

# Investors Presentation

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June 2018



# Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Annual Report for the financial year ended 31 March 2018 ("FY2017/18") and Unaudited Financial Results for the Fourth Quarter ended 31 March 2018 ("4Q FY2017/18"), copies of which are available on [www.sgx.com](http://www.sgx.com) or [www.a-htrust.com](http://www.a-htrust.com).

This presentation 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. Investors are cautioned not to place undue reliance on these forward looking statements, which are based on the Managers' current view of future events.

**The Australian Dollar, Chinese Renminbi, Japanese Yen and Singapore Dollar are defined herein as "AUD", "RMB", JPY" and "SGD" or "\$", respectively.**

**Any discrepancies in the figures included herein between the individual amounts and total thereof are due to rounding.**

# Contents



1. Overview of A-HTRUST
  2. Strategies
  3. Financial Performance
- Appendix**
- 4Q FY2017/18 Results





# 1

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## Overview of A-HTRUST

# Overview of Ascendas Hospitality Trust

**S\$866 million**

Market capitalisation  
as at 31 May 2018

**S\$1,634 million<sup>4</sup>**

Portfolio valuation  
as at 31 March 2018

**11<sup>4</sup>**

Hotels

**4,351<sup>4</sup>**

Rooms

**4<sup>4</sup>**

Countries

**7<sup>4</sup>**

Cities

## Beijing<sup>1</sup>

- Novotel Beijing Sanyuan
- Ibis Beijing Sanyuan

## Seoul<sup>2</sup>

- KY-Heritage Hotel Dongdaemun

## Tokyo

- Hotel Sunroute Ariake

## Osaka

- Hotel Sunroute Osaka Namba

## Singapore

- Park Hotel Clarke Quay

## Sydney

- Pullman Sydney Hyde Park
- Novotel Sydney Central
- Novotel Sydney Parramatta
- Courtyard by Marriott Sydney-North Ryde

## Melbourne

- Pullman and Mercure Melbourne Albert Park
- Shama Luxe Aurora Melbourne Central<sup>3</sup>

## Brisbane

- Pullman and Mercure Brisbane King George Square

1. The divestment of the two Beijing hotels was announced on 29 January 2018 and completed on 18 May 2018.
2. The acquisition of KY-Heritage Hotel Dongdaemun (to be renamed “The Splaisir Seoul Dongdaemun”) was announced on 27 April 2018 and completed on 21 May 2018.
3. The forward acquisition of Shama Luxe Aurora Melbourne Central was announced on 3 December 2015, with completion expected in second half of 2019.
4. Information as at 31 March 2018, including the two Beijing hotels, excluding KY-Heritage Hotel Dongdaemun and Shama Luxe Aurora Melbourne Central.

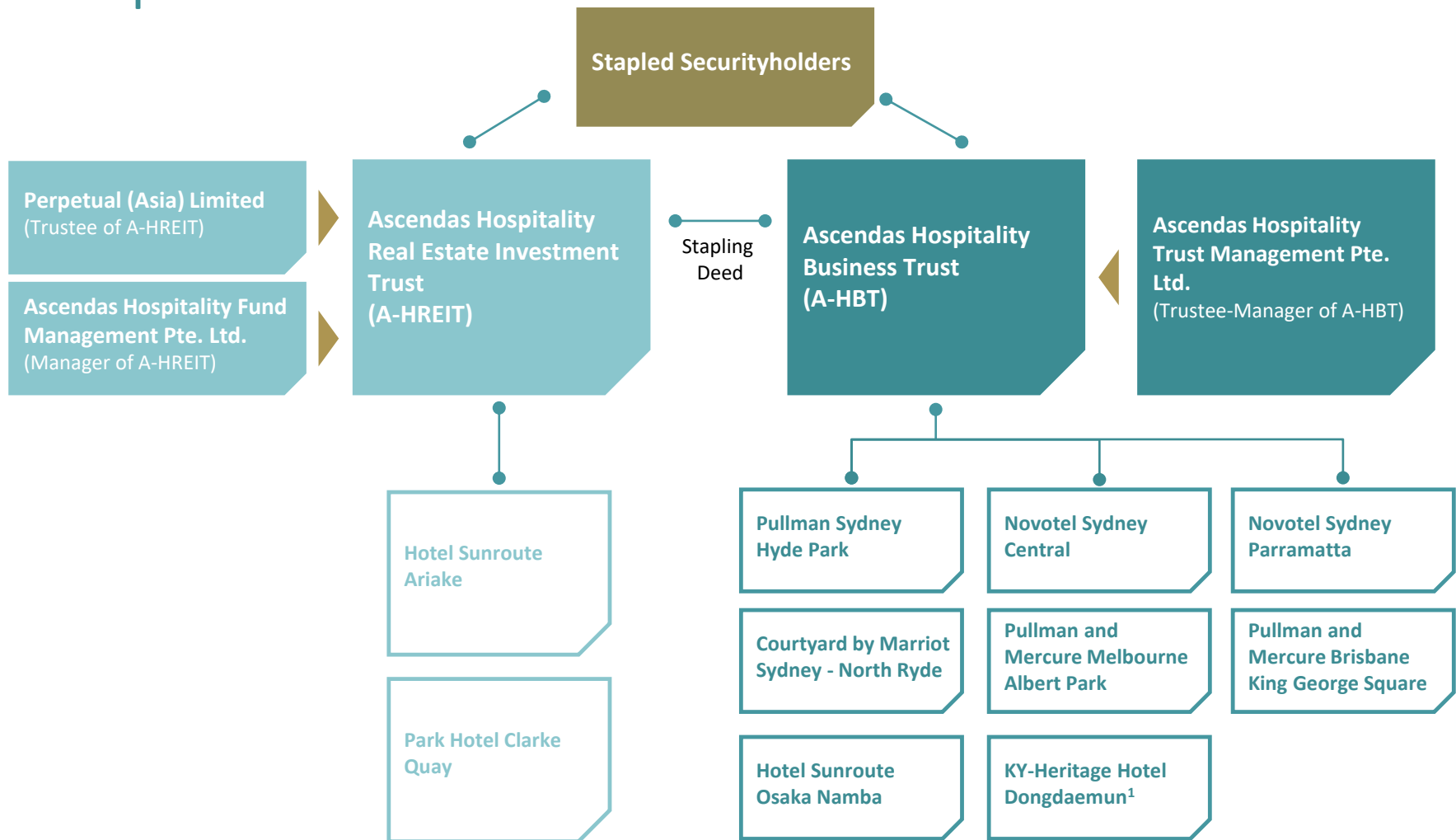
# Committed Sponsor

- ✦ Ascendas-Singbridge Group (ASB) is Asia's leading sustainable urban development and business space solutions provider with Assets Under Management exceeding S\$20 billion.
- ✦ Jointly owned by Temasek Holdings and JTC Corporation<sup>1</sup> through a 51:49 partnership, the Group undertakes urbanisation projects spanning townships, mixed-use developments and business/industrial parks.
- ✦ Headquartered in Singapore, ASB has projects in 28 cities across 9 countries in Asia, including Australia, China, India, Indonesia, Japan, Singapore and South Korea.
- ✦ ASB 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.



1. JTC Corporation is a statutory board under the Ministry of Trade and Industry and the lead agency in Singapore to spearhead the planning, promotion and development of a dynamic industrial landscape

# Unique Structure



## A-HREIT

Primarily hotels with master lease arrangement as A-HREIT is subject to 10% limit on non-passive income under the regulation

## A-HBT

Primarily hotels with management contract where A-HBT undertake active operation by entering into hotel management contract with an operator

1. The acquisition of KY-Heritage Hotel Dongdaemun (to be renamed “The Splaisir Seoul Dongdaemun”) was announced on 27 April 2018 and completed on 21 May 2018.



