Press Release

For Immediate Release

A-HTRUST reports DPS of 1.41 cents for 3Q FY2017/18

- Weaker performance from Australia portfolio in its conferencing and events business, and higher trust expense resulted in lower distributable income
- Apart from Australia portfolio, each of the three other portfolios posted improvements in local currency term
- Overall RevPAR for the hotels under management contracts improved y-o-y

Overview of financial results

S$' million	3Q FY2017/18	3Q FY2016/17	Change[1] (%)	3Q YTD FY2017/18	3Q YTD FY2016/17	Change[1] (%)
Gross Revenue	58.1	59.2	(1.8)	170.0	167.1	1.8
Net Property Income	25.2	26.4	(4.7)	72.0	73.4	(1.9)
Income available for distribution	17.2	19.5	(12.1)	50.2	51.0	(1.7)
Income available for distribution (less income retained for working capital) [2]	16.0	18.5	(13.7)	46.8	48.5	(3.5)
DPS (cents) [2]	1.41	1.64	(14.0)	4.14	4.31	(3.9)

1. *Save for DPS, percentage changes are based on figures rounded to nearest thousands.*
2. *Retention of income for 3Q FY2017/18 and 3Q YTD FY2017/18 was based on 7.0% and 6.8% of distributable income respectively, while retention of income for 3Q FY2016/17 and 3Q YTD FY2016/17 was based on 5.2% and 5.0% of distributable income respectively.*

Singapore, 1 February 2018 – Net property income ("NPI") for the third quarter ended 31 December 2017 ("3Q FY2017/18") declined by 4.7% year-on-year ("y-o-y") on the back of a weaker performance from the Australia portfolio, which was compounded by weakening of the Australian Dollar ("AUD"), Chinese Renminbi ("RMB") and Japanese Yen ("JPY") against the Singapore Dollar ("SGD").

Income available for distribution was lower by 13.7% y-o-y due to the lower NPI, higher trust expense, absence of one-off gain and higher amount of income retained, partially offset by lower finance cost and income tax expense. The higher trust expenses were related to due diligence costs incurred in relation to a proposed acquisition as Ascendas Hospitality Trust ("A-HTRUST") sought to grow and enhance the portfolio. As a result, distribution per stapled security ("DPS") declined by 14.0% y-o-y to 1.41 cents in 3Q FY2017/18.

Portfolio performance

Portfolio of hotels under management agreements

	3Q FY2017/18	3Q FY2016/17	Change	3Q YTD FY2017/18	3Q YTD FY2016/17	Change
Australia						
Avg Occupancy Rate (%)	86.7	86.6	0.1pp	85.8	84.1	1.7pp
Avg Daily Rate ("ADR")(AUD)	184	181	1.7%	174	173	0.6%
Revenue per Available Room ("RevPAR")(AUD)	160	157	1.9%	150	145	3.4%
China						
Avg Occupancy Rate (%)	84.4	86.1	(1.7)pp	87.2	88.0	(0.8)pp
ADR (RMB)	413	402	2.7%	423	407	3.9%
RevPAR (RMB)	349	346	0.9%	369	358	3.1%

Overall, room revenue for the Australia portfolio remained healthy as RevPAR improved by 1.9% y-o-y. However, NPI of the Australia portfolio for 3Q FY2017/18 was lower y-o-y. This was mainly due to lower contribution from Pullman and Mercure Melbourne Albert Park which was impacted by weaker demand for its conference and events ("C&E") business amidst increased competition, coupled with higher land tax. Novotel Sydney Central continued to post improvement, while Courtyard by Marriott Sydney-North Ryde ramped up performance following the room refurbishment completed in September 2016.

The performance of the China portfolio improved y-o-y mainly due to Novotel Beijing Sanyuan, which benefitted from strong public and corporate demand. Ibis Sanyuan Beijing posted a decline mainly due to weaker demand from participants of exhibitions and local corporate clients.

Portfolio of hotels under master leases[1]

The performance of both hotels in Japan improved y-o-y in JPY term as more events at Tokyo Big Sight benefitted Oakwood Apartments Ariake Tokyo while inbound guest groups helped to drive the performance of Hotel Sunroute Osaka Namba. However, weaker JPY against SGD negated the underlying performance of the Japan portfolio.

Despite the competitive landscape brought about by the large inventory of rooms, Park Hotel Clarke Quay in Singapore also posted stronger performance as RevPAR improved.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: "While some of the hotels in the Australia portfolio currently face a competitive landscape, we are confident in the overall quality of the Australia portfolio and are optimistic that it remains well positioned for the long

[1] Japan portfolio is primarily anchored by hotels under master leases, with Oakwood Apartments Ariake Tokyo under management contract arrangement.

run. In addition, the performance of the portfolios in the other three countries was encouraging as each of them posted improved performance y-o-y in local currency term."

