OWNERSHIP**

100%

VALUATION

\$312.0 Million



OUR HOTELS

HOTEL DIRECTORY

AUSTRALIA

Pullman Sydney Hyde Park
36 College Street
Sydney, New South Wales, 2010
Australia

Tel: +61 (0)2 9361 8400
Fax: +61 (0)2 9361 8599
E-mail: H8763-RE@accor.com

Novotel Sydney Central
169-179 Thomas Street
Sydney, New South Wales, 2000
Australia

Tel: +61 (0)2 9281 6888
Fax: +61 (0)2 9281 6688
Email: H8781-RE@accor.com

Novotel Sydney Parramatta
350 Church Street
Parramatta, New South Wales, 2150
Australia

Tel: +61 (0)2 9630 4999
Fax: +61 (0)2 9630 0757
Email: H8787-RE@accor.com

Courtyard by Marriott North Ryde
7-11 Talavera Road
North Ryde, New South Wales, 2113
Australia

Tel: +61 (0)2 9491 9500
Fax: +61 (0)2 9491 9555
Email: cy.sydney.reservations@courtyard.com

**Pullman & Mercure Melbourne
Albert Park**
65 Queens Road, Albert Park
Melbourne, Victoria, 3004
Australia

Tel: +61 (0)3 9529 4300
Fax: +61 (0)3 9521 3111
Email: H8788-RE@accor.com

**Pullman & Mercure Brisbane
King George Square**
2 Roma Street and 106 Ann Street
Brisbane, Queensland, 4000
Australia

Tel: +61 (0)7 3229 9111
Fax: +61 (0)7 3229 9618
Email: H8784-RE@accor.com

Pullman Cairns International
17 Abbott St
Cairns, Queensland, 4870
Australia

Tel: +61 (0)7 4031 1300
Fax: +61 (0)7 4051 2851
Email: H8772-RE@accor.com

JAPAN

Hotel Sunroute Ariake
3-6-6 Ariake, Koto-ku
Tokyo 135-0063
Japan

Tel: +81 3 5530 3610
Fax: +81 3 5530 3611
Email: ariake_otoiawase@sunroute.jp

**Oakwood Apartments
Ariake Tokyo**
3-6-6 Ariake, Koto-ku,
Tokyo 135-0063
Japan

Tel: +81 3 3527 5821
Fax: +81 3 3527 5824
Email: csr.ariake@oakwoodasia.com

**Osaka Namba
Washington Hotel Plaza**
1-1-13 Nipponbashi, Chuo-ku,
Osaka 542-0073
Japan

Tel: +81 6 6212 2555
Fax: +81 6 6214 3333
Email: fro-namba@washingtonhotel.co.jp

CHINA

Novotel Beijing Sanyuan
Tower 18
A5 Shuguang Xili
Chaoyang District
100028 Beijing
China

Tel: +86 10 5829 6666
Fax: +86 10 5866 7000
Email: H6280-RE@accor.com

Ibis Beijing Sanyuan
Tower 17
A5 Shuguang Xili
Chaoyang District
100028 Beijing
China

Tel: +86 10 5829 6999
Fax: +86 10 5866 8800
Email: H6281-GM@accor.com

SINGAPORE

Park Hotel Clarke Quay
1 Unity Street, Singapore 237983
Singapore

Tel: +65 6593 8888
Fax: +65 6593 8899
Email: rsvn.phcq@parkhotelgroup.com



FINANCIAL REVIEW

	FY2014/15	FY2013/14	VARIANCE
	\$ million	\$ million	%
Revenue	227.1	214.3 ¹	6.0
Net Property Income	93.3	83.5 ¹	11.8
Distributable Income	56.3	54.6	3.0

Note:

1 Restated to reflect A-HBT's 50% share of revenue and expense of Pullman Cairns International operations accounted for as a joint operation under FRS 111 Joint Arrangements

A-HTRUST's revenue for the financial year ended 31 March 2015 ("FY2014/15") comprised \$165.3 million from Australia, \$20.2 million from China, \$26.1 million from Japan and \$15.5 million from Singapore.

Revenue for FY2014/15 was an increase of \$12.8 million or 6.0% over the previous financial year ended 31 March 2014 ("FY2013/14"). The increase was largely due to the additional revenue of \$10.8 million from Osaka Namba Washington Hotel Plaza acquired in April 2014 and the full 12-month contribution from Park Hotel Clarke Quay acquired in June 2013. The underlying performance of the Australia portfolio has also improved, contributing additional

4.9% revenue over previous year in local currency terms. The increase was partially negated by unfavourable currency movements as the AUD and JPY against the SGD have depreciated 4.1% and 6.4%, respectively, as compared to FY2013/14.

With the addition of Osaka Namba Washington Hotel Plaza to the portfolio, A-HTRUST's revenue generated from master leases has increased from 14.1% in FY2013/14 to 18.3% in FY2014/15.

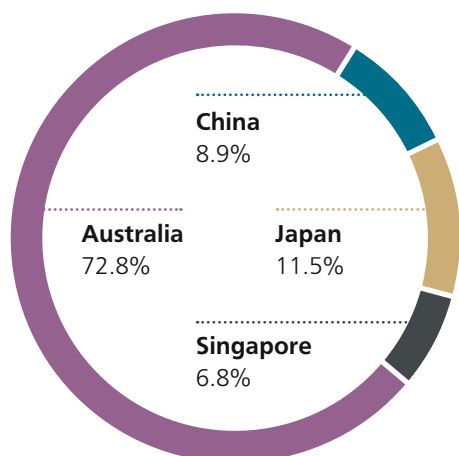
In line with the increase in revenue, net property income for FY2014/15 increased by \$9.8 million or 11.8% over FY2013/14 to \$93.3 million. This comprised \$54.2 million from Australia, \$6.6 million from

China, \$17.1 million from Japan and \$15.4 million from Singapore.

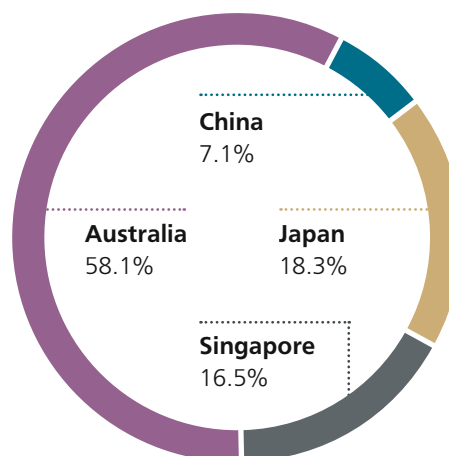
Income available for distribution for FY2014/15 was \$56.3 million, an increase of \$1.6 million or 3.0% over FY2013/14. The increase was primarily due to the stronger performance from the properties and partially offset by higher finance costs and unwinding costs for the AUD/SGD cross-currency swaps. The income distributed per Stapled Security in FY2014/15 was 5.06 cents (FY2013/14: 5.52 cents).

The Group revalued its portfolio of properties as at 31 March 2015 and recorded a net change in fair value of \$41.8 million (net of tax).

Revenue by Geography



Net Property Income by Geography



FUNDING AND BORROWINGS

A-HTRUST adopts a disciplined approach towards capital management and seeks to employ an appropriate mix of debt and equity in financing acquisitions.

On 15 April 2014, A-HTRUST successfully completed the acquisition of Osaka Namba Washington Hotel Plaza. The acquisition was partly financed by unsecured borrowings of \$65.0 million. As at 31 March 2015, A-HTRUST's total borrowings was \$543.7 million with a blended gearing ratio of 37.2%.

On 15 October 2014, A-HTRUST established a \$1.0 billion multicurrency stapled medium term note programme

in its efforts to diversify funding sources. This allows A-HTRUST to tap on the debt capital markets as an alternative funding platform for future acquisitions or capital programmes.

To manage interest rate exposure, A-HTRUST maintains a significant proportion of its borrowings on fixed interest rates. As at 31 March 2015, 88.9% of A-HTRUST's borrowings were on fixed interest rates.

To hedge A-HTRUST's distributions against fluctuations in foreign currency, A-HTRUST adopts a policy that systematically hedges the expected distributions from overseas using foreign currency forward contracts. As at 31

March 2015, A-HTRUST had hedged approximately 25% of the expected distributions for the next 12 months.

To protect the capital values of the overseas assets against the volatility of currency movements, A-HTRUST will, as far as possible, borrow in the same currency as the underlying assets. During the financial year, A-HTRUST completed the unwinding of the AUD/SGD cross-currency swaps, further strengthening the balance sheet of A-HTRUST against the volatility of currency movements.



FINANCIAL REVIEW

PRIVATE PLACEMENT

During FY2014/15, A-HTRUST raised \$50.0 million from a private placement of 73,530,000 new Stapled Securities ("Private Placement"), which was issued on 9 April 2014. The proceeds from the Private Placement were fully utilised as follows:

(i) approximately \$43.3 million to partially fund the acquisition of Osaka Namba Washington Hotel Plaza ("Acquisition");

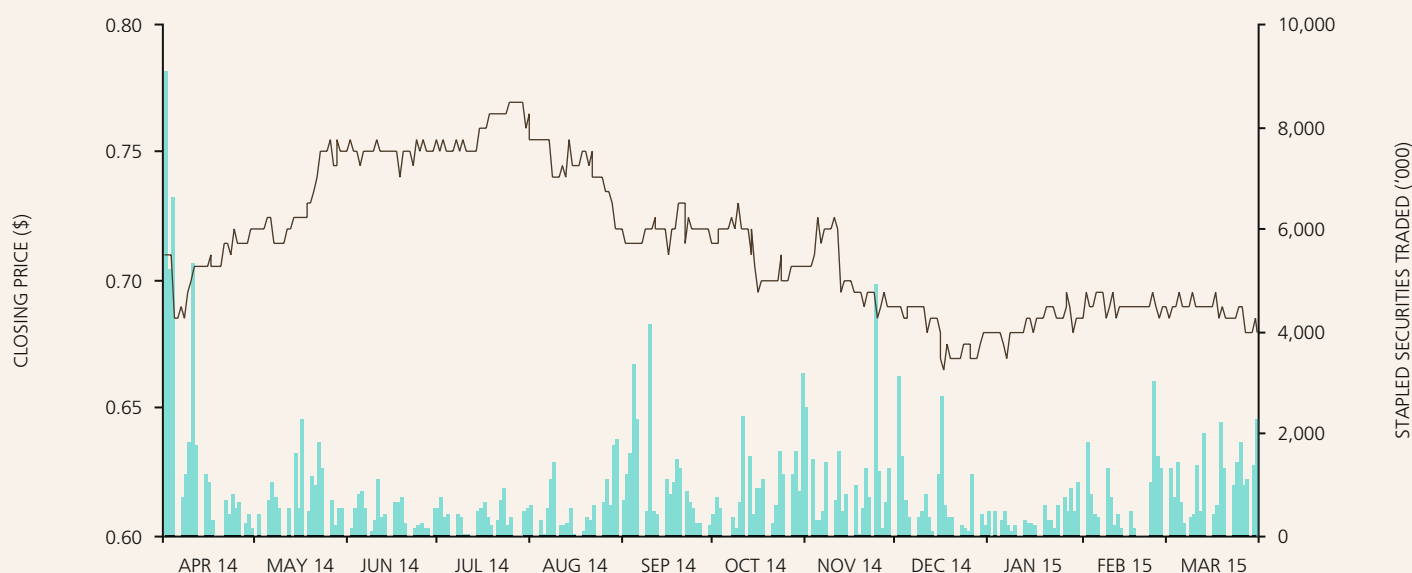
(ii) approximately \$3.4 million to pay the fees and expenses in connection with the Acquisition and the Private Placement; and

(iii) approximately \$3.3 million to partially fund the refundable consumption tax payable in connection with the Acquisition.

The use of the proceeds from the Private Placement is materially in accordance with the intended use and the allocated

percentage of the gross proceeds as stated in the announcement for the launch the Private Placement dated 31 March 2014. The discrepancy was due to savings from the better foreign exchange rates for the conversion of the gross proceeds from SGD into JPY, which has been utilised to partially fund the abovementioned consumption tax payable in connection with the Acquisition.

TRADING PERFORMANCE



	FY2014/15	FY2013/14
STAPLED SECURITY PRICE PERFORMANCE		
	\$	\$
Highest Closing Price	0.770	1.030
Lowest Closing Price	0.665	0.715
Closing Price as at 31 March	0.680	0.735
VOLUME		
	STAPLED SECURITIES	STAPLED SECURITIES
Total Trading Volume	232,712,300	235,369,000
Average Daily Traded Volume	927,141	930,312

Source: Bloomberg

OPERATIONS REVIEW

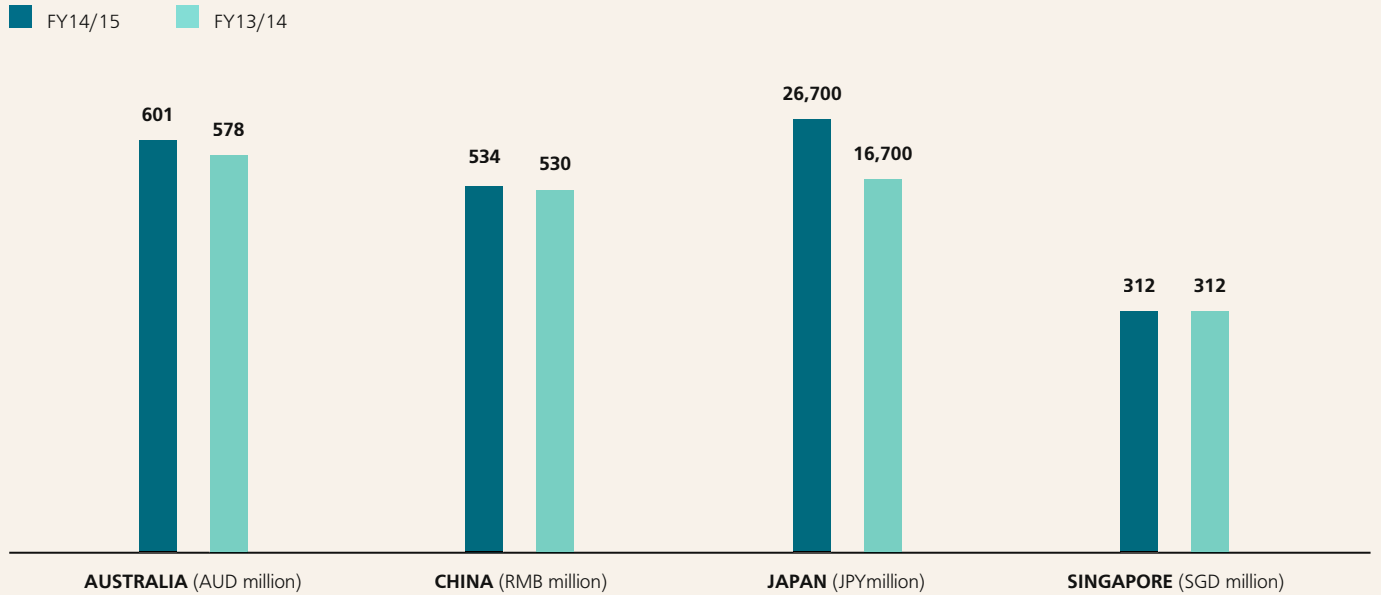
ASSET PORTFOLIO VALUATION

A-HTRUST has a portfolio of 12 hotels with a total of 4,512 rooms located in Australia, China, Japan and Singapore. As at 31 March 2015, the value of the portfolio was \$1,373.4 million, 5.9% higher than the portfolio valuation as at 31 March 2014. The valuations of the hotels in Australia and Japan were impacted by the weaker AUD and JPY

against SGD in FY2014/15. However, in terms of local currency, the valuations of the Australia hotel portfolio, China hotel portfolio and Japan hotel portfolio were higher than last year's valuation by 4.0%, 0.8% and 60.0%, respectively.



Valuation in Local Currency by Geography



OPERATIONS REVIEW

AUSTRALIA

In 2014, the Australian economy continued to be affected by a decline in the mining sector and rising unemployment. Hotels in Sydney experienced stronger than expected demand from corporate, conferencing as well as inbound tourism drawn by the weakened AUD. Pullman Cairns International and Pullman and Mercure Brisbane King George Square benefited from the events surrounding the one-off G20 Leaders Summit events held in Cairns and Brisbane.

In FY2014/15, portfolio occupancy improved by 3.0 percentage points to 84.0% and ADR by 3.0% to AUD173. As a result, RevPAR increased by 5.1% over FY2013/14 to AUD145. Overall, the encouraging portfolio performance led to growth in gross revenue and net property income of 4.9% and 5.1%, respectively, over FY2013/14.

CHINA

FY2014/15 remained a challenging year for the two hotels in Beijing. In 2014, the number of international visitors to Beijing fell by 4% amid China's slowing economic growth and currency appreciation. The government's austerity drive and the increase in hotel supply continued to dampen hotel revenue growth. Despite this, the two hotels' RevPAR increased to RMB330, registering a y-o-y growth of 2.2%. This was driven mainly by the 1.6 percentage point increase in occupancy to 81.9% while ADR remained stable at RMB402.

Gross revenue recorded a marginal increase of 0.2% despite the RevPAR growth. This was the result of declining F&B revenues given the cuts in government entertainment spending and a shift in the hotels' market mix from tour groups to free independent travelers which generally yield better rates. Overall, net property income decreased by 6.9% y-o-y mainly due to rising labour costs.

JAPAN

The performance of the hotels in Japan was generally stable due to a high proportion of fixed rental income arising from the master lease arrangement for Hotel Sunroute Ariake and Osaka Namba Washington Hotel Plaza. While the Japan portfolio continued to be anchored by master lease arrangement, Oakwood Apartments Ariake Tokyo, which was under management contract, showed strong growth following the rebranding and the appointment of Oakwood as operator in January 2014. RevPAR for Oakwood Apartments Ariake Tokyo in FY2014/15 improved by 57.7% over FY2013/14.

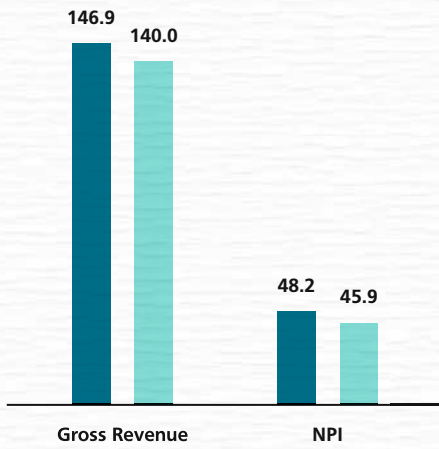
In FY2014/15, the Japan hotel portfolio recorded increases in gross revenue and net property income over FY2013/14 by 53.3% and 69.2%, respectively. This growth was mainly attributed to the contribution from Osaka Namba Washington Hotel Plaza which was acquired in April 2014.

SINGAPORE

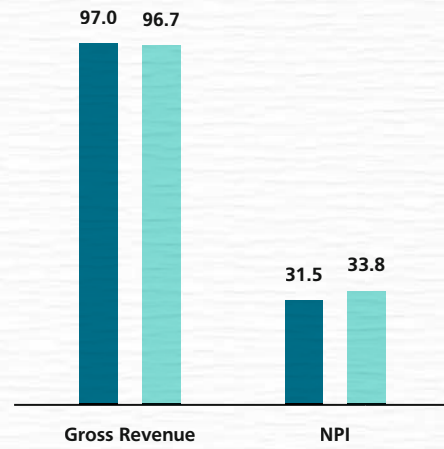
In 2014, visitor arrivals to Singapore decreased 3.1% y-o-y to 15.1 million. China, the second largest inbound market for Singapore, showed a significant decline in visitor arrivals. The drop could be attributable to new tourism laws in China, disappearance of Malaysia Airlines flight MH370 and the political instability in Thailand. The fall in visitor numbers, cutbacks in corporate travel and increased new supply of hotel rooms resulted in a 1.0% decline in market-wide RevPAR in 2014.

In FY2014/15, both gross revenue and net property income for Park Hotel Clarke Quay recorded increases over FY2013/14 by 28.3%. This was due to the full-year contribution compared to the 9-month contribution period in FY2013/14. The performance of Park Hotel Clarke Quay was stable due to high proportion of fixed rent component under the master lease arrangement.

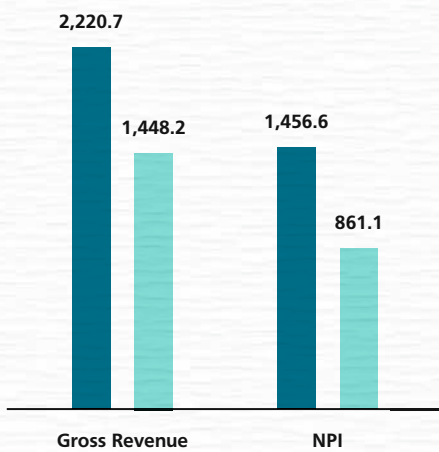
Australia
(AUD million)



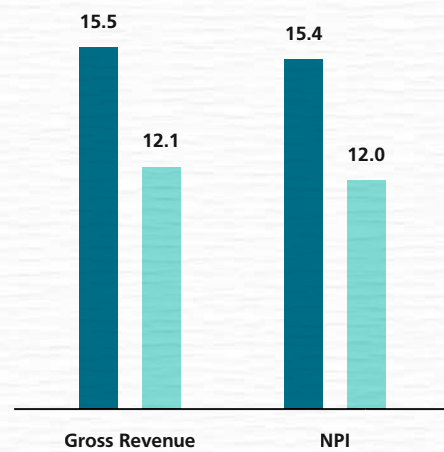
China
(RMB million)



Japan
(JPY million)



Singapore
(SGD million)



■ FY2014/15 ■ FY2013/14

OPERATIONS REVIEW

GROWTH VIA ASSET ENHANCEMENT INITIATIVES

Pullman Sydney Hyde Park Office

Refurbishment work was undertaken to improve building access, lobby area and to offer bathroom access for wheelchair-bound users at the office component of Pullman Sydney Hyde Park. The refurbishment which was completed in October 2014 created premium office space in a central location that would attract businesses demanding higher quality office space. This, in turn, could result in potential rental uplift. The hotel has five floors of quality office space with a total net leaseable area of approximately 4,600 sqm.



Novotel Sydney Parramatta

In FY2014/15, refurbishment work was undertaken to upgrade the conference facilities, including soundproofing, new ceilings, carpet, lightings and furniture. Completed in December 2014, the refurbished facilities can cater to meetings of up to 550 people and provide one of the largest column-free hotel ballrooms in the Parramatta region. The hotel has 11 multi-purpose conference and event spaces with a total area of 915 sqm.



GROWTH THROUGH ACQUISITION

In April 2014, A-HTRUST completed the acquisition of Osaka Namba Washington Hotel Plaza for a consideration of JPY8.9 billion (approximately \$108.8 million¹). This is A-HTRUST's second hotel in Japan after Sunroute Ariake and Oakwood Apartments Ariake Tokyo. Strategically located, Osaka Namba Washington Hotel Plaza had contributed positively to the performance of A-HTRUST. With a master lease arrangement, it also provided added cashflow stability.

POST FINANCIAL YEAR DEVELOPMENTS

New Master Lease with Rent Uplift

In May 2015, A-HTRUST entered into a new master lease agreement which will see an uplift in rent from the Osaka Namba Washington Hotel Plaza. The new master lease agreement will commence on 1 January 2016. As the rent has been structured to be the higher of the fixed rent or a proportion of gross revenue, it provides stability of cashflow and downside protection while A-HTRUST can also enjoy potential upside in the event of a strong performance by the hotel. As part of its active asset management strategy, the Managers will renovate and reposition the hotel to appeal to younger travellers and to better meet the changing demands of the modern-day business travellers.

Divestment of Pullman Cairns International

In May 2015, A-HTRUST entered into a put and call option deed for the divestment of Pullman Cairns International² for a consideration of AUD75.08 million (approximately \$79.4 million³). The consideration represents a premium of 12.1% above the valuation of Pullman Cairns International as at 31 March 2015.

Given its location in one of the smaller cities in Australia, which is predominantly a vacation destination, Pullman Cairns International does not entirely fit into the profile of A-HTRUST's portfolio. The hotel is the only one that is not wholly-owned by A-HTRUST.

The divestment will allow A-HTRUST to free up capital and provide greater financial flexibility for fund deployment, value enhancement and/or repay debt.

1 Based on exchange rate of \$1.00:JPY81.80

2 A-HTRUST owns 50% of Pullman Cairns International

3 Based on exchange rate of AUD1.00:\$1.06

MARKET REVIEW

SYDNEY

TOURISM MARKET OVERVIEW

Sydney attracts more international visitors than the average Australian city. Famous for its harbour, the city offers extensive shopping, entertainment and dining experiences as well as countless surf beaches within the wider metropolitan area. It also boasts a large domestic visitor segment, being both Australia's primary corporate centre and a key leisure destination. This broad demand base will underpin the city's hotel and tourism market in the coming years.

According to Tourism Research Australia, Sydney Tourism Region recorded strong growth over the nine months to September 2014, with visitor nights increasing 4.8% when compared to the same period in 2013. Growth was strongest in the domestic segment with visitor nights increasing by 6.9% y-o-y, a result of increases in travel for the purposes of business and visiting friends and relatives. International visitor nights also increased at a rate of 4.0% y-o-y. International visitors accounted for 73.2% of visitor nights in Sydney during YTD September 2014 and domestic nights 26.8%.

China, the United Kingdom and Korea were the primary international markets as at YTD September 2014. Most overseas visits were for the purposes of holiday or pleasure and education. Domestic tourism is primarily to visit friends and relatives and holiday or pleasure, mostly from regional New South Wales, Melbourne and Sydney.

EXISTING SUPPLY

According to the Australian Bureau of Statistics, there were 113 establishments with 20,345 rooms in Sydney City at end-June 2014. Over the past 10 years to June 2014, accommodation room supply in Sydney City has increased on average by 1.1% per annum. New supply was held back by the cost versus value equation and in spite of the market trading at very high occupancy levels. There were no hotel openings in 2014, with the exception of the extension of the Swissotel Sydney Hotel.

FUTURE SUPPLY

There are seven accommodation developments currently under construction and due for completion between 2015 and 2017. These being the 62-room The Old Clare Hotel, the 281-room Tankstream Hotel, the conversion of 88 Liverpool Street Sydney into a 76-room hotel accommodation, the 590-room Sydney International Convention Centre Hotel which will operate as a Sofitel, the 171-room Greenland Primus Hotel, the 24-room Holiday Inn Darling Harbour extension, and the 231-room Four Points by Sheraton Darling Harbour additional tower. Supply increases in Sydney City are expected to average 3.1% per annum over the four years to end-2018 if all projects were to proceed.



HOTEL MARKET PERFORMANCE

STR Global showed market-wide occupancy levels in Sydney increasing marginally by 0.6 percentage points to 87.1% in 2014. ADR improved by 3.9% to AUD228 resulting in RevPAR growth of 4.6% to AUD198. Stable corporate and MICE demand was boosted through the winter period by strong leisure travel due to numerous events including Vivid Sydney and the Handa Opera on Sydney Harbour.

HOTEL MARKET OUTLOOK

Sydney's accommodation market remains strong following the recovery which has been evident over the past four years, as occupancy levels have reverted to a very high level and ADR growth has strengthened. This is in line with the consistent supply outlook and more stable demand environment with growth across a variety of segments including corporate, cruise and inbound. The closure of the Sydney Convention & Exhibition Centre in late 2013 has had only a small impact on the overall market, with a number of five-star hotels enjoying considerable demand-uplift as a result.

Major infrastructure projects such as the Barangaroo urban renewal project and the development of the Sydney International Convention and Exhibition Precinct will provide an added boost to the market over the medium to long-term.

HOTEL INVESTMENT MARKET

Over the past decade, around AUD4.8 billion worth of hotels had changed hands in the Sydney Tourism Region (includes the broader metropolitan area). Sydney is Australia's premier hotel investment destination, reflective of the city's broad international appeal.

There were 11 major hotel transactions in Sydney City in 2014 with the largest comprising the 557-room Sheraton on the Park Sydney, the 436-room Sofitel Sydney Wentworth, the 89-room Hotel 1888, the 100-room Blue Sydney and a development deal for the Sofitel Sydney International Convention Centre Hotel.

MARKET REVIEW

PARRAMATTA



TOURISM MARKET OVERVIEW

Parramatta City is located in Sydney's western suburbs, about 23.0 kilometres west of the Central Business District ("CBD"), on the banks of the Parramatta River. Due to its proximity to Sydney, tourism trends are in line with the broader Sydney Tourism Region (includes the broader metropolitan area). Parramatta City is located in close proximity to Sydney Olympic Park (includes a business park and conference and entertainment centre) which is expected to accommodate 1.4 million square metres of new building space, 6,000 new residential dwellings and improved access to the precinct's 430 hectares of parklands by 2030.

EXISTING SUPPLY

According to the Australian Bureau of Statistics, there were nine establishments with 1,324 rooms in Parramatta as at end-June 2014. Over the past ten years to June 2014, accommodation room supply in Parramatta had recorded little change, decreasing on average by 0.1% per annum.

FUTURE SUPPLY

There are three construction projects currently underway in Parramatta. The 242-room Meriton Serviced Apartments and the 81-room V by Crown are due for completion in 2016 and are expected to include a proportion of serviced apartments. The 89-room extension of the Parkroyal Parramatta is due for completion in 2017. Supply increases in Parramatta are expected to average 8.1% per annum to end-2018.

HOTEL MARKET PERFORMANCE

STR Global showed Parramatta's market-wide accommodation market recording strong RevPAR growth during 2014, increasing by 5.2% to AUD134. ADR increased by 3.9% to AUD162 while occupancy recorded a more moderate growth of 1.1 percentage points to 82.9%. Compression in Sydney's CBD resulted in demand overflowing across the broader metropolitan area. Big-ticket sporting and music events at Sydney Olympic Park also provided trading spikes throughout the year.

HOTEL MARKET OUTLOOK

The near term outlook for Parramatta's accommodation market is positive with RevPAR growth expected to strengthen after a strong 2014. Medium term prospects are expected to be more challenging given the small accommodation market and the number of serviced apartment rooms which are currently under construction. This will continue to be offset by the continued relocation of corporate occupiers out of the CBD and the strong economic growth projected for Western Sydney. Capacity constraints in Sydney City are also expected to underpin accommodation demand in Parramatta over the next few years.

HOTEL INVESTMENT MARKET

There were no major hotel transactions in Parramatta in 2014.

MARKET REVIEW

RYDE



TOURISM MARKET OVERVIEW

Ryde City is located in Sydney's north-western suburbs, about 15.0 kilometres from the Sydney CBD. Due to its proximity to Sydney, tourism trends are in line with the broader Sydney Tourism Region including the city and metropolitan area.

Ryde is predominantly a residential area, but also has substantial commercial, industrial and institutional areas totalling about 40.0 square kilometres. There are two primary business parks in Ryde, Macquarie Park Employment Area and Riverside Corporate Park. They are major corporate centres hosting local and international high-technology companies including electronic, scientific, computing, medical, communication, pharmaceutical and business supply solutions. The area has evolved in tandem with the "global arc" of linked jobs and gateway infrastructure from Port Botany in the south of Sydney to Macquarie Park in the north.

EXISTING SUPPLY

According to JLL, there were nine establishments with 915 rooms at the end of 2014, inclusive of the closure of the 257-room Stamford Grand North Ryde on 31 December 2014. Over the 10 years to 2014, accommodation room supply in Ryde had increased on average at 1.4% per annum, with the most recent major opening being the 199-room Meriton North Ryde in December 2013.

FUTURE SUPPLY

There were no hotel openings in 2014. However, there was one hotel closure, being the 257-room Stamford Grand North Ryde. There is one hotel currently under construction, the 192-room Holiday Inn Express North Ryde, which is scheduled for completion in 1Q 2016, and a further two projects which are likely to commence construction in the short to medium term. Should these projects progress, net supply increases in Ryde are expected to increase at a rate of 13.0% per annum to end-2018.

HOTEL MARKET PERFORMANCE

STR Global showed Ryde's market-wide accommodation market declining significantly in RevPAR in 2014, falling by 5.8% to AUD116. This was likely due to the opening of Meriton North Ryde in December 2013. Occupancy levels declined by 0.5 percentage points to 77.1% and ADR decreased by 5.2% to AUD151 in 2014.

HOTEL MARKET OUTLOOK

The near term outlook for Ryde's accommodation market has strengthened in line with the closure of the Stamford Grand North Ryde in December 2014 and is expected to revert accommodation performance to the level it was at prior to the opening of the Meriton development. Medium term performance is expected to improve, in the absence of any further additions to supply, and whilst trading in Sydney City remains constrained.

HOTEL INVESTMENT MARKET

There were no hotel transactions in Ryde in 2014.

MARKET REVIEW

MELBOURNE

TOURISM MARKET OVERVIEW

Melbourne is Australia's second most populous city and a major corporate centre. The Victorian Government has invested significantly in tourism infrastructure over the past decade which has underpinned growth in international and domestic visitation.

According to Tourism Research Australia, Melbourne's tourism market recorded an increase in demand over the nine months to September 2014, with visitor nights increasing by 2.8% y-o-y. Growth was strongest in the domestic segment with visitor nights increasing by 12.1% y-o-y while international visitor nights declined 1.5% y-o-y. International visitors accounted for 65.8% of visitor nights in Melbourne as at YTD September 2014 while domestic visitors accounted for the remaining 34.2% of visitor nights.

China, the United Kingdom and Malaysia were the primary international markets as at YTD September 2014. International visitors visited Melbourne primarily for education and holiday or pleasure. Domestic tourists were mostly visiting friends and relatives and for holiday or pleasure, with the majority from regional Victoria, Sydney and regional NSW.

EXISTING SUPPLY

According to the Australian Bureau of Statistics, there were 137 establishments with 19,304 accommodation rooms in Melbourne City at the end of June 2014. Over the past ten years to June 2014, accommodation room supply in Melbourne City had increased on average by 2.5% per annum.

Significant investment in tourism infrastructure and new commercial office developments had resulted in a strong accommodation demand environment coupled with the establishment of distinct precincts within the city. There were five hotel openings in 2014 being the 96-room Art Series - The Larwill Studio, the 174-room Sheraton Melbourne, the 37-room Oaks Pinnacle, the 15-room Coppersmith Boutique Hotel and the 200-room Wyndham on William.