# Portfolio Summary

Australia  
Management Contract



**Pullman Sydney Hyde Park**  
Sydney, Australia

241 rooms  
AUD 177.5 million<sup>1</sup>  
Freehold



**Courtyard by Marriott Sydney-North Ryde**  
Sydney, Australia

196 rooms  
AUD 51.5 million<sup>1</sup>  
Freehold



**Novotel Sydney Central**  
Sydney, Australia

255 rooms  
AUD 168.0 million<sup>1</sup>  
Freehold



**Pullman & Mercure Melbourne Albert Park**  
Melbourne, Australia

378 rooms  
AUD 128.7 million<sup>1</sup>  
Freehold



**Novotel Sydney Parramatta**  
Sydney, Australia

194 rooms  
AUD 49.0 million<sup>1</sup>  
Freehold



**Pullman & Mercure Brisbane King George Square**  
Brisbane, Australia

438 rooms  
AUD 88.0 million<sup>1</sup>  
Freehold



1. Valuation as at 31 March 2018



# Portfolio Summary

Japan  
Master Lease



**Hotel Sunroute Ariake**  
Tokyo, Japan

912 rooms  
JPY 23,400 million<sup>1</sup>  
Freehold



Singapore  
Master Lease



**Park Hotel Clarke Quay**  
Singapore

336 rooms  
SGD 314.0 million<sup>1</sup>  
Leasehold expiring Nov 2105



South Korea  
Master Lease



**Hotel Sunroute Osaka Namba**  
Osaka, Japan

698 rooms  
JPY 18,900 million<sup>1</sup>  
Freehold



**KY-Heritage Hotel Dongdaemun**  
Seoul, South Korea

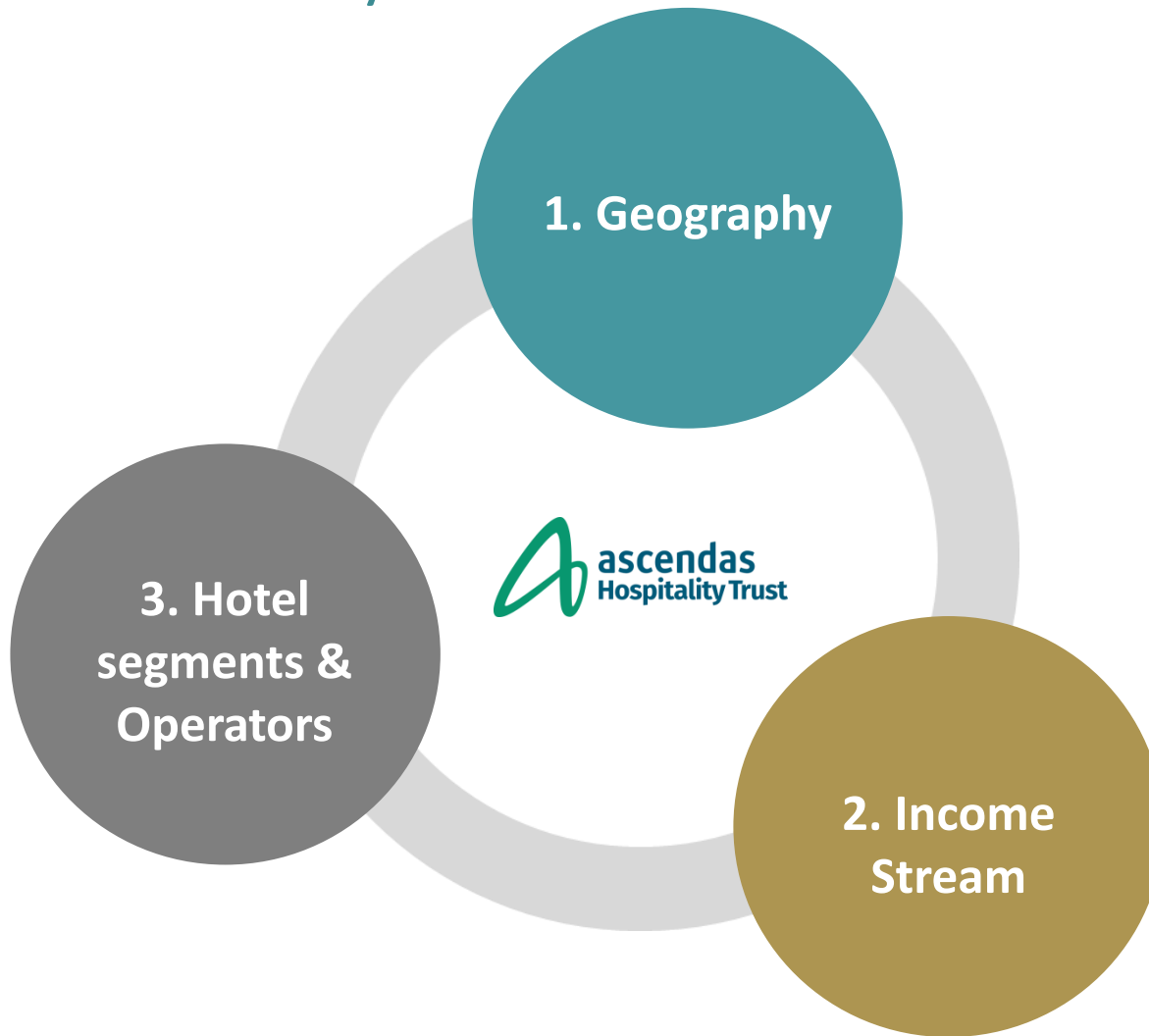
215 rooms  
KRW 75.4 billion<sup>2</sup>  
Freehold



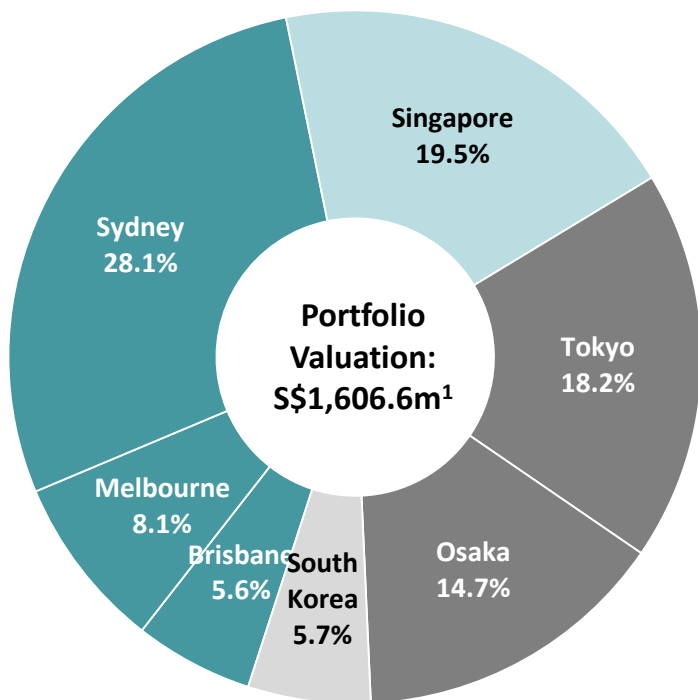
1. Valuation as at 31 March 2018.

2. Valuation as at 30 March 2018. Based on 100% interest. A-HTRUST owns 98.7% interest in the hotel, with the remaining 1.3% owned by a Sponsor-related entity.

# Strength in diversity



# 1 Well diversified portfolio mitigates concentration risks



## AUSTRALIA 41.8%

Pullman Sydney Hyde Park	11.2%
Novotel Sydney Central	10.6%
Novotel Sydney Parramatta	3.1%
Courtyard by Marriott Sydney-North Ryde	3.2%
Pullman and Mercure Melbourne Albert Park	8.1%
Pullman and Mercure Brisbane King George Square	5.6%

