



ahtrust
ascendas hospitality trust

2nd Annual General Meeting
FY2013/14

14 July 2014

AUSTRALIA

JAPAN

CHINA

SINGAPORE

Disclaimer

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, 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 “S\$”, respectively.

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

Contents

1 About A-HTRUST

2 Review of FY2013/14

3 Strategy

4 Looking Ahead

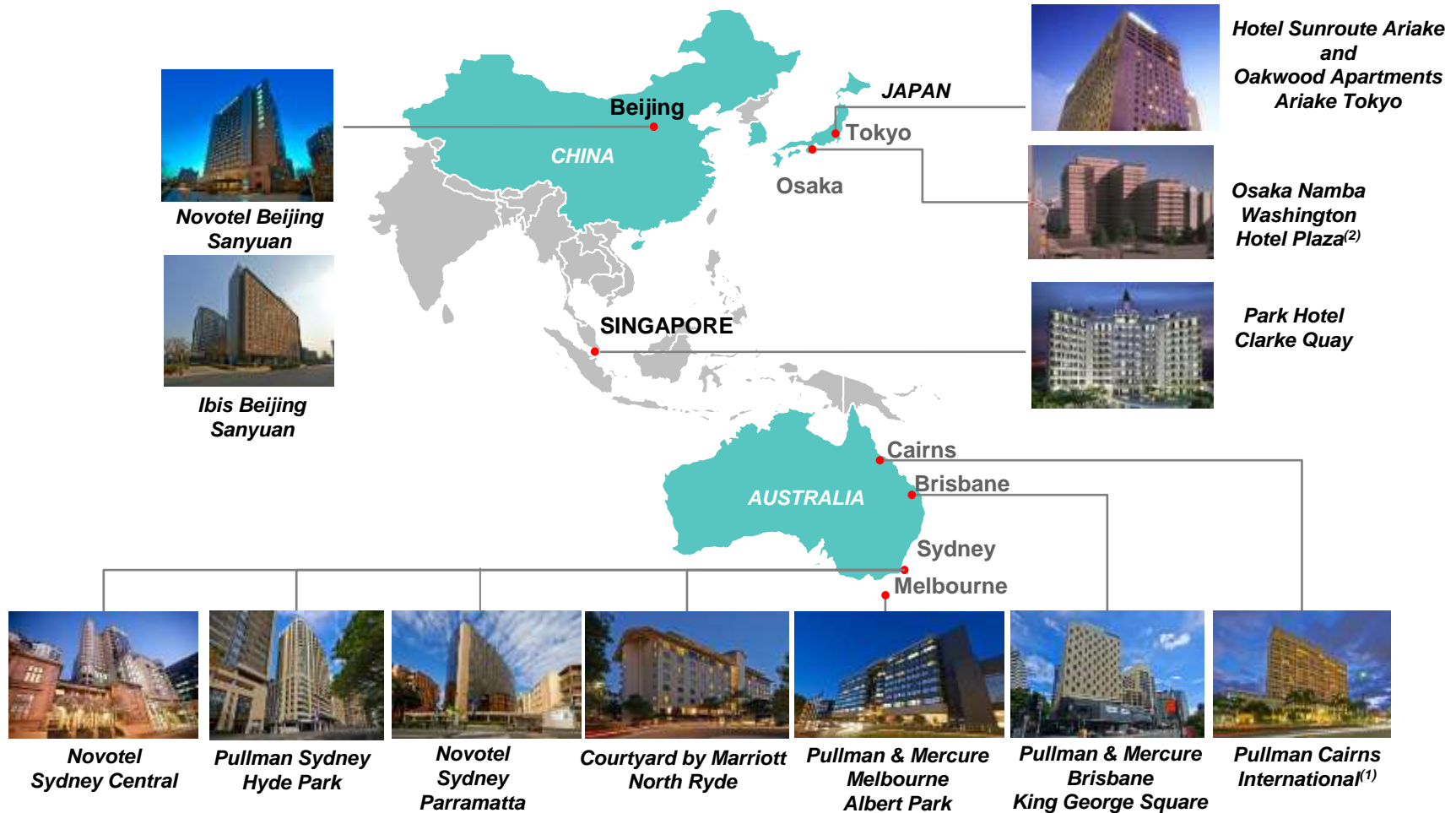


Overview

1

Geographically Diversified Portfolio

✦ 4 countries, 8 cities, 12 properties






(1) A-HTRUST owns 50% interest in Pullman Cairns International.

(2) Acquired on 15 April 2014.

Diversification of Brands and Hotel Segment

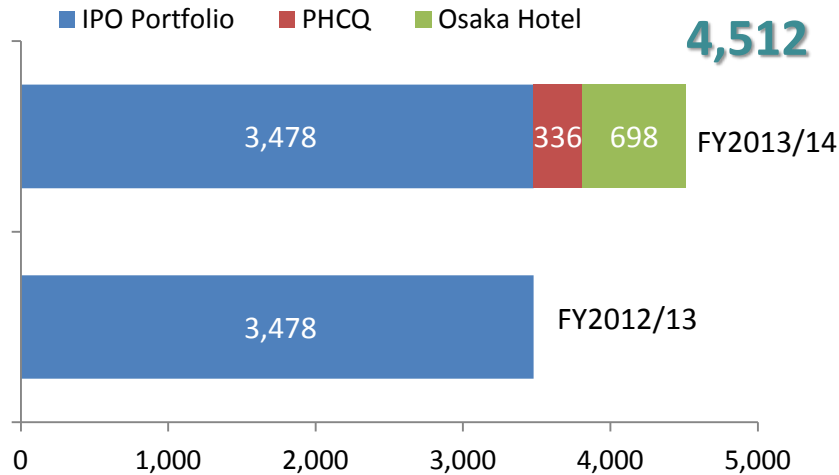
✦ 4,512 rooms in total

| Upscale | Midscale | Economy | Serviced Apartments |
|---|---|---|---|
| 17% | 38% | 42% | 3% |
| 781 rooms | 1,724 rooms | 1,885 rooms | 122 rooms |
|  |   |    |  |
| |   | | |