FUTURE SUPPLY

There are four accommodation developments currently under construction in Melbourne, due for completion in 2015 and 2016. These include the 50-room Hotel Sophia extension, the 182-room QT Residential Hotel, the 87-room Peppers Docklands and the 266-room Parkroyal Melbourne. Supply increases in Melbourne City are expected to average 2% per annum over the four years to the end-2018.



HOTEL MARKET PERFORMANCE

STR Global showed market-wide occupancy levels in Melbourne increasing 1.4 percentage points to 85.8% in 2014. ADR improved by 2.6% to AUD197 resulting in RevPAR growth of 4.3% to AUD169 y-o-y. RevPAR gains have been evident throughout the year boosted by strong take up during periods of high demand such as Chinese New Year and the Easter or School Holidays, as well as improving conference and corporate demand.

HOTEL MARKET OUTLOOK

The medium term outlook for Melbourne's accommodation market remains positive after trading performance results showed continual RevPAR growth as at YTD March 2015. RevPAR growth is expected to remain robust over the next few years with the city expected to increase its share of national MICE demand following the closure of the Sydney Convention and Exhibition Centre in late 2013.

HOTEL INVESTMENT MARKET

Around AUD2 billion worth of Melbourne hotels had changed hands over the past decade with hotels in the city typically tightly held. Investor appetite for hotel investment opportunities in Melbourne remained strong with the city ranked as the second hotel investment destination in Australia. The sale of the 240-room Park Hyatt Melbourne was the sole transaction recorded in 2014.

MARKET REVIEW

BRISBANE

TOURISM MARKET OVERVIEW

Brisbane is the third most populous city in Australia and the gateway to Queensland. The city has experienced strong economic growth, underpinned by the resources sector. Other major industries include information technology, financial services and public sector administration. Tourism is also important, with the city located within an hour's drive to well-known tourist attractions including the Australia Zoo, Dreamworld, Seaworld and Warner Bros Movie World.

According to Tourism Research Australia, Brisbane recorded an increase in tourism demand over the nine months to September 2014, with total visitor nights increasing by 4.3% y-o-y. Domestic visitor nights rose 9.6% whereas international visitor nights declined 6.1% y-o-y with travel for the purposes of business and education recording the largest y-o-y declines of 22.5% and 12.4% respectively. International visitors accounted for 53.6% of visitor nights in Brisbane as at YTD September 2014 and domestic nights 46.4%.

China, the United Kingdom and Korea were the primary international sources as at YTD September 2014, with the majority visiting Brisbane for holiday or pleasure and education. Domestic tourists were primarily visiting friends and relatives and for holiday or pleasure, with most coming from regional Queensland followed by Sydney and regional NSW.

EXISTING SUPPLY

According to the Australian Bureau of Statistics, there were 87 establishments with 8,984 rooms at end-June 2014 in Brisbane City. Over the past ten years to June 2014, annual room supply in Brisbane City has increased on average by 2.9% per annum.

There were nine properties which opened in Brisbane in 2014 including the 246-room Sheraton Four Points Brisbane, the 68-room Gambaro Boutique Hotel, the 51-room Alpha Mosaic Hotel, the final stage of the Meriton Herschel Street serviced apartments with an additional 169 rooms, the 65-room TRYP by Wyndham Fortitude Valley, the 304-room Next Hotel, the 114-room Mantra on Edward and the 70-room Quest Serviced Apartments Woollongabba. The Inchcolm Hotel also reopened in November following a refurbishment and extension with an additional 14 rooms.

FUTURE SUPPLY

There are eight properties which are currently under construction in Brisbane, which once completed will result in an increase of 1,400 rooms. This includes the 239-room Capri by Fraser, the 77-room Alex Perry Serviced Apartments, the 368-room Ibis Brisbane, the 305-room W Hotel, the 146-room Southpoint Emporium Hotel, the 85-room Quest Serviced Apartments Kelvin Grove, the 134-room Swiss Belhotel South Brisbane and the 48-room Quest Chermiside on Playfield. Supply increases in Brisbane City are expected to average 7% per annum over the four years to the end of 2018.



HOTEL MARKET PERFORMANCE

STR Global showed Brisbane's market-wide accommodation market improving in the year ending December 2014 with RevPAR increasing by 2.3% y-o-y to AUD154. Occupancy levels increased by 0.4 percentage points to average 78.8% and ADR increased by 1.8% to AUD195, boosted by the strong growth during the G20 Leaders' Summit in November 2014.

HOTEL MARKET OUTLOOK

Brisbane's accommodation market has softened since mid-2012 in line with weaker government, corporate and convention demand. Notwithstanding, trading showed some signs of stabilising in 2014, boosted by the G20 summit in November 2014, and is expected to continue to stabilise in the short to medium term.

Any notable uplift in performance will however be dependent on the extent of recovery in the corporate and conference segment. Resource sector demand may improve over the medium term, with renewed investment in mining infrastructure projects following the Federal Election including the announcement of the Adani mining project in the Galilee Basin, as well as the continued depreciation of the Australian Dollar.

HOTEL INVESTMENT MARKET

Around AUD1 billion worth of Brisbane hotels have changed hands over the past decade. There were four major accommodation hotel transactions in 2014, being the sale of the 45-room Quality Hotel Airport International, the 50-room Ibis Budget Windsor, the 60-room Sunnybank Star Hotel and Apartments and the 40-room Il Mondo Boutique Hotel. Investor appetite for hotel investment opportunities in Brisbane remains strong with the city ranked as one of the key investment destinations in Australia.

MARKET REVIEW

CAIRNS

TOURISM MARKET OVERVIEW

Cairns is a major administrative centre and premier leisure destination providing the ideal base to explore Tropical North Queensland (“TNQ”), with easy access to the Great Barrier Reef, heritage rainforest and outback. Major tourism infrastructure includes the Reef Fleet Terminal, Reef Casino, Esplanade Pool, Skyrail, as well as a host of established tours and adventure activities. The focus of tourism activity is predominantly located between Cairns and Port Douglas to the north.

The TNQ tourism market recorded an increase in tourism demand over the nine months to September 2014. Total visitor nights increased by 7.3% y-o-y over the nine months to September 2014, with international visitors accounting for 38.7% of visitor nights while domestic visitors accounting for 61.3% of visitor nights.

Growth was strong in both domestic and international visitor nights, notably for holiday or pleasure and visiting friends and relatives. International visitor nights increased by 19.1% y-o-y, with the largest source markets being Hong Kong, New Zealand and Canada. Domestic tourists increased by 11.2% y-o-y.

EXISTING SUPPLY

According to the Australian Bureau of Statistics, there were 93 establishments with 7,215 rooms at the end of June 2014 in Cairns City. Over the past ten years to June 2014, accommodation room supply in Cairns City had declined at an average rate of 1.0% per annum. The profile of the Cairns’ accommodation market had changed considerably over the last decade with the entry of serviced apartments. Room supply in Cairns City had tended to fluctuate in line with the movement of serviced apartments in and out of rental pools.

FUTURE SUPPLY

There are no hotel accommodation projects currently under construction or proposed and likely to commence construction over the next couple of years in Cairns City. Following the global financial crisis, many proposed projects were put on hold or abandoned in Cairns due to sub optimal market conditions, tight credit markets and decreases in corporate and leisure travel which impacted development viability. While market conditions have improved recently, any major short-term accommodation projects are unlikely to proceed until it is determined whether the proposed Aquis development will advance.

The proposed Aquis development is an AUD8.15 billion resort and casino located at Yorkeys Knob, 13 kilometres north of Cairns. If it proceeds, Aquis Great Barrier Reef Resort would represent one of the largest investments in Australian tourism infrastructure comprising eight hotels, two casinos, retail, theatres, a convention centre, a cultural heritage centre and a world-class golf course. The Queensland Government granted the project’s Environmental Impact Statement (“EIS”) conditional approval in December 2014. If this project proceeds as planned, it would have a material impact on the existing accommodation market in Cairns and Port Douglas.



HOTEL MARKET PERFORMANCE

STR Global showed improvement in the market-wide hotel trading performance in Cairns City in 2014. Occupancy levels in Cairns increased by 4.2 percentage points y-o-y to 78.1% while ADR grew by 4.4% to AUD134 resulting in RevPAR growth of 10.4% to AUD105. Strong uptake during the Chinese New Year holiday period underpinned this growth, as well as the Australian Tourism Exchange event in May and the G20 Finance Ministers' meeting in September.

HOTEL MARKET OUTLOOK

The Cairns accommodation market had improved as market conditions stabilised over the past two years. The improvement in demand is expected to continue over the next three years before stabilising, however this is in the absence of any major supply additions or extraordinary events. Room rate growth is expected to build gradually over the medium term, albeit from a low base.

HOTEL INVESTMENT MARKET

Over AUD400 million worth of Cairns region hotels have changed hands over the past decade. The sale of the 92-room Hotel Cairns and the 72-room Bay Village Tropical Retreat were the two transactions noted in 2014. These transactions highlighted the early signs of renewed investor interest in the accommodation market in line with the recent improvement in operating performance.

MARKET REVIEW

BEIJING

TOURISM MARKET OVERVIEW

Latest statistics from the Beijing Tourism Bureau showed international visitor arrivals decreasing y-o-y by 5.0% to 4.3 million in 2014. This was primarily due to uncertainties in the global economy, the appreciation of the Chinese Renminbi and the air pollution in Beijing.

In 2014, visitor arrivals from Macau, Japan and South Korea showed increases, with Macau recording a growth of 23.5% y-o-y to 2.2 million visitors. South Korean visitors reflected an increase due to the rapid development of bilateral trade cooperation and cultural and educational exchanges. Other markets such as Hong Kong, Taiwan and the United States showed a decline in 2014.

As China's capital city, Beijing remains a popular corporate and leisure destination for domestic visitors. In 2014, Beijing received 257 million domestic visitors, an increase of 4% y-o-y.

EXISTING HOTEL SUPPLY

As at end-2014, Beijing had more than 35,000 internationally-branded hotel rooms. The majority of the existing hotel supply is in the economy hotel segment, with 3-star and 2-star hotels comprising 36.6% and 26.5% of all hotels, respectively. Comparatively, 4-star and 5-star hotels totalled 35.0% of all hotel supply in Beijing.

Majority of the new supply in 2014 were in the luxury and upscale sectors. Key openings include the 412-room Beijing JW Marriott Hotel Central, the 176-room Waldorf Astoria Beijing, the 466-room Crowne Plaza Beijing Lido, the 200-room Grand Mercure DongCheng, the 238-room Rosewood Beijing, the 329-room Beijing Wangfujing Renaissance Hotel, the 349-room W Beijing and the 111-room Yanqi Lake Hotel by Kempinski, as part of the Beijing Sunrise Complex.

FUTURE HOTEL SUPPLY

In 2015, the upcoming hotel supply is estimated at more than 2,300 internationally-branded rooms. Planned openings in 2015 include the 241-room Mandarin Oriental, the 381-room Sheraton Beijing West Mountain Resort, the 460-room CTS tower Metropark, the 200-room Hotel Nuo and the 264-room Tangram Hotel.

Tongzhou is likely to be another popular area for hotel development as it has recently been announced that the Beijing Universal Studios will open in Tongzhou in 2019. There are plans for a Hyatt hotel and a Marriott hotel in the Tongzhou area. Hotel room supply is expected to grow at average 3.9% per annum from 2014 to 2018 if all projects materialise.



HOTEL MARKET PERFORMANCE

In 2014, Beijing's market-wide hotel trading performances showed a decline. Occupancy levels in Beijing decreased by 1.5 percentage points to 57.2% while ADR declined by 1.3% y-o-y to RMB513, according to China National Tourism Administration and JLL. Consequently, RevPAR declined by 3.6% y-o-y to RMB293. The decline in international visitor arrivals as well as the increase in hotel supply and restrictions placed on government spending at upscale and luxury hotels have contributed to the decline in trading performances.

HOTEL MARKET OUTLOOK

Corporate demand from service-oriented, cultural and creative industries is anticipated to increase. Corporate demand for hotels is likely to be generated from infrastructure projects and developments in new areas. New projects in the Tongzhou District such as Universal Studios and the construction of the new airport in the south are expected to draw more visitors to Beijing.

The MICE market in Beijing is expected to remain stable in 2015 with industrial exhibitions, conferences, company brand launches and corporate conferences. In 2015, one of the major events will be the 2015 Beijing World Athletics Championships, which is likely to attract international visitors to Beijing during the games.

However, a significant number of hotel room additions are expected in 2015. An estimated 2,300 rooms are expected to be added to the market in 2015, including some projects which have been postponed from 2014. These projects will continue to intensify competition and place more pressure on existing hotels. While some projects are likely to be postponed, the ADR growth is likely to be limited in the short-term.

HOTEL INVESTMENT OUTLOOK

Hotel investors continue to adopt a cautious approach to Chinese hotel assets in the mainland in light of the decline in trading performances and profits due to the decrease in government consumption. In addition, many Chinese investors are looking for investment opportunities outside of mainland China. Global cities with direct flight connections to China are high on investors' wish lists and insurance companies have also emerged as a new capital source from within the country.

MARKET REVIEW

TOKYO

TOURISM MARKET OVERVIEW

In 2014, Tokyo's tourism market showed an increase in inbound tourists owing to the depreciation of the Japanese Yen, the new tax-free system in Japan which now extends to all items, as well as the easing of visa regulations for countries in Southeast Asia.

Japan Tourism Agency figures recorded 47.6 million accommodation guests in Tokyo in 2014, a marginal y-o-y increase of 1.0%. Domestic accommodation guests registered a decline of 5.4% y-o-y in 2014 to 35.6 million. International accommodation guests, accounting for approximately 25% of total accommodation demand in Tokyo, registered a 26.5% y-o-y growth reaching 11.9 million.

Japan National Tourism Organisation statistics showed international visitors to Japan registering a record of 13.4 million in 2014, a 29.4% increase over the previous year. This can be attributed to a significant growth in visitors from China which registered a y-o-y improvement of 83.3%. Taiwan was Japan's top source market, followed by South Korea, China and Hong Kong. Visitors from South Korea, Taiwan and China comprised approximately 59.6% of total international arrivals to Japan. Visitors from Indonesia, Philippines and Vietnam also increased due to the relaxation of multiple visas since September 2014.

EXISTING SUPPLY

Based on statistics from the Japan Ministry of Health, Labour and Welfare, Tokyo had 680 hotels with 97,879 guestrooms as at end-March 2014. As compared to March 2013, the number of hotel establishments declined by four properties, while the number of guestrooms increased by 2.1%. This is due to the closure of older and smaller hotels which were replaced by newer and larger hotels in Tokyo.

In 2014, there were two full-service hotel openings in Tokyo which were the 164-room Andaz Tokyo and the 84-room Aman Tokyo. The majority of the hotels which opened in Tokyo in 2014 were limited-service hotels operated by domestic operators.

FUTURE SUPPLY

In 2015, no full-service hotels are expected to open in Tokyo. However, two upcoming full-service hotels are scheduled to open in 2016. These are the 84-room Hoshinoya Tokyo, as well as the 250-room The Prince Gallery Tokyo Kioicho at the site of the demolished Grand Prince Hotel Akasaka.

There are approximately 40 limited-service hotels with 8,609 rooms expected to open in 2015 and 2016. Many of these hotels are located in the Ginza and Shinjuku areas.



HOTEL MARKET PERFORMANCE

According to STR Global and JLL's research, Tokyo's market-wide hotel RevPAR improved by 10.0% y-o-y to JPY14,731 in 2014. This was the highest RevPAR recorded since the global financial crisis.

Occupancy levels increased to 86.7% and ADR recorded growth of 9.3% y-o-y to achieve JPY16,972 in 2014. Improvements in hotel trading performance can mainly be attributed to an increase in inbound tourists and an improved Japanese economy.

HOTEL MARKET OUTLOOK

Tokyo will host the Olympic and Paralympic Games in 2020. This is likely to have a positive impact on the hotel and tourism market during the six years prior to and during the Olympic and Paralympic Games. The economic impact of the Games is estimated at JPY2.96 trillion, which will benefit the travel, advertising, services, construction and commercial industries, according to the Tokyo Metropolitan Government (TMG).

Improvements in international visitor arrivals are likely to drive accommodation demand. RevPAR growth in the short-term is likely to be driven by ADR growth as occupancy has already recovered to a relatively high level.

HOTEL INVESTMENT OUTLOOK

In 2014, there were 15 hotel transactions in Tokyo. Most of the hotel assets which were sold recently were limited-service hotels and buyers include Japanese developers and real estate companies, Japanese REITS, Singapore REITs and investment funds. Full-service hotels in Tokyo are tightly held and rarely offered for sale.

Due to the favourable overall market environment and low interest rates, investor interest in hotel assets remains strong in the short to medium term.

MARKET REVIEW

OSAKA

TOURISM MARKET OVERVIEW

In 2014, Osaka's tourism market recorded an increase in inbound tourists. This can be attributed to the opening of Abeno Harukas (the city's tallest skyscraper housing a department store, an art museum, a hotel and an observation deck) in March 2014, the expansion of Universal Studios Japan in July 2014, in addition to the depreciation of the Japanese Yen, the new tax-free system in Japan which now extends to all items, as well as the easing of visa regulations for countries in Southeast Asia.

Japan Tourism Agency statistics showed that international accommodation guests in Osaka Prefecture recorded a y-o-y increase of 33.9% to 5.8 million in 2014. Domestic accommodation guests to Osaka also improved, reaching 20.3 million in 2014, registering a growth of 3.8% y-o-y.

EXISTING SUPPLY

Based on statistics from the Japan Ministry of Health, Labour and Welfare, Osaka City had 298 hotels with 48,225 guestrooms as at end-March 2014. As compared to March 2013, there were 14 new hotel establishments, contributing to a 3.7% increase in rooms.

The 360-room Osaka Marriott Miyako Hotel, occupying the upper levels of the newly built 60-storey Abeno Harukas, opened in March 2014. The other new hotels are limited-service hotels.

FUTURE SUPPLY

There are few hotel openings expected to open in Osaka in 2015. The Park Front Hotel at Universal Studios Japan, a 598-room full-service hotel, is scheduled to open as one of Universal Studios' official hotels in 2015. Other upcoming hotels in 2015 are limited-service hotels.

Osaka's overall hotel room inventory is likely to remain fairly constant in the next few years given that there are a number of hotels which close for redevelopment or renovations every year.

HOTEL MARKET PERFORMANCE

According to STR Global and JLL's research, Osaka's market-wide hotel RevPAR improved by 17.4% y-o-y to JPY14,506 in 2014. This was the highest RevPAR recorded since the global financial crisis.

Occupancy levels improved to 80.8% and ADR also recorded a y-o-y growth of 13.9% to achieve JPY17,960. Improvements in hotel trading performance can be attributed to an increase in both inbound international and domestic tourists.



HOTEL MARKET OUTLOOK

In Osaka, both domestic and international visitor arrivals are expected to increase within the next few years. Kansai International Airport announced a plan to construct a third terminal in 2015 for the exclusive use of international low cost carriers. Upon the completion of Terminal 3, Kansai International Airport's annual capacity would double to 8 million passengers.

Further improvement in hotel trading performances is expected in Osaka if the global economy remains strong, with only a few hotel openings planned from 2015 onwards.

In terms of hotel trading performance, RevPAR growth in the short-term is likely to be driven by an increase in ADR. Occupancy is expected to remain at a high level while hoteliers are likely to aim for higher ADRs in 2015. Trading performances are expected to improve, driven by strong accommodation demand from inbound travellers.

HOTEL INVESTMENT OUTLOOK

Investor appetite for hotel investment opportunities in Osaka remains one of the highest in the region, given the improvements in hotel trading performances.

In 2014, JLL recorded six hotel transactions in Osaka including the 698-room Osaka Namba Washington Hotel Plaza purchased by A-HTRUST and the 480-room Hyatt Regency Osaka purchased by Gaw Capital Partners, a Hong Kong based fund, as their first investment in Japan. The remaining hotel transactions were made by a Japanese investment fund, a Japanese REIT, a Japanese real estate company and a hotel management company.

Osaka is expected to remain of keen interest to investors given the stable economic climate.

MARKET REVIEW

SINGAPORE

TOURISM MARKET OVERVIEW

In 2014, international visitor arrivals to Singapore were recorded at 15.1 million, a 3.1% y-o-y decline over 2013 and below the forecast set by the Singapore Tourism Board (STB), which targeted 16.3 to 16.8 million arrivals. Tourism receipts held steady for the year at \$23.5 billion, slightly lower than the targeted \$23.8–\$24.6 billion set by STB.

An estimated 76.6% of visitor arrivals were from Asian countries including the top three source markets – Indonesia, China and Malaysia. Decline in the top three source markets was recorded in 2014, with China exhibiting the most significant decline of 24.1% y-o-y in 2014, due to various reasons including the aviation accidents in the region. Strong growth was seen in several top source markets, with a 16.8% y-o-y increase in Hong Kong and a 13.7% y-o-y growth in South Korean visitors. This is mainly attributed to an additional travel route by Scoot between Seoul and Singapore and the appreciation of the Korean Won.

EXISTING HOTEL SUPPLY

At end-2014, Singapore's hotel inventory comprised a total of 57,172 licensed rooms according to STB. An estimated 2,154 rooms opened in 2014, up 3.9% over 2013, based on STB statistics. New hotels that opened in 2014 include the 442-room Holiday Inn Express Clarke Quay, the 502-room Hotel Jen Orchardgateway, the 243-room One Farrer Hotel and Spa, and the 134-room Sofitel So Singapore Hotel.

FUTURE HOTEL SUPPLY

Singapore's hotel room supply is expected to grow by an average of 4.3% per annum to 67,564 rooms over the period to December 2018, with an estimated 10,390 hotel room additions between 2015 and 2018. This excludes any proposed Government Land Sales sites for hotels. Most of the upcoming hotel supply is positioned in the budget and upscale sectors.

In 2015, 4,254 rooms are scheduled to open in Singapore across the full range of sectors from budget to luxury. New hotels include the 157-room The Patina, Capitol Singapore, the 654-room South Beach Hotel by City Developments Limited, the 557-room Genting Hotel Jurong, the 488-room Hotel Grand Chancellor Orchard and the 442-room Park Hotel Alexandra. The 243-room extension to the Crowne Plaza Changi Airport is also scheduled to open towards the end-2015.

HOTEL MARKET PERFORMANCE

Based on STB statistics, market-wide hotel occupancy registered at 85.5% in 2014, reflecting a 0.9 percentage point decrease y-o-y while ADR remained stable at \$258 which led to a 1.0% decline in RevPAR to \$221. This can be attributed to a decline in visitor numbers in 2014 as well as cutbacks in travel budgets by corporate clientele, resulting in a marginal dip in hotel ADR and occupancy.



HOTEL MARKET OUTLOOK

Singapore remains a key commercial hub with the presence of many multinational corporations and an attractive leisure destination in Asia as it continues to improve on its tourism offerings. The Singapore government is committed to achieving its target of 17 million visitor arrivals, \$30 billion in tourist receipts and the creation of an additional 100,000 jobs in the service sector in 2015.

While Singapore remains one of the key commercial hubs in the region, cautious spending by corporates continues to put pressure on rate growth for hotels. In 2015 and 2016, with the upcoming pipeline featuring many midscale and upscale hotels, ADR growth is likely to remain moderate in the short-term. Hotel trading performance is also largely dependent on the recovery of the top two source markets, China and Indonesia, particularly for the leisure segment. The decline in visitation from both markets is expected to be temporary and both markets are likely to recover in the short to medium term. In November and December 2014, visitors from China increased by 10.1% and 2.8% y-o-y, respectively, indicating that the Chinese visitors are starting to visit Singapore again.

HOTEL INVESTMENT OUTLOOK

Buyer activity in Singapore fell in 2014 in the wake of the record values per key recorded in 2013 including the 305-room The Westin and the 308-room Grand Park Orchard. With limited assets available in the market, investment activity is likely to remain subdued in 2015. The overall decline in investment activity in Singapore and Asia partly reflects a geographic shift of investment focus to recovering and emerging markets such as the Americas and Western Europe by Asian capital, rather than a diminishing interest in local hospitality assets.

INVESTOR RELATIONS

OVERVIEW

The Managers are committed to maintaining regular, consistent and transparent communication with A-HTRUST's stakeholders, including Stapled Securityholders, prospective investors, analysts and the media. The Managers recognise the importance of providing timely and clear information on A-HTRUST developments and pro-actively communicate to stakeholders material developments that may have an impact on A-HTRUST, as and when appropriate.

Announcements, press releases and investor presentations are promptly released on SGXNET to help investors make informed investment decisions. These are also posted in a timely manner on A-HTRUST's corporate website (<http://www.a-htrust.com>), where Stapled Securityholders and the general public who subscribe to A-HTRUST's electronic mailing list will receive email notification of latest updates. Up-to-date information on A-HTRUST, including portfolio information, annual reports as well as pertinent information about the Managers and the Board of Directors, are also available on the corporate website.

BACK-END TAX PROCEDURE

In FY2014/15, the Managers implemented a back-end tax refund procedure to allow eligible Stapled Securityholders to claim for a refund of any excess tax in instances where excess tax had been deducted from such Stapled Securityholders who enjoyed tax exemption or concession in respect of distributions made by A-HTRUST to them. This provided a convenient avenue for such Stapled Securityholders to submit their claims for any refunds.

Investor Relations Events in FY2014/15

Q1 FY2014/15	COUNTRY	DATE
4Q FY2013/14 Analysts Teleconference	Singapore	May 2014
2014 Mizuho Pan-Asia Corporate Day	Hong Kong/Singapore	May 2014
DBS Vickers Pulse of Asia Conference	United States	June 2014
Q2 FY2014/15		
Maybank Non-Deal Roadshow	Malaysia	July 2014
A-HTRUST's Second Annual General Meeting	Singapore	July 2014
1Q FY2014/15 Analysts Teleconference	Singapore	August 2014
UBS Asean Conference 2014	Singapore	September 2014
2014 Mizuho Investment Conference	Japan	September 2014
Q3 FY2014/15		
2Q FY2014/15 Analysts Teleconference	Singapore	November 2014
DBS Vickers Investors Luncheon	Singapore	November 2014
UBS Global Real Estate CEO/CFO Conference	United Kingdom	December 2014
Q4 FY2014/15		
SGX-REITAS Education Series: Insights into the REITs Industry	Singapore	January 2015
3Q FY2014/15 Analysts Teleconference	Singapore	February 2015
Citi Asia Pacific Investor Conference	Singapore	February 2015
DBS/HSBC Non-Deal Roadshow	Singapore	March 2015

INVESTOR OUTREACH

The Managers regularly engage the investment community through active participation in investor conferences and non-deal roadshows. Such platforms allow the Managers to provide updates on A-HTRUST's development and financial performance as well as insights on its strategies and market outlook, and through these, enhance the profile of A-HTRUST and generate interest in A-HTRUST. In FY2014/15, the Managers met existing and potential investors in Hong Kong, Malaysia, the United States and London.

The Managers also conduct analyst teleconferences and hold meetings with institutional investors every quarter following the release of A-HTRUST's financial results. These events allow the senior Management of the Managers to provide analyses of A-HTRUST's financial results, and provide a forum for active discussion with analysts and investors.

The annual general meeting is another platform where the Managers update the Stapled Securityholders of the performance and business developments of A-HTRUST. Such engagement and interactions with the Stapled Securityholders provide the Managers with an opportunity to better understand any issues or concerns Stapled Securityholders may have. A-HTRUST's second Annual General Meeting on 14 July 2014 was well-attended by more than 250 Stapled Securityholders and proxies.

Financial Calendar

FY2014/15	
15 May 2014	4Q FY2013/14 results announcement
6 June 2014	Cumulative distribution for the period from 1 October 2013 to 8 April 2014
14 July 2014	Second Annual General Meeting
13 August 2014	1Q FY2014/15 results announcement
6 November 2014	2Q FY2014/15 results announcement
12 December 2014	Distribution for the period from 9 April 2014 to 30 September 2014
6 February 2015	3Q FY2014/15 results announcement
FY2015/16	
8 May 2015	4Q FY2014/15 results announcement
16 June 2015	Distribution for the period from 1 October 2014 to 31 March 2015
2 July 2015	Third Annual General Meeting
August 2015*	1Q FY2015/16 results announcement
November 2015*	2Q FY2015/16 results announcement
December 2015*	Distribution for the period from 1 April 2015 to 30 September 2015
February 2016*	3Q FY2015/16 results announcement

* Subject to change

CORPORATE SOCIAL RESPONSIBILITY

As a responsible and caring organisation, A-HTRUST is committed to giving back to its communities and helping to build sustainable environments in its local markets while pursuing business growth. A-HTRUST advocates the importance of corporate social responsibilities (“CSR”) to its master lessees and hotel operators. Through CSR initiatives, A-HTRUST strives to continue its role as a responsible and considerate corporate citizen that can contribute to the communities and environment.

CARING FOR OUR COMMUNITIES

In Singapore, the Managers participate in activities organized by Ascendas GIVES Foundation in showing concern for the communities. Ascendas GIVES Foundation is the charitable giving arm of Ascendas Group, which advocates the spirit of caring and sharing within its communities through programmes that support the Arts, Community and the Environment. In November 2014, employees of the Managers took part in mural painting at Lighthouse School for the visually impaired. This helped liven up the school environment with the added purpose of stimulating the artistic capabilities of some of the students who were not visually impaired but were hearing impaired.

The Managers also supported a golf event organised by The RHT Rajan Menon Foundation, which supports environmental conservation efforts, educational pursuits of underprivileged children as well as offer assistance to disadvantaged groups.

Park Hotel Clarke Quay supported local charities through monetary donations in fundraising activities for the Association for Persons with Special Needs Centre for Adults and the Singapore Children’s

Society. The hotel staff also participated actively in the Red Cross Society’s blood donation drive.

A-HTRUST’s hotels in Australia reached out to help families in need and disadvantaged communities through various initiatives and activities. These included working with children’s hospitals to offer reprieve for families of very sick children, and providing rooms to families of children undergoing treatment. In addition, an event was organised for autistic children and their families to help these children learn and interact. Funds were also raised through more than 400 hours of community services for beneficiaries such as Leukaemia Foundation, Red Cross Relief for Typhoon Haiyan and Humour Foundation Support for Sick Children.

In China, Ibis Beijing Sanyuan and Novotel Beijing Sanyuan participated in activities such as fundraising for Orbis, an international non-profit organisation dedicated to the prevention and treatment of blindness. The hotels also supported Chi Heng Foundation in prevention of HIV/AIDS in China.

Employees of our hotels in Japan participated as volunteer fire fighters in case of fire incidents in the vicinity of the hotel, and also as volunteers in picking garbage as they play a part in maintaining a clean environment.

CONSERVING THE ENVIRONMENT

A-HTRUST is committed to eco-friendly practices that contribute towards building a sustainable environment. These practices vary and can include ways to minimise waste, improve operational efficiencies and even community outreach and education.



The Managers of A-HTRUST continued to work closely with the hotel operators to achieve sustainability of the environment in operations of the hotels. Among these efforts was the concerted drive to ensure that the hotels managed by Accor achieved its Planet 21 standards. In particular, Ibis Beijing Sanyuan and Novotel Beijing Sanyuan attained Planet 21 gold status. Planet 21 defines Accor’s objectives in terms of sustainable development premised on 7 pillars, comprising health, nature, carbon, innovation, local development, employment, and dialogue.



AWARDS AND ACCOLADES

FY2014/15 was a productive year for Park Hotel Clarke Quay which garnered a number of industry awards including Excellence Service Award by Standards, Productivity and Innovation Board (SPRING Singapore), the 3R Award (Reduce, Reuse and Recycle) and Security Excellence Award (both by Singapore Hotel Association). The hotel also received awards for its excellent talent development efforts with the People Developer's Award by SPRING. It was also awarded Asia's Leading Lifestyle Hotel by World Travel.



In addition, all the hotels undertook measures to minimise waste and reduce energy and water consumption. Notably, Park Hotel Clarke Quay stepped up efforts to recycle commonly used items such as paper, plastic, metal, soap and toners in printers. Park Hotel Clarke Quay also added water-saving fittings in sanitary systems and auto-cleaning devices for chillers to improve efficiency. Both Park Hotel Clarke Quay and Pullman and Mercure Melbourne Albert Park replaced old lights with new energy-saving light bulbs such as LED lights in the premises. The two Beijing

hotels participated in "Plant for the Planet" programme in which guests are invited to reuse their towels for more than one night and a portion of laundry savings are used to fund reforestation projects.

Other conservation initiatives adopted by A-HTRUST's hotels included encouraging guests to reuse linen and towel and not have these changed daily during multiple night stays, as well as recycling light bulbs, cardboard, plastic and glass.

In Australia, A-HTRUST's partner, Accor Hotels, was the winner of the Accommodation Chain category at the HM Awards 2014. The HM Awards for Hotel & Accommodation Excellence is one of the leading awards for the accommodation industry in Australia, New Zealand and Asia-Pacific.

During the G20 Leaders' Summit held in Brisbane, Australia in November 2014, Pullman and Mercure Brisbane King George Square hosted Heads of States from South Africa, Argentina, Indonesia and Senegal, and was also selected to host participants of Colour Me Brisbane, one of the many G20 Cultural Celebrations held in conjunction with the summit. The opportunity to host G20 delegates, media and local participants is testament to Pullman and Mercure Brisbane King George Square's quality and depth of experience to meet the highest hospitality standards of service excellence.

CORPORATE GOVERNANCE

MAINTAINING A STRONG CULTURE OF GOOD GOVERNANCE

A-HTRUST is a stapled trust comprising A-HREIT and A-HBT. Ascendas Hospitality Fund Management Pte Ltd was appointed the Manager of A-HREIT ("REIT Manager") in accordance with the terms of the Trust Deed constituting A-HREIT dated 13 March 2012 (as amended) (the "A-HREIT Trust Deed"). Ascendas Hospitality Trust Management Pte Ltd was appointed the Trustee-Manager of A-HBT ("Trustee-Manager") in accordance with the terms of the Trust Deed constituting A-HBT dated 13 March 2012 (as amended) (the "A-HBT Trust Deed"). The REIT Manager and the Trustee-Manager (collectively, the "Managers") had executed a Stapling Deed dated 13 March 2012 (the "Stapling Deed") to create the stapled group of A-HTRUST. Pursuant to the A-HREIT Trust Deed and the A-HBT Trust Deed, the Managers have general powers of management over the assets of A-HTRUST. The Managers' responsibility is to manage A-HTRUST.