## JAPAN 32.9%

Hotel Sunroute Ariake	18.2%
Hotel Sunroute Osaka Namba	14.7%

## SINGAPORE 19.5%

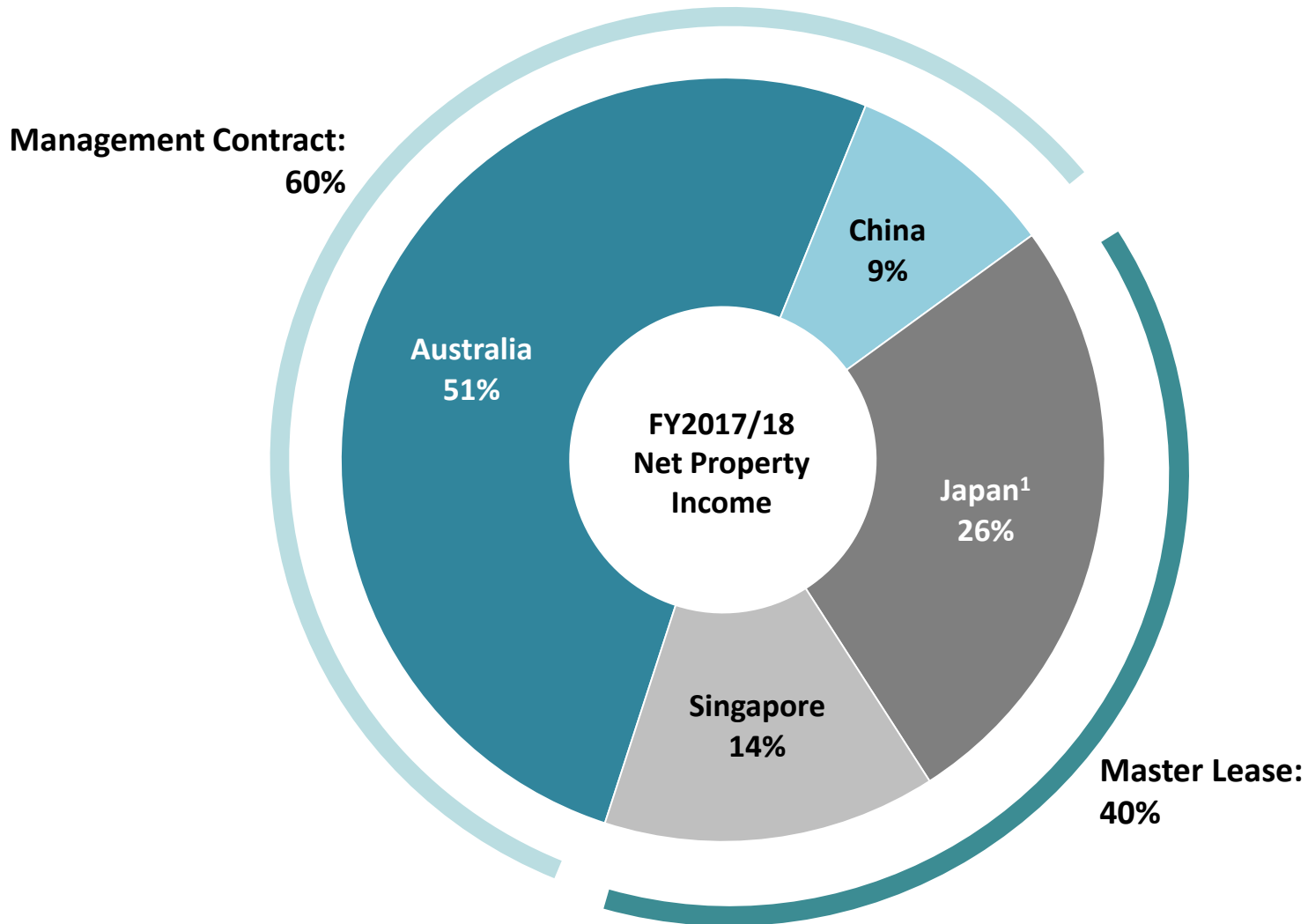
Park Hotel Clarke Quay	19.5%
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## SOUTH KOREA 5.7%

KY-Heritage Hotel Dongdaemun <sup>2</sup>	5.7%
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1. Valuation as at 31 March 2018, assuming the divestment of the two Beijing hotels and the acquisition of KY-Heritage Hotel Dongdaemun were completed on 31 March 2018.
2. Based on valuation as at 30 March 2018 and A-HTRUST's 98.7% interest in the hotel. The remaining 1.3% owned by a Sponsor-related entity.

## 2 Stable income with potential for upside



1. The Japan portfolio was primarily anchored by master leases, with Oakwood Apartments Ariake Tokyo on management contract.



### 3 Diversified hotel segments caters to different guests

#### Midscale: 42%

- Courtyard by Marriott
- Mercure
- Novotel
- Park Hotel
- KY-Heritage

#### Upscale: 16%

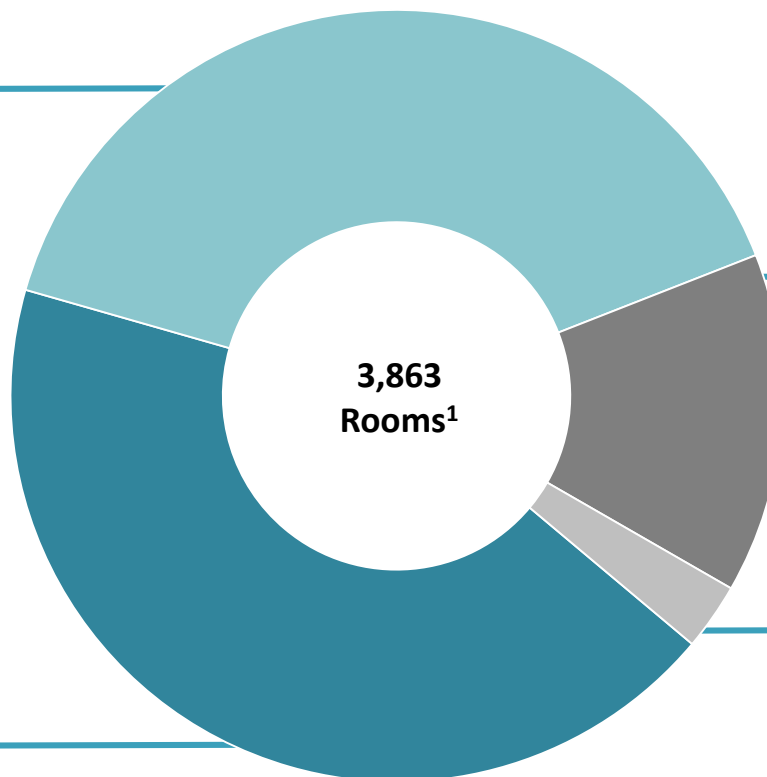
- Pullman

#### Extended Stay: 3%

- Serviced Apartments in Hotel Sunroute Ariake

#### Economy: 39%

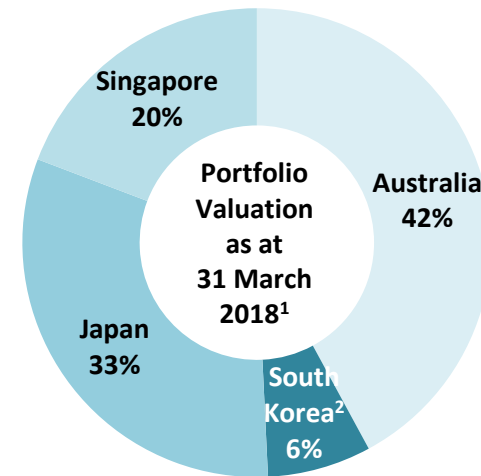
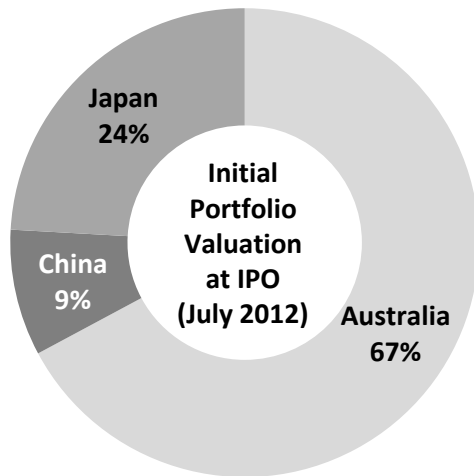
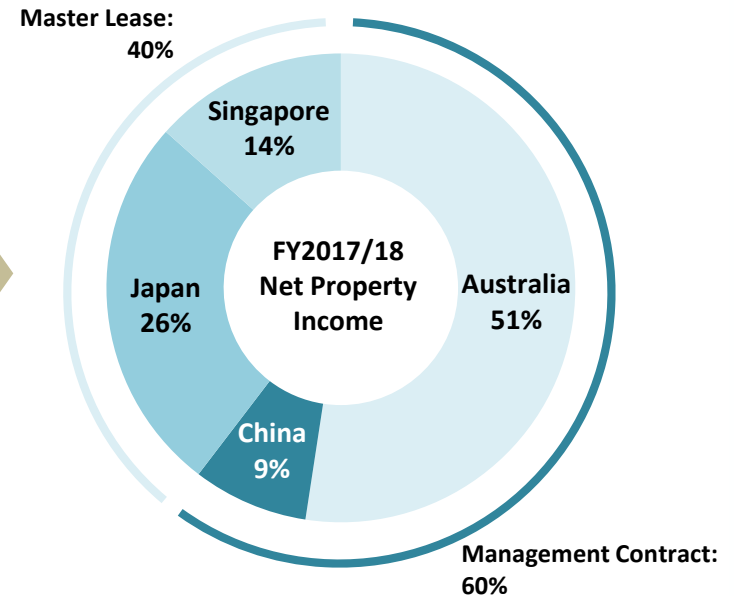
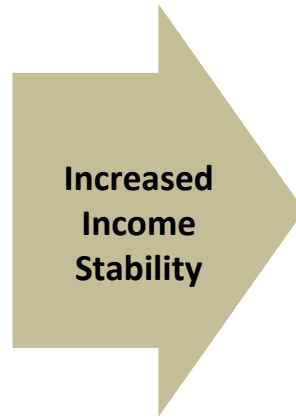
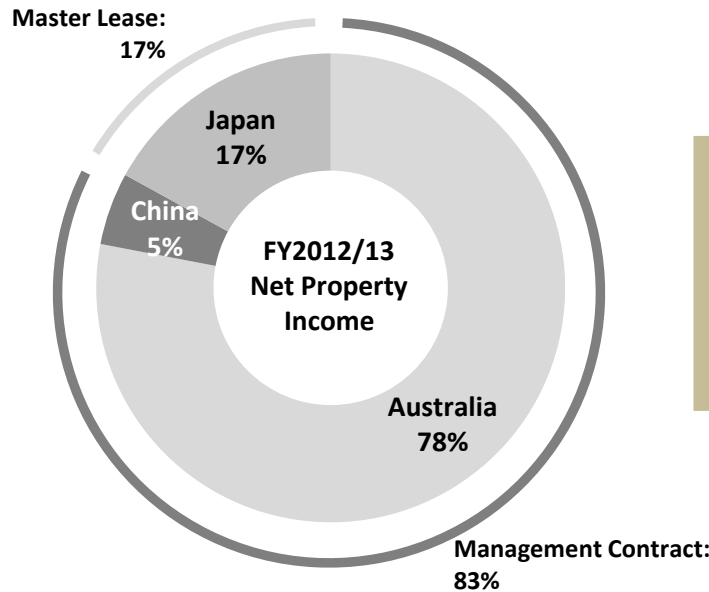
- Sunroute



3,863  
Rooms<sup>1</sup>

1. Taking into consideration the divestment of the two Beijing hotels and the acquisition of KY-Heritage Hotel Dongdaemun.