Capital management

As at 31 December 2017, gearing ratio remained at a healthy 33.2%. The weighted average tenor of the borrowings is approximately 2.8 years and the effective interest rate was lower at 2.7%.

Outlook

The performance of the hotel market in Sydney CBD in general is expected to remain healthy in the near term given its popularity as a destination and relatively limited upcoming supply of rooms. However, the hotel markets in suburban Sydney are expected to face challenges from increased competition. The performance of the Melbourne hotel market is expected to moderate in view of an increase in supply over the next few years. Further, the C&E business in Melbourne will continue to be affected in the near term by competition from International Convention Centre Sydney which reopened in late 2016. The oversupply situation is expected to continue affecting the performance of the hotel market in Brisbane in the near term.

Domestic travelling continued to drive the hotel market performance in Beijing amidst declining international arrivals. In the near term, domestic travelling is expected to remain robust, and coupled with limited supply in the city centre, the outlook for the Beijing hotels market in the city centre, in general, is expected to be stable. The Managers have, on 29 January 2018, announced that A-HTRUST will be divesting the two hotels in Beijing and completion of the divestment is expected to take place in the first half of FY2018/19.

The growth momentum in international arrivals to Japan continued as the country welcomed almost 29 million foreign visitors in 2017, registering a growth of 19.3% y-o-y[2]. The strong inbound has benefitted the hotel markets in Tokyo and Osaka and is expected to remain robust in near term. However, the increased competition from the upcoming supply of new rooms and legalisation of "minpaku" will limit further performance improvement in these hotel markets.

On the Singapore front, inbound arrivals remains buoyant with YTD November 2017 growth of 6.4% y-o-y[3]. However, the hotel trading performance in general is likely to be moderate in the short term, in view of the significant new supply over the past two years and continued pressure on room rate growth from corporate due to tightening of budgets.

Mr Tan continued: "During the quarter, A-HTRUST pursued a major acquisition opportunity which unfortunately, did not materialise. With the intention to expand into markets beyond Asia Pacific, there will be more opportunities available and we will continue to actively seek acquisitions that can further benefit A-HTRUST and our Stapled Securityholders.

[2] Source: Japan National Tourism Organization
[3] Source: Singapore Tourism Board

On 1 April 2018, the existing master lease in relation to the hotel in Tokyo will be extended to the entire hotel and the entire hotel will be managed by a single operator under the "Sunroute" brand. The fixed rent component under the existing master lease will be increased by approximately 19% and rent structure amended to be higher of the fixed rent or agreed percentage of room revenue. The extension of the master lease will improve stability of the cashflow for A-HTRUST and we are optimistic that the revised rent structure will benefit our Stapled Securityholders.

We also look forward to the completion of the divestment of the China portfolio and will seek to deploy the proceeds in investment opportunities that can enhance the performance of A-HTRUST and diversify its income stream."

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

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About Ascendas Hospitality Trust

www.a-htrust.com

Ascendas Hospitality Trust ("A-HTRUST") was listed in July 2012 as a stapled group comprising Ascendas Hospitality Real Estate Investment Trust ("A-HREIT") and Ascendas Hospitality Business Trust ("A-HBT"), established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes, as well as real estate related assets in connection with the foregoing.

The asset portfolio comprises 11 quality hotels with over 4,000 rooms geographically diversified across key cities in Australia, China, Japan and Singapore; and located close proximity to central business districts, business precincts, suburban centres, transportation nodes and iconic tourist landmarks.

A-HTRUST is managed by Ascendas Hospitality Fund Management Pte. Ltd., the manager of A-HREIT, and Ascendas Hospitality Trust Management Pte. Ltd., the trustee-manager of A-HBT. A-HTRUST is sponsored by Ascendas Land International Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd.

About Ascendas-Singbridge Group

www.ascendas-singbridge.com

Ascendas-Singbridge Group is Asia's leading sustainable urban and business space solutions provider with Assets Under Management exceeding S$20 billion.

Jointly owned by Temasek Holdings and JTC Corporation through a 51:49 partnership, the Group undertakes urbanisation projects spanning townships, mixed-use developments and business/industrial parks. Headquartered in Singapore, Ascendas-Singbridge has projects in 28 cities across 9 countries in Asia, including Australia, China, India, Indonesia, Singapore and South Korea.

Ascendas-Singbridge holds commercial, hospitality and industrial assets across Asia Pacific. It has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas, namely Ascendas Reit (a Straits Times Index component stock), Ascendas India Trust and Ascendas Hospitality Trust. Besides these listed funds, it also manages a series of private real estate funds.

Important Notice

This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends and foreign exchange rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Managers' current view of future events.

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