The Managers work closely with the master lessees and appointed hotel managers to implement A-HTRUST's business and investment strategies. In addition, the REIT Manager sets the strategic direction of A-HREIT and makes recommendations to The Trust Company (Asia) Limited, as trustee of A-HREIT ("REIT Trustee"), on the acquisition, divestment or enhancement of A-HREIT's assets in accordance with its stated investment strategy. The Managers are also responsible for the capital and risk management of A-HTRUST.

Other main functions and responsibilities of the Managers are as follows:

1. conducting transactions on behalf of A-HTRUST at arm's length;
2. approving A-HTRUST's business plan and budget;
3. ensuring compliance with applicable requirements, laws and regulations, such as:
 - a. the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST");
 - b. the Code on Collective Investment Schemes ("CIS") containing the Property Funds Appendix issued by the Monetary Authority of Singapore (the "MAS");
 - c. the Capital Markets Services Licence for REIT Management issued by the MAS;
 - d. the Securities and Futures Act;
 - e. the Business Trusts Act;
 - f. the A-HREIT and A-HBT Trust Deeds; and
 - g. the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of A-HTRUST and the holders of the Stapled Securities (the "Stapled Securityholders");
4. ensuring that the appointed hotel managers, who provide hotel management and marketing services for the properties held by A-HTRUST pursuant to the relevant hotel management agreements, meet their obligations; and
5. establishing a framework of prudent and effective controls which enable financial, operational and compliance risks to be assessed and managed.

In executing their responsibilities to A-HTRUST, the Managers have adopted a set of internal guidelines and financial regulations, which set out approval limits for, among others, capital expenditure, new investments, divestments and the operation of bank accounts.

The Managers have competent and active Boards comprising a majority of independent Directors, all of whom have been recognised as accomplished business leaders. The same Directors sit on the Boards of both the REIT Manager and the Trustee-Manager to ensure consistency of approach and decision making, for the benefit of Stapled Securityholders as a whole. The Boards and the Managers are fully committed to maintaining a culture of good corporate governance that balances empowerment and compliance. The Managers' corporate governance framework is aligned to the Singapore Code of Corporate Governance 2012 (the "Code") as described below, following the sequence of the Code:

(A) BOARD MATTERS

Principle 1: The Boards' Conduct of Affairs

There are 9 Directors on each of the Boards of the Managers, 5 of whom (including the Chairman) are independent. The profiles of the Directors are provided on pages 12 to 17. The Directors have considerable expertise and experience in the real estate industry and/or other relevant fields of business, providing an appropriate mix of competencies to the Boards.

The Boards provide overall guidance as well as strategic and policy directions to Management, for the benefit of the Stapled Securityholders as a whole.

The Boards have adopted a set of internal guidelines setting out key matters that are required to be brought before the Boards including:

- major funding proposals, investments, acquisitions and divestments;
- annual budgets and financial plans of A-HTRUST;
- annual and quarterly financial reports;
- internal controls, risk management strategies and the execution thereof;
- determination of the independence of Directors; and
- the review and endorsement of performance measures of the Managers.

To promote greater efficiency, the Boards have defined levels of authority for decisions to be made on investments and divestments for A-HTRUST, as well as other operational decisions. Proposals above the defined thresholds are elevated to the Investment Committee ("IC") or the full Board for final decision as appropriate.

The Managers have in place financial authorisation limits for matters such as new investments and capital expenditure, which, beyond certain thresholds, require the approval of the Investment Committee or the Boards.

The Boards are scheduled to meet every quarter, and may meet more often when necessary. Six meetings were held for FY2014/15.

To assist the Boards in their responsibilities and ensure that specific issues are subject to in-depth review, certain functions have been delegated by the Boards to various Board Committees* as follows:

- Audit Committee ("AC");
- Investment Committee ("IC");
- Remuneration Committee ("RC"); and
- Nominating Committee ("NC").

*A Risk Management Committee has been established in FY2015/16.

CORPORATE GOVERNANCE

The list of members on the Committees is shown in the table below.

The Committees' mandate is clearly defined in Terms of Reference approved by the Boards.

The AC is entirely comprised of independent Directors, while the majority of the members of the RC and the NC are independent. Also half of the IC comprises independent Directors.

Board Composition and Members of the respective Board Committees in FY2014/15 are:

BOARD MEMBERS	AUDIT COMMITTEE	INVESTMENT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Mr Lim Neo Chian			C	C
Mr Chia Nam Toon		M		
Dr Choo Kian Koon, Steven	M	C		
Dr Ho Kim Wai	C			
Mr Michael Issenberg		M		
Mr Khiatani Manohar Ramesh			M	M
Mr Benson Puah Tuan Soon			M	M
Mr Tan Chong Huat	M	M		
Mr Tan Juay Hiang **				

C – denotes Chairman; M – denotes Member

Members and their respective attendance at the Board, AC, IC, RC and NC meetings for FY2014/15 are shown below:

	BOARD	AUDIT COMMITTEE	INVESTMENT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
No of meetings held	6	5	3	3	1
Mr Lim Neo Chian	5			2	0
Mr Chia Nam Toon	5		3		
Dr Choo Kian Koon, Steven	5	4	3		
Dr Ho Kim Wai	6	5			
Mr Michael Issenberg	3		2		
Mr Khiatani Manohar Ramesh	6			3	1
Mr Benson Puah Tuan Soon	6			3	1
Mr Tan Chong Huat	6	5	2		
Mr Tan Juay Hiang **	6	5	3	3	1

** Mr Tan Juay Hiang attended the AC, IC, RC and NC meetings in his capacity as the CEO of the Managers.

Directors newly appointed to the Boards are briefed by Management on their statutory duties and responsibilities as well as relevant aspects of the business, operations and activities of A-HTRUST and the Managers, business plans and corporate governance practices. Management also organises presentations by subject matter experts on regulatory developments, capital market products, accounting and finance, corporate governance and risk management. Directors participate in training where relevant.

Principle 2: Board Composition and Guidance

More than half of the Boards consist of independent Directors. The NC reviews the independence of the Directors annually and makes recommendations to the Board accordingly.

In FY2014/15, the following Directors were considered independent:

- Mr Lim Neo Chian
- Dr Choo Kian Koon, Steven
- Dr Ho Kim Wai
- Mr Benson Puah Tuan Soon
- Mr Tan Chong Huat

Mr Khiatani Manohar Ramesh, Mr Chia Nam Toon, Mr Michael Issenberg and Mr Tan Juay Hiang are Non-Independent Directors. Mr Khiatani is President and Group Chief Executive Officer (“CEO”) of Ascendas Pte Ltd (“APL”) and also sits on the Board of APL, the ultimate holding company of the Ascendas Group. APL is a substantial Stapled Securityholder of A-HTRUST and the ultimate holding company of the Managers. Mr Chia Nam Toon is the Chief Financial Officer and Assistant CEO (Corporate Services) of the Ascendas Group. Mr Tan Juay Hiang is the CEO of the Managers.

A-HTRUST has a strategic collaboration agreement with Accor, which allows A-HTRUST to benefit from Accor’s technical expertise in hotel management. A-HTRUST may acquire assets from any vendor and is required to grant Accor a right of first offer to manage such newly acquired hotels if such hotels do not have any existing operator. Mr Michael Issenberg, the Chairman and CEO of Accor Asia Pacific (AAPC Singapore Pte Ltd) (“AAPC”), is responsible for overseeing AAPC’s overall development and management activities in the Asia-Pacific region. In view of AAPC’s collaboration with A-HTRUST, Mr Michael Issenberg is considered a Non-Independent Director.

The Directors as a group provide an appropriate balance and diversity of skills, experience and knowledge relevant to A-HTRUST. The composition of the Boards is reviewed annually by the NC to ensure that the Boards have the appropriate mix of expertise and experience. The NC also examines the size of the Boards annually to determine the effectiveness of varying numbers of Board Member and makes recommendations to the Boards on what it considers an appropriate size. The Boards consider that its present size, composition and balance between non-independent and independent directors is appropriate and allows for a balance exchange of views, deliberations and debates among members and effective oversight of management.

Principle 3: Chairman and Chief Executive Officer

The positions of Chairman and CEO are held by different individuals, which ensures a balance of power and authority. The Chairman and CEO are not immediate family members.

The Chairman ensures that the members of the Boards work together with Management in a constructive manner to address strategic, business, operational, capital management, risk, corporate governance and financial issues of A-HTRUST.

Mr Tan Juay Hiang, as CEO of the Managers, has full executive responsibility over the business direction and operational decisions in managing A-HTRUST.

Principle 4: Board Membership

The Managers have established a Nominating Committee (“NC”) with clear Terms of Reference to, among other matters, review and decide on all Board appointments and plan for progressive renewal of the Boards through the annual Board Succession Plan produced by the NC for approval of the Managers’ shareholders. The NC comprises three Directors, two of whom are independent. When appropriate, the NC reports to the Boards on matters discussed and decided at the NC meetings. The Boards reserve the right to review decisions made by the NC.

CORPORATE GOVERNANCE

The search for candidates to be appointed as new Directors is conducted through contacts and recommendations. Suitable candidates are carefully evaluated by the NC so that decisions made on appointments are objective and well supported.

New Directors are appointed by way of a Board resolution. Upon their appointment to the Boards, Directors are given a formal letter setting out their duties, obligations and responsibilities, as well as the Trust Deeds, the Managers' Memorandum and Articles of Association, introductory information on the current Board members, the latest annual report and other relevant information.

In recommending the appointment of new Directors, the NC takes into consideration the current Board size and composition, including the diversity of skills, experience, gender and knowledge of matters relating to A-HTRUST which the new Director can provide to A-HTRUST.

Principle 5: Board Performance

A review of the Boards' performance is carried out annually to assess the effectiveness of the Boards as a whole.

The review of the Boards' performance allows each Director to individually express his/her personal and confidential assessment of the Boards' overall effectiveness in accomplishing its goals and discharging its responsibilities. It provides insights into the functioning of the Boards, while identifying areas that might need strengthening and development.

The review of the Boards' performance entails reviewing the Board composition, access to information, processes, risk management, Board Committees, strategic planning, accountability and oversight, and standards of conduct. Each Director is required to complete a Board Performance Evaluation Questionnaire. Based on the questionnaire returned by each Director, a consolidated report is prepared and presented to the NC and the Boards. The results of the evaluation are used constructively by the NC and the Boards to discuss and implement improvements.

The Chairman carries out an annual assessment of the performance of each Director, including frequency of attendance at meetings, degree of participation and commitment to the role. If appropriate, the Chairman will propose the replacement of existing Directors and/or the appointment of additional Directors, for the consideration of the NC.

Accordingly, the annual review of the Boards' performance and of the Directors was carried out for FY2014/15.

The Boards have reviewed and evaluated their performance objectives for FY 2014/15 and are satisfied that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties.

Principle 6: Access to Information

At quarterly Board meetings, Directors are updated on developments and changes in the operating environment that affect A-HTRUST, including changes in accounting standards and property taxation, laws and regulations. Reports provided include a comparison of actuals against budget and explanatory notes on significant variances for quarter-on-quarter and year-to-date performance.

Management provides all members of the Boards with management accounts and such explanation and information on a quarterly basis and as the Boards may require from time to time. This is to enable the Boards to make a balanced and informed assessment of the performance, position and prospects of A-HTRUST.

In addition, the Boards have unrestricted access to Management and the Company Secretary, as well as internal and external auditors, at all times.

The Company Secretary prepares the minutes of Board meetings and proceedings of the Audit Committee, the Remuneration Committee and the Nominating Committee. The Company Secretary assists the Chairman of the Boards and the Committees to ensure that proper procedures are followed and that the Managers' Memorandum and Articles of Association, the Committees' Terms of Reference, relevant rules, regulations, best practices, and internal policies are complied with. The Company Secretary also works with Management to ensure that Board and Committee papers are provided to each Director ahead of meetings. In FY2014/15, at least one of the Joint Company Secretaries has been in attendance at all Board and Committee meetings.

(B) REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

All fees and remuneration payable to the Directors, key executive officers and staff of the Managers are paid by the Managers and not by A-HTRUST.

The majority of the members of the RC are independent.

The structure of Directors' fees for Non-Executive Directors comprises a base fee for serving as a Director and additional fees for serving on Board Committees as well as for attendance at meetings. It takes into account the following:

- the financial performance of A-HTRUST and the Managers;
- the directors' responsibilities and contributions; and
- the industry practices and norms on remuneration, including the guidelines set out in the Statement of Good Practice issued by the Singapore Institute of Directors.

Directors' fees payable to each of the following Non-Executive Directors for FY2014/15 do not exceed \$250,000:

- Mr Lim Neo Chian
- Mr Chia Nam Toon
- Dr Choo Kian Koon, Steven
- Dr Ho Kim Wai
- Mr Michael Issenberg
- Mr Khatani Manohar Ramesh
- Mr Benson Puah Tuan Soon
- Mr Tan Chong Huat

The Managers advocate a performance-based remuneration system for key executive officers of the Managers. The system is flexible, responsive to the market and based on the individual employee's performance. The remuneration structure is designed as such to retain, reward and motivate the individual to stay competitive and relevant.

Remuneration of key executive officers of the Managers are reviewed and signed-off by the RC.

The total remuneration mix of key executive officers comprises annual salary and performance incentives. The fixed annual salary includes a basic salary plus fixed allowances. The performance incentives are tied to the individual employee's performance and take into account the performance of A-HTRUST. This allows the Managers to align key executives' remuneration with long-term goals of A-HTRUST.

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Currently, no compensation is payable to any Director, senior Management or staff of the Managers in the form of options in Stapled Securities or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, under the service contracts.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Boards are responsible for presenting a balanced and comprehensive assessment of A-HTRUST's performance, position and prospects, including interim and other price sensitive public reports and reporting to the regulators (if required). To assist the Boards in this regard, Management provides timely, complete and adequate information to the Boards through the most expedient means, including emails.

Financial reports and other price sensitive information are disseminated to Stapled Securityholders through announcements via SGXNET, media and analyst briefings, press releases and the A-HTRUST website.

Principle 11: Risk Management and Internal Controls

Risk Management

The Managers have in place a sound system of risk management and internal controls to define and manage uncertainties and threats to A-HTRUST's businesses. These procedures include having a structured Enterprise Risk Management ("ERM") framework that incorporates a continuous and interactive process for enhancing risk awareness and promoting a culture of risk management across the organisation.

The AC assists the Boards in examining the effectiveness of the Managers' risk management policies and procedures to ensure that a robust risk management system is maintained for A-HTRUST. The AC oversees how Management monitors compliance with the Managers' risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Managers. The AC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the AC. The AC then reports to the Boards on any inadequacies, deficiencies or matters of concern of which the AC becomes aware or that it suspects, arising from its review of the Managers' risk management policies and procedures.

Internal Controls

A system of internal controls, which includes a code of conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorisations, and checks-and-balances built into the business processes, constitutes an important part of the ERM system of A-HTRUST. The internal control and risk management functions are performed by key executives of the Managers and are reported to the AC for review. The AC oversees the Management in the formulation, updating and maintenance of an adequate and effective risk management framework.

To ensure that internal controls and risk management processes are adequate and effective, apart from control activities and reviews performed by Management, the AC is assisted by independent professional service providers. The assistance of the internal and external auditors enables the AC to carry out assessments of the effectiveness of key internal controls during the year.

Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls are reported to the AC. The AC will also follow up on the actions taken by Management on the recommendations made by the internal and external auditors. Based on the reports submitted by the internal and external auditors received by the AC and the Boards, nothing material has come to the attention of the AC and the Boards to cause the AC and the Boards to believe that the internal controls and risk management processes are not satisfactory for the type and size of business conducted by the Managers and A-HTRUST.

The Managers also have in place both business continuity plan and insurance coverage for A-HTRUST.

The Managers have also established a Whistleblowing Policy which reflects the Managers' commitment to conducting business within a framework that fosters the highest ethical and legal standards. The Whistleblowing Policy provides an avenue for employees of the Managers and any other party to raise concerns about possible improprieties in matters of financial reporting or other matters. The AC is kept informed of all concerns raised in whistleblowing reports.

Directors' Opinion on Internal Controls

The CEO and Chief Financial Officer have provided their confirmation to the Boards that to the best of their knowledge, based on outcomes of on-going reviews on risk management and internal control, and in the absence of contradictory evidence, the system of risk management and internal controls is adequate and effective, financial records have been properly maintained and the financial statements give a true and fair view of A-HTRUST's operations and finances.

The Boards recognise the importance of sound internal controls and risk management practices for good corporate governance. The Boards affirm their overall responsibility for systems of internal controls and risk management of A-HTRUST, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management functions are performed by key executives of the Managers with oversight by the AC.

The internal control systems include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practice, and the management of business risks. Such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and provide only reasonable, and not absolute, assurance against material misstatement or loss. The Boards also note that all internal control systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

Based on the system of risk management and internal controls established and maintained by the Managers, work performed by the internal and external auditors, reviews performed by Management, various Board Committees and the Boards, and the assurance from the Chief Executive Officer and Chief Financial Officer of the Managers, the Boards with the concurrence of the AC are of the opinion that the system of risk management and internal controls addressing material financial, operational, compliance and information technology risks of A-HTRUST and its subsidiaries were adequate and effective as at 31 March 2015 in addressing material risks.

Principle 12: Audit Committee

The Audit Committee ("AC") comprises 3 non-executive Directors, all of whom (including the Chairman of the AC) are independent Directors.

The Boards are of the view that the members of the AC are appropriately qualified to discharge their responsibilities. The Chairman of the AC, Dr Ho Kim Wai, and Dr Choo Kian Koon, Steven, have extensive accounting and financial management expertise and experience, while Mr Tan Chong Huat is a qualified lawyer with considerable experience and expertise.

The duties and responsibilities of the AC are set out in the AC's written Terms of Reference approved by the Boards. The role of the AC is to support the Boards in their oversight responsibilities by reviewing, among other areas, the system of internal controls, processes used for financial reporting and audits conducted, as well as by monitoring compliance with laws and regulations. The AC also reviews the scope and results of the external audit and the independence of the external auditors.

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For the financial year under review, the AC met 5 times and has conducted a review of all non-audit services provided by the external auditors. The AC is satisfied that the nature and extent of such non-audit services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of the fees paid and payable by A-HTRUST and its subsidiaries to the external auditors for the financial period ended 31 March 2015 was \$691,000, of which audit and non-audit fees amounted to \$478,000 and \$213,000, respectively. The AC has also met with the external and internal auditors without the presence of Management. In recommending to the Boards the appointment of the external auditors for A-HTRUST, the AC is satisfied that A-HTRUST has complied with the requirements of Rules 712 and 715 of the listing manual of the SGX-ST.

External Audit

Ernst & Young LLP ("EY") was appointed as the external auditor for A-HTRUST for FY2014/15. The AC has assessed the performance of the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor.

Principle 13: Internal Audit

A-HTRUST's internal audit function is currently outsourced to KPMG LLP, and is co-ordinated internally. The internal auditors assist the AC in ensuring that Management maintains a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their continued effectiveness. Staffed by qualified executives, KPMG LLP has unrestricted access to the AC. KPMG LLP reports to the Chairman of the AC and is guided by the Standards for the Professional Practice of Internal Auditing. KPMG LLP typically draws up an annual audit plan which focuses on key control processes for all offices, including financial, operational, compliance and IT controls as well as risk management. Special reviews are also conducted at the request of the Boards, the AC or senior Management. The main objective is to ensure that internal controls are well designed and effective across geographies and operations, and that control awareness and compliance are high among staff. The annual audit plan for FY2014/15 was discussed and approved at the AC meeting on 14 May 2014.

Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC and the Boards. The AC has reviewed the internal audit function in the financial year under review and is satisfied of its adequacy and independence from the activities it audits.

(D) STAPLED SECURITYHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Stapled Securityholders' Rights

Principle 15: Communication with Stapled Securityholders

Principle 16: Conduct of Stapled Securityholders' Meetings

The Listing Rules of the SGX-ST require that a listed entity discloses to the market matters that could or might be expected to have a material effect on the price of the entity's securities. The Managers uphold a strong culture of continuous disclosure to and transparent communication with Stapled Securityholders and the investing community. The Managers' disclosure policy requires timely and full disclosure of all material information relating to A-HTRUST by way of public releases or announcements through the SGX-ST via SGXNET at first instance, followed by the release or announcements on A-HTRUST's website at www.a-htrust.com.

The Managers have in place a dedicated Investor Relations function to provide Stapled Securityholders and prospective investors with information, in a timely manner, necessary to make well-informed investment decisions and to ensure a level playing field through timely and full disclosure of all material information to all Stapled Securityholders.

The Managers also conduct regular quarterly briefings for analysts, which will generally coincide with the release of A-HTRUST's results. During these briefings, the Managers will review A-HTRUST's most recent performance as well as discuss the business outlook for A-HTRUST. In line with the Managers' objective of transparent communication, briefing materials are released to the SGX-ST and also made available on A-HTRUST's website.

In FY2014/15, the Managers also met or held teleconferences with institutional investors (existing and potential) in Singapore, Hong Kong, Malaysia, Japan, England and the United States. The Annual General Meeting of Stapled Securityholders will be held in July 2015, when the Managers engage with investors, particularly retail investors, allowing them direct access to the Managers to obtain responses to any queries that they may have.

Stapled Securityholders are accorded the opportunity to raise relevant questions and to communicate their views at the Annual General Meeting, where the Chairman and members of the Boards, together with the external auditors, will be in attendance to address questions. At the Annual General Meeting, each matter is proposed as a separate resolution. To ensure transparency, electronic poll voting is conducted for the Stapled Securityholders/proxies present at the meeting for all resolutions proposed at the Annual General Meeting. All votes cast for or against and their respective percentages will be displayed “live” immediately at the meeting after the conduct of each poll. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the meeting via SGXNet.

The Company Secretary prepares the minutes of the Annual General Meeting incorporating substantial comments or queries from Stapled Securityholders together with the responses of the Boards and Management. The minutes are available to Stapled Securityholders upon their written request.

If any Stapled Securityholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meetings through proxy forms sent in advance.

(E) ADDITIONAL INFORMATION

Trading of Stapled Securities

The Managers have in place a trading policy (“Trading Policy”) which encourages the Directors and employees to hold Stapled Securities but prohibits them from trading in the Stapled Securities in the following circumstances:

1. During the period commencing two weeks before the public announcement of A-HTRUST’s financial statements for each quarter of its financial year, or one month before the full year results, as the case may be, and ending on the date of announcement of the relevant results; and
2. At any time whilst in possession of price sensitive information that is not available in the market.

The Directors and officers are reminded on a regular basis through email that they are prohibited from trading in the Stapled Securities while in the possession of inside information concerning A-HTRUST. In addition, while in possession of inside information, the Directors and officers must not advise others to trade in the Stapled Securities or communicate such information to another person.

Examples (not exhaustive) of inside information include:

- information relating to a proposed major acquisition or disposition;
- information relating to a significant business development or a proposed change in the nature of A-HTRUST’s business;
- details of material contracts that are being negotiated by A-HTRUST;
- information relating to a potential litigation that would have a substantial effect on A-HTRUST;
- a proposed change in A-HTRUST’s distribution policy; and
- a major change to the Boards or senior Management.

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The Directors and officers are also advised not to deal in the Stapled Securities on short-term considerations.

In addition, the Managers have given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in the Stapled Securities and any changes thereto within two days after the date on which it acquires or disposes any Stapled Securities, as the case may be. The Managers have also undertaken that they will not deal in the Stapled Securities during the period commencing two weeks before the public announcement of A-HTRUST's quarterly results or one month before the full year results, and if applicable, the announcement of property valuations, and ending on the date of announcement of the relevant results.

Dealings with Conflicts of Interest that Involve the Managers

In addition to stringently observing requirements under relevant regulations applicable to A-HTRUST, the Managers have established the following procedures to address potential conflicts of interest which they (including their Directors, executive officers and employees) may encounter in managing A-HTRUST:

1. the Managers will be dedicated managers to A-HTRUST and will not manage any other real estate investment trust, business trust which invests in the same type of properties as A-HTRUST;
2. all executive officers are employed by the Managers;
3. the entry into any Interested Party Transaction ("IPT") must be reviewed and recommended by the AC to the Boards, who may approve the IPT with a majority vote of the Directors, including the vote of at least one Independent Director; and
4. in respect of matters in which there is a direct or indirect interest on the part of the Ascendas Group and/or any of its subsidiaries, any nominee appointed by the Ascendas Group or any of its subsidiaries to the Boards shall abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors of the Managers and must exclude the representatives or nominees of the Ascendas Group and/or any of its subsidiaries.

The Managers have in place a Conflict of Interest Policy for its employees and major service providers to ensure that any conflict of interest or potential conflict of interest is disclosed and approvals are sought where required.

It is also provided in the Trust Deeds that if the Managers are required to decide whether or not to take any action in relation to a breach of any agreement entered into by the REIT Trustee and/or the Trustee-Manager for and on behalf of A-HTRUST with an affiliate of the Managers, the Managers shall be obliged to consult a reputable law firm (acceptable to the REIT Trustee if involving A-HREIT) which shall provide legal advice on the matter. If the appointed law firm is of the opinion that there is sufficient evidence against the party allegedly in breach of such agreements, the Managers shall be obliged to take appropriate action with reference to such agreements.

In addition, the REIT Manager is obliged to inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into for and on behalf of A-HTRUST, with an affiliate of the Managers. The REIT Trustee may take such action as it deems necessary in the interests of Stapled Securityholders. Any decision by the Managers not to take action against an affiliate of the Managers shall not constitute a waiver of the right of the REIT Trustee to take such action as it deems fit.

Under the Trust Deeds, the Managers and their Associates (as defined in the Trust Deeds) are prohibited from voting with their Stapled Securities at any meeting of Stapled Securityholders convened to approve any matter in which the Managers or any of their Associates has a material interest in the business to be conducted (except a resolution to remove the Managers as provided in the Trust Deeds).

Dealing with Interested Party Transactions

Review Procedures for Interested Party Transactions

The Managers have established internal control procedures to ensure that all transactions to be entered into by A-HREIT and/or A-HBT with a related party of the Managers are undertaken on arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. In doing so, the Managers may, amongst other courses of action, obtain quotations from parties unrelated to the Managers and/or obtain a valuation from an independent valuer (in accordance with the Property Funds Appendix).

In addition, the following procedures have been undertaken:

1. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding \$100,000 in value but less than 3.0% of A-HREIT's or A-HBT's net tangible assets (based on the latest audited accounts) will be subject to review by the AC at regular intervals;
2. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0% of A-HREIT's or A-HBT's net tangible assets or \$15.0 million (whichever is the lower) but below 5.0% of A-HREIT's or A-HBT's net tangible assets (based on the latest audited accounts) will be subject to the review and approval of the AC; and
3. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of A-HREIT's or A-HBT's net tangible assets (based on the latest audited accounts) will be reviewed and approved by the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, pursuant to the Listing Manual and the Property Funds Appendix, such transactions would be put up for approval by A-HTRUST Stapled Securityholders. An announcement will also be made on SGXNET in accordance with the Listing Manual requirements.

Role of the AC for Interested Party Transactions and Internal Control Procedures

All Interested Party Transactions will be subject to regular reviews by the AC.

The Managers' internal control procedures are intended to ensure that Interested Party Transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Stapled Securityholders. The Managers maintain a register to record all Interested Party Transactions entered into by A-HTRUST, including the basis of entry into the proposed transaction, quotations obtained to support such basis, and other relevant information. The Managers incorporate into its internal audit plan a review of all Interested Party Transactions entered into by A-HTRUST.

The Managers have disclosed in A-HTRUST's Annual Report the aggregate value of Interested Party Transactions conducted during the relevant financial year.

Confirmations were obtained from the SGX-ST that Rules 905 and 906 are not applicable to A-HTRUST's Interested Party Transactions if these are made on the basis of, and in accordance with, the terms and conditions set out in the A-HTRUST prospectus dated 18 July 2012. Transactions covered by the A-HTRUST prospectus include fees payable to the REIT Trustee, management fees, acquisition fees, property management fees, lease management fees, marketing fees, project management fees, site staff costs, common services fees and land rental payments.

CORPORATE GOVERNANCE

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
General	<p>(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</p> <p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?</p>	<p>Yes, save in respect of the guidelines on disclosure of remuneration as all fees and remuneration payable to Directors, key executive officers and staff of the Managers are paid by the Managers and not by A-HTRUST.</p> <p>The explanation provided enables investors to understand that all fees and remuneration payable to Directors, key executive officers and staff of the Managers are not paid out of the funds of A-HTRUST and therefore, will not in any way impact distributions to Stapled Securityholders.</p>
Board Responsibility Guideline 1.5	<p>What are the types of material transactions which require approval from the Board?</p>	<p>The Managers have adopted a set of internal guidelines and financial regulations, which set out approval limits for, amongst others, capital expenditure, new investments and divestments, and the operation of bank accounts.</p>
Members of the Board Guideline 2.6	<p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p> <p>(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?</p>	<p>See Principle 4 on Board Membership.</p> <p>See Principle 2 on Board Composition and Guidance.</p> <p>See Principle 2 on Board Composition and Guidance and Principle 4 on Board Membership.</p>
Guideline 4.6	<p>Please describe the board nomination process for the Company in the last financial year for:</p> <p>(i) selecting and appointing new directors and</p> <p>(ii) re-electing incumbent directors.</p>	<p>See Principle 4 on Board Membership and Principle 5 on Board Performance.</p>

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 1.6	<p>(a) Are new directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to:</p> <p>(i) new directors and</p> <p>(ii) existing directors to keep them up-to-date?</p>	<p>Yes.</p> <p>See Principle 1 on The Boards' Conduct of Affairs. Directors newly appointed to the Boards are briefed by Management on their statutory duties and responsibilities as well as relevant aspects of the business, operations and activities of A-HTRUST and the Managers, business plans and corporate governance practices. Management also organises presentations by subject matter experts on regulatory developments, capital market products, accounting and finance, corporate governance and risk management. Directors participate in training where relevant.</p>
Guideline 4.4	<p>(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?</p> <p>(b) If a maximum number has not been determined, what are the reasons?</p> <p>(c) What are the specific considerations in deciding on the capacity of directors?</p>	<p>The policy of the Managers is that Directors should not have more than six listed company board representations. Nevertheless, the NC also takes into account other relevant factors in accessing a director's capacity to serve on the Board.</p> <p>N.A.</p> <p>See Principle 5 on Board Performance.</p>
Board Evaluation Guideline 5.1	<p>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</p> <p>(b) Has the Board met its performance objectives?</p>	<p>See Principle 5 on Board Performance.</p> <p>Yes.</p>
Independence of Directors Guideline 2.1	<p>Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.</p>	<p>Yes. See Principle 2 on Board Composition and Guidance.</p>

CORPORATE GOVERNANCE

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 2.3	<p>(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	<p>No.</p> <p>N.A.</p>
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	No.
Disclosure on Remuneration Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>No. All fees and remuneration payable to Directors, key executive officers and staff of the Managers are paid by the Managers and not out of A-HTRUST funds.</p> <p>See Principle 7, Principle 8 and Principle 9 on Remuneration Matters.</p>
Guideline 9.3	<p>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p> <p>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).</p>	<p>No. All fees and remuneration payable to Directors, key executive officers and staff of the Managers are paid by the Managers and not out of A-HTRUST funds.</p> <p>See Principle 7, Principle 8 and Principle 9 on Remuneration Matters.</p> <p>No. All fees and remuneration payable to Directors, key executive officers and staff of the Managers are paid by the Managers and not out of A-HTRUST funds.</p> <p>See Principle 7, Principle 8 and Principle 9 on Remuneration Matters.</p>

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.
Guideline 9.6	<p>(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.</p> <p>(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?</p> <p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>The Managers advocate a performance-based remuneration system for key executive officers of the Managers. The system is flexible, responsive to the market and based on individual employee's performance. The remuneration structure is designed as such to retain, reward and motivate the individual to stay competitive and relevant.</p> <p>Remuneration of key executive officers of the Managers are reviewed and signed-off by the RC.</p> <p>The total remuneration mix of key executive officers comprises annual salary and performance incentives. The fixed annual salary includes a basic salary plus fixed allowances. The performance incentives are tied to the individual employee's performance and take into account the performance of A-HTRUST.</p> <p>See Principle 7, Principle 8 and Principle 9 on Remuneration Matters.</p>
Risk Management and Internal Controls Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	See Principle 6 on Access to Information and Principle 11 on Risk Management and Internal Controls.

CORPORATE GOVERNANCE

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	The Managers' internal audit functions are performed by KPMG LLP. See Principle 13 on Internal Audit.
Guideline 11.3	<p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p> <p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that:</p> <p>(i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and</p> <p>(ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>See Principle 11 on Risk Management and Internal Controls.</p> <p>Yes. See Principle 11 on Risk Management and Internal Controls.</p>
Guideline 12.6	<p>(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.</p> <p>(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.</p>	<p>See Principle 12 on Audit Committee.</p> <p>N.A.</p>

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
<p>Communication with Shareholders Guideline 15.4</p>	<p>(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</p> <p>(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?</p> <p>(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?</p>	<p>Yes. See Principle 14, Principle 15 and Principle 16 on Stapled Securityholders Rights and Responsibilities.</p> <p>Yes.</p> <p>See Principle 14, Principle 15 and Principle 16 on Stapled Securityholders Rights and Responsibilities.</p>
<p>Guideline 15.5</p>	<p>If the Company is not paying any dividends for the financial year, please explain why.</p>	<p>N.A.</p>

CORPORATE INFORMATION

MANAGER OF A-HREIT

Ascendas Hospitality Fund Management Pte. Ltd.

(Co. Reg. No. 201133966D)

Registered Address:
61 Science Park Road
#04-01 The Galen,
Singapore Science Park II
Singapore 117525

Tel: (65) 6774 1033
Fax: (65) 6778 0985

TRUSTEE-MANAGER OF A-HBT

Ascendas Hospitality Trust Management Pte. Ltd.