# Improving income stability and further diversification



1. Valuation as at 31 March 2018, assuming the divestment of the two Beijing hotels and the acquisition of KY-Heritage Hotel Dongdaemun were completed on 31 March 2018.
2. Based on valuation as at 30 March 2018 and A-HTRUST's 98.7% interest in the hotel. The remaining 1.3% owned by a Sponsor-related entity.



# 2

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## Strategies

# Executing strategies effectively to deliver long term value

## Active Asset Management Strategy

*Work towards improving the value of its hotels and enhance growth potential*

## Acquisition Growth Strategy

*Pursue and acquire properties that can improve the overall quality of the portfolio*

## Capital and Risk Management Strategy

*Manage exposures to risks, maintain a prudent level of borrowings and strong balance sheet*



# Effective execution of strategies to enhance portfolio

## Outsourcing of non-core operation

- ✘ In December 2014, the management of the car park facility in Novotel Sydney Central was outsourced to Wilson Parking
- ✘ Given that Novotel Sydney Central has 600 car park lots, there is critical mass for outsourcing so as to improve the efficiency in operation
- ✘ This also allows the resources of the hotel operator to be focused on the improvement of the hotel performance
- ✘ The profit from the carpark improved by approximately 21% in the year following the outsourcing



## Efficient use of space

- ✘ Previously an under-utilised space which was used to hold private events, the rooftop of the hotel was converted into a rooftop bar
- ✘ Named “Sixteen Antlers”, the stylishly renovated bar is located on the 16th floor of the Mercure Tower and offers a picturesque view of Brisbane skyline
- ✘ Since its opening, the bar has been a hit with the young professionals and received rave reviews from local media
- ✘ The bar creates an additional income stream to the hotel as the Managers seek to fulfil the earning potential of the asset



# Effective execution of strategies to enhance portfolio

## Innovative acquisition structure

- ✘ Entered into a forward purchase in December 2015 to acquire serviced apartments component of Aurora Melbourne Central (“Property”) for AUD120 million
- ✘ The Property is strategically located in the heart of Melbourne CBD, with direct access to Melbourne Central Railway Station
- ✘ Save for the deposit of AUD5.0 million, there will be no further payment until completion, expected to be in the second half of 2019
- ✘ Vendor to top up shortfall of up to AUD3.0 million for the first two years of operation



- ✘ ONYX<sup>1</sup> will operate the service apartments to be named as Shama Luxe Aurora Melbourne Central

1. ONYX Hospitality Group is a leading Asian hotel management company with an industry presence of over 50 years

## Improving income stability

- ✘ On 1 April 2018, the existing master lease in relation to the hotel in Ariake, Tokyo will be extended to the entire hotel<sup>2</sup>
- ✘ 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

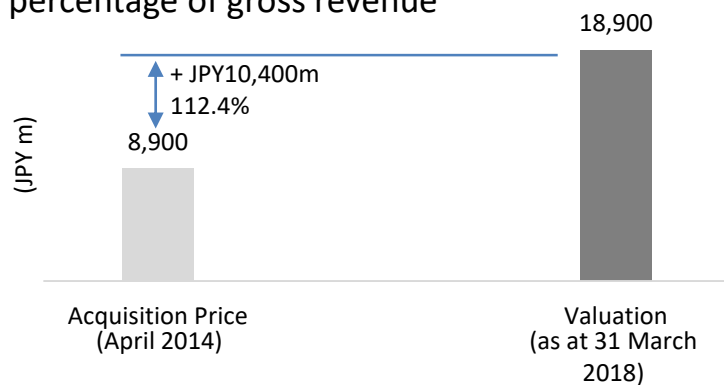


2. The hotel was previously a dual-branded hotel, with Hotel Sunroute Ariake an economy hotel with 790 guest rooms while Oakwood Apartments Ariake Tokyo offers 122 service apartments

# Creating value for stapled securityholders

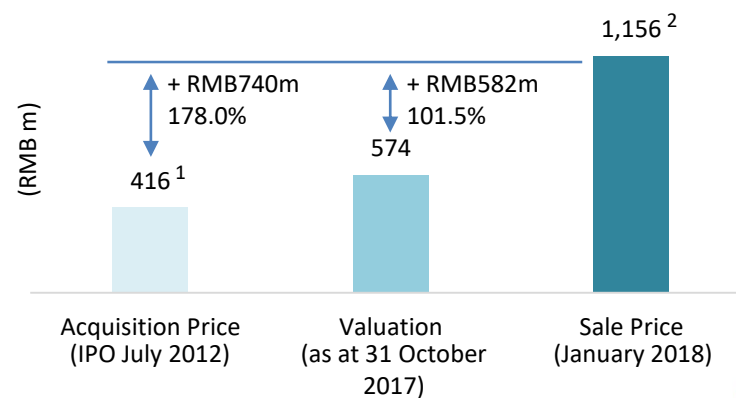
## Hotel Sunroute Osaka Namba

- ✘ Hotel Sunroute Osaka Namba underwent a three-month JPY1,135 million makeover and reopened in April 2016
- ✘ The hotel was repositioned to appeal to modern-day spectrum of travellers from business to leisure
- ✘ New 10-year master lease commenced on 1 January 2016 with improved rent structure, based on higher of (i) fixed rent; or (ii) percentage of gross revenue



## Novotel & Ibis Beijing Sanyuan

- ✘ On 29 January 2018, A-HTRUST announced the divestment of the two Beijing hotels for RMB1,156.4 million
- ✘ The divestment is in line with A-HTRUST's proactive asset management strategy under which the Managers periodically evaluate asset plans for the portfolio
- ✘ The net proceeds will be substantially used for repayment of existing loans, asset enhancement, future acquisitions and working capital, while a portion is intended to be distributed



1. Based on the property component of the aggregate purchase price for the Beijing hotels
2. Excluding the look fee of RMB23.6 million

# Maiden entry into Seoul, a gateway city

## 1 Excellent Location

- ✓ Hotel strategically located in the prominent Dongdaemun area
- ✓ Improving hotel market

## 2 DPS Accretive Acquisition

- ✓ The acquisition is expected to be accretive to DPS

## 3 Relatively New Freehold Asset

- ✓ Minimal capital expenditure expected in the next few years
- ✓ Adds another freehold asset to the portfolio

## 4 Potential Upside

- ✓ Opportunity to enhance asset value from hotel rebranding and repositioning under Sotetsu, an established hotel operator

## 5 Improved Income Stability

- ✓ Master lease agreement to be in place with effect from 1 July 2018, provides downside protection with potential upside

## 6 Broaden Earning Base

- ✓ Reduce reliance on any single property within the portfolio



KY-Heritage Hotel Dongdaemun  
(to be renamed “The Splaisir Seoul Dongdaemun”)

- ✕ Number of rooms: 215
- ✕ Land Tenure: Freehold
- ✕ Hotel Type: 4-star
- ✕ Year of completion: 2015



# Hotel is strategically located



Source: Google Map.