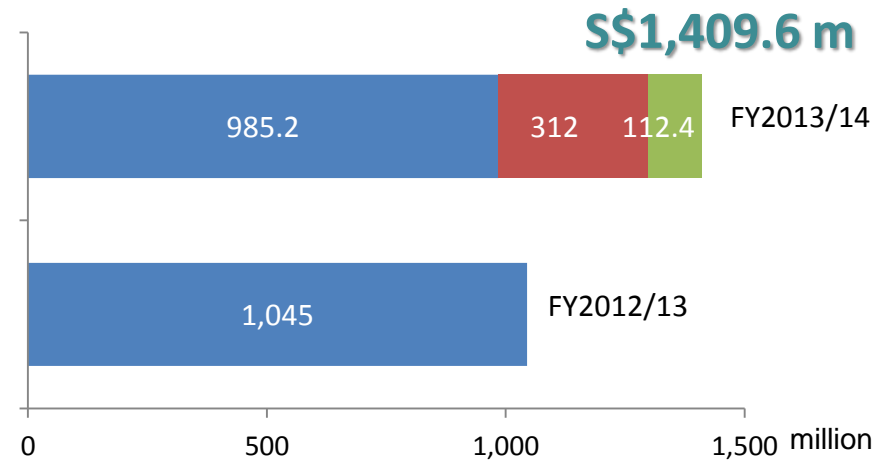
* Hotel operator for Osaka Namba Washington Hotel Plaza, which was acquired on 15 April 2014.

Growing Portfolio

Number of Rooms



Portfolio Valuation



- ✦ Hotel portfolio has grown from 10 properties to 12 properties
- ✦ Total of 1,034 rooms from the 2 new properties are added to the portfolio
- ✦ With Park Hotel Clarke Quay and Osaka Namba Washington Hotel Plaza, portfolio valuation increased to S\$1,409.6 million



Property Valuation

| | Valuation as at 31 March 2014 |
|---|--------------------------------|
| Pullman Sydney Hyde Park | AUD101.0 million |
| Novotel Sydney Central | AUD94.5 million |
| Novotel Sydney Parramatta | AUD47.0 million |
| Courtyard by Marriott North Ryde | AUD45.0 million |
| Pullman & Mercure Melbourne Albert Park | AUD114.0 million |
| Pullman & Mercure Brisbane King George Square | AUD144.0 million |
| Pullman Cairns International * | AUD32.5 million |
| Australia portfolio | AUD578.0 million ▲ 2.5% |
| Novotel Beijing Sanyuan | RMB245.0 million |
| Ibis Beijing Sanyuan | RMB285.0 million |
| China portfolio | RMB530.0 million ▲ 3.7% |
| Hotel Sunroute Ariake & Oakwood Apartments Ariake Tokyo | JPY16,700 million ▲ 3.7% |
| Osaka Namba Washington Hotel Plaza** | JPY9,200 million |
| Japan portfolio | JPY25,900 million |
| Singapore portfolio - Park Hotel Clarke Quay | S\$312.0 million ▲ 1.3% |

* Refers to 50% of hotel valuation as A-HTRUST owns 50% of Pullman Cairns International

** Acquired on 15 April 2014



Review of
FY2013/14

2

Significant Events in FY2013/14

June 2013

Completed a S\$200 million equity fund raising exercise for Park hotel Clarke Quay



Completed the acquisition of Park Hotel Clarke Quay for S\$300 million, A-HTRUST's 1st property in Singapore

Aug 2013

AEI of AUD30 million was completed for six hotels in Australia, on time and within budget



Dec 2013

Rebranded Tokyo serviced apartments from "B:Conte Ariake" to "Oakwood Apartments Ariake Tokyo"