(Co. Reg. No. 201135524E)

Registered Address:
61 Science Park Road
#04-01 The Galen,
Singapore Science Park II
Singapore 117525

Tel: (65) 6774 1033
Fax: (65) 6778 0985

DIRECTORS OF THE MANAGER OF A-HREIT AND THE TRUSTEE-MANAGER OF A-HBT

Mr Lim Neo Chian (Chairman)
Mr Chia Nam Toon
Dr Choo Kian Koon, Steven
Dr Ho Kim Wai
Mr Michael Issenberg
Mr Khatani Manohar Ramesh
Mr Benson Puah Tuan Soon
Mr Tan Chong Huat
Mr Tan Juay Hiang

AUDIT COMMITTEE

Dr Ho Kim Wai (Chairman)
Dr Choo Kian Koon, Steven
Mr Tan Chong Huat

INVESTMENT COMMITTEE

Dr Choo Kian Koon, Steven (Chairman)
Mr Chia Nam Toon
Mr Michael Issenberg
Mr Tan Chong Huat

NOMINATING COMMITTEE

Mr Lim Neo Chian (Chairman)
Mr Khatani Manohar Ramesh
Mr Benson Puah Tuan Soon

REMUNERATION COMMITTEE

Mr Lim Neo Chian (Chairman)
Mr Khatani Manohar Ramesh
Mr Benson Puah Tuan Soon

TRUSTEE OF A-HREIT

The Trust Company (Asia) Limited

8 Marina Boulevard #05-02
Marina Bay Financial Centre
Singapore 018981

AUDITORS

Ernst & Young LLP

Public Accountants and
Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge:
Mr Nelson Chen
Appointed with effect from
the financial period ended
31 March 2013

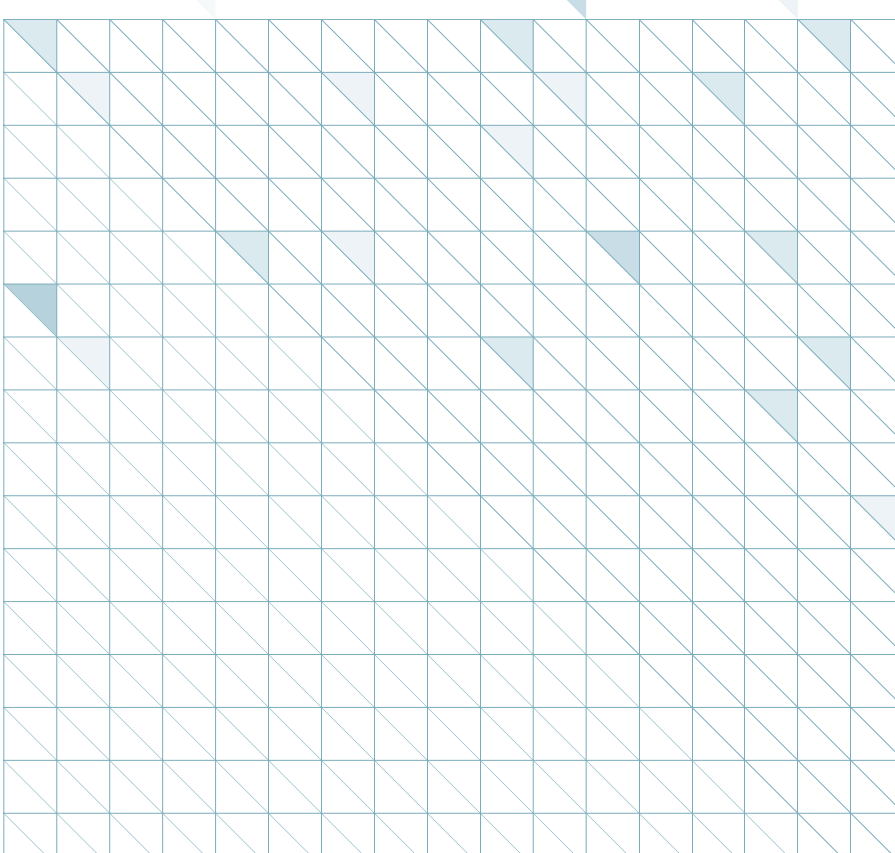
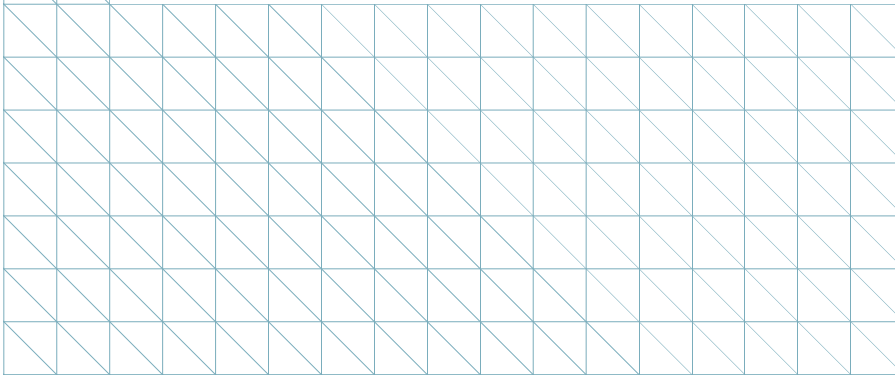
UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place
Singapore Land Tower, #32-01
Singapore 048623

COMPANY SECRETARIES

Ms Mary Judith de Souza
Mr Edwin Kung

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REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

For the financial year ended 31 March 2015

The Directors of Ascendas Hospitality Trust Management Pte. Ltd., the trustee-manager of Ascendas Hospitality Business Trust ("A-HBT") (the "Trustee-Manager"), are pleased to present their report to the Stapled Securityholders of Ascendas Hospitality Trust (the "Trust" or "A-HTRUST") together with the audited financial statements of the A-HBT Group for the financial year ended 31 March 2015.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are:

Mr Lim Neo Chian (Chairman)
 Mr Chia Nam Toon
 Dr Choo Kian Koon, Steven
 Dr Ho Kim Wai
 Mr Michael Issenberg
 Mr Khiatani Manohar Ramesh
 Mr Benson Puah Tuan Soon
 Mr Tan Chong Huat
 Mr Tan Juay Hiang (Chief Executive Officer)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE STAPLED SECURITIES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose objective was to enable any or all Directors of the Trustee-Manager to acquire benefits by means of the acquisition of Stapled Securities in, or debentures of, the Trust.

DIRECTORS' INTERESTS IN STAPLED SECURITIES OR DEBENTURES OF THE TRUST

According to the register kept by the Trustee-Manager for the purpose of Section 76 of the Business Trusts Act of Singapore (Chapter 31A) (the "Act"), particulars of interests of Directors who hold office at the end of the financial year in the Trust are as follow:

Name of Director	Number of Stapled Securities holding			
	At 31.3.2014		At 31.3.2015	
	Direct	Deemed	Direct	Deemed
Mr Lim Neo Chian	350,000	–	350,000	–
Mr Chia Nam Toon	115,000	–	115,000	–
Dr Choo Kian Koon, Steven	200,000	–	200,000	–
Dr Ho Kim Wai	110,000	–	110,000	–
Mr Michael Issenberg	–	–	–	–
Mr Khiatani Manohar Ramesh	52,000	–	52,000	–
Mr Benson Puah Tuan Soon	300,000	–	300,000	–
Mr Tan Chong Huat	–	–	–	–
Mr Tan Juay Hiang	125,000	–	125,000	–

The Directors' interests in the Stapled Securities of the Trust as at 21 April 2015 were the same as those as at 31 March 2015.

REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

For the financial year ended 31 March 2015

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director of the Trustee-Manager has received or become entitled to receive a benefit in the Trust by reason of a contract made by the Trustee-Manager, on behalf of the Trust or a related corporation with the Director, or with a firm of which such Director is a member or with a company in which such Director has a substantial financial interest.

STAPLED SECURITY OPTIONS

During the financial year, there was:

- (i) no options granted by the Trustee-Manager to any person to take up unissued Stapled Securities in the Trust; and
- (ii) no Stapled Securities issued by virtue of any exercise of option to take up unissued Stapled Securities in the Trust.

There were no unissued Stapled Securities of the Trust under option as at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee comprises three independent directors. The members at the end of the financial year were as follows:

Dr Ho Kim Wai (Chairman)
 Dr Choo Kian Koon, Steven
 Mr Tan Chong Huat

The Audit Committee carried out its functions in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations, including the following:

- Review of the audit plan and reports of the external and internal auditors and consideration of the effectiveness of actions/policies carried out by the Management of the Trustee-Manager, including but not limited to evaluation of the system of internal accounting controls, based on the recommendations and observations of the auditors.
- Review of the quarterly and annual financial statements of the Trust and the auditor's report before their submission to the Board of Directors.
- Review of the assistance given by the Management of the Trustee-Manager to the auditors of the Trust.
- Review of the policies and practices put in place by the Management of the Trustee-Manager to ensure compliance with the applicable laws, regulations, guidelines and constitutional documents of the Trust.
- Review of the procedures put in place to address any conflict that may arise between the interests of the Stapled Securityholders and those of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees and charges payable out of the trust property.
- Review of significant financial reporting issues and treatments so as to ensure the integrity of the financial statements of the Trust and recommend to the Board the financial statements for release to the Singapore Exchange.

REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

For the financial year ended 31 March 2015

AUDIT COMMITTEE (CONT'D)

- Review of and report to the Board of Directors of the Trustee-Manager on any inadequacies, deficiencies or matters of concern of which the Audit Committee becomes aware or that it suspects, arising from its review of financial, operational and compliance controls and risk management policies and systems established by the Management of the Trustee-Manager.
- Review of and report to the Board of Directors of the Trustee-Manager on any breach of the Act or any breach of the provisions of the Trust Deed of which the Audit Committee becomes aware or that it suspects.
- Report to the Monetary Authority of Singapore if the Audit Committee is of the view that the Board of Directors of the Trustee-Manager has not taken, or does not propose to take, appropriate action to deal with a matter reported by the Audit Committee to the Board of Directors.
- Annual review of the independence and objectivity of the external auditor, including consideration of the nature and extent of the non-audit services performed by them.
- Meet with the external and internal auditors, without the presence of the Management of the Trustee-Manager, at least once annually.
- Nominate the appointment or re-appointment of the external auditor of the Trust.
- Ensure the adequacy of the internal audit function.
- Investigate any matters within the Audit Committee's terms of reference, whenever it deems necessary.
- Undertake such other functions as may be agreed to by the Audit Committee and the Board of Directors of the Trustee-Manager.

The Audit Committee, having reviewed all non-audit services provided by the external auditor to the Trust, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The Audit Committee has also conducted a review of interested person transactions.

INDEPENDENT AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Trustee-Manager,
Ascendas Hospitality Trust Management Pte. Ltd.,

Benson Puah Tuan Soon
Director

Tan Juay Hiang
Director

Singapore
18 May 2015

STATEMENT BY THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

For the financial year ended 31 March 2015

In the opinion of the directors,

- (a) The consolidated financial statements of A-HTRUST as well as the A-HBT Group as set out on pages 117 to 213 are drawn up so as to give a true and fair view of the state of affairs of A-HTRUST and of A-HBT Group as at 31 March 2015, and of the results of the business, changes in stapled securityholders' funds and cash flows of A-HTRUST and the A-HBT Group, for the financial year ended 31 March 2015 in accordance with the provisions of the Act and Singapore Financial Reporting Standards; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfill, out of the trust property of the A-HBT Group, the liabilities of the A-HBT Group as and when they fall due.

In accordance with Section 86(2) of the Act, the Directors of the Trustee-Manager further certify that:

- the fees or charges paid or payable out of the trust property of the A-HBT Group to the Trustee-Manager are in accordance with the Trust Deed of A-HBT;
- the interested person transactions are not detrimental to the interests of all the Stapled Securityholders as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the A-HBT Group or the interest of the Stapled Securityholders as a whole.

On behalf of the Trustee-Manager,

Ascendas Hospitality Trust Management Pte. Ltd.,

Benson Puah Tuan Soon
Director

Tan Juay Hiang
Director

Singapore
18 May 2015

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

For the financial year ended 31 March 2015

I, the Chief Executive Officer of Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust (“A-HBT”) (the “Trustee-Manager”), in my personal capacity, certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the A-HBT Group or on the interests of all the Stapled Securityholders of the Trust as a whole.

Tan Juay Hiang
Director

Singapore
18 May 2015

REPORT OF THE TRUSTEE OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

For the financial year ended 31 March 2015

The Trust Company (Asia) Limited (the “REIT Trustee”) is under a duty to take into custody and hold the assets of Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) in trust for the Stapled Securityholders of units in A-HREIT. In accordance with the Securities and Futures Act (Chapter 289), its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual, the REIT Trustee shall monitor the activities of Ascendas Hospitality Fund Management Pte. Ltd. (the “REIT Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the Amended and Restated Trust Deed (“Trust Deed”) dated 9 July 2012 between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Stapled Securityholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed A-HREIT during the financial year covered by these financial statements set out on pages 117 to 213, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the REIT Trustee,
The Trust Company (Asia) Limited,

Sin Li Choo
Director

Singapore
18 May 2015

REPORT OF THE MANAGER OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

For the financial year ended 31 March 2015

In the opinion of the directors of Ascendas Hospitality Fund Management Pte. Ltd., the manager of Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) (the “REIT Manager”), the financial statements of A-HREIT Group, set out on pages 117 to 213, comprising the Balance Sheet, Statement of Total Return, Distribution Statement, Statement of Changes in Stapled Securityholders’ Funds, Portfolio Statement, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio position of the A-HREIT Group as at 31 March 2015, the total returns, movements in stapled securityholders’ funds, distributable income and cash flows of the A-HREIT Group for the financial year ended 31 March 2015, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants and the provisions of the Amended and Restated Trust Deed dated 9 July 2012 between the REIT Manager and The Trust Company (Asia) Limited (the “REIT Trustee”). At the date of this statement, there are reasonable grounds to believe that the A-HREIT Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,
Ascendas Hospitality Fund Management Pte. Ltd.,

Benson Puah Tuan Soon
Director

Tan Juay Hiang
Director

Singapore
18 May 2015

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

For the financial year ended 31 March 2015

The Board of Directors of the REIT Manager and the Board of Directors of the Trustee-Manager are responsible for safeguarding the interests of the Stapled Securityholders as a whole and managing the business of the Trust. For the financial year ended 31 March 2015, the directors of the REIT Manager Board are also the directors of the Trustee-Manager Board (collectively, the Board of the Managers).

The REIT Manager and Trustee-Manager (collectively, the “Managers”) have general power of management over the business and assets of the Trust and their main responsibility is to manage the Trust’s assets and liabilities for the benefit of the Stapled Securityholders as a whole. In the event of a conflict between the interests of the Stapled Securityholders as a whole and their own respective interests, the Managers will give priority to the interests of the Stapled Securityholders as a whole over their own interests.

The Board of the Managers, in exercising its power and carrying out its duties as REIT Manager and Trustee-Manager of the Trust, has put in place measures to ensure:

- the property of the Trust is properly accounted for and is kept distinct from the property held by the Managers in their own capacity;
- the business scope of the Trust as set out in the Trust Deeds of A-HREIT and A-HBT has been adhered to;
- potential conflicts between the interests of the Managers and the interests of the Stapled Securityholders of the Trust as a whole are appropriately managed;
- interested person transactions are properly recorded and disclosed;
- expenses and cost allocations payable to the Managers out of the property of the Trust, and the fees and expenses charged to the Trust are appropriate and are made in accordance with the respective Trust Deeds between A-HREIT, A-HBT and the Managers; and
- the Business Trusts Act of Singapore and with the Listing Rules of Singapore Exchange Securities Trading Ltd have been complied with.

TRUST PROPERTY PROPERLY ACCOUNTED FOR

Towards ensuring that the property of the Trust is properly accounted for and is kept distinct from the property held by the Managers in their own capacity, the accounting records of the Trust are kept separate from the accounting records of the Managers.

ADHERENCE TO BUSINESS SCOPE

The Trust is established to invest in real estate (which may be by way of direct ownership of real estate or by way of holding shares or units or interests in special purpose vehicles), real estate related assets and/or such other authorised investments and the Managers manage the property of the Trust so that the principal investments of the Trust are real estate. The Investment Committee of the Managers (“IC”) assists the Board of the Managers in ensuring adherence to the business scope.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

For the financial year ended 31 March 2015

POTENTIAL CONFLICTS OF INTEREST

As the Managers are related companies of Ascendas Land International Pte Ltd, the Sponsor and controlling Stapled Securityholder of the Trust, there may be potential conflicts of interest between the Trust, the Managers and the Sponsor.

The Managers have instituted, amongst others, the following procedures to deal with issues of conflicts of interest:

- The Board of the Managers comprises five Independent Directors, who form the majority of the Board;
- All executive officers are directly employed by the Managers;
- All resolutions in writing of the Directors of the Board of the Managers in relation to matters concerning the Trust must be approved by a majority of the Independent Directors;
- There is strict compliance with the relevant provisions of the Code of Corporate Governance;
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries;
- Where matters concerning the Trust relate to transactions to be entered into by the Managers for and on behalf of the Trust with a related party of the Managers, the Audit Committee of the Managers is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Trust and the Stapled Securityholders.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

(i) Exempted Agreements

The fees and charges payable by the Trust to the REIT Manager and to the Trustee-Manager under the respective Trust Deeds, are interested person transactions which are deemed to have been specifically approved by the Stapled Securityholders upon their purchase of the Stapled Securities, to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder or the terms thereof as disclosed in the prospectus dated 18 July 2012 issued for the listing of the Trust on the SGX-ST on 27 July 2012, which would adversely affect the Trust.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

For the financial year ended 31 March 2015

INTERESTED PERSON TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

The interested person transactions for the financial year ended 31 March 2015 are set out below:

Name of Interested Person	Aggregate value of interested person transactions for transactions not conducted under Stapled Securityholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000 each) \$'000
Trustee-Manager's fees paid/payable*	
– Management fee	1,305
– Performance fee	1,350
– Trustee fee	162
REIT Manager's fees paid/payable*	
– Management fee	1,420
– Performance fee	940
Ascendas Hospitality Australia Fund Management Pty Ltd Manager's fees paid/payable*	
– Management fee	2,500
Ascendas Japan Kabushiki Kaisha Manager's fees paid/payable*	
– Management fee	295
The Trust Company (Asia) Limited Trustee fee paid/payable to REIT Trustee	162
The Trust Company (PTAL) Limited Trustee fee paid/payable to Trustee	252

* Refer to "Exempted Agreements" in paragraph (i) above

(ii) Future Interested Person Transactions

Depending on the materiality of the transaction, the Trust may make a public announcement of such transaction or obtain Stapled Securityholders' prior approval for such a transaction. If necessary, the Board of the Managers may make a written statement in accordance with the resolution of the Board and signed by at least two Directors on behalf of the Board certifying that, inter alia, that such interested person transaction is not detrimental to the interests of the Stapled Securityholders of the Trust as a whole, based on the circumstances at that time of the transaction.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

For the financial year ended 31 March 2015

The Managers may, in future, seek an annual general mandate from the Stapled Securityholders for recurrent transactions of revenue or trading nature or those necessary for the day-to-day operations with interested persons, and all transactions will then be conducted under such a general mandate. In seeking such an annual general mandate, the Managers may appoint an independent financial adviser to render an opinion as to whether the methods or procedures for determining the transaction prices contemplated under the annual general mandate are sufficient, in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Trust and the Stapled Securityholders.

When the Trust acquires assets from the Sponsor or parties related to the Sponsor in future, the Managers will obtain at least two valuations from independent parties. In any event, interested person transactions entered into by the Trust, depending on the materiality of such transactions, may be publicly announced or, as the case may be, approved by Stapled Securityholders, and will, in addition, be:

- reviewed and recommended by the Audit Committee of the Managers, which comprises only Independent Directors; and
- decided by the Board of the Managers, of which at least half of the Directors are Independent Directors.

Fees and expenses charged to the Trust are appropriate and in accordance with the Trust Deeds.

FEES PAYABLE TO THE MANAGERS

The REIT Manager and the Trustee-Manager are entitled under their respective Trust Deeds to the following management fees:

- a Management Fee at the rate of 0.3% per annum of the value of the assets of the A-HREIT Group (in the case of REIT Manager) and of the A-HBT Group (in the case of Trustee-Manager); and
- a Performance Fee at the rate of 4.0% per annum of the Net Property Income of the A-HREIT Group (in the case of REIT Manager) and of the A-HBT Group (in the case of Trustee-Manager) in the relevant financial year (calculated before accounting for the Performance Fee in that financial year).

The REIT Manager and the Trustee-Manager are also entitled under their respective Trust Deeds to appoint or cause to appoint another asset manager, other than themselves, to provide asset management services in respect of any asset of the A-HREIT Group or the A-HBT Group.

In Japan, asset management services for the Ariake Sunroute and Osaka Namba Washington properties are provided by Ascendas Japan Kabushiki Kaisha ("AJKK"), a related entity of the Managers.

In Australia, asset management services for the Ascendas Australia Hotel Fund ("AAHF") properties are provided by Ascendas Hospitality Australia Fund Management Pty Ltd ("AHAFM"), a related entity of the Managers.

A-HREIT and A-HBT pay management fee directly to AJKK and AHAFM. The Managers will reimburse the Trust for the management fees paid by the Trust to AJKK and AHAFM.

Any increase in the rate or any change in the structure of the Managers' management fees must be approved by an extraordinary resolution passed at a Stapled Securityholders' meeting duly convened and held in accordance with the provisions of the Trust Deeds of A-HREIT and A-HBT.

The Management Fee and the Performance Fee are payable to the Managers in the form of cash and/or Stapled Securities (as the Managers may elect). The Managers have elected to receive 50% of both Management Fee and Performance Fee in Stapled Securities and the remainder in cash for the financial year ended 31 March 2015.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

For the financial year ended 31 March 2015

For transactions, the Managers are entitled to:

- 1% of the value of the underlying real estate (after deducting the interest of any co-owners or co-participants) purchased by the Managers on behalf of the Trust, whether directly or indirectly through a special purpose vehicle (“SPV”), or 1% of the acquisition price of any authorised investment acquired by the Managers on behalf of the Trust; and
- 0.5% of the value of the underlying real estate (after deducting the interest of any co-owners or co-participants) sold or divested by the Managers on behalf of the Trust, whether directly or indirectly through an SPV, or 0.5% of the sale price of any authorised investment sold or divested by the Managers on behalf of the Trust.

The acquisition fee and the divestment fee are payable to the Managers in the form of cash and/or Stapled Securities (as the Managers may elect) at the then prevailing price. In accordance with the respective Trust Deeds, when the Trust acquires or disposes of real estate from an interested person, the acquisition fee or, as the case may be, the divestment fee, may be in the form of cash and/or Stapled Securities issued at prevailing market price, and, if received in the form of Stapled Securities by the Managers, such Stapled Securities shall not be sold within one year from the date of issuance.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any asset of the Trust shall be paid by the Managers to such persons out of the assets of the Trust or the assets of the relevant SPV, and not out of the acquisition fee or the divestment fee received by the Managers.

Any increase in the maximum permitted level of the Managers’ acquisition fee or disposal fee must be approved by an extraordinary resolution passed at a Stapled Securityholders’ meeting duly convened and held in accordance with the provisions of the Trust Deeds.

Under the respective Trust Deeds, the REIT Trustee and the Trustee-Manager are entitled to a trustee fee in cash of up to 0.015% per annum of the value of the property of the A-HREIT Group and the A-HBT Group respectively.

Any increase in the maximum permitted amount or any change in the structure of the trustee fee must be approved by a special resolution passed at a Stapled Securityholders’ meeting duly convened and held in accordance with the provisions of the Trust Deeds.

The table below sets out the fees earned by the Managers and the REIT Trustee for the financial year ended 31 March 2015:

	REIT Manager \$'000	REIT Trustee \$'000	Trustee-Manager \$'000
Management Fee	1,420	–	1,305
Performance Fee	940	–	1,350
Trustee Fee	–	162	162
Total	2,360	162	2,817

COMPLIANCE WITH THE BUSINESS TRUSTS ACT AND LISTING RULES

The Joint Company Secretaries and Compliance Officer monitor A-HBT’s compliance with the Business Trusts Act of Singapore and the Trust’s compliance with the Listing Rules.

COMPLIANCE WITH THE REPORTING FRAMEWORK FOR UNIT TRUSTS

The REIT Trustee monitors A-HREIT’s compliance with Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts”.

STATEMENT ON COMPOSITION OF THE BOARD OF DIRECTORS

For the financial year ended 31 March 2015

The Board of Directors of the Managers have determined that the following Directors are independent from management and business relationship with the REIT Manager and the Trustee-Manager, and independent from every substantial shareholder of the REIT Manager and the Trustee-Manager:

Mr Lim Neo Chian (Chairman)
Dr Choo Kian Koon, Steven
Dr Ho Kim Wai
Mr Benson Puah Tuan Soon
Mr Tan Chong Huat

Mr Khiatani Manohar Ramesh, Mr Chia Nam Toon and Mr Tan Juay Hiang are considered Non-Independent Directors of the Managers. Mr Khiatani is the President and CEO of the Ascendas Group and is a Director on the Board of Ascendas Pte Ltd, which is the ultimate parent of Ascendas Land International Pte. Ltd., a substantial Stapled Securityholder of the Trust. Mr Chia is the Group Chief Financial Officer of Ascendas Pte Ltd and Mr Tan is the Chief Executive Officer of the Managers.

Mr Michael Issenberg is considered a Non-Independent Director. He is the Chairman and Chief Executive Officer of Accor Asia Pacific (AAPC Singapore Pte Ltd) ("Accor"). A-HTRUST has a strategic collaboration agreement with Accor, which allows A-HTRUST to benefit from Accor's technical expertise in hotel management.

INDEPENDENT AUDITOR'S REPORT TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST ASCENDAS HOSPITALITY BUSINESS TRUST

REPORT ON THE FINANCIAL STATEMENTS

We have audited:

- (i) the financial statements of Ascendas Hospitality Real Estate Investment Trust ("A-HREIT"), which comprise the Balance Sheet and Portfolio Statement as at 31 March 2015, the Statement of Total Return, Distribution Statement, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year ended 31 March 2015, and a summary of significant accounting policies and other explanatory information;
- (ii) the financial statements of Ascendas Hospitality Business Trust ("A-HBT"), which comprise the Balance Sheet as at 31 March 2015, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year ended 31 March 2015, and a summary of significant accounting policies and other explanatory information; and
- (iii) the consolidated financial statements of Ascendas Hospitality Trust ("A-HTRUST"), which comprise the Balance Sheet as at 31 March 2015, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Stapled Securityholders' Funds and Statement of Cash Flows for the financial year ended 31 March 2015, and a summary of significant accounting policies and other explanatory information,

as set out on pages 117 to 213. A-HTRUST, which comprises A-HBT and A-HREIT, is hereinafter referred to as the "Stapled Group".

A-HREIT Manager's responsibilities for the financial statements

Ascendas Hospitality Fund Management Pte. Ltd., the manager of A-HREIT (the "REIT Manager"), is responsible for the preparation and fair presentation of the financial statements of A-HREIT in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A-HBT Trustee-Manager's responsibilities for the financial statements

Ascendas Hospitality Trust Management Pte. Ltd., the trustee-manager of A-HBT (the "Trustee-Manager"), is responsible for the preparation of financial statements of A-HBT and the Stapled Group that give a true and fair view in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST ASCENDAS HOSPITALITY BUSINESS TRUST

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the REIT Manager and the Trustee-Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion:

- (a) the financial statements of A-HREIT present fairly, in all material respects, the financial position and portfolio position of A-HREIT as at 31 March 2015 and the total return, changes in stapled securityholders' funds, distributable income and cash flows of A-HREIT for the year ended 31 March 2015 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the A-HREIT Trust Deed; and
- (b) the financial statements of A-HBT and the Stapled Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of A-HBT and the Stapled Group as at 31 March 2015 and the results, changes in stapled securityholders' funds and cash flows of A-HBT and the Stapled Group for the year ended 31 March 2015.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of A-HBT have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG LLP
Public Accountants and Chartered Accountants

Singapore
18 May 2015

INCOME STATEMENTS

For the financial year ended 31 March 2015

	Note	A-HTRUST ⁽¹⁾		A-HREIT Group		A-HBT Group ⁽¹⁾	
		2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Gross revenue		227,113	214,286	31,240	27,816	211,634	202,181
Gross rental revenue	4	161,874	148,065	30,885	27,525	146,531	136,096
Food and beverage revenue		49,357	48,715	–	–	49,357	48,715
Other income	5	15,882	17,506	355	291	15,746	17,370
Property expenses		(133,764)	(130,763)	(4,570)	(4,826)	(144,737)	(141,493)
Operations and maintenance expenses	6	(23,459)	(24,211)	(240)	(151)	(23,220)	(24,060)
Hotel management fee		(7,556)	(7,465)	–	–	(7,556)	(7,465)
Property taxes and insurance		(3,716)	(3,506)	(1,490)	(1,625)	(2,226)	(1,881)
Service and other taxes		(6,161)	(5,990)	–	–	(6,161)	(5,990)
Administrative and general expenses		(9,447)	(9,302)	(281)	(411)	(9,166)	(8,891)
Sales and marketing expenses		(8,850)	(7,839)	(1)	(2)	(8,849)	(7,837)
Staff costs		(55,056)	(54,569)	–	–	(55,056)	(54,569)
Energy and utilities expenses		(9,415)	(10,632)	(2,556)	(2,615)	(6,859)	(8,017)
Other expenses		(10,104)	(7,249)	(2)	(22)	(25,644)	(22,783)
Net property income		93,349	83,523	26,670	22,990	66,897	60,688
Depreciation	17	(25,737)	(26,164)	–	–	(25,737)	(26,164)
Amortisation of prepaid land leases	16	(1,227)	(1,199)	–	–	(1,227)	(1,199)
Negative goodwill	7	–	8,000	–	8,000	–	–
Finance income	8	721	833	33	77	688	756
Finance costs	9	(17,951)	(15,843)	(2,807)	(2,747)	(15,144)	(13,096)
Fund management fees	10(a)	(7,810)	(9,936)	(2,536)	(5,178)	(5,274)	(4,758)
Trustees' fees	10(b)	(578)	(558)	(163)	(162)	(415)	(396)
Unrealised exchange (loss)/gain, net		(10,374)	(16,211)	(224)	46	(10,150)	(16,257)
Other trust expenses	11	(515)	(2,856)	202	440	(717)	(3,296)
Net change in fair value of derivative financial instruments	26	(5,930)	(3,596)	(202)	5,609	(5,728)	(9,205)
Net change in fair value of investment properties	15	10,181	10,028	6,582	10,028	3,599	–
Write-back of/(provision for) non-capitalisable business acquisition related expenses		1,344	(1,867)	–	(420)	1,344	(1,447)
Profit/(loss) before share of results of joint venture		35,473	24,154	27,555	38,683	8,136	(14,374)
Share of results of joint venture (net of tax)		3,119	215	–	–	3,119	215
Profit/(loss) before tax		38,592	24,369	27,555	38,683	11,255	(14,159)
Income tax expense	13	(9,946)	(7,686)	(2,020)	(2,585)	(7,926)	(5,101)
Profit/(loss) after tax		28,646	16,683	25,535	36,098	3,329	(19,260)
Profit/(loss) attributable to:							
Stapled Securityholders of the Trust		28,646	16,683	25,535	36,098	3,255	(19,221)
Non-controlling interests		–	–	–	–	74	(39)
		28,646	16,683	25,535	36,098	3,329	(19,260)
Earnings/(loss) per Stapled Security attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security							
– Basic and diluted (cents)	14	2.58	1.69	2.30	3.66	0.29	(1.95)

(1) Restated to reflect A-HBT's 50% share of revenue and expense of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2015

	A-HTRUST ⁽¹⁾		A-HREIT Group		A-HBT Group ⁽¹⁾	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Profit/(loss) for the year	28,646	16,683	25,535	36,098	3,329	(19,260)
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges – fair value (loss)/gain	(5,970)	(15,205)	578	2,377	(6,548)	(17,582)
Cash flow hedges – reclassification to profit or loss upon settlement	6,810	2,415	–	(6,924)	6,810	9,339
Foreign currency translation loss, net	(28,622)	(39,717)	(9,015)	(12,693)	(19,608)	(27,024)
	(27,782)	(52,507)	(8,437)	(17,240)	(19,346)	(35,267)
Item that will not be reclassified to profit or loss:						
Net surplus on revaluation of freehold land and building, net of tax	33,962	15,521	–	–	33,962	15,521
Other comprehensive income for the year, net of tax	6,180	(36,986)	(8,437)	(17,240)	14,616	(19,746)
Total comprehensive income for the year, net of tax	34,826	(20,303)	17,098	18,858	17,945	(39,006)
Total comprehensive income for the year attributable to:						
Stapled Securityholders of the Trust	34,826	(20,303)	17,098	18,858	17,817	(38,847)
Non-controlling interests	–	–	–	–	128	(159)
	34,826	(20,303)	17,098	18,858	17,945	(39,006)

(1) Restated to reflect A-HBT's 50% share of revenue and expense of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENTS

For the financial year ended 31 March 2015

	Note	A-HTRUST ⁽¹⁾		A-HREIT Group		A-HBT Group ⁽¹⁾	
		2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Income available for distribution to Stapled Securityholders of Stapled Securities at the beginning of the year		-	-	-	-	-	-
Profit/(loss) for the year		28,646	16,683	25,535	36,098	3,329	(19,260)
Add/(less):							
REIT Manager's management fees payable in Stapled Securities		1,268	1,089	1,268	1,089	-	-
Trustee-Manager's management fees payable in Stapled Securities		2,637	2,353	-	-	2,637	2,353
Depreciation		25,737	26,164	-	-	25,737	26,164
Amortisation of prepaid land leases		1,227	1,199	-	-	1,227	1,199
(Write-back of)/provision for non-capitalisable business acquisition related expenses		(1,344)	4,867	-	3,420	(1,344)	1,447
Negative goodwill		-	(8,000)	-	(8,000)	-	-
Unrealised exchange loss/(gain), net		10,374	16,211	224	(46)	10,150	16,257
Net change in fair value of derivative financial instruments		(948)	781	202	1,346	(1,150)	(565)
Share of results of/distribution from joint venture (net of tax)		(1,500)	637	-	-	(1,500)	637
Loss on disposal of property, plant and equipment		150	2,639	-	-	150	2,639
Net change in fair value gain of investment properties		(10,181)	(10,028)	(6,582)	(10,028)	(3,599)	-
Exchange adjustments arising from settlement of currency forwards		(1,216)	(1,136)	(685)	(423)	(531)	(713)
Others		1,439	1,186	350	531	1,088	655
Income available for distribution for the current year and at end of year		56,289	54,645	20,312	23,987	36,194	30,813