## Dongdaemun Wholesale and Retail Precinct

- Renowned leisure destination
- 2<sup>nd</sup> most popular tourist destination in Seoul

## Dongdaemun Design Plaza

- Prominent city landmark
- Comprises museum, conferencing and exhibition space

## Dongdaemun History & Culture Park Subway Station

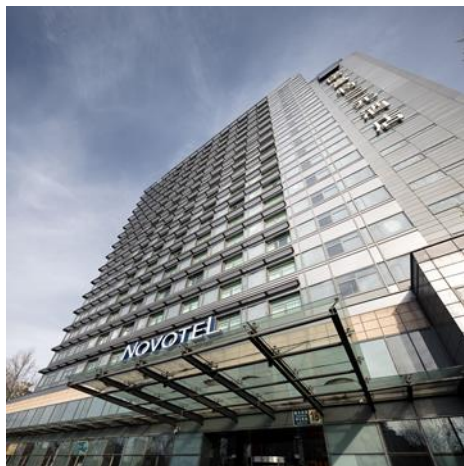
- Minutes walk from the Hotel
- Provides excellent connectivity to other parts of the city

KY-Heritage Hotel Dongdaemun



KY-HERITAGE HOTEL  
DONGDAEMUN

# Recycle of capital into more productive use



Novotel Beijing Sanyuan



Ibis Beijing Sanyuan

Divestment of two  
Beijing hotels

Divested for  
3.6% NPI Yield<sup>1</sup>

Leasehold expiry  
2044

Management  
Contract

10 years old  
hotels

Acquisition of KY-  
Heritage Hotel  
Dongdaemun

Acquired for  
4.1% NPI Yield

Freehold  
Property

Master Lease  
Arrangement

3 years old  
hotel



KY-Heritage Hotel Dongdaemun  
(to be renamed "The Splaisir  
Seoul Dongdaemun")

1. Based on the NPI of the two Beijing hotels for FY2017/18 and the sale price of RMB1,156.4 million.

# Steady portfolio growth since IPO



## June 2013

- Acquired Park Hotel Clarke Quay for S\$300m
- Sizeable asset helped stabilised FX



## April 2014

- Acquired Hotel Sunroute Osaka Namba for JPY8.9b
- Valued at JPY18.9b as at 31 Mar 18



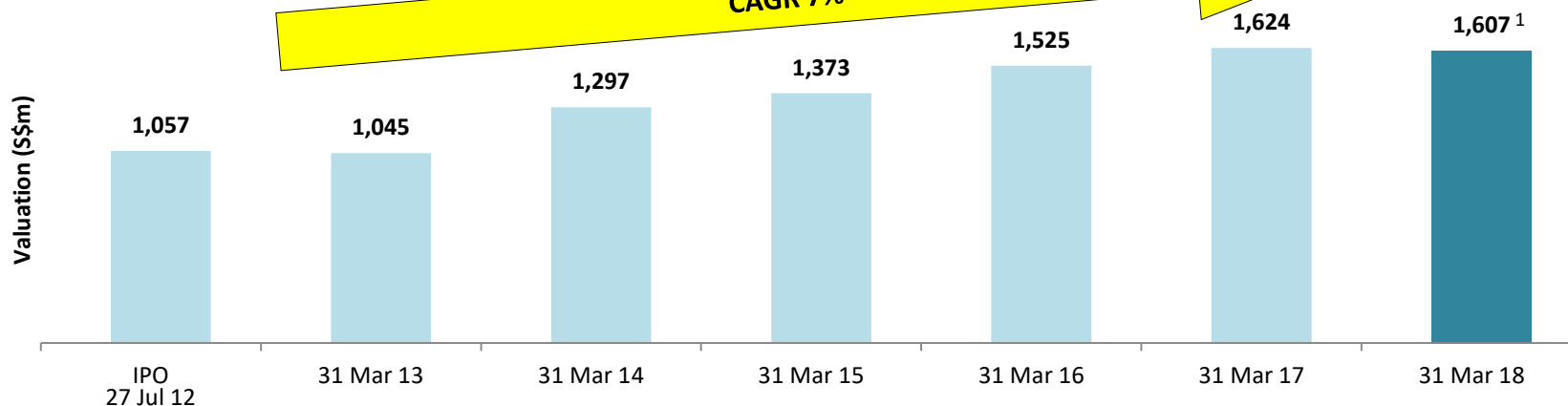
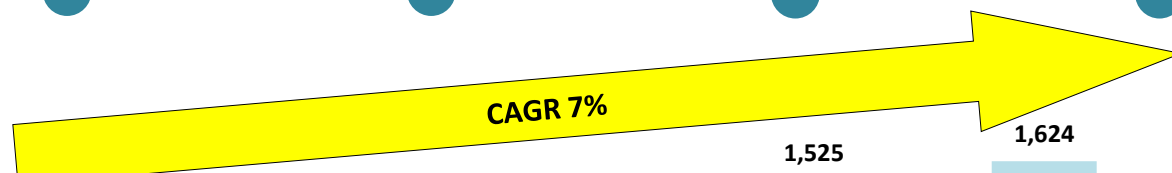
## December 2015

- Forward acquisition of Shama Luxe Aurora Melbourne Central for AUD120m
- Expected to complete in 2019



## May 2018

- Acquired KY-Heritage Hotel Dongdaemun for KRW72.1 billion
- Located in prime location with potential upside from rebranding and repositioning



1. Assuming the divestment of the two Beijing hotels and the acquisition of KY-Heritage Hotel Dongdaemun were completed on 31 March 2018.

# Active capital management to optimise returns

## 1 Hedging policy

- ▶ Systematic layering approach using currency forwards up to 15 months (5 quarters) in advance to smoothen volatility
- ▶ To the extent possible, match currencies of borrowings with assets to create natural hedge to protect balance sheet

## 2 Diversification of debt

- ▶ High proportion of debt are in fixed rates to minimise exposure to interest rate volatility
- ▶ Diversified lenders' profile through bond issuance and free up banks' loan capacities for future use

## 3 Updated MTN Program to allow issuance of perpetual securities

- ▶ Uncertainties in financial markets resulted in challenging conditions for fund raising
- ▶ Provides A-HTRUST with another option to raise fund and the ability to tap a different pool of investors





# 3

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## Financial Performance

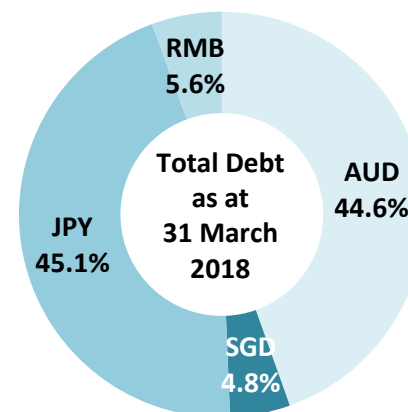


# Healthy balance sheet and well-balanced debt profile

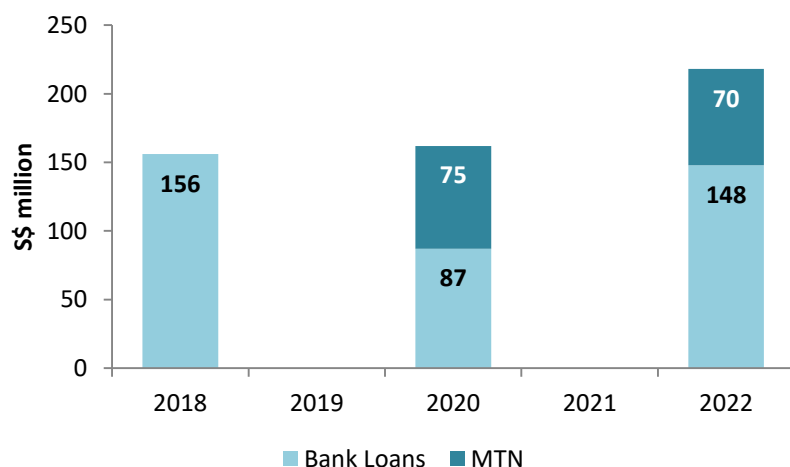
As at 31 March 2018

Borrowings (S\$ m)	535.2
Total Assets (S\$ m)	1,739.3
A-HTRUST Gearing (%) <sup>1</sup>	30.8
- A-HREIT Gearing (%)	24.1
- A-HBT Gearing (%)	34.4
Weighted average interest rate (%)	2.6
Weighted average debt to maturity (years)	2.7
Net asset value per stapled security (S\$)	0.92