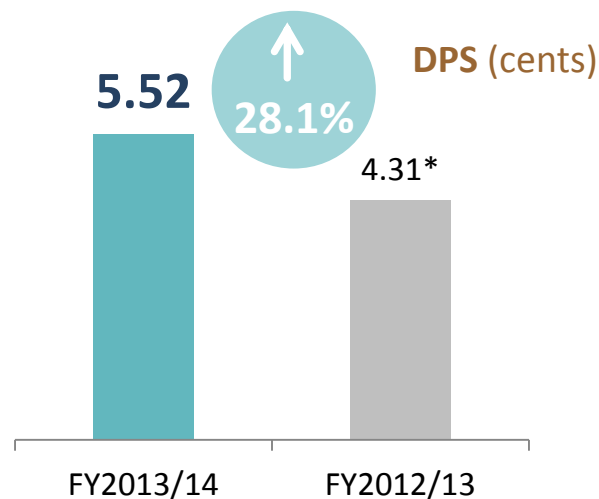
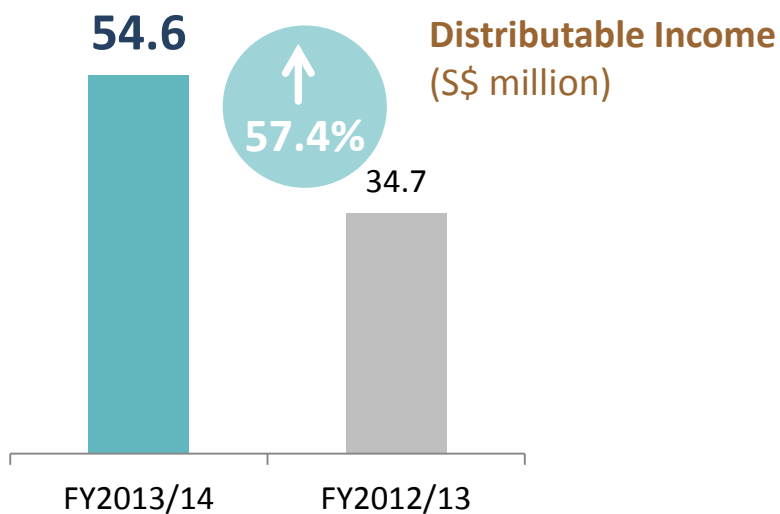
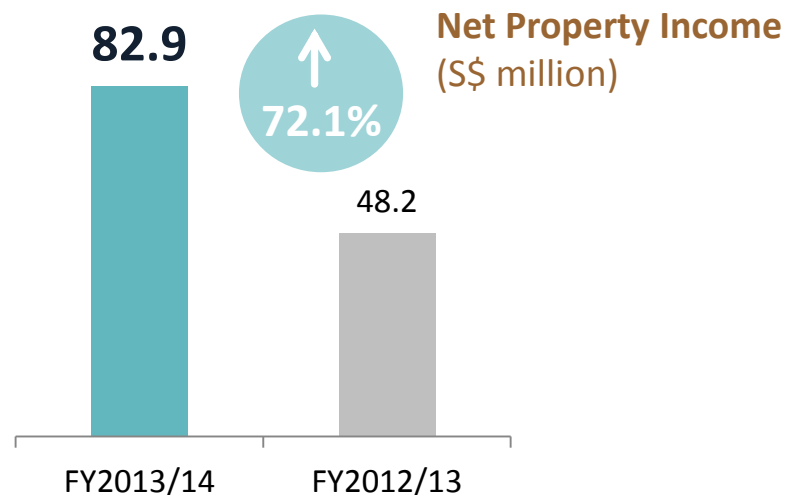
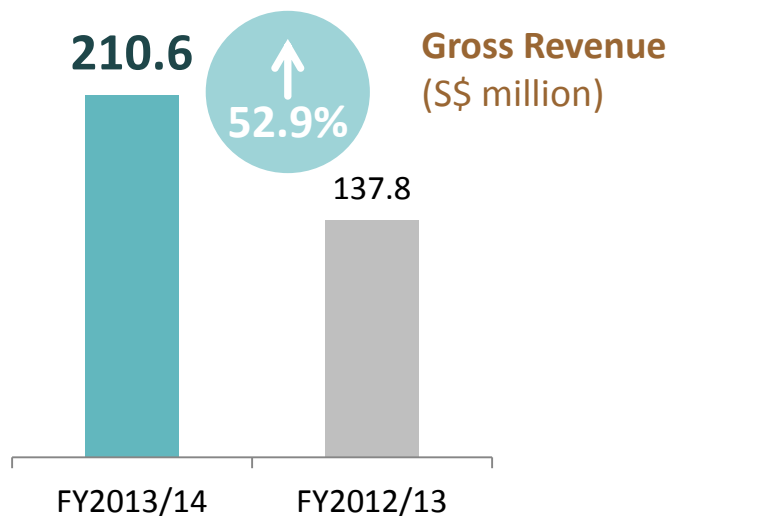
Mar 2014

Announced the acquisition of Osaka Namba Washington Hotel Plaza for JPY8.9 billion, A-HTRUST's 2nd property in Japan



Launched a private placement to raise S\$50 million to partially fund acquisition