(1) Restated to reflect A-HBT's 50% share of revenue and expense of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF TOTAL RETURN OF A-HREIT GROUP

For the financial year ended 31 March 2015

	Note	A-HREIT Group	
		2015 \$'000	2014 \$'000
Income			
Rental income	4	30,885	27,525
Other income	5	355	291
		31,240	27,816
Property expenses			
		(4,570)	(4,826)
Less: Expenses			
Negative goodwill	7	–	8,000
Finance income	8	33	77
Finance costs	9	(2,807)	(2,747)
Management fees	10(a)	(2,536)	(5,178)
Trustees' fees	10(b)	(163)	(162)
Unrealised exchange (loss)/gain, net		(224)	46
Other trust expenses	11	202	440
Non-capitalisable business acquisition related expenses		–	(420)
		(5,495)	56
Net income			
		21,175	23,046
Net change in fair value of investment properties	15	6,582	10,028
Net change in fair value of derivative financial instruments		(202)	5,609
Total return for the year before income tax			
		27,555	38,683
Income tax expense	13	(2,020)	(2,585)
Total return for the year			
		25,535	36,098

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2015

	Note	A-HTRUST ⁽¹⁾			A-HREIT Group		A-HBT Group ⁽¹⁾		
		2015	31.03. 2014	01.04. 2013	2015	2014	2015	31.03. 2014	01.04. 2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			(Restated)	(Restated)			(Restated)	(Restated)	
ASSETS									
Non-current assets									
Investment properties	15	618,158	516,107	210,701	511,369	516,107	106,789	–	–
Prepaid land lease	16	38,290	36,400	36,695	–	–	38,290	36,400	36,695
Property, plant and equipment	17	664,349	697,587	751,659	–	–	664,349	697,587	751,659
Investment in joint venture	18	18,818	18,824	18,432	–	–	18,818	18,824	18,432
Available-for-sale securities	19	–	–	–	3,058	2,729	–	–	–
Trade and other receivables	20	508	908	5,072	–	–	508	908	5,072
Derivative financial instruments	26	4,414	664	7,111	847	612	3,567	52	1,922
Deferred tax assets	13	7,054	8,425	6,170	–	–	7,054	8,425	6,170
Other non-current assets		70	31	36	25	31	46	–	–
		1,351,661	1,278,946	1,035,876	515,299	519,479	839,421	762,196	819,950
Current assets									
Properties held for sale	21	3,365	–	–	–	–	3,365	–	–
Inventories		489	650	692	–	–	489	650	692
Trade and other receivables	20	9,667	8,131	21,952	2,726	1,720	9,516	8,193	15,592
Prepayments		4,526	2,870	3,167	1,100	54	3,426	2,816	3,111
Cash and cash equivalents	22	88,107	72,351	59,210	19,944	26,427	68,163	45,924	43,963
Derivative financial instruments	26	1,846	931	2,085	645	470	1,201	461	226
Other current assets	20	29	1,987	84	–	–	29	1,987	84
		108,029	86,920	87,190	24,415	28,671	86,189	60,031	63,668
Total assets		1,459,690	1,365,866	1,123,066	539,714	548,150	925,610	822,227	883,618

(1) Restated to reflect A-HBT's 50% share of assets and liabilities of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2015

	Note	A-HTRUST ⁽¹⁾			A-HREIT Group		A-HBT Group ⁽¹⁾		
		2015	31.03. 2014	01.04. 2013	2015	2014	2015	31.03. 2014	01.04. 2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			(Restated)	(Restated)			(Restated)	(Restated)	
LIABILITIES									
Current liabilities									
Trade and other payables	23	31,527	31,126	38,615	4,344	2,775	29,758	30,133	37,604
Income received in advance		2,765	2,199	2,295	2,032	2,167	733	32	39
Deferred income	24	1,884	2,058	7,895	127	123	1,757	1,935	7,895
Borrowings	25	72,031	–	1,309	46,932	–	25,099	–	–
Derivative financial instruments	26	44	157	221	26	4	18	153	220
Income tax payable		1,226	4,793	480	489	37	737	4,756	449
		109,477	40,333	50,815	53,950	5,106	58,102	37,009	46,207
Net current (liabilities)/ assets		(1,448)	46,587	36,375	(29,535)	23,565	28,087	23,022	17,461
Non-current liabilities									
Rental and other deposits		7,478	5,394	826	4,858	4,601	2,620	793	826
Deferred income	24	11,946	15,090	246	917	1,016	11,029	14,074	246
Loan from joint venture		3,979	4,384	5,215	–	–	3,979	4,384	5,215
Borrowings	25	471,665	485,103	391,267	105,091	155,748	366,574	329,355	329,520
Deferred tax liabilities	13	18,656	10,512	6,804	4,354	2,933	14,303	7,579	4,993
Derivative financial instruments	26	10,363	9,881	2,204	13	1	10,350	9,880	2,153
		524,087	530,364	406,562	115,233	164,299	408,855	366,065	342,953
Total liabilities		633,564	570,697	457,377	169,183	169,405	466,957	403,074	389,160
Net assets attributable to Stapled Securityholders									
		826,126	795,169	665,689	370,531	378,745	458,653	419,153	494,458

(1) Restated to reflect A-HBT's 50% share of assets and liabilities of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2015

Note	A-HTRUST ⁽¹⁾			A-HREIT Group		A-HBT Group ⁽¹⁾			
	2015 \$'000	31.03. 2014 \$'000 (Restated)	01.04. 2013 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	31.03. 2014 \$'000 (Restated)	01.04. 2013 \$'000 (Restated)	
Stapled Securityholders' funds									
Stapled Securities in issue	27	965,035	911,190	707,858	413,379	412,115	551,656	499,075	496,663
Issue costs	28	(15,761)	(14,920)	(12,617)	(5,994)	(5,994)	(9,767)	(8,926)	(8,926)
Managers' fees payable in Stapled Securities		944	884	619	316	312	628	572	505
Revenue reserve		(59,087)	(30,395)	4,627	33,810	34,855	(92,582)	(65,079)	(7,044)
Asset revaluation reserve	29(a)	60,354	26,392	10,871	–	–	59,737	26,130	10,770
Foreign currency translation reserve	29(b)	(120,316)	(91,694)	(51,977)	(72,147)	(63,132)	(47,527)	(28,156)	(1,405)
Hedging reserve	29(c)	(5,642)	(6,482)	6,308	1,167	589	(6,737)	(7,063)	1,172
Other reserves	29(d)	599	194	–	–	–	599	194	–
		826,126	795,169	665,689	370,531	378,745	456,007	416,747	491,735
Non-controlling interests		–	–	–	–	–	2,646	2,406	2,723
		826,126	795,169	665,689	370,531	378,745	458,653	419,153	494,458
Number of Stapled Securities in issue ('000)		1,113,581	1,034,675	804,322	1,113,581	1,034,675	1,113,581	1,034,675	804,322
Net asset value per Stapled Security (\$)		0.74	0.77	0.83	0.33	0.37	0.41	0.40	0.61

(1) Restated to reflect A-HBT's 50% share of assets and liabilities of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the financial year ended 31 March 2015

2015 A-HTRUST	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000
Balance at 1 April 2014	911,190	(14,920)	884
Profit for the year	–	–	–
<u>Other comprehensive income</u>			
Net fair value loss of cash flow hedges	–	–	–
Cash flow hedges – reclassification to profit or loss upon settlement	–	–	–
Net surplus on revaluation of freehold land and building, net of tax	–	–	–
Foreign currency translation loss, net	–	–	–
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year, net of tax	–	–	–
<u>Contributions by and distributions to Stapled Securityholders</u>			
Issue of new Stapled Securities (Note 27)	50,000	–	–
Issue costs (Note 28)	–	(841)	–
Managers' fees paid in Stapled Securities	3,845	–	(3,845)
Managers' fees payable in Stapled Securities	–	–	3,905
Distributions to Stapled Securityholders (Note 37)	–	–	–
Total contributions by and distributions to Stapled Securityholders	53,845	(841)	60
<u>Others</u>			
Transfer from revenue reserve to other reserves	–	–	–
Balance at 31 March 2015	965,035	(15,761)	944

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Attributable to Stapled Securityholders of the Trust

Revenue reserve \$'000	Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Total \$'000
(30,395) 28,646	(91,694) -	26,392 -	(6,482) -	194 -	795,169 28,646
-	-	-	(5,970)	-	(5,970)
-	-	-	6,810	-	6,810
-	-	33,962	-	-	33,962
-	(28,622)	-	-	-	(28,622)
-	(28,622)	33,962	840	-	6,180
28,646	(28,622)	33,962	840	-	34,826
-	-	-	-	-	50,000
-	-	-	-	-	(841)
-	-	-	-	-	-
-	-	-	-	-	3,905
(56,933)	-	-	-	-	(56,933)
(56,933)	-	-	-	-	(3,869)
(405)	-	-	-	405	-
(59,087)	(120,316)	60,354	(5,642)	599	826,126

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the financial year ended 31 March 2015

2014 A-HTRUST	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000
Balance at 1 April 2013	707,858	(12,617)	619
Profit for the year	–	–	–
<u>Other comprehensive income</u>			
Net fair value loss of cash flow hedges	–	–	–
Cash flow hedges – reclassification to profit or loss upon settlement	–	–	–
Net surplus on revaluation of freehold land and building, net of tax	–	–	–
Foreign currency translation loss, net	–	–	–
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year, net of tax	–	–	–
<u>Contributions by and distributions to Stapled Securityholders</u>			
Issue of new Stapled Securities (Note 27)	200,000	–	–
Issue costs (Note 28)	–	(2,303)	–
Managers' fees paid in Stapled Securities	3,332	–	(3,037)
Managers' fees payable in Stapled Securities	–	–	3,302
Distributions to Stapled Securityholders (Note 37)	–	–	–
Total contributions by and distributions to Stapled Securityholders	203,332	(2,303)	265
<u>Others</u>			
Transfer from revenue reserve to other reserves	–	–	–
Balance at 31 March 2014	911,190	(14,920)	884

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Attributable to Stapled Securityholders of the Trust

Revenue reserve \$'000	Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Total \$'000
4,627	(51,977)	10,871	6,308	–	665,689
16,683	–	–	–	–	16,683
–	–	–	(15,205)	–	(15,205)
–	–	–	2,415	–	2,415
–	–	15,521	–	–	15,521
–	(39,717)	–	–	–	(39,717)
–	(39,717)	15,521	(12,790)	–	(36,986)
16,683	(39,717)	15,521	(12,790)	–	(20,303)
–	–	–	–	–	200,000
–	–	–	–	–	(2,303)
–	–	–	–	–	295
–	–	–	–	–	3,302
(51,511)	–	–	–	–	(51,511)
(51,511)	–	–	–	–	149,783
(194)	–	–	–	194	–
(30,395)	(91,694)	26,392	(6,482)	194	795,169

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the financial year ended 31 March 2015

2015 A-HREIT	Stapled Securities in issue \$'000	Issue costs \$'000
Balance at 1 April 2014	412,115	(5,994)
Profit for the year	–	–
Other comprehensive income		
Net fair value gain of cash flow hedges	–	–
Foreign currency translation loss, net	–	–
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year, net of tax	–	–
Contributions by and distributions to Stapled Securityholders		
Managers' fees paid in Stapled Securities	1,264	–
Managers' fees payable in Stapled Securities	–	–
Distributions to Stapled Securityholders (Note 37)	–	–
Total contributions by and distributions to Stapled Securityholders	1,264	–
Balance at 31 March 2015	413,379	(5,994)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Attributable to Stapled Securityholders of the Trust

Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Total \$'000
312	34,855	(63,132)	589	378,745
–	25,535	–	–	25,535
–	–	–	578	578
–	–	(9,015)	–	(9,015)
–	–	(9,015)	578	(8,437)
–	25,535	(9,015)	578	17,098
(1,264)	–	–	–	–
1,268	–	–	–	1,268
–	(26,580)	–	–	(26,580)
4	(26,580)	–	–	(25,312)
316	33,810	(72,147)	1,167	370,531

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the financial year ended 31 March 2015

2014 A-HREIT	Stapled Securities in issue \$'000	Issue costs \$'000
Balance at 1 April 2013	211,195	(3,691)
Profit for the year	–	–
<u>Other comprehensive income</u>		
Net fair value gain of cash flow hedges	–	–
Cash flow hedges – reclassification to profit or loss upon settlement	–	–
Foreign currency translation loss, net	–	–
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year, net of tax	–	–
<u>Contributions by and distributions to Stapled Securityholders</u>		
Issue of new Stapled Securities (Note 27)	200,000	–
Issue costs (Note 28)	–	(2,303)
Managers' fees paid in Stapled Securities	920	–
Managers' fees payable in Stapled Securities	–	–
Distributions to Stapled Securityholders (Note 37)	–	–
Total contributions by and distributions to Stapled Securityholders	200,920	(2,303)
Balance at 31 March 2014	412,115	(5,994)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Attributable to Stapled Securityholders of the Trust

Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Total \$'000
114	11,648	(50,439)	5,136	173,963
-	36,098	-	-	36,098
-	-	-	2,377	2,377
-	-	-	(6,924)	(6,924)
-	-	(12,693)	-	(12,693)
-	-	(12,693)	(4,547)	(17,240)
-	36,098	(12,693)	(4,547)	18,858
-	-	-	-	200,000
-	-	-	-	(2,303)
(863)	-	-	-	57
1,061	-	-	-	1,061
-	(12,891)	-	-	(12,891)
198	(12,891)	-	-	185,924
312	34,855	(63,132)	589	378,745

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the financial year ended 31 March 2015

2015 A-HBT	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000
Balance at 1 April 2014	499,075	(8,926)	572	(65,079)
Profit for the year	-	-	-	3,255
<u>Other comprehensive income</u>				
Net fair value loss of cash flow hedges	-	-	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-	-
Net surplus on revaluation of freehold land and building, net of tax	-	-	-	-
Foreign currency translation loss, net	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year, net of tax	-	-	-	3,255
<u>Contributions by and distributions to Stapled Securityholders and non-controlling interests</u>				
Issue of new Stapled Securities (Note 27)	50,000	-	-	-
Issue costs (Note 28)	-	(841)	-	-
Managers' fees paid in Stapled Securities	2,581	-	(2,581)	-
Managers' fees payable in Stapled Securities	-	-	2,637	-
Capital contribution by non-controlling interests	-	-	-	-
Distributions to Stapled Securityholders (Note 37)	-	-	-	(30,353)
Dividend paid to non-controlling interests	-	-	-	-
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	52,581	(841)	56	(30,353)
<u>Others</u>				
Transfer from revenue reserve to other reserves	-	-	-	(405)
Balance at 31 March 2015	551,656	(9,767)	628	(92,582)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Attributable to Stapled Securityholders of the Trust

Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Total \$'000	Non- controlling interests \$'000	Equity, Total \$'000
(28,156)	26,130	(7,063)	194	416,747	2,406	419,153
-	-	-	-	3,255	74	3,329
-	-	(6,484)	-	(6,484)	(64)	(6,548)
-	-	6,810	-	6,810	-	6,810
-	33,607	-	-	33,607	355	33,962
(19,371)	-	-	-	(19,371)	(237)	(19,608)
(19,371)	33,607	326	-	14,562	54	14,616
(19,371)	33,607	326	-	17,817	128	17,945
-	-	-	-	50,000	-	50,000
-	-	-	-	(841)	-	(841)
-	-	-	-	-	-	-
-	-	-	-	2,637	-	2,637
-	-	-	-	-	330	330
-	-	-	-	(30,353)	-	(30,353)
-	-	-	-	-	(218)	(218)
-	-	-	-	21,443	112	21,555
-	-	-	405	-	-	-
(47,527)	59,737	(6,737)	599	456,007	2,646	458,653

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

For the financial year ended 31 March 2015

2014 A-HBT	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000
Balance at 1 April 2013	496,663	(8,926)	505	(7,044)
Loss for the year	-	-	-	(19,221)
<u>Other comprehensive income</u>				
Net fair value loss of cash flow hedges	-	-	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-	-
Net surplus on revaluation of freehold land and building, net of tax	-	-	-	-
Foreign currency translation loss, net	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year, net of tax	-	-	-	(19,221)
<u>Contributions by and distributions to Stapled Securityholders and non-controlling interests</u>				
Managers' fees paid in Stapled Securities	2,412	-	(2,174)	-
Managers' fees payable in Stapled Securities	-	-	2,241	-
Distributions to Stapled Securityholders (Note 37)	-	-	-	(38,620)
Dividend paid to non-controlling interests	-	-	-	-
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	2,412	-	67	(38,620)
<u>Others</u>				
Transfer from revenue reserve to other reserves	-	-	-	(194)
Balance at 31 March 2014	499,075	(8,926)	572	(65,079)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Attributable to Stapled Securityholders of the Trust

Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Total \$'000	Non- controlling interests \$'000	Equity, Total \$'000
(1,405)	10,770	1,172	–	491,735	2,723	494,458
–	–	–	–	(19,221)	(39)	(19,260)
–	–	(17,574)	–	(17,574)	(8)	(17,582)
–	–	9,339	–	9,339	–	9,339
–	15,360	–	–	15,360	161	15,521
(26,751)	–	–	–	(26,751)	(273)	(27,024)
(26,751)	15,360	(8,235)	–	(19,626)	(120)	(19,746)
(26,751)	15,360	(8,235)	–	(38,847)	(159)	(39,006)
–	–	–	–	238	–	238
–	–	–	–	2,241	–	2,241
–	–	–	–	(38,620)	–	(38,620)
–	–	–	–	–	(158)	(158)
–	–	–	–	(36,141)	(158)	(36,299)
–	–	–	194	–	–	–
(28,156)	26,130	(7,063)	194	416,747	2,406	419,153

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2015

	A-HTRUST ⁽¹⁾		A-HREIT Group		A-HBT Group ⁽¹⁾	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Cash flows from operating activities						
Profit/(loss) before tax	38,592	24,369	27,555	38,683	11,255	(14,159)
Adjustments for:						
Depreciation and amortisation	26,964	27,363	–	–	26,964	27,363
Negative goodwill	–	(8,000)	–	(8,000)	–	–
Impairment of loan to joint venture	–	165	–	–	–	165
Managers' fee paid/payable in Stapled Securities	3,905	3,597	1,268	1,118	2,637	2,479
Currency realignment	(6,704)	733	(1,265)	500	(5,440)	327
Unrealised exchange loss/(gain), net	10,374	16,211	224	(46)	10,150	16,257
Effects of recognising rental income on a straight-line basis over lease term	(1,415)	(1,279)	(1,415)	(1,279)	–	–
Net change in fair value of investment properties	(10,181)	(10,028)	(6,582)	(10,028)	(3,599)	–
Net change in fair value of derivative financial instruments	(948)	781	202	1,346	(1,150)	(565)
Share of results of joint venture, net of tax	(3,119)	(215)	–	–	(3,119)	(215)
Dividend from available-for-sale securities	–	–	(218)	(155)	–	–
Finance costs	17,951	15,843	2,807	2,747	15,144	13,096
Finance income	(721)	(833)	(33)	(77)	(688)	(756)
Amortisation of deferred income	(1,976)	(1,602)	(126)	(93)	(1,850)	(1,509)
Loss on disposal of property, plant and equipment	150	2,639	–	–	150	2,639
Non-capitalisable business acquisition related expenses	(1,344)	1,867	–	420	(1,344)	1,447
Operating cash flows before working capital changes	71,528	71,611	22,417	25,136	49,110	46,569
Changes in working capital:						
Inventories	129	42	–	–	129	42
Trade and other receivables	(6,366)	8,011	(2,173)	5,823	(3,397)	2,097
Prepayments	(833)	16	–	2	(833)	14
Other current assets	1,909	(1,902)	–	–	1,909	(1,902)
Trade and other payables	10,215	961	1,938	173	7,482	788
Income received in advance and deferred income	111	–	111	–	–	–
Rental and other deposits	2,099	4,568	173	4,601	1,926	(33)
Cash generated from operations	78,792	83,307	22,466	35,735	56,326	47,575
Income tax paid	(6,825)	(2,520)	(184)	(51)	(6,641)	(2,469)
Interest received	705	801	39	68	666	733
Interest paid	(17,061)	(13,933)	(2,637)	(2,515)	(14,424)	(11,418)
Net cash generated from operating activities	55,611	67,655	19,684	33,237	35,927	34,421

(1) Restated to reflect A-HBT's 50% share of cash flows of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2015

	A-HTRUST ⁽¹⁾		A-HREIT Group		A-HBT Group ⁽¹⁾	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Cash flows from investing activities						
Acquisition of property, plant and equipment	(10,324)	(24,158)	–	–	(10,324)	(24,158)
Acquisition of investment property	(110,270)	–	–	–	(110,270)	–
Proceeds from disposal of property, plant and equipment	27	18	–	–	27	18
Subsequent capital expenditures incurred on investment property	(6)	(137)	(6)	(137)	–	–
Net cash outflow on acquisition of business (Note 7)	–	(299,850)	–	(299,850)	–	–
Purchase of available-for-sale securities	–	–	(330)	–	–	–
Dividend income received from available-for-sale securities	–	–	218	155	–	–
Dividend income received from joint venture	1,329	1,149	–	–	1,329	1,149
Repayment of loan from joint venture	337	(175)	–	–	337	(175)
Net cash used in investing activities	(118,907)	(323,153)	(118)	(299,832)	(118,901)	(23,166)
Cash flows from financing activities						
Proceeds from issue of new Stapled Securities (net of issue costs)	49,159	197,697	–	197,697	49,159	–
Capital contribution by non-controlling interests	–	–	–	–	330	–
Distribution to stapled Stapled Securityholders	(56,933)	(51,511)	(26,580)	(12,891)	(30,353)	(38,620)
Dividends paid to non-controlling interests	–	–	–	–	(218)	(158)
Proceeds from borrowings	85,691	382,523	–	167,597	85,691	214,926
Repayment of borrowings	–	(262,906)	–	(75,234)	–	(187,672)
Net cash generated from/(used in) financing activities	77,917	265,803	(26,580)	277,169	104,609	(11,524)
Net increase/(decrease) in cash and cash equivalents	14,621	10,305	(7,014)	10,574	21,635	(269)
Cash and cash equivalents at beginning of year	72,351	59,210	26,427	15,247	45,924	43,963
Effect of exchange rate changes on cash and cash equivalents	1,135	2,836	531	606	604	2,230
Cash and cash equivalents at end of year (Note 22)	88,107	72,351	19,944	26,427	68,163	45,924

(1) Restated to reflect A-HBT's 50% share of cash flows of a joint operation accounted for under FRS 111 *Joint Arrangements* (Note 2.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT OF A-HREIT GROUP

As at 31 March 2015

Property	Acquisition date	Tenure	Location	Existing use
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo ("Ariake Sunroute")	27 July 2012	Freehold	3-6-6 Ariake Koto-ku, Tokyo, Japan.	Hotel
Park Hotel Clarke Quay	28 June 2013	99-year leasehold expiring in 2105	1 Unity Street, Park Hotel Clarke Quay Singapore 237983	Hotel

Portfolio of investments

Other assets and liabilities (net)

Net assets

Independent valuation of the investment properties was undertaken by Jones Lang LaSalle K.K. and Jones Lang LaSalle Property Consultants Pte Ltd based on the discounted cash flow method. The independent valuers have the appropriate professional qualifications and experience in the location and category of the property being valued.

The fair value gain of the investment properties has been recognised in profit or loss in accordance with the A-HREIT Group's accounting policies.

Latest valuation \$'000	Valuation date	2015		2014	
		At valuation/ carrying value \$'000	Percentage of net assets %	At valuation/ carrying value \$'000	Percentage of net assets %
199,369	31 March 2015	199,369	54	204,107	54
312,000	31 March 2015	312,000	84	312,000	82
511,369		511,369	138	516,107	136
		(140,838)	(38)	(137,362)	(36)
		370,531	100	378,745	100

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

1 CORPORATE INFORMATION

Ascendas Hospitality Trust (“A-HTRUST”) is a stapled trust comprising Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) and Ascendas Hospitality Business Trust (“A-HBT”) (collectively, the “Group”).

A-HREIT is a Singapore-domiciled real estate investment private trust constituted in Singapore on 13 March 2012 under the A-HREIT Trust Deed, which was originally entered into between Ascendas Hospitality Fund Management Pte. Ltd. (“REIT Manager”, as manager of the private trust) and Ascendas Hospitality Trustee Pte. Ltd. (as trustee of the private trust). The A-HREIT Trust Deed was amended by an amending and restating deed dated 9 July 2012 to comply with the requirements of, among others, the Monetary Authority of Singapore (“MAS”) and the Singapore Exchange Securities Trading Limited (“SGX-ST”), for a listed REIT. The Trust Company (Asia) Limited replaced Ascendas Hospitality Trustee Pte. Ltd. as trustee of A-HREIT on 9 July 2012.

A-HBT is a Singapore-domiciled business private trust constituted in Singapore on 13 March 2012 under the A-HBT Trust Deed with Ascendas Hospitality Trust Management Pte. Ltd. as the trustee-manager of the private trust (“Trustee-Manager”). The A-HBT Trust Deed was amended by an amending and restating deed dated 9 July 2012 to comply with the requirements of, among others, the MAS and the SGX-ST, for a listed business trust.

The units in A-HREIT and A-HBT are stapled together under the terms of a stapling deed dated 13 March 2012 and subsequently amended and entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately.

A-HTRUST was listed on the Main Board of the SGX-ST on 27 July 2012 (“Listing Date”).

The registered address of the REIT Manager and the Trustee-Manager is at 61 Science Park Road, #04-01 The Galen, Singapore Science Park II, Singapore 117525.

The principal activity of A-HTRUST is owning 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 principal activities of the subsidiary companies of A-HREIT and A-HBT are as disclosed in Note 30.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of A-HTRUST comprise the A-HREIT Group and the A-HBT Group.

The financial statements of A-HBT Group comprise the A-HBT entity and its subsidiaries. The financial statements of A-HBT Group and A-HTRUST have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements of the A-HREIT Group comprise the A-HREIT entity and its subsidiaries. The financial statements of the A-HREIT Group have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Scheme (“CIS Code”) issued by the MAS and the provisions of the A-HREIT Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under FRS.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

The financial statements are expressed in Singapore dollars and rounded to the nearest thousand unless otherwise stated. The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The accounting policies set out below have been applied consistently by A-HTRUST, A-HREIT and A-HBT.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

FRSs that have been issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
- Amendments to FRS 102 <i>Share Based Payment</i>	1 July 2014
- Amendments to FRS 16 <i>Property, Plant and Equipment</i>	1 July 2014
- Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
- FRS 103 <i>Business Combinations</i>	1 July 2014
- FRS 113 <i>Fair Value Measurement</i>	1 July 2014
- FRS 40 <i>Investment Property</i>	1 July 2014
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 16 and FRS 41 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 111 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Improvements to FRSs (November 2014)	
- FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
- FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
- FRS 19 <i>Employee Benefits</i>	1 January 2016
- FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities Applying the Consolidation Exception</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

With the exception of FRS 109 and FRS 115, the REIT Manager and Trustee-Manager expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

FRS 109 Financial Instruments

In December 2014, the Accounting Standard Council issued the final version of FRS 109 *Financial Instruments* which reflects all phases of the financial instruments project and replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The REIT Manager and Trustee-Manager are currently assessing the impact of FRS 109 and plan to adopt the new standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The REIT Manager and Trustee-Manager are currently assessing the impact of FRS 115 and plan to adopt the new standard on the required effective date.

2.2 Change in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group adopted the following new and revised standards that are relevant and effective for financial years beginning on or after 1 April 2014:

FRS 27 *Separate Financial Statements*

FRS 28 *Investments in Associates and Joint Ventures*

FRS 110 *Consolidated Financial Statements*

FRS 111 *Joint Arrangements*

FRS 112 *Disclosures of Interests in Other Entities*

Amendments to FRS 32 *Offsetting of Financial Assets and Financial Liabilities*

Amendments to FRS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to FRS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

INT FRS 121 *Levies*

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Change in accounting policy (cont'd)

The adoption of the above standards did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements of the Group, except for the following:

FRS 111 Joint Arrangements

A-HBT has two joint arrangements, namely (i) Notron No. 346 Trust ("NNT") and (ii) Ascendas Cairns International Pty Limited and Polaris Developments Pty Limited ("Co-Tenancy"). NNT owns the land and building of Pullman Cairns International ("Hotel") and Co-Tenancy owns certain plant and equipment and operates the Hotel.

NNT which had been previously classified as a jointly controlled entity is classified as a joint venture under FRS 111. There is no significant change to the accounting method for NNT.

Upon adoption of FRS 111, the Group revised its method of accounting for Co-Tenancy. Investment in the Co-Tenancy had been previously classified as a jointly controlled entity and was accounted for using the equity method. Under FRS 111, Co-Tenancy is classified as a joint operation and is to be recognised in relation to the Group's interest in the arrangement as follows:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The change in accounting policy has been applied retrospectively in accordance with the transitional provisions in FRS 111. The Group's interest in the assets, liabilities, revenues and expenses in the arrangement are accounted for in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses. The effects of adoption of FRS 111 on the financial statements of A-HTRUST and the A-HBT Group are as follows:

Impact on income statements (increase / (decrease) in profit):

	A-HTRUST	A-HBT
	2014	2014
	\$'000	\$'000
Gross revenue		
- Gross rental revenue	3,462	3,462
- Other income	224	224
Property expenses		
- Property taxes and insurance	(138)	(138)
- Services and other taxes	(267)	(267)
- Administrative and general expenses	(15)	(15)
- Other expenses	(2,642)	(2,642)
Depreciation	(513)	(513)
Finance income	8	8
Share of results of joint venture (net of tax)	(119)	(119)
Net impact on profit before/after tax	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Change in accounting policy (cont'd)

Impact on equity (increase/(decrease) in net assets):

	A-HTRUST 31.03.2014 \$'000	A-HBT 31.03.2014 \$'000	A-HTRUST 01.04.2013 \$'000	A-HBT 01.04.2013 \$'000
Property, plant and equipment	3,965	3,965	4,953	4,953
Investment in joint venture	–	–	774	774
Trade and other receivables	1	1	–	–
Total non-current assets	3,966	3,966	5,727	5,727
Trade and other receivables	287	287	267	267
Prepayments	163	163	174	174
Cash and cash equivalents	206	206	406	406
Total current assets	656	656	847	847
Total assets	4,622	4,622	6,574	6,574
Trade and other payables	238	238	1,359	1,359
Loan from joint venture	4,384	4,384	5,215	5,215
Total liabilities	4,622	4,622	6,574	6,574
Net impact on equity	–	–	–	–

Impact on statements of cash flows (increase/(decrease) in cash flows):

	A-HTRUST 2014 \$'000	A-HBT 2014 \$'000
Operating cash flows	87	87
Investing cash flows	(327)	(327)
Net decrease in cash and cash equivalents	(240)	(240)

Certain comparative information in the following notes to the financial statements have been restated:

Note 4	Gross rental revenue
Note 5	Other income
Note 8	Finance income
Note 13	Income tax expense: Relationship between tax expense and accounting profit/(loss)
Note 17	Property, plant and equipment
Note 18	Investment in joint venture
Note 20	Trade and other receivables
Note 22	Cash and cash equivalents
Note 23	Trade and other payables
Note 33	Fair value of assets and liabilities
Note 34(a)(i)	Market risk: Foreign currency risk
Note 34(c)	Market risk: Liquidity risk
Note 34(d)	Capital management
Note 35	Segment reporting

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Currency translation

(a) Functional and presentation currency

Items included in the financial statements as at year end are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to A-HTRUST, the A-HREIT Group and the A-HBT Group (the “functional currency”). The financial statements are presented in Singapore dollars, which is the functional currency of the A-HREIT Group and the A-HBT Group, as the financial statements are meant primarily for users in Singapore.

(b) Foreign currency transactions and translation

Transactions in foreign currency are translated at foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at foreign exchange rates ruling at that date. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at foreign exchange rates ruling at the dates the fair value was determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.4 Basis of consolidation and business combinations

(a) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

(b) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(c) Consolidation

Subsidiaries are consolidated from the date of acquisition, being the date on which control is obtained, and continue to be consolidated until the date that such control ceases.

The balance sheets of the subsidiaries are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to align them with the significant accounting policies adopted by A-HTRUST, the A-HREIT Group and the A-HBT Group.

All intra-group balances, income and expenses, and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If control over a subsidiary is lost:

- The assets (including goodwill) and liabilities of the subsidiary are de-recognised at their carrying amounts at the date when control is lost;
- The carrying amount of any non-controlling interest is de-recognised;
- The cumulative translation differences recorded in equity is de-recognised;
- The fair value of the consideration received is recognised;
- The fair value of any investment retained is recognised;
- Any surplus or deficit is recognised in profit or loss; and
- The share of components previously recognised in other comprehensive income is re-classified to profit or loss or revenue reserve, as appropriate.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the Stapled Securityholders of A-HTRUST, the A-HREIT Group or the A-HBT Group. They are shown separately in the consolidated statements of comprehensive income, statements of changes in Stapled Securityholders' fund and balance sheets of the Group. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(d) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(d) Business combinations (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.2.

(e) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are de-recognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by specific Standard.

Any retained interest in the equity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2.5 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Joint arrangements (cont'd)

(i) *Joint operation*

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(ii) *Joint venture*

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture.

On acquisition of the joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the joint venture is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the joint venture is acquired.