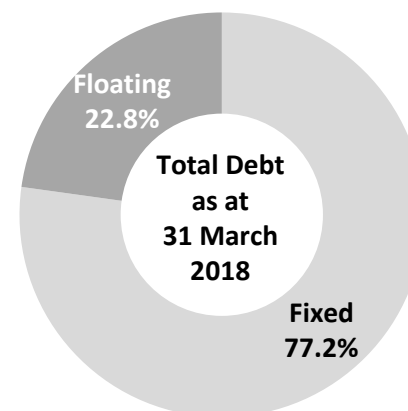
## Debt Currency Profile



## Debt Maturity Profile



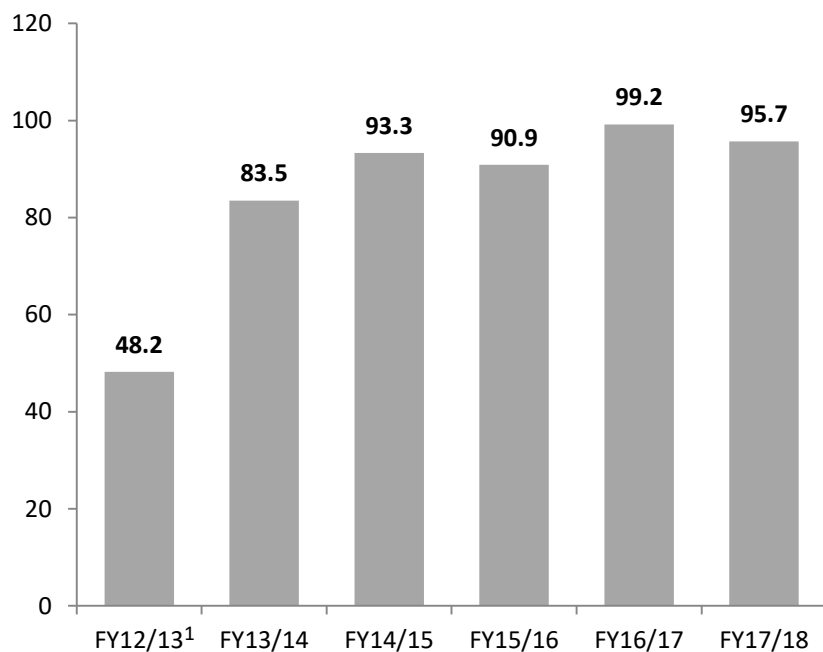
## Interest Rate Profile



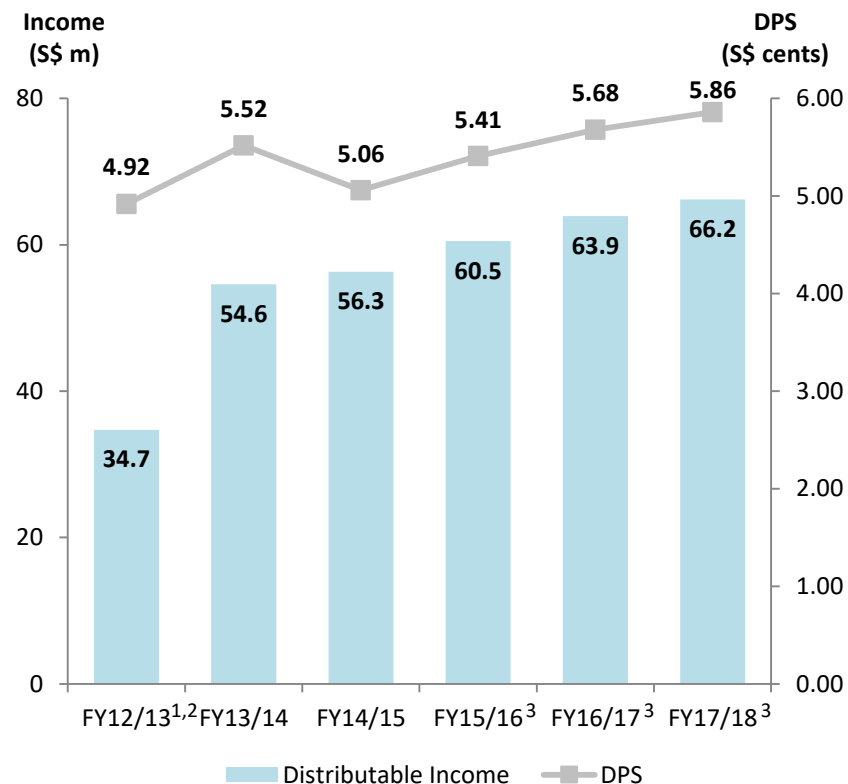
1. Gearing is computed based on total debt over total assets

# Financial performance since IPO

Net Property  
Income  
(S\$ m)



Distributable  
Income  
(S\$ m)



1. A-HTRUST was listed in July 2012
2. Taking into account waiver by Sponsor
3. Net of retention of income for working capital purposes



# Appendix

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## 4Q FY2017/18 Results

# Results Summary – 4Q FY2017/18

S\$' million	4 <sup>th</sup> Quarter		Change <sup>1</sup>
	FY2017/18	FY2016/17	
Gross Revenue <sup>2</sup>	54.7	57.4	(4.6)%
Net Property Income <sup>2</sup>	23.7	25.8	(8.0)%
NPI Margin (%)	43.3	44.9	(1.6)pp
Income available for distribution	21.1	16.2	30.7%
Adjusted Income available for distribution <sup>3</sup>	19.5	15.4	26.3%
DPS (cents) <sup>3</sup>	1.72	1.37	25.5%

- Mainly due to weaker performance from Australia portfolio
- Weakening of AUD and JPY against SGD

- Largely due to look fee received in connection with the divestment of China portfolio

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

2. Presented on a "same-store" basis including China portfolio.

3. Net of retention of distributable income for working capital purposes. Retention of income for 4Q FY2017/18 was based on 7.8% of distributable income, while retention of income for 4Q FY2016/17 was based on 4.7% of distributable income.

# Results Summary – FY2017/18

S\$' million	Full Year		Change <sup>1</sup>
	FY2017/18	FY2016/17	
Gross Revenue <sup>2</sup>	224.7	224.4	0.1%
Net Property Income <sup>2</sup>	95.7	99.2	(3.5)%
NPI Margin (%)	42.6	44.2	(1.6)pp
Income available for distribution	71.3	67.2	6.1%
Adjusted Income available for distribution <sup>3</sup>	66.2	63.9	3.7%
DPS (cents) <sup>3</sup>	5.86	5.68	3.2%

- NPI was affected by lower contribution from the Australia portfolio, partially mitigated by stronger performance from China and Singapore hotels

- Largely due to look fee received in connection to the divestment of China portfolio and lower net finance costs

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

2. Presented on a "same-store" basis including China portfolio.

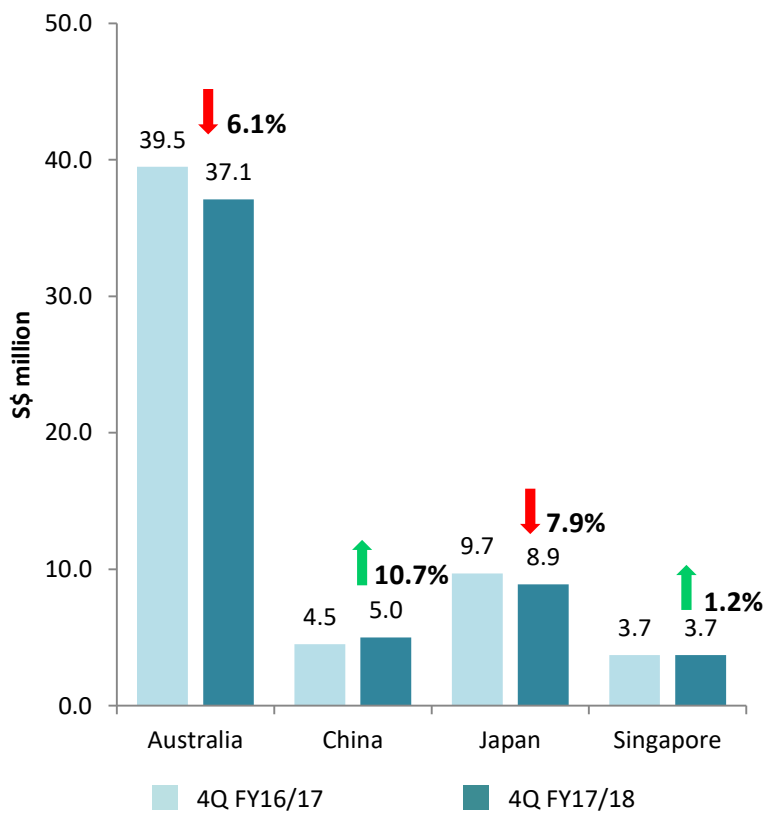
3. Net of retention of distributable income for working capital purposes. Retention of income for FY2017/18 was based on 7.1% of distributable income, while retention of income for FY2016/17 was based on 4.9% of distributable income.