FY2013/14 Financial Highlights

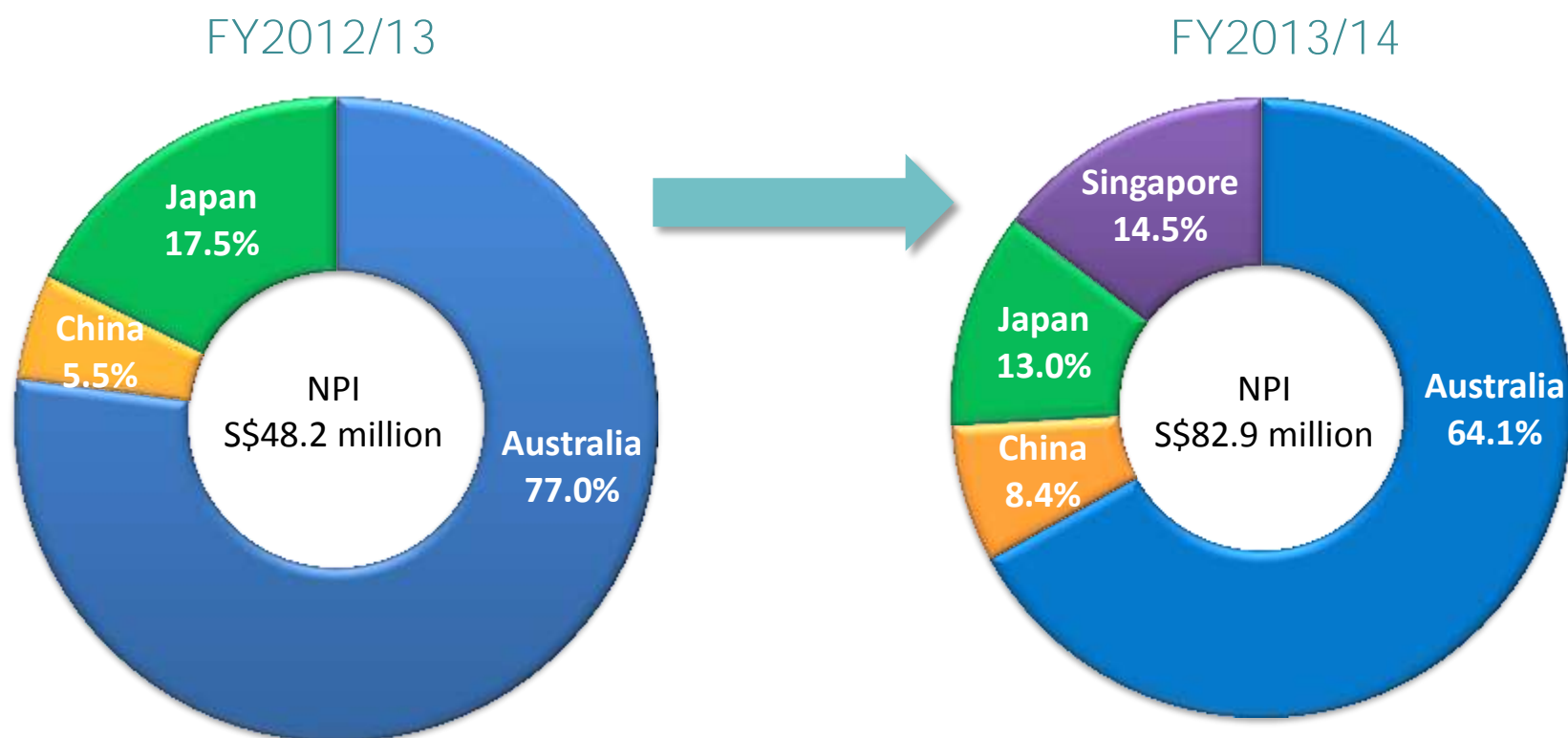


FY2012/13 refers to the 247-day period from 27 July 2012 to 31 March 2013

* Including waiver of sponsor distribution of S\$3.5 million, DPS was 4.92 cents

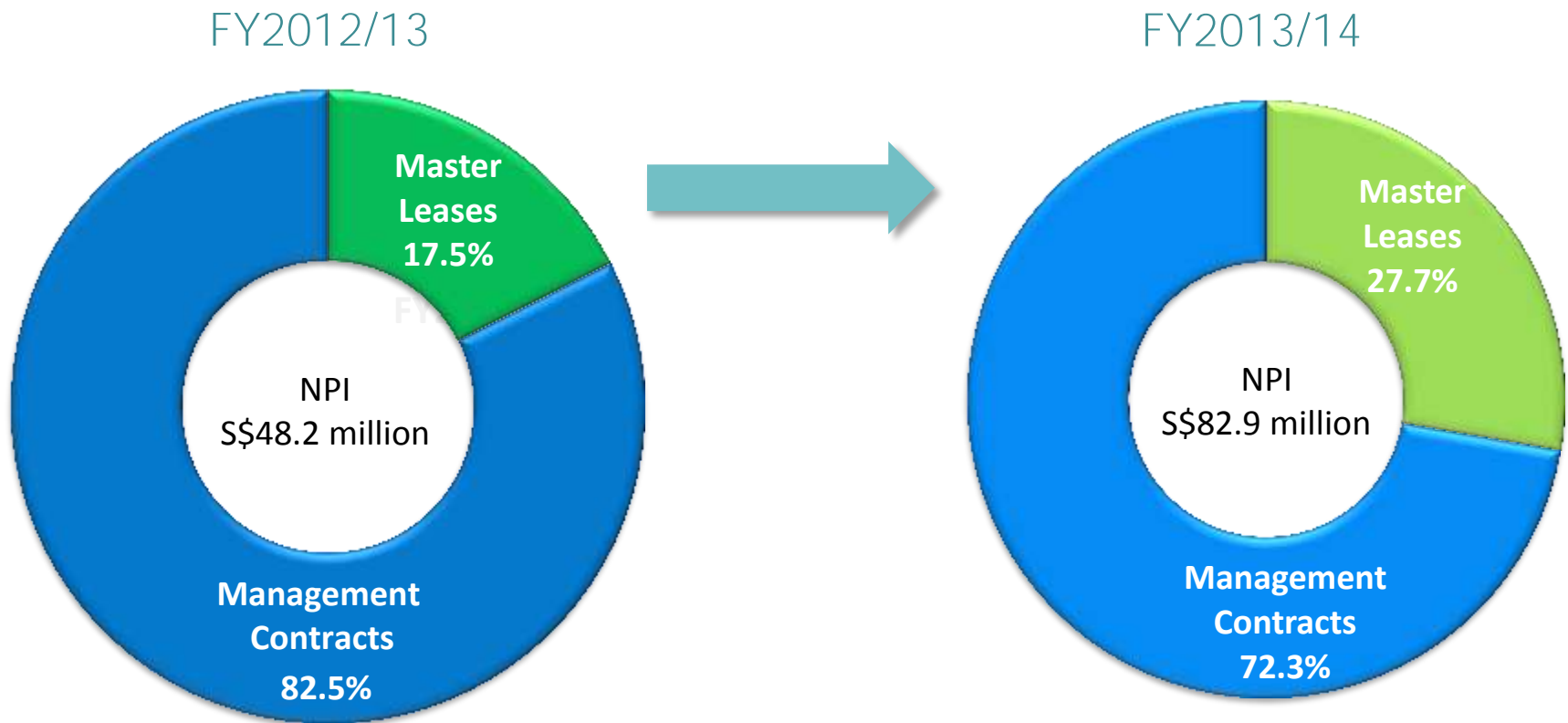
Increased Geographical Diversification

- ✦ New income from Park Hotel Clarke Quay contributed 14.5% of net property income (“NPI”) in FY2013/14
- ✦ Income contribution from Australia was reduced from 77.0% to 64.1%