Under the equity method, the investment in joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Joint arrangements (cont'd)

(ii) Joint venture (cont'd)

If the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Fair value is determined at each balance sheet date in accordance with the A-HREIT Trust Deed and the A-HBT Trust Deed. In addition, the investment properties are to be valued by independent professional valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Any increase or decrease in valuation on revaluation is credited or charged directly to profit or loss as a net appreciation or depreciation in the value of the investment properties.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss is the difference between net disposal proceeds and the carrying amount of the property.

2.7 Property, plant and equipment

(a) Measurement

All items of property, plant and equipment are initially recorded at cost. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to A-HTRUST, the A-HREIT Group and/or the A-HBT Group and the cost of the item can be measured reliably.

Subsequent to recognition, buildings are measured at fair value less accumulated depreciation and any accumulated impairment losses while other plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Fair values of freehold land and buildings are determined at each balance sheet date in accordance with the A-HBT Group Trust Deed. Any increase in valuation on revaluation shall be credited directly to equity under the heading of asset revaluation reserve. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment (cont'd)

(b) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Freehold land is subsequently measured at fair value.

Depreciation is computed on a straight-line basis over the estimated useful lives of each item of property, plant and equipment as follows:

Buildings	Remaining lease period from 26 to 31 years
Computers, furniture and fittings	2 to 15 years
Motor vehicles	8 years
Plant and equipment	5 to 30 years

Capital work-in-progress are not depreciated as these assets are not yet available for use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Upon derecognition of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.8 Properties held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

2.9 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Prepaid land lease Property, plant and equipment Investment in joint venture

Prepaid land lease, property, plant and equipment and investment in joint venture are reviewed for impairment at balance sheet date or whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised to other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets (cont'd)

- (b) Prepaid land lease
Property, plant and equipment
Investment in joint venture (cont'd)

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this revised recoverable amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.11 Financial assets

- (a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as cash and cash equivalents and trade and other receivables on the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

(b) Recognition and de-recognition

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised where the contractual rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(c) Initial measurement

Loans and receivables and available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process. Available-for-sale financial assets are subsequently carried at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(e) Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(f) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

(f) Impairment (cont'd)

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. Subsequent recovery of amounts previously written off is recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Available-for-sale financial assets

A significant or prolonged decline in the fair value of the investment below its cost are considered as indicators of impairment. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of available-for-sale financial assets carried at cost, if there is objective evidence that an impairment loss on the financial assets has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Cash and cash equivalents

For the purpose of presentation in the balance sheets and statements of cash flows, cash and cash equivalents comprise cash at bank and on hand, and fixed deposits with financial institutions which are subject to an insignificant risk of change in value, but exclude balances which are subjected to restriction.

2.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Financial liabilities include trade and other payables and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Financial liabilities (cont'd)

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

(c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge (b) cash flow hedge or (c) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Derivative financial instruments and hedging activities (cont'd)

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge

(i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitled the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of the interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(ii) Currency swaps

The Group has entered into currency swaps that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency swaps are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

The Group uses loans and currency swaps as hedges of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when A-HTRUST, the A-HREIT Group and the A-HBT Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Stapled Securityholders' funds

Stapled Securityholders' funds represent the Stapled Securityholders' residual interest in A-HTRUST, the A-HREIT Group and the A-HBT Group's net assets upon termination.

Expenses incurred in connection with the issuance of Stapled Securities on the SGX-ST are deducted directly against Stapled Securityholders' funds.

2.20 Leases

(a) As lessor – operating lease

Leases where A-HTRUST, the A-HREIT Group and the A-HBT Group retain substantially all the risks and rewards of ownership of the asset are classified as operating leases.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(b) As lessee – operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(c) Prepaid land lease

Prepaid land lease are up-front payments to acquire long-term leasehold interests in land. These payments are stated at cost and are amortised on a straight-line basis over the respective period of the leases.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Distribution policy

Distributions from A-HTRUST comprise distributions from A-HREIT and A-HBT.

A-HREIT's distribution policy is to distribute at least 90.0% of its distributable income to the Stapled Securityholders.

A-HBT's distribution policy is to distribute at least 90.0% of its distributable income to the Stapled Securityholders.

For the financial years ended 31 March 2014 and 2015, A-HTRUST distributed 100% of its distributable income to the Stapled Securityholders.

Both A-HREIT and A-HBT distributions will be made on a semi-annual basis for the periods ending 30 September and 31 March. Distributions, when paid, will be in Singapore dollars.

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to A-HTRUST, the A-HREIT Group and the A-HBT Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue is recognised for the major business activities as follows:

(a) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Contingent rents are recognised as revenue in the period in which they are earned. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Hotel room revenue and food & beverage ("F&B") revenue

Hotel room revenue and F&B revenue are recognised when the relevant rooms and F&B services have been provided to the customer.

(c) Car park revenue and utilities income

Car park revenue and utilities income are recognised when the relevant services have been rendered.

2.23 Expenses

(a) Property expenses

Property expenses are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Expenses (cont'd)

- (b) REIT Manager's management fees

REIT Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in the Statement on Policies and Practices in relation to the management and governance of the Trust.

- (c) Trustee-Manager's management fees

Trustee-Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in the Statement on Policies and Practices in relation to the management and governance of the Trust.

- (d) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are REIT Trustee's fees and Trustee-Manager's trustee fees which are based on the applicable formulae stipulated in the Statement on Policies and Practices in relation to the management and governance of the Trust.

- (e) Borrowing costs

Borrowing costs comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

2.24 Taxation

- (a) Current income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in Stapled Securityholders' funds, in which case it is recognised as part of Stapled Securityholders' funds. The Managers periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establish provisions where appropriate.

- (b) Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxation (cont'd)

(b) Deferred income tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Segment reporting

An operating segment is a distinguishable component of A-HTRUST, the A-HREIT Group and the A-HBT Group that is engaged either in providing goods or services (business segment), or in providing goods or services within a particular environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management has determined the operating segments based on the reports reviewed by Chief Operating Decision Makers ("CODMs") that are used to make strategic decisions. CODMs review the internal reporting to assess performance and operations. Management has determined the operating segments based on these assessments. The CODMs consider the operating segments from a geographic perspective as well as a business perspective as it is based on the management and internal reporting structure.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements requires the Managers to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and the disclosure of contingent liabilities as at the end of the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The Managers on their own or in reliance on third party experts, apply estimates and judgments in the following key areas:

- i. The fair valuations of investment properties, property, plant and equipment and derivative financial instruments (Note 15, 17 and 26);
- ii. The assessment of the adequacy of provision for current and deferred taxation (Note 13);
- iii. The assessment of impairment of financial and non-financial assets (Note 34); and
- iv. The determination of joint control and classification of joint arrangements.

Determination of joint control and classification of joint arrangements

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
 - The legal form of the separate vehicle
 - The terms of the contractual arrangement
 - Other facts and circumstances (when relevant)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONT'D)

Determination of joint control and classification of joint arrangements (cont'd)

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

The Group assessed that the arrangement for Notron No. 346 Trust ("NNT") is a joint venture taking into account that NNT is a separate trust vehicle and the Group's interest in NNT only gives the Group rights to the net assets of the trust. On the other hand, the Group assessed that Co-Tenancy is a joint operation considering that Co-Tenancy, being the hotel operator, has rights to the assets and obligations for the liabilities of the Hotel (Note 2.2).

Refer Note 18 and Note 31 for more information.

4. GROSS RENTAL REVENUE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Hotel room revenue	123,026	118,689	–	–	123,026	118,689
Rental income	38,848	29,376	30,885	27,525	23,505	17,407
	161,874	148,065	30,885	27,525	146,531	136,096

5. OTHER INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Car park revenue	7,877	8,718	–	–	7,877	8,718
Utilities income	2,507	2,507	–	–	2,507	2,507
Other miscellaneous income	5,498	6,281	355	291	5,362	6,145
	15,882	17,506	355	291	15,746	17,370

6. OPERATIONS AND MAINTENANCE EXPENSES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Costs of food and beverage and other supplies	13,923	14,677	–	–	13,923	14,677
Repair and maintenance expenses	8,563	8,377	160	78	8,404	8,299
Management fees	384	587	80	73	304	514
Other expenses	589	570	–	–	589	570
	23,459	24,211	240	151	23,220	24,060

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

7. ACQUISITIONS OF BUSINESSES

Acquisition during the financial year ended 31 March 2015

There was no acquisition of business during the financial year ended 31 March 2015.

Acquisition during the financial year ended 31 March 2014

Acquisition of Park Hotel Clarke Quay business ("PHCQ")

On 28 June 2013, A-HTRUST acquired PHCQ from ParkSing Property Pte. Limited for a consideration of \$300 million.

The negative goodwill of \$8,000,000 arose from the acquisition of PHCQ at lower than the fair value of the net assets.

From the acquisition date, PHCQ has contributed \$12,061,000 of revenue and \$22,406,000 of net profit to the Group for the year. If the business combination had taken place at the beginning of the financial year, the contribution to revenue and net profit of the Group would have been \$16,088,000 and \$25,855,000 respectively.

The fair value of the identifiable assets and liabilities of the acquired business as at the acquisition date were:

	A-HTRUST 2014 \$'000	A-HREIT Group 2014 \$'000	A-HBT Group 2014 \$'000
Investment properties	308,000	308,000	–
Total identifiable net assets at fair value	308,000	308,000	–
Negative goodwill arising from acquisition	(8,000)	(8,000)	–
	300,000	300,000	–

	A-HTRUST 2014 \$'000	A-HREIT Group 2014 \$'000	A-HBT Group 2014 \$'000
<u>Consideration transferred</u>			
Cash paid	299,850	299,850	–
Deferred cash settlement	150	150	–
	300,000	300,000	–

Effect of the acquisition on cash flows

Total consideration	300,000	300,000	–
Less: Consideration to be paid	(150)	(150)	–
Net cash outflows on acquisitions	299,850	299,850	–

Transaction costs

Transaction costs related to the acquisition of the businesses had been recognised in the "Write-back of/(provision for) non-capitalisable business acquisition related expenses" line item in the A-HREIT Group's and the A-HBT Group's income statements.

NOTES TO THE FINANCIAL STATEMENTS

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8. FINANCE INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Interest income from:						
– Financial institutions	720	654	32	76	688	578
– Loans to joint venture	–	178	–	–	–	178
– Others	1	1	1	1	–	–
	721	833	33	77	688	756

9. FINANCE COSTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest expense on:						
– Borrowings	16,287	12,885	1,983	1,694	14,304	11,191
– Amortisation of capitalised transaction costs	687	2,016	171	353	516	1,663
– Others	977	942	653	700	324	242
	17,951	15,843	2,807	2,747	15,144	13,096

10(a). FUND MANAGEMENT FEES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>REIT Manager's fees</u>						
– Base fee ¹	1,420	1,191	1,420	1,191	–	–
– Performance fee ¹	940	789	940	789	–	–
– Acquisition fee ²	–	3,000	–	3,000	–	–
<u>Trustee-Manager's fees</u>						
– Base fee ¹	1,305	1,074	–	–	1,305	1,074
– Performance fee ¹	1,350	1,127	–	–	1,350	1,127
<u>Others</u>						
– Fund management fees paid to external party ³	–	71	–	71	–	–
– Fund management fees paid to a related party of the REIT Manager and Trustee-Manager ⁴	295	127	176	127	119	–
– Fund management fees paid to a related party of the Trustee-Manager ⁵	2,500	2,505	–	–	2,500	2,505
– Other management fees	–	52	–	–	–	52
	7,810	9,936	2,536	5,178	5,274	4,758

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

10(a). FUND MANAGEMENT FEES (CONT'D)

- 1 During the financial year, the REIT Manager and the Trustee-Manger have agreed to receive 50% of their management fees in units. An aggregate of 5,532,954 units (2014: 4,473,197 units) were issued or are issuable to the managers as satisfaction of the management fees incurred during the financial year.
- 2 This relates to acquisition fee of 1% paid to the REIT Manager for the acquisition of Park Hotel Clarke Quay.
- 3 This relates to management fee paid to First Brothers Asset Management Co. Ltd. (ceased to be the asset manager from 27 July 2013) for asset management services for Ariake Sunroute.
- 4 This relates to management fee paid/payable to Ascendas Japan Kabushiki Kaisha (with effect from 27 July 2013) for asset management services for Ariake Sunroute (under A-HREIT) and Osaka Namba Washington (under A-HBT).
- 5 This relates to fees paid/payable to Ascendas Hospitality Australia Fund Management Pty Ltd for the asset management services for the AAHF properties.

10(b). TRUSTEES' FEES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
REIT Trustee's fees	162	162	162	162	-	-
Trustee-Manager's fees	162	162	-	-	162	162
Other trustee fees	254	234	1	-	253	234
	578	558	163	162	415	396

11. OTHER TRUST EXPENSES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Stamp duties	2	-	-	-	2	-
Loss on disposal of property, plant and equipment	150	2,639	-	-	150	2,639
Regular trust expenses	1,842	1,415	613	125	1,229	1,290
Realised foreign exchange gain	(1,479)	(1,198)	(815)	(565)	(664)	(633)
	515	2,856	(202)	(440)	717	3,296

12. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Audit fees paid to						
A-HTRUST auditors	150	141	74	62	76	79
Audit fees paid to other auditors	328	255	48	34	280	221
Non-audit fees paid to						
A-HTRUST auditors	165	123	77	43	88	80
Non-audit fees paid to other auditors	658	456	109	1	549	455
Valuation fees	90	51	30	23	60	28
Rental expenses paid to A-HREIT	-	-	-	-	15,542	15,556

NOTES TO THE FINANCIAL STATEMENTS

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13. INCOME TAX EXPENSE

The income tax expense is in respect of taxes applicable to A-HTRUST's operations in Australia, China and Japan.

For Singapore income tax purposes, A-HTRUST is not a taxable entity on its own. Instead, A-HREIT and A-HBT are subject to tax separately based on their own characteristics as a REIT and a registered business trust respectively.

A-HREIT and A-HBT have been granted tax exemption under Section 13(12) of the Singapore Income Tax Act in respect of certain foreign-sourced income derived from their respective overseas subsidiaries, subject to meeting certain conditions.

Income tax expense

The major components of income tax expense for the years ended 31 March 2015 and 2014 are:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Consolidated income statements:						
Current income tax expense:						
– Current income tax	(2,996)	(6,409)	(511)	(37)	(2,485)	(6,372)
– Under provision in respect of previous years	(284)	(736)	(125)	(21)	(159)	(715)
Deferred income tax expense:						
– Origination and reversal of temporary differences	(4,316)	1,297	(1,604)	(1,467)	(2,712)	2,764
Withholding tax (expense)/credit	(2,350)	(1,838)	220	(1,060)	(2,570)	(778)
	(9,946)	(7,686)	(2,020)	(2,585)	(7,926)	(5,101)

Consolidated statements of comprehensive income:

Deferred tax expense related to other comprehensive income:						
– Net surplus on revaluation of freehold land and buildings	(5,326)	(2,706)	–	–	(5,326)	(2,706)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

13. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 March 2015 and 2014 is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Profit/(loss) before tax	38,592	24,369	27,555	38,683	11,255	(14,159)
Tax at the Singapore income tax rate of 17% (2014: 17%)	6,561	4,143	4,684	6,576	1,913	(2,407)
Adjustments:						
Expenses not deductible for tax purpose ¹	5,266	7,473	1,843	2,092	3,423	5,381
Tax on share of results of joint venture	936	(64)	–	–	936	(64)
Income not subject to tax ²	(6,623)	(7,440)	(3,482)	(5,536)	(3,141)	(1,904)
Effect of different tax rates arising from foreign jurisdiction	3,797	3,814	389	390	3,408	3,398
Under provision in respect of previous years	284	736	125	21	159	715
Effect of previously unrecognised tax losses	(135)	(461)	–	–	(135)	(461)
Effect of tax losses not allowed to carry forward	10	2	9	2	2	–
Withholding tax expense/(credit)	2,350	1,838	(220)	1,060	2,570	778
Group relief claimed/transferred	(12)	(19)	–	–	(12)	(19)
Others	(2,488)	(2,336)	(1,328)	(2,020)	(1,197)	(316)
	9,946	7,686	2,020	2,585	7,926	5,101

¹ The nature of expenses that are not deductible for income tax purposes is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Non-capitalisable business acquisition related expenses	–	317	–	71	–	246
Fair value loss on derivative financial instruments	1,305	1,565	240	–	1,065	1,565
Exchange loss arising from revaluation of non-trade balances	2,740	3,458	588	694	2,152	2,764
Disposal of property, plant and equipments	29	–	–	–	29	–
Others	1,192	2,133	1,015	1,327	177	806
	5,266	7,473	1,843	2,092	3,423	5,381

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

13. INCOME TAX EXPENSE (CONT'D)

²The nature of income that are not subject to tax is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Negative goodwill	-	(1,360)	-	(1,360)	-	-
Fair value gain on derivative financial instruments	(91)	(954)	-	(954)	(91)	-
Exchange gain arising from revaluation of non-trade balances	(1,275)	(702)	(848)	(702)	(427)	-
Fair value gain on investment property	-	(680)	-	(680)	-	-
Write-back of non-capitalisable business acquisition related expenses	(229)	-	-	-	(229)	-
Tax transparency	(2,634)	(1,840)	(2,634)	(1,840)	-	-
Income from tax exempted entities	(2,191)	(1,904)	-	-	(2,191)	(1,904)
Others	(203)	-	-	-	(203)	-
	(6,623)	(7,440)	(3,482)	(5,536)	(3,141)	(1,904)

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

Deferred tax assets/(liabilities)

Deferred tax as at 31 March 2015 and 2014 are shown on the balance sheets as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred tax assets (non-current):						
Differences in depreciation and accruals for tax purposes and benefits from previously unrecognised tax losses from acquisition of subsidiaries	6,172	6,172	-	-	6,172	6,172
Origination of temporary differences	2,281	2,938	-	-	2,281	2,938
Translation differences	(1,399)	(685)	-	-	(1,399)	(685)
	7,054	8,425	-	-	7,054	8,425
Deferred tax liabilities (non-current):						
Fair value adjustments on acquisition of subsidiaries	(5,351)	(5,351)	(1,288)	(1,288)	(4,063)	(4,063)
Fair value gain on an investment property	(4,315)	(1,990)	(3,594)	(1,990)	(721)	-
Revaluation to fair value of freehold land and buildings	(10,332)	(3,672)	-	-	(10,332)	(3,672)
Translation differences	1,470	629	528	345	941	284
Others	(128)	(128)	-	-	(128)	(128)
	(18,656)	(10,512)	(4,354)	(2,933)	(14,303)	(7,579)
	(11,602)	(2,087)	(4,354)	(2,933)	(7,249)	846

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

13. INCOME TAX EXPENSE (CONT'D)

The movements in the deferred tax assets/(liabilities) are as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At beginning of the financial year	(2,087)	(634)	(2,933)	(1,811)	846	1,177
Tax charged to profit or loss	(4,316)	1,297	(1,604)	(1,467)	(2,712)	2,764
Tax charged to asset revaluation reserve	(5,326)	(2,706)	-	-	(5,326)	(2,706)
Translation differences	127	(44)	183	345	(57)	(389)
At the end of the financial year	(11,602)	(2,087)	(4,354)	(2,933)	(7,249)	846

Unrecognised tax losses

At 31 March 2015, the Group has tax losses of approximately \$12,590,000 (2014: \$16,890,000) in a China subsidiary that are available for offset against future taxable profits of this subsidiary in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The tax losses can be carried forward for five consecutive years. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of China.

14. EARNINGS/(LOSS) PER STAPLED SECURITY

The calculation of basic earnings/(loss) per stapled security is based on:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Total profit/(loss) attributable to Stapled Securityholders	28,646	16,683	25,535	36,098	3,255	(19,221)
Weighted average number of stapled securities outstanding during the year ('000)	1,108,954	985,272	1,108,954	985,272	1,108,954	985,272
Earnings/(loss) per stapled security (cents)	2.58	1.69	2.30	3.66	0.29	(1.95)

Diluted earnings/(loss) per stapled security are the same as the basic earnings per stapled security as there are no dilutive instruments in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT PROPERTIES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Consolidated balance sheets:						
At beginning of financial year	516,107	210,701	516,107	210,701	–	–
Acquisition of business (Note 7)	–	308,000	–	308,000	–	–
Acquisition of investment property	110,270	–	–	–	110,270	–
Subsequent capital expenditures incurred on investment property	6	137	6	137	–	–
Fair value gain on revaluation	11,596	11,307	7,997	11,307	3,599	–
Translation differences	(19,821)	(14,038)	(12,741)	(14,038)	(7,080)	–
At end of financial year	618,158	516,107	511,369	516,107	106,789	–
Consolidated income statements:						
Gross rental revenue from investment properties:						
– Minimum lease payments	32,203	22,440	28,718	25,556	7,385	–
– Contingent rent based on tenant's turnover	2,167	1,969	2,167	1,969	–	–
	34,370	24,409	30,885	27,525	7,385	–
Fair value gain on revaluation	11,596	11,307	7,997	11,307	3,599	–
Effect of recognising rental income on a straight-line basis over lease term	(1,415)	(1,279)	(1,415)	(1,279)	–	–
Net change in fair value of investment properties	10,181	10,028	6,582	10,028	3,599	–

Total property expenses, recognised in the consolidated profit or loss, represent direct operating expenses arising from investment properties that generated rental income.

The investment properties held by A-HTRUST at 31 March 2015 is as follow:

Description of property	Held by	Title	Location	Existing use	Carrying value as at 31.3.2015 \$'000	Date of valuation
Ariake Sunroute	A-HREIT	Freehold	3-6-6 Ariake Koto-ku, Tokyo	Hotel	199,369	31.3.2015
Osaka Namba Washington	A-HBT	Freehold	1-1-13 Nipponbashi Chuo-ku Osaka	Hotel	106,789	31.3.2015
Park Hotel Clarke Quay	A-HREIT	99-year leasehold expiring in 2105	1 Unity Street Park Hotel Clarke Quay Singapore 237983	Hotel	312,000	31.3.2015

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT PROPERTIES (CONT'D)

Investment properties are carried at fair value, with change in fair values being recognised in consolidated profit or loss.

The Group has no restrictions on the realisability of its investment properties.

Investment properties are valued at balance sheet date by independent professional valuers, Jones Lang LaSalle K.K. and Jones Lang LaSalle Property Consultants Pte Ltd, having appropriate recognised professional qualification and experience in the location and category of property being valued. Details of valuation techniques and inputs used are disclosed in Note 33(d).

16. PREPAID LAND LEASE

This relates to prepayment for the land use rights of the land on which Novotel Beijing Sanyuan and Ibis Beijing Sanyuan were erected. The land use rights have a remaining period of 29 years (2014: 30 years) and will expire on 29 August 2044.

	A-HTRUST \$'000	A-HREIT Group \$'000	A-HBT Group \$'000
Cost:			
At 1 April 2013	37,269	–	37,269
Translation differences	916	–	916
At 31 March 2014	38,185	–	38,185
Translation differences	3,304	–	3,304
At 31 March 2015	41,489	–	41,489
Accumulated amortisation:			
At 1 April 2013	(574)	–	(574)
Charge for the year	(1,199)	–	(1,199)
Translation differences	(12)	–	(12)
At 31 March 2014	(1,785)	–	(1,785)
Charge for the year	(1,227)	–	(1,227)
Translation differences	(187)	–	(187)
At 31 March 2015	(3,199)	–	(3,199)
Net carrying amount			
At 31 March 2014	36,400	–	36,400
At 31 March 2015	38,290	–	38,290
	A-HTRUST	A-HREIT Group	A-HBT Group
	2015	2014	2015
	\$'000	\$'000	\$'000
Amount to be amortised:			
– Not later than one year	1,321	1,197	–
– Later than one year but not later than five years	5,284	4,787	–
– Later than five years	31,685	30,416	–
	1,321	1,197	1,321
	5,284	4,787	5,284
	31,685	30,416	31,685

NOTES TO THE FINANCIAL STATEMENTS

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17. PROPERTY, PLANT AND EQUIPMENT

2015 A-HTRUST and A-HBT Group	At valuation		Computers, furniture and fittings \$'000	At cost		Capital work-in- progress \$'000	Total \$'000
	Freehold land \$'000	Buildings \$'000		Motor vehicles \$'000	Plant and equipment \$'000		
Cost or valuation:							
At 1 April 2014							
– as previously stated	157,153	441,432	35,943	25	72,535	–	707,088
– share of property, plant and equipment of a joint operation accounted for under FRS 111							
<i>Joint Arrangements</i>	–	–	4,775	–	67	–	4,842
– as restated	157,153	441,432	40,718	25	72,602	–	711,930
Additions	–	2,643	2,800	–	2,640	2,241	10,324
Disposals/write-off	–	–	(1,587)	–	(286)	–	(1,873)
Revaluation surplus	2,352	36,936	–	–	–	–	39,288
Transferred to properties held for sale (Note 21)	–	–	(4,370)	–	(61)	–	(4,431)
Translation differences	(14,515)	(32,530)	(1,379)	(1)	(6,003)	(481)	(54,909)
Elimination of accumulated depreciation on revaluation	–	(13,858)	–	–	–	–	(13,858)
At 31 March 2015	144,990	434,623	36,182	24	68,892	1,760	686,471
Accumulated depreciation:							
At 1 April 2014							
– as previously stated	–	–	(4,437)	(19)	(9,010)	–	(13,466)
– share of property, plant and equipment of a joint operation accounted for under FRS 111							
<i>Joint Arrangements</i>	–	–	(873)	–	(5)	–	(878)
– as restated	–	–	(5,310)	(19)	(9,015)	–	(14,344)
Charge for the year	–	(14,538)	(5,346)	(4)	(5,849)	–	(25,737)
Disposal/write-off	–	–	1,472	–	224	–	1,696
Transferred to properties held for sale (Note 21)	–	–	1,033	–	8	–	1,041
Translation differences	–	680	200	–	484	–	1,364
Elimination of accumulated depreciation on revaluation	–	13,858	–	–	–	–	13,858
At 31 March 2015	–	–	(7,951)	(23)	(14,148)	–	(22,122)
Net carrying amount							
At 31 March 2015	144,990	434,623	28,231	1	54,744	1,760	664,349

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2014 A-HTRUST and A-HBT Group	At valuation		At cost				Total \$'000 (Restated)
	Freehold land \$'000	Buildings \$'000	Computers, furniture and fittings \$'000 (Restated)	Motor vehicles \$'000	Plant and equipment \$'000 (Restated)	Capital work-in- progress \$'000 (Restated)	
Cost or valuation:							
At 1 April 2013							
– as previously stated	161,008	478,936	27,491	26	70,393	15,224	753,078
– share of property, plant and equipment of a joint operation accounted for under FRS 111							
<i>Joint Arrangements</i>	–	–	5,056	–	–	325	5,381
– as restated	161,008	478,936	32,547	26	70,393	15,549	758,459
Additions	–	1,238	1,294	–	1,054	20,572	24,158
Transfer upon completion	–	14,625	11,335	–	8,897	(34,857)	–
Disposals/write-off	–	(1,393)	(2,621)	–	(3,903)	–	(7,917)
Revaluation surplus	12,231	5,996	–	–	–	–	18,227
Translation differences	(16,086)	(44,605)	(1,837)	(1)	(3,839)	(1,264)	(67,632)
Elimination of accumulated depreciation on revaluation	–	(13,365)	–	–	–	–	(13,365)
At 31 March 2014	157,153	441,432	40,718	25	72,602	–	711,930
Accumulated depreciation:							
At 1 April 2013							
– as previously stated	–	–	(1,250)	(11)	(5,111)	–	(6,372)
– share of property, plant and equipment of a joint operation accounted for under FRS 111							
<i>Joint Arrangements</i>	–	–	(428)	–	–	–	(428)
– as restated	–	–	(1,678)	(11)	(5,111)	–	(6,800)
Charge for the year	–	(14,016)	(5,771)	(7)	(6,370)	–	(26,164)
Disposal/write-off	–	532	2,088	–	2,640	–	5,260
Translation differences	–	119	52	(1)	(174)	–	(4)
Elimination of accumulated depreciation on revaluation	–	13,365	–	–	–	–	13,365
At 31 March 2014	–	–	(5,309)	(19)	(9,015)	–	(14,343)
Net carrying amount							
At 31 March 2014	157,153	441,432	35,409	6	63,587	–	697,587

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Property, plant and equipment held by A-HTRUST and the A-HBT Group are revalued to their fair values at the end of each reporting period, with changes in fair values being recognised in the asset revaluation reserve in the balance sheet.

Revaluation of freehold land and buildings

The Group engaged independent valuers, Jones Lang LaSalle Property Consultants Pte Ltd and Savills Valuations Pty Ltd to determine the fair value of the freehold land and buildings. The valuers have the appropriate professional qualification and recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 33(d).

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	A-HTRUST 2015 \$'000	A-HTRUST 2014 \$'000
Freehold land at 31 March		
Cost and net carrying amount	122,977	135,476
Buildings at 31 March		
Cost	425,319	455,957
Accumulated depreciation	(34,608)	(22,127)
Net carrying amount	390,711	433,830

Asset pledged as security

Property, plant and equipment with a carrying amount of \$599,677,000 (2014: \$635,017,000) are mortgaged as security for the bank facilities obtained from financial institutions (Note 25).

18. INVESTMENT IN JOINT VENTURE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
		(Restated)				(Restated)
Investment in joint venture, at cost	12,610	12,610	–	–	12,610	12,610
Share of post-acquisition reserves	12,185	9,066	–	–	12,185	9,066
Distribution from joint venture	(2,478)	(1,149)	–	–	(2,479)	(1,149)
Translation differences	(3,499)	(1,703)	–	–	(3,498)	(1,703)
	18,818	18,824	–	–	18,818	18,824

NOTES TO THE FINANCIAL STATEMENTS

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18. INVESTMENT IN JOINT VENTURE (CONT'D)

The joint venture held by A-HTRUST and the A-HBT Group is as follow :

Name of joint venture	Held by	Country of constitution	Principal activities/ Place of business	Effective interest held (%)	
				2015	2014
Notron No. 346 Trust	A-HBT	Australia	Hotel investment/ Australia	50	50

Notron No. 346 Trust ("NNT") is the owner of Pullman Cairns International hotel. The Group jointly controls the venture with the other partner under the contractual agreement and all major decisions over operational matters requires unanimous consent from the joint venture partners. It is a strategic venture in the hospitality business.

Summarised financial information in respect of Notron No. 346 Trust based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the financial statements of A-HTRUST and A-HBT are as follows:

Summarised balance sheet:

	2015 \$'000	2014 \$'000
Non-current assets		
Investment property ⁽¹⁾	–	67,736
Trade and other receivables	7,796	7,638
	7,796	75,374
Current assets		
Properties held for sale ⁽¹⁾	64,070	–
Trade and other receivables	482	1,590
Prepayments	40	74
Cash and cash equivalents	1,252	1,252
	65,844	2,916
Total assets	73,640	78,290
Current liabilities		
Trade and other payables	1,590	2,530
Non-current liabilities		
Borrowings	33,786	37,158
Derivative financial instruments	628	954
	34,414	38,112
Total liabilities	36,004	40,642
Net assets	37,636	37,648
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing carrying amount of the investment	18,818	18,824

(1) On 24 September 2014, the REIT Manager and the Trustee-Manager announced plans for the potential sale of Pullman Cairns International hotel and its plant and equipment.

Accordingly, NNT has reclassified its investment property to "Properties held for sale" as at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

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18. INVESTMENT IN JOINT VENTURE (CONT'D)

Summarised statement of comprehensive income:

	2015 \$'000	2014 \$'000
Gross revenue	5,646	5,946
Property expenses	(520)	(408)
Net property income	5,126	5,538
Finance costs	(2,358)	(3,090)
Fair value gain/(loss) on investment property	2,358	(2,856)
Other income, net	1,112	838
Net profit before tax	6,238	430
Income tax expense	–	–
Net profit after tax, representing total comprehensive income	6,238	430

Dividends of \$1,329,000 (2014: \$1,149,000) were received from NNT.

19. AVAILABLE-FOR-SALE SECURITIES

A-HREIT Group owns 1% interest in Ascendas Hospitality Australia Investment Fund No. 1 (“AHAIF1”). A-HREIT Group’s ownership in AHAIF1 enables AHAIF1 to meet the Australian corporate law requirement for a Managed Investment Scheme and certain requirements to qualify as a Managed Investment Trust under the Australian tax law. AHAIF1 owns 100% (2014: 100%) equity interest in AAHF, which owns the hotel properties in Australia.

Investment in available-for-sale securities whose fair value cannot be reliably measured are measured at cost less impairment loss. As at 31 March 2015, the carrying amount of A-HREIT Group’s 1% (2014: 1%) interest in AHAIF1 is \$3,058,000 (2014: \$2,729,000).

20. TRADE AND OTHER RECEIVABLES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
		(Restated)				(Restated)
Current						
Trade receivables	7,017	7,005	66	338	6,951	6,667
Sundry debtors	2,510	945	2,604	1,382	2,481	1,345
VAT/GST receivables	140	181	56	–	84	181
Total trade and other receivables	9,667	8,131	2,726	1,720	9,516	8,193
Cash and cash equivalents (Note 22)	88,107	72,351	19,944	26,427	68,163	45,924
Other current assets	29	1,987	–	–	29	1,987
Non-current						
Amount due from joint venture	508	908	–	–	508	908
Total loans and receivables	98,311	83,377	22,670	28,147	78,216	57,012

NOTES TO THE FINANCIAL STATEMENTS

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20. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are generally on 30 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the amount due from joint venture as at 31 March 2015 are loans to joint venture. The remaining balance of \$508,000 (2014, restated: \$908,000) is unsecured, interest-free and not expected to be repayable within the next 12 months.

Information regarding financial assets that are impaired is disclosed in Note 34.

21. PROPERTIES HELD FOR SALE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 April 2014	-	-	-	-	-	-
Transferred from property, plant and equipment (Note 17)	3,390	-	-	-	3,390	-
Translation differences	(25)	-	-	-	(25)	-
At 31 March 2015	3,365	-	-	-	3,365	-

On 24 September 2014, the REIT Manager and the Trustee-Manager announced plans for the potential sale of Pullman Cairns International hotel and its plant and equipment. Accordingly, the Group's 50% interest in the plant and equipment held by Co-Tenancy have been reclassified to "Properties held for sale" as at 31 March 2015.