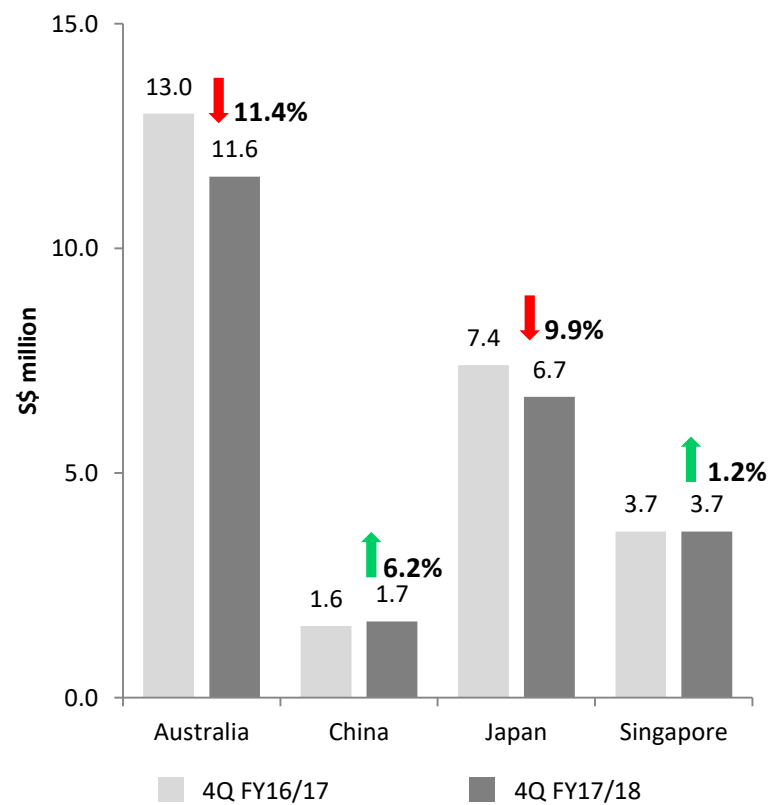
# Performance by Country

- ✦ Weaker performance from Australia portfolio exacerbated by the weaker JPY and AUD against SGD

## Gross Revenue



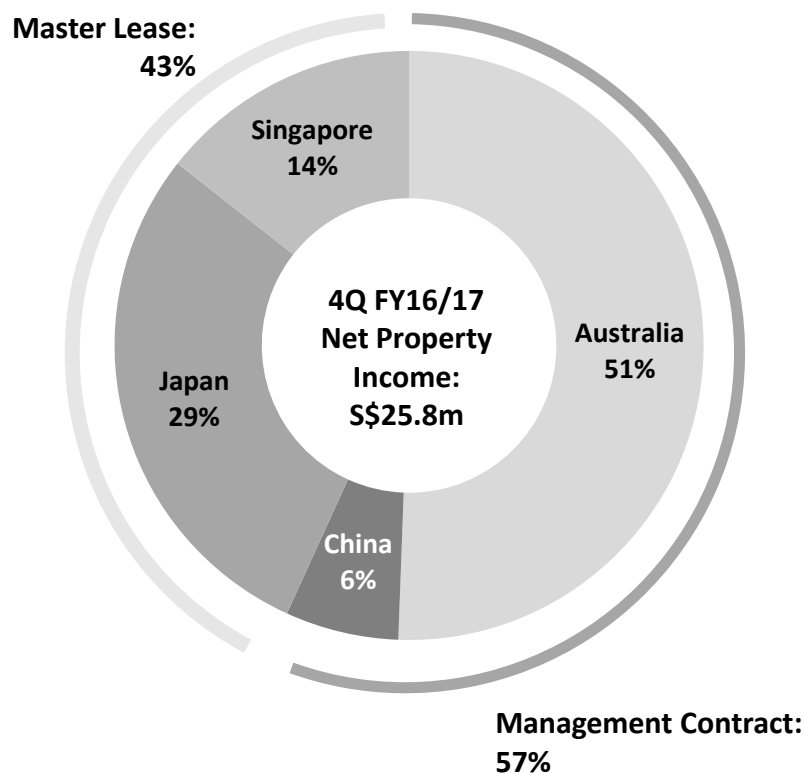
## Net Property Income



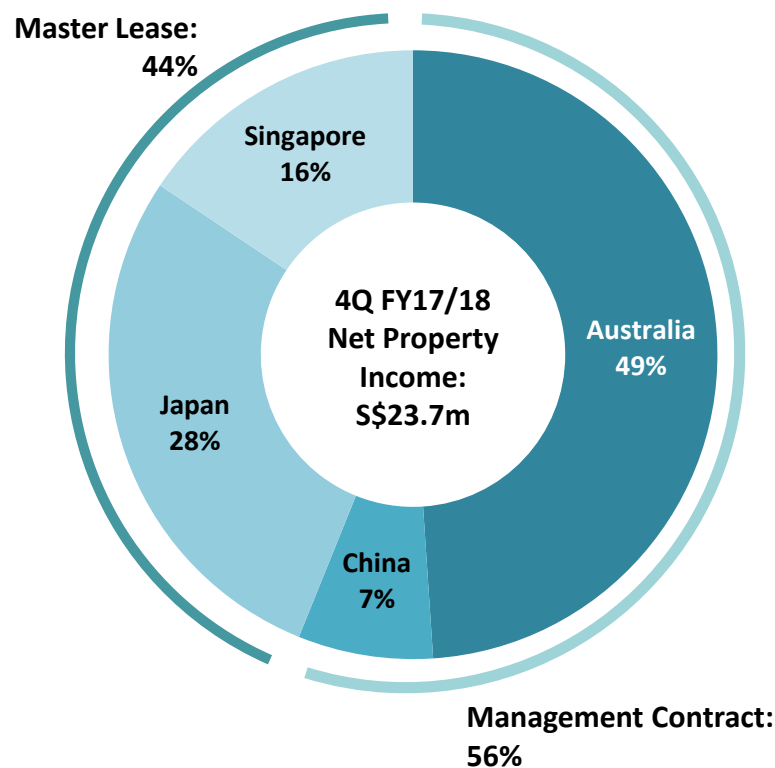
# NPI Breakdown by Country and Contract Type

- ✦ Well diversified portfolio with good mix of master lease arrangements and management contracts

4Q FY16/17 Net Property Income



4Q FY17/18 Net Property Income

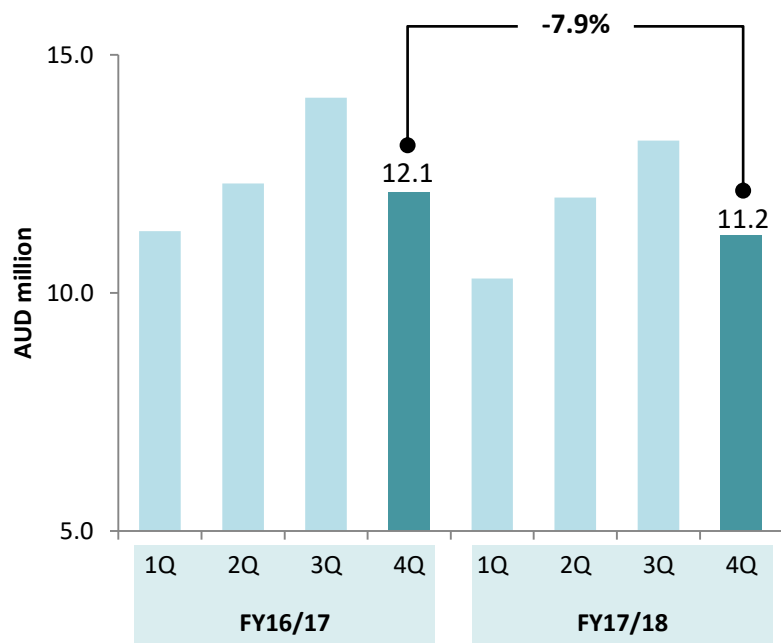


# Australia portfolio faced challenges

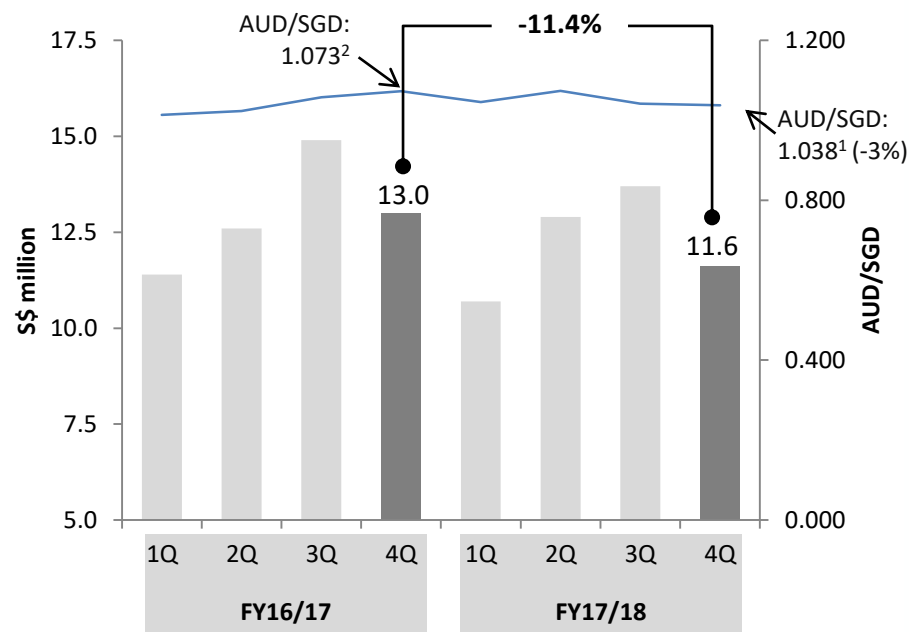
AUD	4 <sup>th</sup> Quarter		Change
	FY17/18	FY16/17	
<b>AOR (%)</b>	84.1	87.7	↓ 3.6pp
<b>ADR</b>	184	182	↑ 1.1%
<b>RevPAR</b>	154	159	↓ 3.1%