Increased Income Stability

- ✦ Park Hotel Clarke Quay increased NPI contribution from master leased assets from 17.5% to 27.7%
- ✦ Enlarged and stabilised the portfolio's income stream in FY2013/14



Australia Portfolio

| | FY2013/14 | FY2012/13* | Change |
|-----------------------------------|-----------|------------|--------|
| Average Occupancy | 81.0% | 80.3% | +0.7pp |
| Average Daily Rate (AUD) | 168 | 162 | +3.7% |
| RevPAR (AUD) | 136 | 130 | +4.6% |
| Gross Revenue (AUD million) | 136.8 | 88.9 | n.m. |
| Net Property Income (AUD million) | 45.3 | 29.0 | n.m. |
| NPI Margin | 33.1% | 32.6% | n.m. |

* FY2012/13 refers to the 247-day period from 27 July 2012 to 31 March 2013



China Portfolio

| | FY2013/14 | FY2012/13* | Change |
|-----------------------------------|-----------|------------|--------|
| Average Occupancy | 80.3% | 76.0% | +4.3pp |
| Average Daily Rate (RMB) | 401 | 421 | -4.8% |
| RevPAR (RMB) | 322 | 320 | +0.6% |
| Gross Revenue (RMB million) | 96.7 | 47.6 | n.m. |
| Net Property Income (RMB million) | 33.8 | 13.5 | n.m. |
| NPI Margin | 34.9% | 28.4% | n.m. |

* FY2012/13 refers to the 247-day period from 27 July 2012 to 31 March 2013



Japan Portfolio

| | FY2013/14 | FY2012/13* |
|-----------------------------------|-----------|------------|
| Gross Revenue (JPY million) | 1,448.2 | 988.3 |
| Net Property Income (JPY million) | 861.1 | 580.6 |
| NPI Margin | 59.5% | 58.7% |

Singapore Portfolio

| | FY2013/14 | FY2012/13* |
|-----------------------------------|-----------|------------|
| Gross Revenue (SGD million) | 12.1 | - |
| Net Property Income (SGD million) | 12.0 | - |
| NPI Margin | 99.7% | - |

* FY2012/13 refers to the 247-day period from 27 July 2012 to 31 March 2013

Active Asset Management

- ✦ AUD30.0 million Asset Enhancement Initiatives was completed in Aug 2013
- ✦ Rebranded and refurbished six Accor-managed hotels in Australia – Four hotels completed refurbishment works in FY2012/13. Main focus in FY2013/14 was on upgrading Novotel Sydney Central and Pullman and Mercure Melbourne Albert Park

Novotel Sydney Central



Upgraded lobby and reception area



255 hotel rooms were upgraded to the Novotel brand

Active Asset Management

Pullman and Mercure Melbourne Albert Park



Sebel guestrooms were upgraded to upscale Pullman rooms



A meeting room on 9th floor was converted into an executive lounge



Grand ballroom and smaller meeting rooms were upgraded



The lobby and reception areas were refurbished with new furniture, flooring and lightings



Healthy Balance Sheet

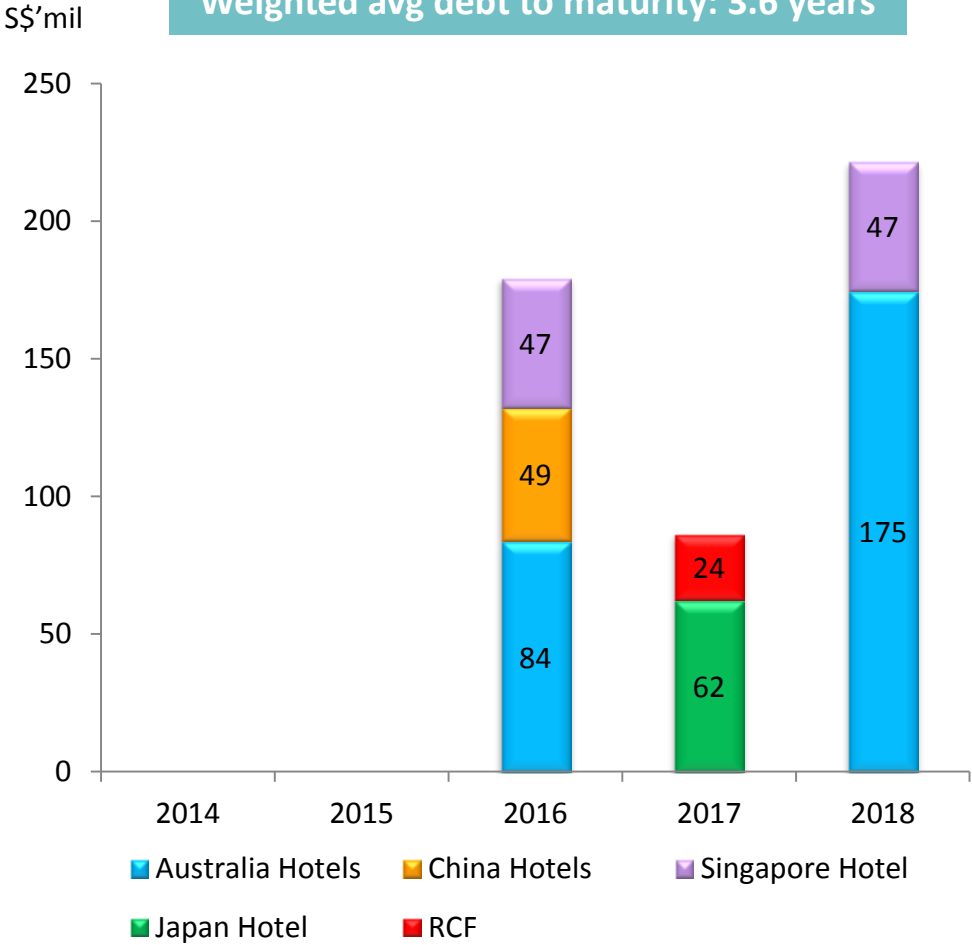
- ✦ Total assets increased to S\$1,361.2 million and average debt to maturity tenor increased to 3.6 years