22. CASH AND CASH EQUIVALENTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Cash at bank and on hand	64,720	58,811	14,444	14,674	50,276	44,137
Fixed deposits	23,387	13,540	5,500	11,753	17,887	1,787
	88,107	72,351	19,944	26,427	68,163	45,924

Fixed deposits are placed for varying periods of between 2 months and 6 months (2014: 1 month and 3 months) at interest rates ranging from 0.52% to 3.06% (2014: 0.25% to 3.05%) per annum. Fixed deposits with maturities in excess of 3 months, upon early termination, will earn interest at the stipulated rate up to the actual period of deposit, and are subject to an insignificant risk of changes in value.

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23. TRADE AND OTHER PAYABLES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Trade payables	4,637	5,307	–	–	4,637	5,307
Sundry creditors	219	320	35	9	184	311
Amounts due to related companies	1,192	946	1,133	879	2,634	1,849
GST/VAT payables	1,193	1,183	471	321	722	862
Deferred cash settlement (Note 7)	–	150	–	150	–	–
Other payables	3,817	3,399	519	440	3,298	2,959
Accrued employee benefits	3,932	4,186	–	–	3,932	4,186
Accrued operating expenses	11,247	10,761	1,912	710	9,335	10,051
Accrued management fees	287	232	274	266	13	(34)
Rental and other deposits	5,003	4,642	–	–	5,003	4,642
Total trade and other payables	31,527	31,126	4,344	2,775	29,758	30,133
Add:						
Current borrowings (Note 25)	72,031	–	46,932	–	25,099	–
Rental and other deposits	7,478	5,394	4,858	4,601	2,620	793
Loan from joint venture	3,979	4,384	–	–	3,979	4,384
Non-current borrowings (Note 25)	471,665	485,103	105,091	155,748	366,574	329,355
Less: GST/VAT payables	(1,193)	(1,183)	(471)	(321)	(722)	(862)
Total financial liabilities at amortised cost	585,487	524,824	160,754	162,803	427,308	363,803

Trade and other payables are non-interest bearing. Trade payables are normally settled on 30 days' term.

Amounts due to related companies are unsecured, interest-free and have no fixed term of repayment. These amounts are to be settled in cash.

Loan from joint venture is unsecured, interest-free and not expired to be repayable within the next 12 months.

24. DEFERRED INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At beginning of financial year	17,148	8,141	1,139	–	16,009	8,141
Additions during the financial year	97	11,562	31	1,232	66	10,330
Amount amortised during the financial year	(1,976)	(1,602)	(126)	(93)	(1,850)	(1,509)
Translation differences	(1,439)	(953)	–	–	(1,439)	(953)
At end of financial year	13,830	17,148	1,044	1,139	12,786	16,009
This comprises:						
Non-current	11,946	15,090	917	1,016	11,029	14,074
Current	1,884	2,058	127	123	1,757	1,935
At end of financial year	13,830	17,148	1,044	1,139	12,786	16,009

NOTES TO THE FINANCIAL STATEMENTS

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24. DEFERRED INCOME (CONT'D)

The REIT Manager and the Trustee-Manager, through the Ascendas Australia Hotel Fund ("AAHF") which owns the seven hotels in Australia, together with Accor, embarked on an extensive AUD30.0 million capital expenditure programme (50% or approximately AUD 15.0 million of the capital expenditure was funded by Accor) for the refurbishment and repositioning of six of the properties. The refurbishment works have been completed in the previous financial year.

Deferred income relates to the cash reimbursement received from Accor for its 50% share of the capital expenditure incurred by the six properties. The reimbursement by Accor is conditional upon the non-termination of the hotel management agreement signed between Ascendas Hotel Investment Co Pty Ltd ("AHIC") and Accor prior to 30 June 2017.

25. BORROWINGS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current:						
Unsecured bank loan	72,200	–	47,000	–	25,200	–
Less: Transaction costs capitalised	(169)	–	(68)	–	(101)	–
Total current	72,031	–	46,932	–	25,099	–
Non-current:						
Unsecured bonds	2,292	1,222	1,146	1,222	1,146	–
Secured bank loans	243,041	258,430	–	–	243,041	258,430
Less: Transaction costs capitalised	(888)	(1,231)	–	–	(888)	(1,231)
	242,153	257,199	–	–	242,153	257,199
Unsecured bank loans	227,790	227,610	104,290	155,110	123,500	72,500
Less: Transaction costs capitalised	(570)	(928)	(345)	(584)	(225)	(344)
	227,220	226,682	103,945	154,526	123,275	72,156
Total non-current	471,665	485,103	105,091	155,748	366,574	329,355
Total borrowings	543,696	485,103	152,023	155,748	391,673	329,355

(i) Unsecured bonds

JPY100 million unsecured JPY denominated bonds was issued by Ascendas Hospitality Tokutei Mokuteki Kaisha ("Ascendas Hospitality TMK") in November 2013. Proceeds from the bond issuance were used to fully repay the JPY100 million bonds which matured in November 2013. The bonds carry a fixed interest rate of 1.333% per annum and mature on 15 November 2017.

During the financial year, Ascendas Japan Namba Tokutei Mokuteki Kaisha ("Ascendas Japan Namba TMK") issued unsecured JPY denominated bonds of JPY100 million. The bonds carry a floating interest rate of 3M JPY LIBOR + 1% per annum and mature on 7 April 2017.

A-HTRUST's interests in the Osaka Namba Washington and Ariake Sunroute properties in Japan are held via Tokutei Mokuteki Kaisha ("TMK") structures, and such TMK structures are required to issue preferred shares and bonds to fund the acquisition of assets.

NOTES TO THE FINANCIAL STATEMENTS

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25. BORROWINGS (CONT'D)

(ii) Secured bank loans

A-HBT Group's subsidiaries, Ascendas Australia Hotel Trust ("AAHF Trust") and Ascendas Hotel Investment Company Pty Limited ("AAHF Company"), has in place a AUD250 million term loan facility ("AAHF Facility") comprising a three-year tranche of AUD100 million and a five-year tranche of AUD150 million. As at 31 March 2015, AUD230 million (2014: AUD222 million) of the AAHF Facility has been drawn.

The securities for the AAHF Facility include (i) first registered mortgage over each property in the Ascendas Australia Hotel Fund portfolio other than Pullman Cairns International, (ii) General Security Agreement granted over The Trust Company (RE Services) Limited as the trustee for the AAHF Trust and the AAHF Company (collectively, "AAHF") and The Trust Company Limited (in its capacity as custodian of the AAHF Trust), (iii) first registered mortgage over leases between the AAHF Company and AAHF Trust over each hotel lease other than Pullman Cairns International lease agreement, and (iv) General Security Agreement granted by Lodging Logistics Pty Ltd (a company associated with the Courtyard by Marriott North Ryde). Under the facility, AAHF shall be subject to certain financial covenants including the Loan to Value Ratio not exceeding 50%.

The AAHF Facility has a three-year tranche and a five-year tranche, and the outstanding loans under this facility bear interest at the relevant BBSY rate plus an average margin of 1.36% (2014: 1.34%) per annum.

(iii) Unsecured bank loans

During the financial year, A-HBT secured a new \$65.0 million term loan, which was utilised to partially fund the acquisition of Osaka Namba Washington in Japan.

As at 31 March 2015, A-HREIT and A-HBT have outstanding bank loans of \$151.3 million (2014: \$155.1 million) and \$148.7 million (2014: \$72.5 million) respectively.

On 31 March 2015, the Group through A-HREIT and A-HBT respectively issued prepayment notices to the banks informing them of the intention to prepay \$47.0 million of A-HREIT's non-current borrowings due in June 2016 and \$25.2 million of A-HBT's non-current borrowings due in July 2016. Consequent to the prepayment notices issued, these non-current borrowings have been reclassified as current borrowings as at 31 March 2015.

Subsequent to 31 March 2015, A-HREIT, through its wholly owned subsidiary, Ascendas Hospitality MTN Pte Ltd and A-HBT issued \$75.0 million 3.30% notes due 2020 under A-HTRUST's \$1.0 billion multi-currency stapled medium term note programme. Proceeds from the notes issuance were applied to fulfil the prepayment notices (Note 38).

A-HBT has in place a \$60 million (2014: \$60 million) revolving credit facility, of which \$24.8 million (2014: \$36.0 million) was unutilised as at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

25. BORROWINGS (CONT'D)

Terms and debt repayment schedule

2015	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
<u>A-HREIT Group</u>				
Unsecured bond fixed rate	JPY	1.333%	2017	1,146
Unsecured fixed rate term loan	JPY	1.099%	2017	57,290
Unsecured variable rate term loans	SGD	1.05% + SOR	2016 – 2018	94,000
<u>A-HBT Group</u>				
Unsecured bond variable rate	JPY	1.00% + LIBOR	2017	1,146
Unsecured variable rate term loans	SGD	1.16% + SOR	2016 – 2017	148,700
Secured variable rate term loans	AUD	1.36% + BBSY	2016 – 2018	243,041
Gross borrowings				545,323
Less: Transaction costs capitalised				(1,627)
				543,696

2014	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
<u>A-HREIT Group</u>				
Unsecured bonds	JPY	1.333%	2017	1,222
Unsecured fixed rate term loan	JPY	1.099%	2017	61,110
Unsecured variable rate term loan	SGD	1.05% + SOR	2016 – 2018	94,000
<u>A-HBT Group</u>				
Unsecured variable rate term loans	SGD	1.2% + SOR	2016 – 2017	72,500
Secured variable rate term loans	AUD	1.34% + BBSY	2016 – 2018	258,430
Gross borrowings				487,262
Less: Transaction costs capitalised				(2,159)
				485,103

A-HREIT Group

Included in the borrowings as at 31 March 2015 was a borrowing of JPY5 billion (approximately \$57,290,000) (2014: JPY5 billion, approximately \$61,110,000), which has been designated as a hedge of the net investment in a subsidiary in Japan, Ascendas Hospitality TMK. This borrowing is being used to hedge the Group's exposure to foreign exchange risk on this investment. Gains or losses on the translation of this borrowing are transferred to other comprehensive income to offset any gains or losses on translation of the net investment in the subsidiary. There is no ineffectiveness in the financial years ended 31 March 2014 and 31 March 2015.

A-HBT Group

Included in the borrowings at 31 March 2015 were borrowings of \$88.3 million (2014: \$23.3 million), which together with certain cross currency swaps have been designated as hedge of the net investment in the subsidiaries in China, namely Ascendas (Beijing) Hotel Co., Ltd. and Beijing Ibis Hotel Co., Ltd., and Ascendas Japan Namba TMK (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

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26. DERIVATIVE FINANCIAL INSTRUMENTS

2015	Year of maturity	A-HREIT Group		
		Contract/ Notional amount \$'000	Fair values Assets \$'000	Liabilities \$'000
<i>Non-hedging instrument</i>				
Currency forward (buy)	2015 – 2016	8,763	325	(39)
<i>Cash flow hedge</i>				
Interest rate swaps	2016 – 2018	94,000	1,167	–
Total			1,492	(39)
Current			645	(26)
Non-current			847	(13)
Total			1,492	(39)

2014	Year of maturity	A-HREIT Group		
		Contract/ Notional amount \$'000	Fair values Assets \$'000	Liabilities \$'000
<i>Non-hedging instrument</i>				
Currency forward (buy)	2014 – 2015	12,058	493	(5)
<i>Cash flow hedge</i>				
Interest rate swaps	2016 – 2018	94,000	589	–
Total			1,082	(5)
Current			470	(4)
Non-current			612	(1)
Total			1,082	(5)

A-HREIT has entered into interest rate swaps to exchange floating rate interest on SGD loan of \$94 million (2014: \$94 million), into fixed rate interest at an average rate of 0.92% (2014: 0.92%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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26. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

2015	Year of maturity	A-HBT Group		
		Contract/ Notional amount \$'000	Fair values Assets Liabilities \$'000	
<i>Non-hedging instrument</i>				
Currency forward (buy)	2015 – 2016	27,969	1,076	(26)
<i>Cash flow hedge and net investment hedge</i>				
Interest rate swaps	2016 – 2018	243,094	182	(7,713)
Currency swaps	2015 – 2017	88,300	3,510	(2,629)
Total			4,768	(10,368)
Current			1,201	(18)
Non-current			3,567	(10,350)
Total			4,768	(10,368)

2014	Year of maturity	A-HBT Group		
		Contract/ Notional amount \$'000	Fair values Assets Liabilities \$'000	
<i>Non-hedging instrument</i>				
Currency forward (buy)	2014 – 2015	17,909	461	(191)
<i>Cash flow hedge and net investment hedge</i>				
Interest rate swaps	2016 – 2018	192,095	52	(2,357)
Currency swaps	2015 – 2016	87,091	–	(7,485)
Total			513	(10,033)
Current			461	(153)
Non-current			52	(9,880)
Total			513	(10,033)

A-HBT has entered into interest rate swaps to exchange floating rate interest on SGD loans of \$22.3 million into fixed rate interest at an average rate of 0.63% per annum. It has also entered into cross currency swaps arrangements to exchange floating rate SGD loans of \$23.3 million for fixed rate RMB obligations.

The SGD loans of \$23.3 million, which together with the cross currency swaps arrangement to exchange SGD to RMB, have been used to hedge the Group's exposure to foreign exchange risk on the net investment in the two subsidiaries in China. There is no ineffectiveness in the financial years ended 31 March 2014 and 31 March 2015.

During the financial year, A-HBT entered into cross currency swap arrangement to exchange floating rate SGD loan of \$65 million for fixed rate JPY obligation.

The SGD loan of \$65.0 million, which together with the cross currency swaps arrangement to exchange SGD to JPY, have been used to hedge the Group's foreign exchange risk on the net investment in Osaka Namba Washington property in Japan. There is no ineffectiveness in the financial year ended 31 March 2015.

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26. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

A-HBT's subsidiary, Ascendas Australia Hotel Trust, has entered into interest rate swaps to exchange floating rate interest on Australian dollar loan of AUD208 million, into fixed rate interest at an average rate of 4.65% per annum.

During the financial year, the Group recorded a net loss on derivative financial instruments of \$5,930,000 (2014: net loss of \$3,596,000) in the profit or loss, a net gain on cash flow hedge of \$840,000 (2014: net loss of \$12,790,000) in hedging reserve and a net gain on net investment hedge of \$754,000 (2014: net loss of \$1,283,000) in foreign currency translation reserve.

27. STAPLED SECURITIES IN ISSUE

2015	A-HTRUST		A-HREIT Group		A-HBT Group	
	No. of units ('000)	\$'000	No. of units ('000)	\$'000	No. of units ('000)	\$'000
Balance at 1 April 2014	1,034,675	911,190	1,034,675	412,115	1,034,675	499,075
Issue of new Stapled Securities						
Private placement	73,530	50,000	73,530	–	73,530	50,000
Managers' fees paid in Stapled Securities	5,376	3,845	5,376	1,264	5,376	2,581
Balance at 31 March 2015	1,113,581	965,035	1,113,581	413,379	1,113,581	551,656
Stapled Securities to be issued:						
Managers' fees payable in Stapled Securities	1,378	944	1,378	316	1,378	628
Total issued and to be issued Stapled Securities	1,114,959	965,979	1,114,959	413,695	1,114,959	552,284
2014						
	No. of units ('000)	\$'000	No. of units ('000)	\$'000	No. of units ('000)	\$'000
Balance at 1 April 2013	804,322	707,858	804,322	211,195	804,322	496,663
Issue of new Stapled Securities						
Private placement	161,947	143,323	161,947	143,323	161,947	–
Preferential offering	64,406	56,677	64,406	56,677	64,406	–
Managers' fees paid in Stapled Securities	4,000	3,332	4,000	920	4,000	2,412
Balance at 31 March 2014	1,034,675	911,190	1,034,675	412,115	1,034,675	499,075
Stapled Securities to be issued:						
Managers' fees payable in Stapled Securities	1,221	884	1,221	312	1,221	572
Total issued and to be issued Stapled Securities	1,035,896	912,074	1,035,896	412,427	1,035,896	499,647

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27. STAPLED SECURITIES IN ISSUE (CONT'D)

Each unit in A-HREIT is stapled together with a unit in A-HBT under the terms of a stapling deed dated 13 March 2012 and subsequently amended and entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in A-HREIT and A-HBT.

A holder of the Stapled Securities has no equitable or proprietary interest in the underlying assets of A-HTRUST and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of A-HTRUST.

Under the A-HREIT Trust Deed, every A-HREIT unit carries the same voting rights. Similarly, under the A-HBT Trust Deed, every A-HBT unit carries the same voting rights. Each unit carries one vote.

The holders of units of the Stapled Securities are entitled to receive distributions as and when declared by A-HTRUST.

All issued Stapled Securities are fully paid.

During the financial year ended 31 March 2015, A-HTRUST issued 73,530,000 new Stapled Securities by way of a private placement at a unit price of \$0.68. The proceeds were used mainly for the acquisition of Osaka Namba Washington.

In the previous financial year, A-HTRUST issued 226,352,625 new Stapled Securities by way of a private placement of 161,947,000 new Stapled Securities at \$0.885 per new Stapled Security (the "Private Placement") and the pro-rata and non-renounceable preferential offering of 64,405,625 new Stapled Securities on the basis of 2 new Stapled Securities for every 25 existing Stapled Securities in A-HTRUST at \$0.88 per new Stapled Security (the "Preferential Offering"). These proceeds were mainly used for the acquisition of Park Hotel Clarke Quay.

A further 5,376,006 (2014: 4,000,329) Stapled Securities were issued as settlement of management fees during the financial year.

28. ISSUE COSTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of financial year	14,920	12,617	5,994	3,691	8,926	8,926
Issue costs (excluding goods and services tax) comprise the following:						
– Professional and other fees ¹	189	491	–	491	189	–
– Financial advisory fee and underwriting and selling commission	600	1,567	–	1,567	600	–
– Miscellaneous issue expenses ²	52	245	–	245	52	–
Balance at end of the financial year	15,761	14,920	5,994	5,994	9,767	8,926

¹ Includes solicitors' fees and fees for the reporting accountants, tax adviser and independent valuers and other professionals in connection with the equity fund raising exercise.

² Includes cost of production and other expenses in connection with the equity fund raising exercise.

Issue costs have been deducted directly against the proceeds from the issuance of the Stapled Securities.

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29. RESERVES

- (a) Asset revaluation reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of the financial year	26,392	10,871	–	–	26,130	10,770
Fair value gain	33,962	15,521	–	–	33,607	15,360
Balance at end of the financial year	60,354	26,392	–	–	59,737	26,130

The asset revaluation reserve represents increases in the fair value of freehold land and buildings, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

- (b) Foreign currency translation reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of the financial year	(91,694)	(51,977)	(63,132)	(50,439)	(28,156)	(1,405)
Net currency translation differences arising from translation from functional currency to presentation currency	(28,622)	(39,717)	(9,015)	(12,693)	(19,371)	(26,751)
Balance at end of the financial year	(120,316)	(91,694)	(72,147)	(63,132)	(47,527)	(28,156)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The foreign currency translation reserve is also used to record the effect of hedging of net investments in foreign operations.

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29. RESERVES (CONT'D)

(c) Hedging reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of the financial year	(6,482)	6,308	589	5,136	(7,063)	1,172
Net fair value (loss)/gain on currency swaps and interest rate swaps	(5,970)	(15,205)	578	2,377	(6,484)	(17,574)
Reclassification to profit or loss upon settlement	6,810	2,415	–	(6,924)	6,810	9,339
Balance at end of the financial year	(5,642)	(6,482)	1,167	589	(6,737)	(7,063)

Hedging reserve represents the cumulative fair value changes, net of tax, of derivative financial instruments until they are disposed of.

(d) Other reserves

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of the financial year	194	–	–	–	194	–
Transfer from revenue reserve	405	194	–	–	405	194
Balance at end of the financial year	599	194	–	–	599	194

Other reserves comprise mainly the statutory reserve fund in the People's Republic of China ("PRC"). In accordance with the Foreign Enterprise Law applicable to an A-HBT's subsidiary in the PRC, the subsidiary is required to make appropriation to a statutory reserve fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to Stapled Securityholders.

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30. INVESTMENT IN SUBSIDIARIES

The subsidiaries of A-HTRUST, the A-HREIT Group and the A-HBT Group are as follows:

Name of subsidiary	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2015 %	2014 %
Held by A-HREIT				
Ascendas Hospitality Japan 1 Pte Ltd ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality MTN Pte Ltd ^{1,3}	Singapore	Investment holding Singapore	100	–
Held through A-HREIT subsidiaries				
Ascendas Hospitality Japan 2 Pte Ltd ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality Japan 3 Pte Ltd ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality Tokutei Mokuteki Kaisha ²	Japan	Hotel investment Japan	100	100
Held by A-HBT				
Ascendas Hospitality Australia Investments Pte Ltd ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality China Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality Operations Pty Ltd ²	Australia	Hotel operations Australia	100	100
Ascendas Hospitality Australia Investment Fund No.1 ²	Australia	Investment holding Australia	100	100
Ascendas China Hotel Investment Limited ²	Hong Kong	Investment holding Hong Kong	100	100
Ascendas Ariake Godo Kaisha ²	Japan	Hotel operations Japan	100	100
Ascendas Namba 1 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Namba Godo Kaisha ²	Japan	Hotel operations Japan	100	100

NOTES TO THE FINANCIAL STATEMENTS

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30. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2015 %	2014 %
Held through A-HBT subsidiaries				
Ascendas Hospitality Australia Investment Fund No.2 ²	Australia	Investment holding Australia	100	100
Ascendas Australia Hotel Trust ²	Australia	Hotel investment Australia	100	100
Ascendas Hotel Investment Company Pty Limited ²	Australia	Hotel operations Australia	100	100
Ascendas (Beijing) Hotel Co., Ltd. (formerly known as Beijing Novotel Hotel Co., Ltd.) ²	PRC	Hotel operations PRC	100	100
Ascendas 2 (Beijing) Hotel Co., Ltd. (formerly known as Beijing Ibis Hotel Co., Ltd.) ²	PRC	Hotel operations PRC	100	100
Ascendas Namba 2 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Namba 3 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Japan Namba Tokutei Mokuteki Kaisha ²	Japan	Hotel investment Japan	100	100

¹ Audited by Ernst & Young LLP, Singapore

² Audited by member firms of Ernst & Young Global in the respective countries

³ Incorporated on 22 September 2014

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31. INVESTMENT IN JOINT OPERATION

The joint operation held by A-HTRUST and A-HBT Group is as follow:

Name of joint operation	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2015 %	2014 %
Ascendas Cairns International Pty Limited and Polaris Developments Pty Limited	Australia	Hotel investment Australia	50%	50%

The Group has an agreement with Polaris Developments Pty Limited to jointly operate Pullman Cairns International. It is a strategic venture in the hospitality business.

32. RELATED PARTY TRANSACTIONS

The Group has entered into several service agreements in relation to the management of the Trust. These agreements are entered into with the REIT Manager and Trustee-Manager, which are companies that are controlled by a Stapled Securityholder that has significant influence over the Group. The fee structures of these services are as follows:

Managers' fees

(i) Management and trustee fees

The REIT Manager and Trustee-Manager shall be entitled to receive a base fee of 0.3% per annum of the value of the trust property of the A-HREIT Group and the A-HBT Group respectively.

The Trustee-Manager shall be entitled to receive a trustee fee of 0.015% per annum of the value of the trust property of A-HBT Group, subject to a minimum fee of \$13,500 per month.

(ii) Performance fees

The REIT Manager and Trustee-Manager are entitled to receive a performance fee of 4% per annum of the net property income of A-HREIT Group and A-HBT Group respectively.

(iii) Acquisition fees

The REIT Manager and Trustee-Manager are entitled to receive an acquisition fee of 1% on the acquisition price of any real estate purchased, whether directly or indirectly through one or more subsidiaries of A-HREIT Group and A-HBT Group respectively.

NOTES TO THE FINANCIAL STATEMENTS

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32. RELATED PARTY TRANSACTIONS (CONT'D)

In addition to the transactions disclosed elsewhere in the financial statements, the following are related party transactions during the financial year based on agreed terms:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Companies under common control with a Stapled Securityholder that has significant influence over the Group:						
– REIT Manager's fees paid/ payable	2,360	4,980	2,360	4,980	–	–
– Trustee-Manager's fees paid/ payable	3,911	2,363	–	–	3,911	2,363
	6,271	7,343	2,360	4,980	3,911	2,363

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

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33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

- (b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year:

2015 Group	Fair value measurements at the end of the reporting year using		Total \$'000
	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
Recurring fair value measurements:			
Assets			
Financial assets			
<i>Derivatives</i>			
<i>Currency forwards</i>	1,401	–	1,401
<i>Currency swaps</i>	3,510	–	3,510
<i>Interest rate swaps</i>	1,349	–	1,349
Total derivatives	6,260	–	6,260
Financial assets as at 31 March 2015	6,260	–	6,260
Non-financial assets			
<i>Property, plant and equipment</i>			
<i>Freehold land</i>	–	144,990	144,990
<i>Buildings</i>	–	434,622	434,622
Total property, plant and equipment	–	579,612	579,612
Investment properties	–	618,158	618,158
Non-financial assets as at 31 March 2015	–	1,197,770	1,197,770
Liabilities			
Financial liabilities			
<i>Derivatives</i>			
<i>Currency forwards</i>	65	–	65
<i>Currency swaps</i>	2,629	–	2,629
<i>Interest rate swaps</i>	7,713	–	7,713
Total derivatives	10,407	–	10,407
Financial liabilities as at 31 March 2015	10,407	–	10,407

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33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value (cont'd)

2014 Group	Fair value measurements at the end of the reporting year using		Total \$'000
	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
Recurring fair value measurements:			
Assets			
Financial assets			
Derivatives			
<i>Currency forwards</i>	954	–	954
<i>Interest rate swaps</i>	641	–	641
Total derivatives	1,595	–	1,595
Financial assets as at 31 March 2014	1,595	–	1,595
Non-financial assets			
Property, plant and equipment			
<i>Freehold land</i>	–	157,153	157,153
<i>Buildings</i>	–	441,432	441,432
Total property, plant and equipment	–	598,585	598,585
Investment properties	–	516,107	516,107
Non-financial assets as at 31 March 2014	–	1,114,692	1,114,692
Liabilities			
Financial liabilities			
Derivatives			
<i>Currency forwards</i>	196	–	196
<i>Currency swaps</i>	7,485	–	7,485
<i>Interest rate swaps</i>	2,357	–	2,357
Total derivatives	10,038	–	10,038
Financial liabilities as at 31 March 2014	10,038	–	10,038

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Currency forwards, interest rate swaps and currency swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

2015				
Group	Fair value at		Unobservable	
Description	31 March 2015	Valuation	inputs	Range
	\$'000	technique		
Recurring fair value measurements				
Property, plant and equipment				
Freehold land	144,990	Discounted cash flow	Discount Rate Capitalisation Rate	9.75% to 10.75% 7.25% to 8.25%
Buildings	434,622	Discounted cash flow	Discount Rate Capitalisation Rate	9.00% to 10.75% 6.00% to 8.25%
Investment properties				
Hotels and serviced apartment	618,158	Discounted cash flow	Discount Rate Capitalisation Rate	4.90% to 7.00% 4.75% to 5.90%

2014				
Group	Fair value at		Unobservable	
Description	31 March 2014	Valuation	inputs	Range
	\$'000	technique		
Recurring fair value measurements				
Property, plant and equipment				
Freehold land	157,153	Discounted cash flow	Discount Rate Capitalisation Rate	10.00% to 11.00% 7.50% to 8.50%
Buildings	441,432	Discounted cash flow	Discount Rate Capitalisation Rate	9.00% to 11.00% 6.00% to 8.50%
Investment properties				
Hotels and serviced apartment	516,107	Discounted cash flow	Discount Rate Capitalisation Rate	5.30% to 7.00% 4.75% to 5.60%

For freehold land and buildings and hotels and serviced apartment investment properties, a significant increase/ (decrease) in the discount rate and capitalisation rate in isolation would result in a significantly lower/(higher) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

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33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

- (e) Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at 31 March 2015 and 2014 but for which fair value is disclosed:

2015 Group	Fair value using significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
Assets		
Trade and other receivables (non-current)		
– Amount due from joint venture	503	508
Liabilities		
Rental and other deposits	7,633	7,478
Borrowings (non-current)		
– Fixed rate bank loans and bonds	58,806	58,436
2014 Group		
	Fair value using significant unobservable inputs (Level 3) \$'000 (Restated)	Carrying amount \$'000 (Restated)
Assets		
Trade and other receivables (non-current)		
– Amount due from joint venture	895	908
Liabilities		
Rental and other deposits	5,374	5,394
Borrowings (non-current)		
– Fixed rate bank loans and bonds	62,575	62,332

Determination of fair value

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses derivative financial instruments such as currency forwards, interest rate swaps and currency swaps to hedge certain financial risk exposures.

The Managers are responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Managers' organizational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit Committee of the Managers oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The Audit Committee then reports to the Board of Directors on any inadequacies, deficiencies or matters of concern of which the Audit Committee becomes aware or that it suspects, arising from its review of the Group's risk management policies and procedures.

(a) Market risk

(i) *Foreign currency risk*

The Group is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency of A-HTRUST, the A-HREIT Group and A-HBT Group. The currencies giving rise to this risk are primarily JPY and AUD.

The Group's borrowings are mainly denominated in AUD, JPY and SGD. Natural hedging is preferred as far as possible by matching assets and liabilities of the same currency. Derivative financial instruments are only used when necessary to reduce exposure to fluctuation in foreign exchange rates. To manage the currency risk involved in having borrowings supported by assets denominated in RMB and JPY, the Group entered into currency swaps to convert a portion of the SGD borrowings into RMB and JPY to match the currency of the asset investment as a natural currency hedge.

The Group hedges its exposure to fluctuations on the translation into SGD of its foreign operations by using currency swaps and loan denominated in the same currency and designated them as net investment hedge in the foreign operations.

The Group's distribution to Stapled Securityholders is in SGD. To enhance the stability of distribution to Stapled Securityholders, the Group entered into currency forwards to hedge a substantial portion of the cash flows it expects to receive. The hedging of JPY cash flows receivable from the subsidiary companies of A-HREIT and AUD and JPY cash flows receivable from the subsidiary companies of A-HBT are effected through forward sale of the JPY and AUD and purchase of SGD.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

The Group's main currency exposure is as follows:

2015	SGD \$'000	RMB \$'000	JPY \$'000	AUD \$'000	HKD \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	12,706	22,252	25,863	27,276	10	88,107
Trade and other receivables (current)	791	704	1,180	6,992	-	9,667
Trade and other receivables (non-current)	-	-	-	508	-	508
Other current assets	8	1	-	20	-	29
Interest rate swaps	1,349	-	-	-	-	1,349
	14,854	22,957	27,043	34,796	10	99,660
Financial liabilities						
Trade and other payables	(2,934)	(2,818)	(3,384)	(22,391)	-	(31,527)
Borrowings	(242,128)	-	(59,415)	(242,153)	-	(543,696)
Interest rate swaps	-	-	-	(7,713)	-	(7,713)
Rental and other deposits	(4,858)	-	(2,620)	-	-	(7,478)
Loan from joint venture	-	-	-	(3,979)	-	(3,979)
	(249,920)	(2,818)	(65,419)	(276,236)	-	(594,393)
Net financial (liabilities)/ assets	(235,066)	20,139	(38,376)	(241,440)	10	(494,733)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	235,066	(20,202)	(12,327)	340,337	-	542,874
Currency forwards	-	-	(14,223)	(22,509)	-	(36,732)
Currency swaps	-	(23,300)	(65,000)	-	-	(88,300)
Loan and currency swaps designated as net investment hedges	-	23,300	122,290	-	-	145,590
Net currency exposure	-	(63)	(7,636)	76,388	10	68,699

NOTES TO THE FINANCIAL STATEMENTS

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

2014	SGD \$'000	RMB \$'000	JPY \$'000	AUD \$'000 (Restated)	HKD \$'000	Total \$'000 (Restated)
Financial assets						
Cash and cash equivalents	21,088	15,272	14,081	21,891	19	72,351
Trade and other receivables (current)	731	561	363	6,476	–	8,131
Other current assets	863	1	1,105	18	–	1,987
Trade and other receivables (non-current)	–	–	–	908	–	908
Interest rate swaps	641	–	–	–	–	641
	23,323	15,834	15,549	29,293	19	84,018
Financial liabilities						
Trade and other payables	(2,791)	(3,060)	(2,541)	(22,726)	(8)	(31,126)
Borrowings	(165,800)	–	(62,104)	(257,199)	–	(485,103)
Interest rate swaps	–	–	–	(2,357)	–	(2,357)
Rental and other deposits	(4,601)	–	(793)	–	–	(5,394)
Loan from joint venture	–	–	–	(4,384)	–	(4,384)
	(173,192)	(3,060)	(65,438)	(286,666)	(8)	(528,364)
Net financial (liabilities)/ assets	(149,869)	12,774	(49,889)	(257,373)	11	(444,346)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	149,875	(12,774)	(7,945)	394,788	(8)	523,936
Currency forwards	–	–	(12,058)	(17,909)	–	(29,967)
Currency swaps	–	(23,300)	–	63,791	–	40,491
Loan and currency swaps designated as net investment hedges	–	23,300	61,110	–	–	84,410
Net currency exposure	6	–	(8,782)	183,297	3	174,524

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

If SGD change against AUD, JPY and RMB by 9%, 6% and 10% (2014: 11%, 7% and 3%) respectively with all other variables including tax rate being held constant, the effects from the net financial liability/asset position will be as follow:

	Profit after tax	
	2015 \$'000	2014 \$'000
Group		
SGD against AUD		
– strengthened	(6,875)	(20,163)
– weakened	6,875	20,163
SGD against JPY		
– strengthened	458	615
– weakened	(458)	(615)
SGD against RMB		
– strengthened	6	–
– weakened	(6)	–

(ii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate borrowings. The Group borrows at variable rates mainly in SGD and AUD. The Group manages its interest rate risk by converting a significant portion of its floating rate interest into fixed rate interest using interest rate swaps. If interest rates increase/decrease by 100 basis points (2014: 150 basis points) with all other variables including tax rate being held constant, the Group's profit after tax will be lower/higher by \$501,000 (2014: \$721,000) as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Credit evaluations are performed by the REIT Manager and the Trustee-Manager before lease agreements are entered into with customers. The risk is also mitigated by having customers place security deposits for the lease.