- Mainly due to lower contribution from hotels in Melbourne and Brisbane
- Melbourne hotel hotel impacted by weaker C&E business, while Brisbane hotel affected by oversupply of rooms
- Novotel Sydney Central continue to improve on the back of strong demand

## Net Property Income in AUD



## Net Property Income in S\$



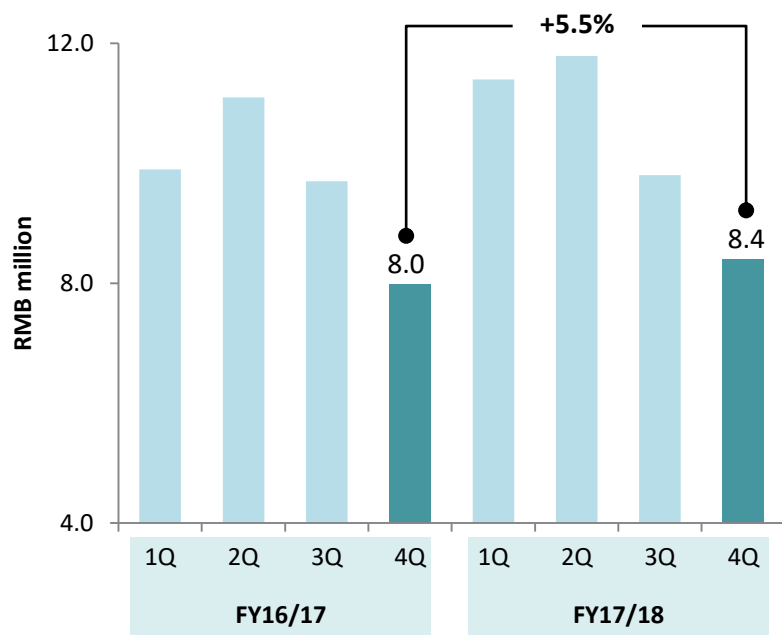
1. Based on average rate used for the respective quarter

# Improved performance from China portfolio

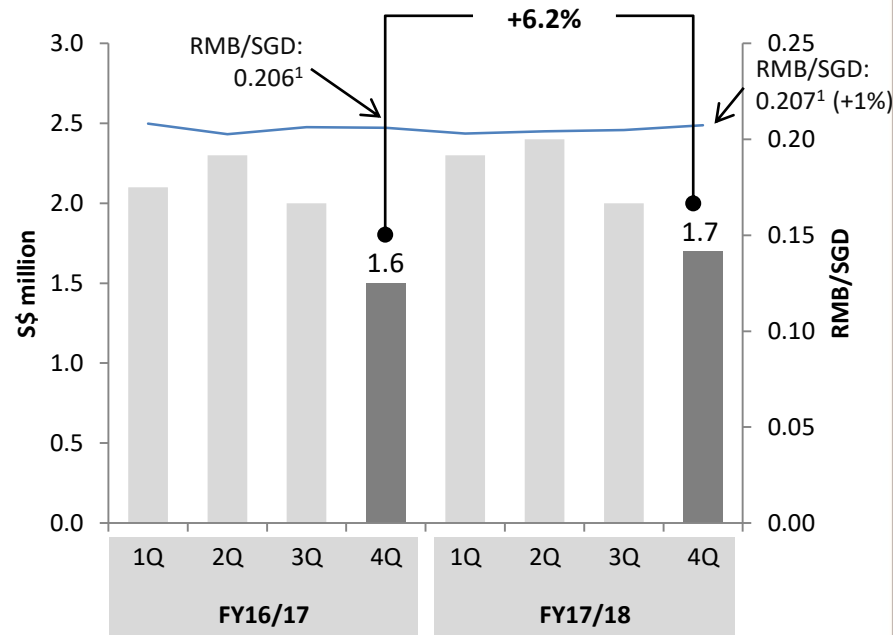
RMB	4 <sup>th</sup> Quarter		Change
	FY17/18	FY16/17	
AOR (%)	79.7%	76.1	↑ 3.6pp
ADR	417	388	↑ 7.5%
RevPAR	333	296	↑ 12.5%

- Both hotel benefited from healthy public and corporate demand coupled with limited new supply in the city centre to drive performance

## Net Property Income in RMB



## Net Property Income in S\$



1. Based on average rate used for the respective quarter

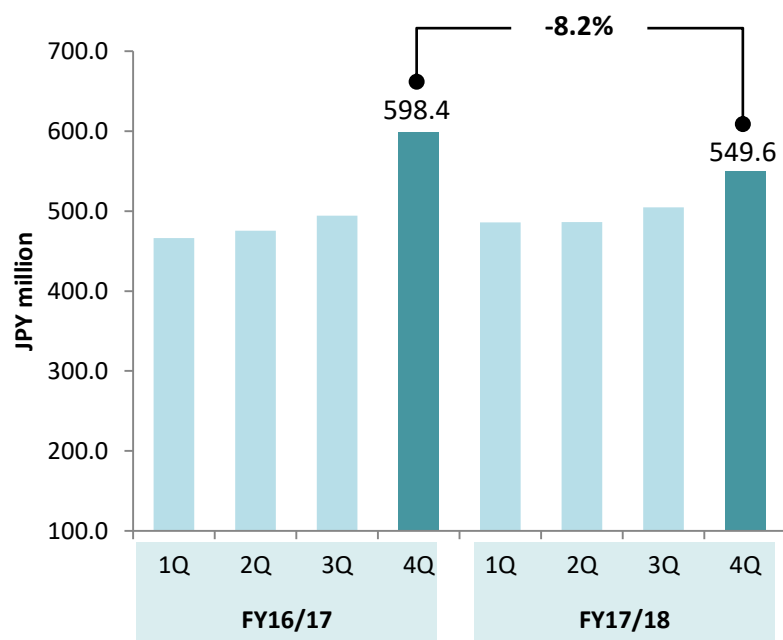
# Japan portfolio affected by ongoing renovation

JPY	4 <sup>th</sup> Quarter		Change
	FY17/18	FY16/17	
<b>RevPAR<sup>1</sup></b>	9,007	9,377	↓ 3.9%

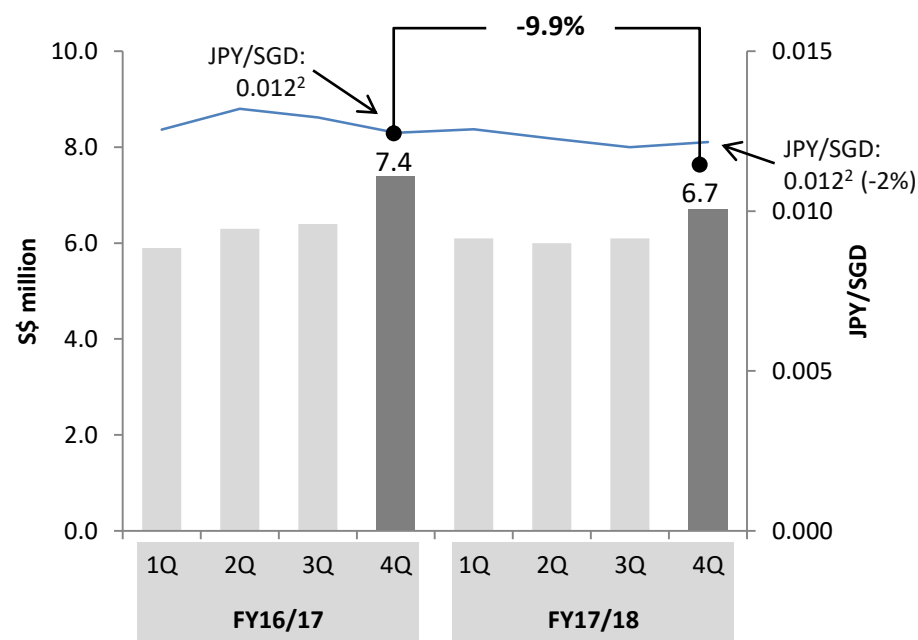
- Weaker performance mainly due to the ongoing renovation of the rooms in Hotel Sunroute Ariake
- With effect from 1 April 2018, the entire hotel in Tokyo will be under a master lease arrangement and operated under the “Sunroute” brand

1. Applies to Oakwood Apartments Ariake Tokyo only

## Net Property Income in JPY



## Net Property Income in S\$



2. Based on average rate used for the respective quarter





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