| | As at 31 Mar 2014 | As at 31 Mar 2013 |
|--------------------------------------|----------------------|----------------------|
| Borrowings | S\$485.1 million | S\$392.6 million |
| Total Assets | S\$1,361.2 million | S\$1,116.5 million |
| A-HTRUST Gearing ⁽¹⁾ | 35.6% | 35.2% |
| - A-HREIT Gearing | 28.4% | 25.9% |
| - A-HBT Gearing | 40.3% | 37.6% |
| Weighted average interest rate | 3.0% | 3.3% |
| Weighted average debt to maturity | 3.6 years | 2.2 years |
| Net asset value per stapled security | S\$0.77 | S\$0.83 |

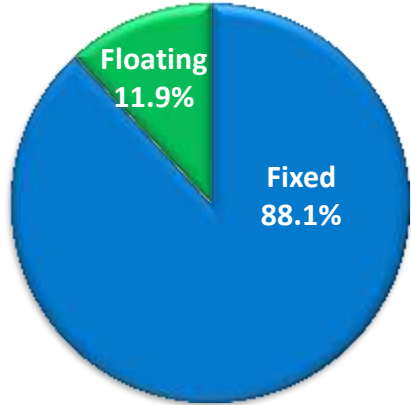
⁽¹⁾ Gearing is computed based on total debt over total assets

Debt Profile

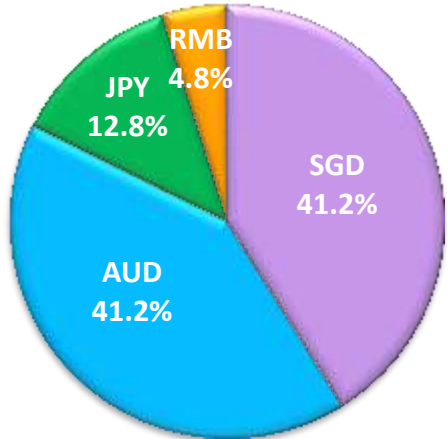
As at 31 March 2014
Weighted avg debt to maturity: 3.6 years



Interest Rate Profile



Debt Currency Profile



Capital Management

1

Debt Refinancing

- No refinancing requirement until 2016
Dec 2013: Completed early refinancing for properties in Australia and Tokyo
Mar 2014: Obtained a new S\$60.0 million 3-year revolving credit facility