The hotel operators which manage the hotels under hotel management contracts with the Group perform credit evaluations on customers before accepting customers and monitor their balances on an on-going basis.

Cash and short term bank deposits are placed with financial institutions which are regulated.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheets.

The credit risk for trade receivables based on the information provided to the Managers is as follows:

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks which are regulated. Trade and other receivables (including finance lease receivables) that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Past due 0 to 30 days	5,996	6,260	66	338	5,930	5,922
Past due 31 to 60 days	891	481	–	–	891	481
Past due more than 60 days	130	63	–	–	130	63
	7,017	6,804	66	338	6,951	6,466

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired (cont'd)

The carrying amounts of trade receivables determined to be impaired and the movement in the related allowance for impairment is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Allowance for impairment						
Balance at beginning of financial year	(16)	(12)	–	–	(16)	(12)
Allowance made	(36)	(16)	–	–	(36)	(16)
Allowance written back	6	11	–	–	6	11
Translation differences	2	1	–	–	2	1
Balance at end of financial year	(44)	(16)	–	–	(44)	(16)

The Group establishes an allowance for impairment that represents its estimate of incurred losses of trade and other receivables. This allowance is a specific loss component that relates to individually significant exposures. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

(iii) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
By country:						
Australia	6,172	6,099	–	–	6,172	6,099
China	585	487	–	–	585	487
Japan	260	151	66	70	194	81
Singapore	–	268	–	268	–	–
	7,017	7,005	66	338	6,951	6,667
By segment:						
Master leases	66	338	66	338	–	–
Hotels under management	6,951	6,667	–	–	6,951	6,667
	7,017	7,005	66	338	6,951	6,667

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds.

The Managers monitor and maintain a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, the Managers also monitor and observe the bank covenants imposed by the banks on the various borrowings.

The table below analyses the maturity profile of the Group's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows:

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000
A-HTRUST			
As at 31 March 2015			
Net-settled interest rate swaps	2,268	4,136	–
Gross-settled currency swaps			
– Receipts	(1,008)	(723)	–
– Payments	1,699	1,232	–
Trade and other payables	31,527	–	–
Borrowings (including interest)	88,307	500,270	–
Rental and other deposits (non-current)	–	1,869	6,864
Loan from joint venture	–	3,979	–
	122,793	510,763	6,864
As at 31 March 2014 (restated)			
Net-settled interest rate swaps	2,372	2,729	–
Gross-settled currency swaps			
– Receipts	(2,652)	(1,023)	–
– Payments	1,809	1,305	–
Trade and other payables	31,126	–	–
Borrowings (including interest)	13,462	534,116	–
Rental and other deposits (non-current)	–	–	6,751
Loan from joint venture	–	4,384	–
	46,117	541,511	6,751
A-HREIT			
As at 31 March 2015			
Net-settled interest rate swaps	(80)	63	–
Trade and other payables	4,344	–	–
Borrowings (including interest)	48,752	108,940	–
Rental and other deposits (non-current)	–	–	5,923
	53,016	109,003	5,923

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000
A-HREIT (cont'd)			
As at 31 March 2014			
Net-settled interest rate swaps	653	810	–
Trade and other payables	2,775	–	–
Borrowings (including interest)	1,889	161,058	–
Rental and other deposits (non-current)	–	–	5,750
	5,317	161,868	5,750
A-HBT			
As at 31 March 2015			
Net-settled interest rate swaps	2,348	4,072	–
Gross-settled currency swaps			
– Receipts	(1,008)	(723)	–
– Payments	1,699	1,232	–
Trade and other payables	29,758	–	–
Borrowings (including interest)	39,555	391,330	–
Rental and other deposits (non-current)	–	1,869	941
Loan from joint venture	–	3,979	–
	72,352	401,759	941
As at 31 March 2014 (restated)			
Net-settled interest rate swaps	1,719	1,919	–
Gross-settled currency swaps			
– Receipts	(2,652)	(1,023)	–
– Payments	1,809	1,305	–
Trade and other payables	30,133	–	–
Borrowings (including interest)	11,573	373,058	–
Rental and other deposits (non-current)	–	–	1,001
Loan from joint venture	–	4,384	–
	42,582	379,643	1,001

A-HTRUST, the A-HREIT Group and the A-HBT Group manage the liquidity risk by maintaining sufficient cash from borrowings and cash generated from operations to enable them to meet their capital expenditure and operating commitments.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital management

The Managers' objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the A-HREIT Trust Deed and the A-HBT Trust Deed to fund future acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Managers may issue new units or source additional borrowing from both financial institutions and capital markets.

The Managers monitor capital based on gearing ratio, which is total borrowings divided by total assets. The Group's policy is to cap the gearing ratio to no more than 45%. Under the A-HREIT Trust Deed, the A-HREIT Group is required to maintain a gearing ratio not exceeding 35% without credit rating or 60% with credit rating or unless specifically approved by the Stapled Securityholders in the general meeting.

The gearing ratio is calculated as total borrowings divided by total assets.

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000 (Restated)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000 (Restated)
Total borrowings	543,696	485,103	152,023	155,748	391,673	329,355
Total assets	1,459,690	1,365,866	539,714	548,150	925,610	822,227
Gearing ratio	37%	36%	28%	28%	42%	40%

A-HTRUST, the A-HREIT Group and the A-HBT Group are in compliance with the borrowing limit requirements imposed by the relevant Trust Deeds and all externally imposed capital requirements for the financial year 2015.

35. SEGMENT REPORTING

The Board of the Managers decides on strategic resource allocation and assesses the performance of A-HTRUST based on operating segments.

Segment information is presented in respect of the Group's operating segments from two dimensions: (a) by geography; and (b) by business.

The operations of each of the Group's geographical segments are separately managed because of the different economic environments in which they operate in. This forms the basis of identifying the geographical segments of the Group.

There are four reportable geographical segments, as described below:

- Australia – the seven hotels in the Ascendas Australia Hotel Fund that are being operated under management contracts
- China – the two hotels in Beijing that are being operated under management contracts
- Japan – the investment properties in Tokyo and Osaka that are being leased and operated primarily as hotels
- Singapore – the investment property that is being leased and operated as a hotel

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

35. SEGMENT REPORTING (CONT'D)

The operations of the Group under master leases and management contracts have different risks and returns. This forms the basis of identifying the business segments of the Group.

There are two reportable business segments, as described below:

- Master leases – the properties are leased to tenants to operate as hotels for which the Group earns rental income
- Hotels under management – the properties are managed by third party operators, who are paid a management fee to run the hotel operations for the Group

(a) Segmental information by geographical segment

	Australia \$'000	China \$'000	Japan \$'000	Singapore \$'000	Total \$'000
For the financial year ended 31 March 2015					
Segment revenue	165,297	20,237	26,099	15,480	227,113
Segment net property income	54,246	6,577	17,105	15,421	93,349
Share of results of joint venture					3,119
Depreciation and amortisation					(26,964)
Net change in fair value of derivative financial instruments					(5,930)
Net change in fair value of investment properties					10,181
Finance costs					(17,951)
Finance income					721
Unrealised exchange loss, net					(10,374)
Non-capitalisable business acquisition related expenses					1,344
Others					(8,903)
Profit before tax					38,592
Income tax expense					(9,946)
Profit after tax					28,646
Non-current assets ¹	618,495	102,962	306,158	312,000	1,339,615
Segment assets	663,605	126,373	335,522	334,190	1,459,690
Segment liabilities	289,281	7,994	17,229	319,060	633,564

1 Non-current assets information presented above consist of investment properties, prepaid land lease, property, plant and equipment and investment in joint venture as presented in the consolidated balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

35. SEGMENT REPORTING (CONT'D)

(a) Segmental information by geographical segment (cont'd)

	Australia ¹ \$'000 (Restated)	China \$'000	Japan \$'000	Singapore \$'000	Total ¹ \$'000 (Restated)
For the financial year ended 31 March 2014					
Segment revenue	164,240	19,771	18,214	12,061	214,286
Segment net property income	53,752	6,925	10,816	12,030	83,523
Share of results of joint venture					215
Depreciation and amortisation					(27,363)
Net change in fair value of derivative financial instruments					(3,596)
Net change in fair value of investment properties					10,028
Finance costs					(15,843)
Finance income					833
Unrealised exchange loss, net					(16,211)
Non-capitalisable business acquisition related expenses					(1,867)
Others					(5,350)
Profit before tax					24,369
Income tax expense					(7,686)
Profit after tax					16,683
Non-current assets ²	657,806	95,005	204,107	312,000	1,268,918
Segment assets	697,643	111,274	219,773	337,176	1,365,866
Segment liabilities	309,270	4,708	8,879	247,840	570,697

1 Restated to reflect A-HBT's 50% share of revenue, expenses, assets and liabilities of a joint operation accounted for under FRS 111 *Joint Arrangements*.

2 Non-current assets information presented above consist of investment property, prepaid land lease, property, plant and equipment and investment in joint venture as presented in the consolidated balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

35. SEGMENT REPORTING (CONT'D)

(b) Segmental information by business segment

	Master leases \$'000	Hotels under management \$'000	Elimination \$'000	Total \$'000
For the financial year ended				
31 March 2015				
Segment revenue	38,628	204,245	(15,760)	227,113
Segment net property income	32,722	60,845	(218)	93,349
Share of results of joint venture				3,119
Depreciation and amortisation				(26,964)
Net change in fair value of derivative financial instruments				(5,930)
Net change in fair value of investment properties				10,181
Finance costs				(17,951)
Finance income				721
Unrealised exchange loss, net				(10,374)
Non-capitalisable business acquisition related expenses				1,344
Others				(8,903)
Profit before tax				38,592
Income tax expense				(9,946)
Profit after tax				28,646
Investment in joint venture	–	18,818	–	18,818
Additions to non-current assets ¹	110,276	10,324	–	120,600
Segment assets	658,420	806,904	(5,634)	1,459,690
Segment liabilities	174,829	461,311	(2,576)	633,564

¹ Additions to non-current assets consist of additions to investment properties and property, plant and equipment. There was no addition to prepaid land lease during the financial year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

35. SEGMENT REPORTING (CONT'D)

(b) Segmental information by business segment (cont'd)

	Master leases \$'000	Hotels under management ¹ \$'000 (Restated)	Elimination \$'000	Total ¹ \$'000 (Restated)
For the financial year ended				
31 March 2014				
Segment revenue	27,816	202,181	(15,711)	214,286
Segment net property income	22,990	60,688	(155)	83,523
Share of results of joint venture				215
Depreciation and amortisation				(27,363)
Net fair value loss on derivative financial instrument				(3,596)
Net change in fair value of investment property				10,028
Finance costs				(15,843)
Finance income				833
Unrealised exchange loss, net				(16,211)
Non-capitalisable business acquisition related expense				(1,867)
Others				(5,350)
Profit before tax				24,369
Income tax expense				(7,686)
Profit after tax				16,683
Investment in joint venture	–	18,824	–	18,824
Additions to non-current assets ²	308,137	24,158	–	332,295
Segment assets	548,150	822,227	(4,511)	1,365,866
Segment liabilities	169,405	403,074	(1,782)	570,697

1 Restated to reflect A-HBT's 50% share of revenue, expenses, assets and liabilities of a joint operation accounted for under FRS 111 *Joint Arrangements*.

2 Additions to non-current assets consist of additions to investment properties, prepaid land lease and property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

36. COMMITMENTS

(a) Operating lease commitments

The investment properties are under non-cancellable operating lease agreements. The future minimum lease payments receivable under non-cancellable operating leases contracted for but not recognised as receivables are as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Receivable						
– Within 1 year	30,405	24,187	23,368	23,766	7,037	421
– After 1 year but within 5 years	101,408	99,419	97,219	98,700	4,189	719
– After 5 years	88,299	116,682	88,299	116,682	–	–
	220,112	240,288	208,886	239,148	11,226	1,140

(b) Capital commitments

Capital expenditure approved as at the end of reporting period but not recognised in the financial statements are as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Capital commitments						
– Amount approved and contracted for	3,884	4,314	–	22	3,884	4,292
– Amount approved but not contracted for	231	342	–	320	231	22
	4,115	4,656	–	342	4,115	4,314

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

37. DISTRIBUTION TO UNITHOLDERS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Distribution declared and paid during the financial year:</u>						
<i>Paid on 31 May 2013:</i>						
Capital distribution of 0.7435 cents per Stapled Security	-	5,275	-	5,275	-	-
Exempt distribution of 2.9181 cents per Stapled Security	-	20,703	-	-	-	20,703
<i>Paid on 30 July 2013:</i>						
Capital distribution of 0.2100 cents per Stapled Security	-	1,691	-	1,691	-	-
Exempt distribution of 0.8200 cents per Stapled Security	-	6,601	-	-	-	6,601
<i>Paid on 20 December 2013:</i>						
Capital distribution of 0.2999 cents per Stapled Security	-	3,099	-	3,099	-	-
Exempt distribution of 1.0957 cents per Stapled Security	-	11,316	-	-	-	11,316
Taxable income distribution of 0.2736 cents per Stapled Security	-	2,826	-	2,826	-	-
<i>Paid on 6 June 2014:</i>						
Capital distribution of 1.0489 cents per Stapled Security	10,853	-	10,853	-	-	-
Exempt distribution of 1.2607 cents per Stapled Security	13,044	-	-	-	13,044	-
Taxable income distribution of 0.5717 cents per Stapled Security	5,915	-	5,915	-	-	-
<i>Paid on 12 December 2014:</i>						
Capital distribution of 0.4177 cents per Stapled Security	4,645	-	4,645	-	-	-
Exempt distribution of 1.5565 cents per Stapled Security	17,309	-	-	-	17,309	-
Taxable income distribution of 0.4646 cents per Stapled Security	5,167	-	5,167	-	-	-
Total	56,933	51,511	26,580	12,891	30,353	38,620

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

37. DISTRIBUTION TO UNITHOLDERS (CONT'D)

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Proposed but not recognised as liability as at end of the financial year:						
<i>Paid on 6 June 2014:</i>						
Capital distribution of 1.0489 cents per Stapled Security	-	10,853	-	10,853	-	-
Exempt distribution of 1.2607 cents per Stapled Security	-	13,044	-	-	-	13,044
Taxable income distribution of 0.5717 cents per Stapled Security	-	5,915	-	5,915	-	-
<i>Payable on 16 June 2015:</i>						
Capital distribution of 0.3675 cents per Stapled Security	4,097	-	4,097	-	-	-
Exempt distribution of 1.6465 cents per Stapled Security	18,358	-	-	-	18,358	-
Taxable income distribution of 0.5385 cents per Stapled Security	6,004	-	6,004	-	-	-
Total	28,459	29,812	10,101	16,768	18,358	13,044

38. SUBSEQUENT EVENTS

- (a) Subsequent to the financial year ended 31 March 2015, A-HTRUST has issued \$75,000,000 3.30% notes due 2020 pursuant to its \$1 billion multi-currency stapled medium-term note programme. The proceeds from the bond issuance were used mainly for the partial repayment of existing bank borrowings, which have been reclassified as current borrowings as at 31 March 2015 (Note 25).
- (b) On 11 May 2015, A-HTRUST, through its wholly-owned subsidiary, Ascendas Namba Godo Kaisha, entered into a fixed-term building lease agreement with Sunroute Co., Ltd in relation to Osaka Namba Washington. The lease term will commence on 1 January 2016, following the expiry of the existing fixed-term building lease agreement with Washington Hotel K.K., the current operator of the hotel, and will expire on 31 December 2025.
- (c) On 15 May 2015, NNT and Co-Tenancy entered into a put and call option deed in relation to the sale of Pullman Cairns International hotel and its plant and equipment at a cash consideration of AUD75,080,000 based on terms set out in a sale and purchase agreement that has been agreed with the purchaser. Pullman Cairns International Hotel and its plant and equipment have been reclassified as "Properties held for sale" as at 31 March 2015 (Notes 18 and 21).

A-HTRUST is expected to recognise approximately \$3.4 million representing its 50% share of gain from the sale, net of transaction costs. The sale is expected to be completed by 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

39. FINANCIAL RATIOS

	A-HREIT 2015	A-HREIT 2014
Expense ratio ¹	0.01	0.01
Turnover ratio ²	0.08	0.07

1 The ratio is computed based on the guidelines laid down by the Investment Management Association of Singapore (“IMAS”). The calculation of the expense ratio was based on the total operating expenses of the A-HREIT Group for the financial years ended 31 March 2015 and 2014 divided by its average net asset value as at 31 March 2015 and 2014. The total operating expenses used in the computation relate to the expenses of A-HREIT Group and do not include (where applicable) transaction costs associated with the purchase and sales of investments, property expenses, performance fee, interest expense, distribution paid out to the Stapled Securityholders, foreign exchange gains/losses and tax deducted at source or arising out of income received.

2 The ratio is calculated in accordance with the formula stated in the Code on Collective Investment Scheme. The calculation of the turnover ratio was based on the turnover of A-HREIT Group for the financial years ended 31 March 2015 and 2014 divided by its average net asset value as at 31 March 2015 and 2014. The portfolio turnover used in the computation was based on the total revenue of the underlying investment properties of the A-HREIT Group.

40. COMPARATIVE

Certain payroll-related expenses, which had been included in “Operations and maintenance expenses” and “Administrative and general expenses” as previously presented in the income statements of A-HTRUST and the A-HBT Group, have been reclassified to “Staff costs” to conform to current year’s classification to better reflect the nature of the expenses.

41. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Managers on 18 May 2015.

STATISTICS OF STAPLED SECURITYHOLDINGS

As at 26 May 2015

DISTRIBUTION OF STAPLED SECURITYHOLDINGS

Size of Stapled Securityholders	No. of Stapled Securityholders	%	No. of Stapled Securities	%
1 - 99	11	0.09	539	0.00
100 - 1,000	1,880	14.32	1,872,497	0.17
1,001 - 10,000	6,347	48.34	33,917,904	3.04
10,001 - 1,000,000	4,859	37.01	219,000,096	19.64
1,000,001 AND ABOVE	32	0.24	860,168,064	77.15
TOTAL	13,129	100.00	1,114,959,100	100.00

TWENTY LARGEST STAPLED SECURITYHOLDERS

No.	Name	No. of Stapled Securities	%
1	ASCENDAS LAND INTERNATIONAL PTE LTD	284,906,572	25.55
2	DBS NOMINEES (PRIVATE) LIMITED	148,348,700	13.31
3	RAFFLES NOMINEES (PTE) LIMITED	119,305,165	10.70
4	CITIBANK NOMINEES SINGAPORE PTE LTD	84,890,463	7.61
5	AHDF PTE LTD	46,160,000	4.14
6	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	26,994,595	2.42
7	HSBC (SINGAPORE) NOMINEES PTE LTD	26,434,100	2.37
8	ABN AMRO NOMINEES SINGAPORE PTE LTD	17,270,000	1.55
9	NTUC FAIRPRICE CO-OPERATIVE LTD	14,395,000	1.29
10	NOMURA SINGAPORE LIMITED	11,972,000	1.07
11	DBSN SERVICES PTE. LTD.	8,903,782	0.80
12	ASCENDAS HOSPITALITY TRUST MANAGEMENT PTE LTD	8,442,937	0.76
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,143,590	0.73
14	BANK OF SINGAPORE NOMINEES PTE. LTD.	7,113,000	0.64
15	DB NOMINEES (SINGAPORE) PTE LTD	6,019,780	0.54
16	HENG SIEW ENG	5,112,000	0.46
17	ASCENDAS HOSPITALITY FUND MANAGEMENT PTE LTD	3,646,538	0.33
18	PHILLIP SECURITIES PTE LTD	3,281,560	0.29
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,150,060	0.28
20	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,120,800	0.28
TOTAL		837,610,642	75.12

STATISTICS OF STAPLED SECURITYHOLDINGS

As at 26 May 2015

STATISTICS OF SUBSTANTIAL STAPLED SECURITYHOLDINGS AS AT 26 MAY 2015

Name of Substantial Stapled Securityholders	Direct Interest		Indirect Interest		Total No. of Stapled Securities	
	No. of Stapled Securities	%	No. of Stapled Securities	%	No. of Stapled Securities	%
Ascendas Land International Pte Ltd ⁽¹⁾	284,906,572	25.55	–	–	284,906,572	25.55
Ascendas Pte Ltd ⁽¹⁾	–	–	296,996,047	26.63	296,996,047	26.63
JTC Corporation ⁽¹⁾	–	–	296,996,047	26.63	296,996,047	26.63
Tong Jinquan ⁽²⁾	27,921,000	2.50	35,660,000	3.20	63,581,000	5.70
DBS Bank Limited	59,250,800	5.31	–	–	59,250,800	5.31

Notes:

- (1) JTC Corporation and Ascendas Pte Ltd are deemed to be interested in the Stapled Securities owned by Ascendas Land International Pte Ltd, Ascendas Hospitality Fund Management Pte. Ltd. and Ascendas Hospitality Trust Management Pte. Ltd.
- (2) Tong Jinquan is the sole shareholder of Shanghai Summit Pte Ltd which is the sole shareholder of Wealthy Fountain Holdings Inc and Starray Global Limited and accordingly, is deemed to be interested in the 35,660,000 Stapled Securities which Wealthy Fountain Holdings Inc and Starray Global Limited hold.

PUBLIC STAPLED SECURITYHOLDERS

Pursuant to Rule 1207(9) of the SGX-ST Listing Manual, based on the information available to the Managers as at 26 May 2015, approximately 62.23% of the total number of Stapled Securities is held by the public. Therefore, Rule 723 of the SGX-ST Listing Manual has been complied with.

GLOSSARY OF TERMS

A-HBT	Ascendas Hospitality Business Trust
A-HREIT	Ascendas Hospitality Real Estate Investment Trust
A-HTRUST	Ascendas Hospitality Trust
Accor	Accor Asia Pacific comprising AAPC Singapore Pte. Ltd. and its related entities
ADR	Average daily rate, which is the room revenue divided by the total number of rooms occupied
AUD	Australian Dollar
Board/Directors	The directors of the REIT Manager and the directors of the Trustee-Manager
CBD	Central Business District
Distributable Income	The distributable income of A-HTRUST, A-HREIT or A-HBT, as the case may be, in relation to a distribution period
DPS	Distribution per Stapled Security
FY	The financial year ended or (as the case may be) ending 31 March
FY2013/14	The financial year from 1 April 2013 to 31 March 2014
FY2014/15	The financial year from 1 April 2014 to 31 March 2015
FY2015/16	The financial year from 1 April 2015 to 31 March 2016
F&B	Food and beverage
Gearing	Ratio of total debt over total assets
Gross Revenue	Comprises hotel room revenue, rental income, F&B revenue and other income
IPO	Initial Public Offering

GLOSSARY OF TERMS

JLL	Jones Lang LaSalle Property Consultants Pte Ltd/Jones Lang LaSalle Hotels and Hospitality Group
JPY	Japanese Yen
Managers / Management	The REIT Manager and the Trustee-Manager
MICE	Meetings, incentives, conventions and exhibitions
NPI	Net Property Income: Gross Revenue less property expenses
REIT Manager	Ascendas Hospitality Fund Management Pte. Ltd., as manager of A-HREIT
REIT Trustee	The Trust Company (Asia) Limited, as trustee of A-HREIT
RevPAR	Revenue per available room
RMB	Renminbi
SGD/\$	Singapore dollar
Stapled Securityholder	The holder of a Stapled Security
Stapled Security	Stapled security of A-HTRUST, each comprising one unit in A-HREIT and one unit in A-HBT stapled together under the terms of the Stapling Deed
Stapling Deed	The stapling deed dated 13 March 2012 and subsequently amended and entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager
Substantial Stapled Securityholders	Any Stapled Securityholder with an interest of not less than 5.0% of all the Stapled Securities in issue
Trustee-Manager	Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of A-HBT
y-o-y	Year-on-year
YTD	Year-to-date

NOTICE OF ANNUAL GENERAL MEETING



A stapled group comprising:

Ascendas Hospitality Real Estate Investment Trust

(a real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore)

Ascendas Hospitality Business Trust

(a business trust constituted on 13 March 2012 under the laws of the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of the holders of Stapled Securities of Ascendas Hospitality Trust (“**A-HTRUST**”) will be held at Orchard Hotel Singapore, Orchard Ballroom 3, Level 3, 442 Orchard Road, Singapore 238879, on Thursday, 2 July 2015 at 2.30 p.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of Ascendas Hospitality Trust Management Pte Ltd, as trustee-manager of Ascendas Hospitality Business Trust (“A-HBT”) (the “Trustee-Manager”), the Statement by the Chief Executive Officer of the Trustee-Manager, the Report of The Trust Company (Asia) Limited, as trustee for Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) (the “REIT Trustee”), the Report of Ascendas Hospitality Fund Management Pte Ltd, as manager of A-HREIT (the “REIT Manager”); and the Audited Financial Statements of A-HBT, A-HREIT and Ascendas Hospitality Trust (“A-HTRUST”) for the financial year ended to 31 March 2015 and the Auditors’ Report thereon. (Ordinary Resolution 1)
2. To re-appoint Messrs Ernst & Young LLP as Independent Auditors of A-HTRUST, comprising A-HBT and A-HREIT and to hold office until the conclusion of the next Annual General Meeting of A-HTRUST and to authorise the Trustee-Manager and REIT Manager to fix their remuneration. (Ordinary Resolution 2)

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions as Ordinary Resolutions:

3. That authority be and is hereby given to the REIT Manager and the Trustee-Manager, to (Ordinary Resolution 3)
 - (a) (i) issue new units in A-HREIT (“A-HREIT Units”) and new units in A-HBT (“A-HBT Units”, together with A-HREIT Units, the “Stapled Securities”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities.

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager and the Trustee-Manager may in their absolute discretion deem fit; and

- (b) issue Stapled Securities in pursuant of any instrument made or granted by the REIT Manager and the Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force).

Provided that:

- (1) the aggregate number of Stapled Securities to be issued pursuant to this Resolution (including Stapled Securities to be issued in pursuant of Instruments made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Stapled Securities (excluding treasury A-HREIT Units and treasury A-HBT Units, if any) (as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Stapled Securities to be issued other than on a pro rata basis to Stapled Securityholders shall not exceed twenty per cent (20%) of the total number of issued Stapled Securities (excluding treasury A-HREIT Units and treasury A-HBT Units, if any) (as calculated in accordance with sub-paragraph (2) below).
- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST") for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (1) above, the total number of issued Stapled Securities (excluding treasury A-HREIT Units and treasury A-HBT Units, if any) shall be based on the number of issued Stapled Securities (excluding treasury A-HREIT Units and treasury A-HBT Units, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Stapled Securities;
- (3) in exercising the authority conferred by this Resolution, the REIT Manager and the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Business Trust Act, Chapter 31A of Singapore for the time being in force, the trust deed constituting A-HREIT (as amended) (the "A-HREIT Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the trust deed constituting A-HBT (as amended) (the "A-HBT Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

NOTICE OF ANNUAL GENERAL MEETING

- (4) (unless revoked or varied by the Stapled Securityholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of A-HTRUST or (ii) the date by which the next Annual General Meeting of A-HTRUST is required by law to be held, whichever is earlier;
- (5) where the terms of the issue of the instruments provide for adjustment to the number of instruments or Stapled Securities into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager and the Trustee-Manager are authorised to issue additional instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments are issued; and
- (6) the REIT Manager, the REIT Trustee and the Trustee Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, the REIT Trustee or, as the case may be, the Trustee Manager may consider expedient or necessary or in the interest of A-HREIT and A-HBT to give effect to the authority conferred by this Resolution.

By Order of the Board

Mary Judith de Souza
Joint Company Secretary

Mary Judith de Souza
Joint Company Secretary

Ascendas Hospitality Fund Management Pte. Ltd.
(Company Registration No. 201133966D),
as Manager of A-HREIT

Ascendas Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201135524E),
as Trustee-Manager of A-HBT

12 June 2015

Important Notice:

1. A Stapled Securityholder of A-HTRUST entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder of A-HTRUST.
2. Where a Stapled Securityholder of A-HTRUST appoints two proxies and does not specify the proportion of his/her Stapled Securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.
3. The proxy form must be lodged at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

Ordinary Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the REIT Manager and the Trustee-Manager from the date of the Annual General Meeting until the date of the next Annual General Meeting of A-HTRUST, to issue Stapled Securities and to make or grant Instruments (such as securities, warrants or debentures) convertible into Stapled Securities and issue Stapled Securities pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Stapled Securities (excluding treasury A-HREIT Units and treasury A-HBT Units, if any) of which up to 20% of the total number of issued Stapled Securities (excluding treasury A-HREIT Units and treasury A-HBT Units, if any) may be issued other than on a pro rata basis to Securityholders.

The Ordinary Resolution 3 above, if passed, will also empower the REIT Manager and the Trustee-Manager from the date of the Annual General Meeting until the date of the next Annual General Meeting of A-HTRUST, to issue Stapled Securities as either full or partial payment of fees which the REIT Manager and the Trustee-Manager are entitled to receive for their own accounts pursuant to the A-HREIT Trust Deed and the A-HBT Trust Deed, respectively.

For determining the aggregate number of Stapled Securities that may be issued, the percentage of issued Stapled Securities will be calculated based on the issued Stapled Securities at the time the Ordinary Resolution 3 above is passed, after adjusting for new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Stapled Securities.

Fund raising by issuance of new Stapled Securities may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Stapled Securityholders is required under the Listing Manual of SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the REIT Manager and the Trustee-Manager will then obtain the approval of Stapled Securityholders accordingly.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the REIT Manager and the Trustee-Manager and the REIT Trustee (or their agents) for the purpose of the processing and administration by the REIT Manager and the Trustee-Manager and the REIT Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and the compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the REIT Manager and the Trustee-Manager and the REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to the REIT Manager and the Trustee-Manager and the REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the REIT Manager and the Trustee-Manager and the REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the REIT Manager and the Trustee-Manager and the REIT Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

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PROXY FORM

ANNUAL GENERAL MEETING

**IMPORTANT:**

1. For investors who have used their CPF monies to buy Stapled Securities in A-HTRUST, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. CPF Investors who wish to vote must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 June 2015.

ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore)
managed by **Ascendas Hospitality Fund Management Pte. Ltd.**

ASCENDAS HOSPITALITY BUSINESS TRUST

(a business trust constituted on 13 March 2012 under the laws of the Republic of Singapore)
managed by **Ascendas Hospitality Trust Management Pte. Ltd.**

I/We _____ (Name)
of _____ (Address)

being a Stapled Securityholder/Stapled Securityholders of Ascendas Hospitality Trust ("**A-HTRUST**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

or, both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of A-HTRUST to be held on 2 July 2015, Thursday at 2.30 p.m. at Orchard Hotel Singapore, Orchard Ballroom 3, Level 3, 442 Orchard Road, Singapore 238879 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting, authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

	Resolution	To be used on a show of hands		To be used in the event of a poll	
		For *	Against *	No. of Votes For **	No. of Votes Against **
1	To receive and adopt the Report of Ascendas Hospitality Trust Management Pte Ltd, as trustee-manager of Ascendas Hospitality Business Trust ("A-HBT") (the "Trustee-Manager"), the Statement by the Chief Executive Officer of the Trustee-Manager, the Report of The Trust Company (Asia) Limited, as trustee for Ascendas Hospitality Real Estate Investment Trust ("A-HREIT") (the "REIT Trustee"), the Report of Ascendas Hospitality Fund Management Pte Ltd, as manager of A-HREIT (the "REIT Manager"); and the Audited Financial Statements of A-HBT, A-HREIT and Ascendas Hospitality Trust ("A-HTRUST") for the financial year ended 31 March 2015 and the Auditors' Report thereon.				
2	To re-appoint Ernst & Young LLP as Independent Auditor of A-HTRUST, comprising A-HBT and A-HREIT and to hold office until conclusion of the next Annual General Meeting of A-HTRUST and to authorise the Trustee-Manager and REIT Manager to fix their remuneration.				
3	To authorise the Trustee-Manager and the REIT Manager to issue Stapled Securities and to make or grant convertible instruments.				

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015

Total number of Stapled Securities held

Signature(s) of Stapled Securityholder(s)/Common Seal



Glue all sides firmly. Stapling and spot sealing are disallowed.

Ascendas Hospitality Fund Management Pte. Ltd.
(as manager of Ascendas Hospitality Real Estate Investment Trust)
&
Ascendas Hospitality Trust Management Pte. Ltd.
(as trustee-manager of Ascendas Hospitality Business Trust)

c/o: **Unit Registrar**
Boardroom Corporate & Advisory Services Pte. Ltd.,
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Affix
Postage
Stamp



Glue all sides firmly. Stapling and spot sealing are disallowed.

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Notes:

1. Please insert at the bottom right hand corner of this Proxy Form the number of Stapled Securities in Ascendas Hospitality Trust ("A-HTRUST") registered in your name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") in respect of the Stapled Securities in your securities account with CDP. If no number is inserted, this Proxy Form shall be deemed to relate to all the Stapled Securities held by you.
2. A Stapled Securityholder of A-HTRUST entitled to attend and vote at the meeting is entitled to appoint one or two proxy/proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder of A-HTRUST.
3. A Stapled Securityholder is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a Stapled Securityholders appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her Stapled Securityholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The sending of a Proxy Form by a Stapled Securityholder does not preclude him/her from attending and voting in person at the Annual General Meeting if he/she finds that he/she is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.
5. To be effective, this Proxy Form must be deposited at the registered office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for holding the meeting.
6. This Proxy Form must be signed by the appointor or by his/her attorney. In the case of a corporation, this form must be executed under its common seal or signed by its duly authorised attorney or officer.
7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof, must (failing previous registration with A-HTRUST), be lodged with this Proxy Form, failing which the instrument may be treated as invalid.
8. Any alteration made in this Proxy Form should be initialled by the person who signs it.
9. The Managers shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the Proxy Form. In the case of Stapled Securityholders whose Stapled Securities are entered against their names in the Depository Register, the Managers may reject any Proxy Form lodged if such Stapled Securityholders are not shown to have the corresponding number of Stapled Securities in A-HTRUST entered against their names in the Depository Register as at 48 hours before the time set for holding the meeting or the adjourned meeting, as appropriate.

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