2

Improve Debt Currency Profile

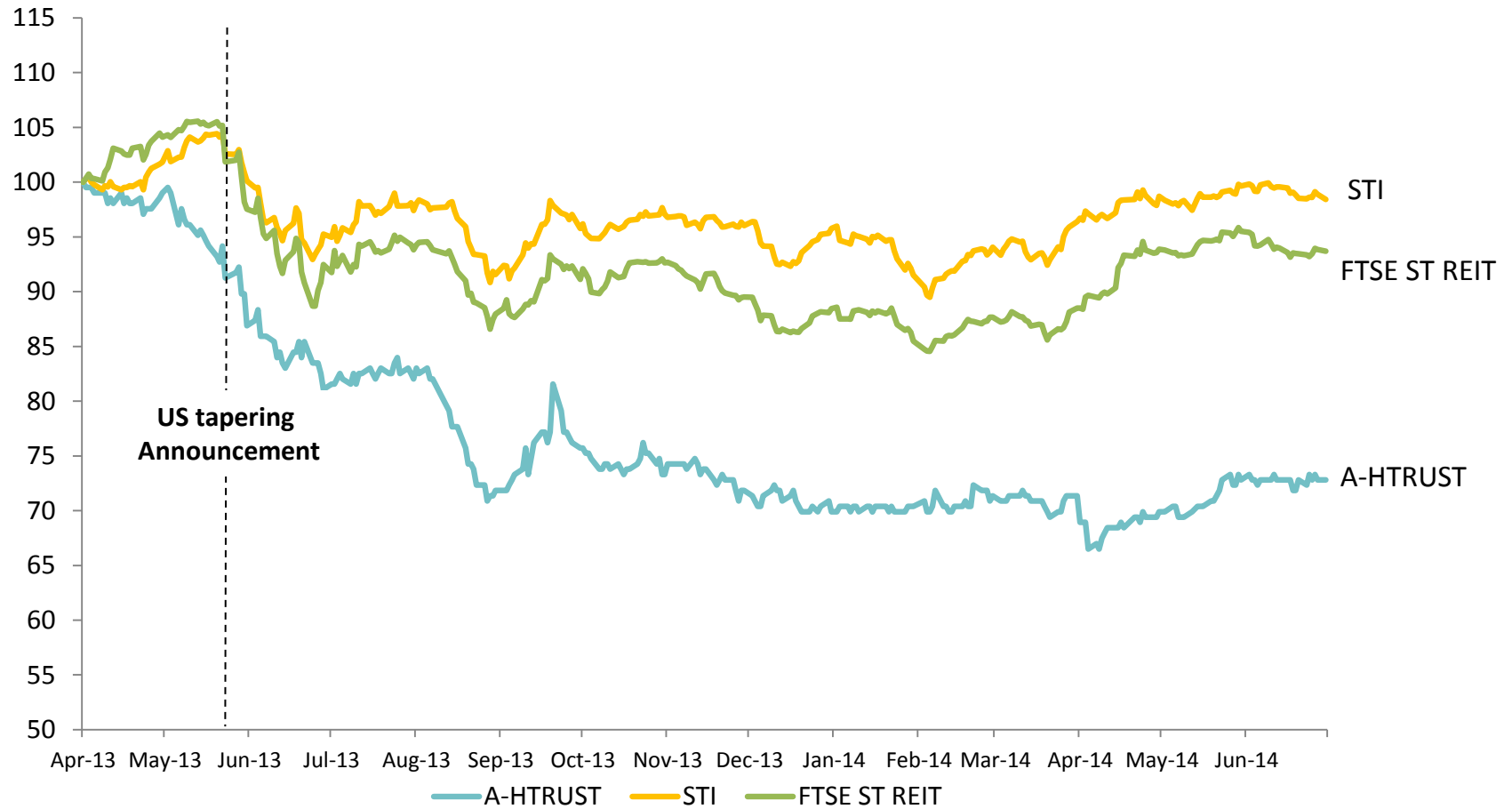
- Commenced progressive unwinding of the AUD/SGD cross-currency swaps since 3Q FY2013/14 due to possible further weakening of the AUD
- This will strengthen A-HTRUST's balance sheet against the volatility of currency movements.
- As at 31 March 2014, approximately 83% of total borrowings are naturally hedged

3

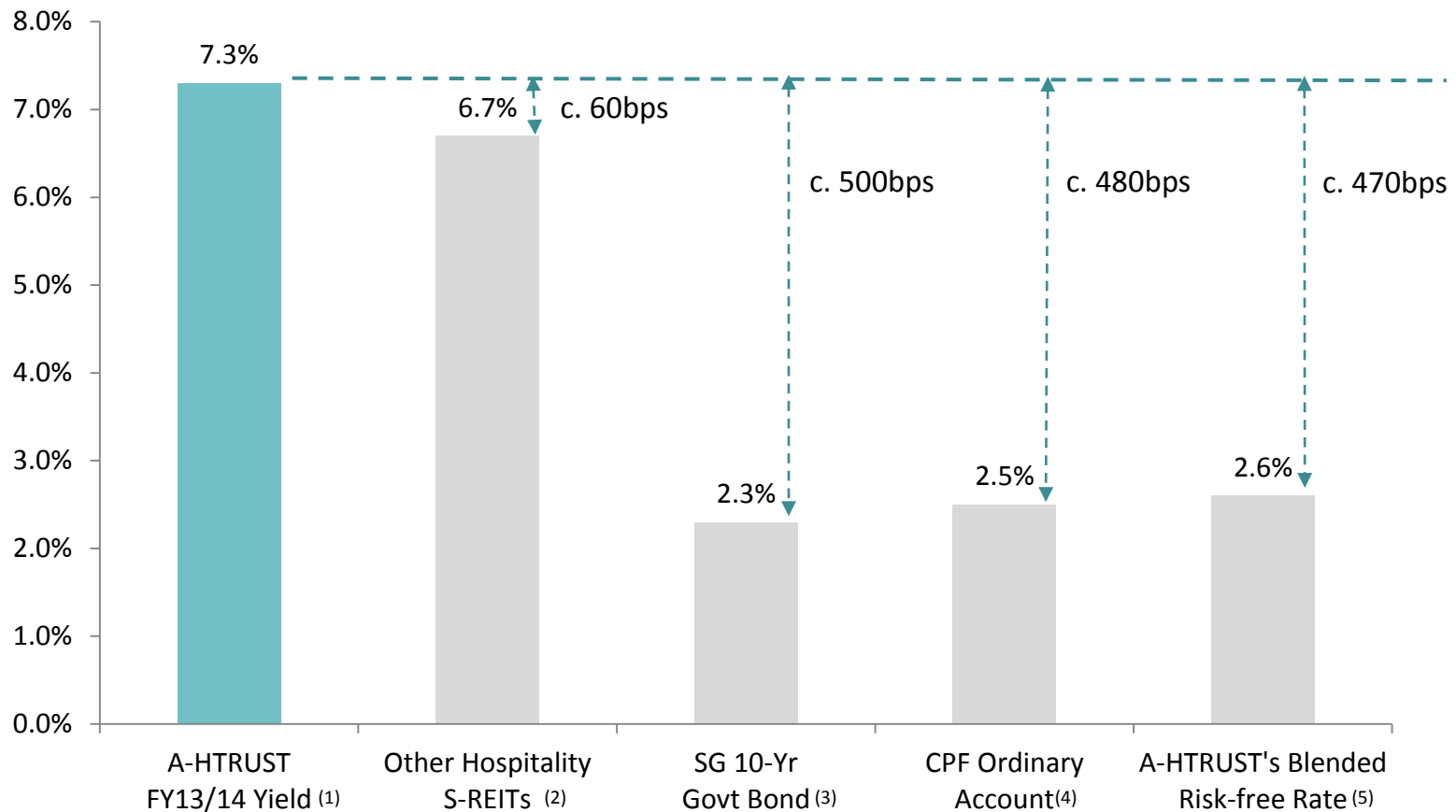
Prudent Income Hedging

- Estimated distributable income is now hedged up to 15 months forward to reduce exposure to forex risks

Trading Performance from 1 April 2013 to 30 June 2014



Competitive Yield Spread



(1) Based on A-HTRUST's closing price of S\$0.755 per Stapled Security as at 1 July 2014 and FY2013/14 DPS of 5.52 cents

(2) Simple average of DPS yield for other hospitality S-REITs (CDLHT, FEHT, Ascott and OUEHT) based on historical annualised DPS and closing price as at 1 July 2014

(3) As at 31 March 2014 (Source: Singapore Government Securities website)

(4) Based on interest paid on CPF ordinary account in March 2014 (Source: CPF website)

(5) Sum of proportion of A-HTRUST's asset valuation exposure in Australia, China, Japan and Singapore, multiply by the respective country's 10-year Government bond yield as at July 2014 (Source: Bloomberg)



Strategy

3

Delivering Growth



Acquisition Growth

Completed acquisition of 2nd property in Japan on 15 April 2014

Osaka Namba Washington Hotel Plaza

| | |
|------------------------|--|
| Purchase consideration | <ul style="list-style-type: none">✦ JPY8.9 billion (S\$110.8 million¹)✦ 3.3% discount to independent valuation of JPY9.2 billion |
| Price per key | <ul style="list-style-type: none">✦ JPY12.8 million (S\$159,000¹) |
| No. of rooms | <ul style="list-style-type: none">✦ 698 rooms |
| Hotel Facilities | <ul style="list-style-type: none">✦ 2 restaurants with 580 seats in total (1 Japanese & 1 Chinese)✦ 68 basement parking lots |
| Lease term | <ul style="list-style-type: none">✦ Master lease expiring on 31 Dec 2015 |
| Rent payment | <ul style="list-style-type: none">✦ Fixed rent of JPY652.6 million (S\$8.1 million¹) per annum |
| Hotel Operator | <ul style="list-style-type: none">✦ Washington Hotel K.K. |

⁽¹⁾ Based on exchange rate of SGD1 : JPY80.3



Rationale for the Acquisition

- 1. Yield accretive acquisition :** Accretive to DPS and risk-adjusted yield spread
- 2. Strong hospitality fundamentals and prime location :**
 - ✦ Increasingly favourable hospitality fundamentals in Japan and Osaka
 - ✦ Prime location in the Namba area, Osaka's most prominent dining, entertainment and shopping districts, with excellent transport connectivity.
- 3. Portfolio diversification :**
 - ✦ Enhanced geographical and hotel operator diversification
 - ✦ Increased exposure to relatively resilient economy hotel segment
- 4. Stable portfolio cashflows and upside potential from asset enhancements :**
 - ✦ Master lease with fixed rental income
 - ✦ Flexibility to increase fixed rent and/or introduce variable rents and undertake asset enhancements following expiry of current lease in Dec 2015



Asset Management

Identify New Opportunities

- ✦ Improve the conference facilities in Novotel Sydney Parramatta
- ✦ Evaluate the upgrading of guestrooms in Mercure Melbourne Albert Park, Mercure Brisbane King George Square and Pullman Cairns International

Car Park Revenue Enhancement Initiative

- ✦ Outsource car park management services in Pullman Sydney Hyde Park and Novotel Sydney Central



Asset Management

2014 G20 Leaders Summit in Queensland in November

- ✦ Pullman and Mercure Brisbane King George Square and Pullman Cairns International are one of the six selected hotels to host the delegates of the summit
- ✦ Anticipated increase of business activities at these destinations



Asset Management



Oakwood Apartments Ariake Tokyo

- ✦ Capitalize on strong Oakwood Worldwide brand presence through increased sales activities targeting international travellers in view of the 2020 Olympics in Tokyo Bay area.
- ✦ Change of existing domestic guest market composition to a more international mix that will yield better room rates.

Asset Management



Asset Enhancement Initiatives (AEI) for Osaka Namba Washington Hotel Plaza

- ✦ Current master lease expires in Dec 2015, allowing A-HTRUST to re-negotiate the master lease to increase fixed rent and/or introduce variable rents
- ✦ AEI planning in progress :
 - Improvements to furniture and fixtures in the guest rooms and bathrooms
 - Enhance the lobby and Food & Beverage outlets and optimise the utilisation of space
 - Potential increase to the size of some guest room type by reconfiguring and combining them
 - Potential upside to increase room rates after completion of AEI

Capital & Risk Management

- ✦ Structure debt currency profile to match the currency exposure of the underlying assets
- ✦ Progressive unwinding of AUD/SGD cross-currency swaps which is expected to be completed by June 2015
- ✦ Set up medium term notes (MTN) programme to diversify funding sources





Looking Ahead

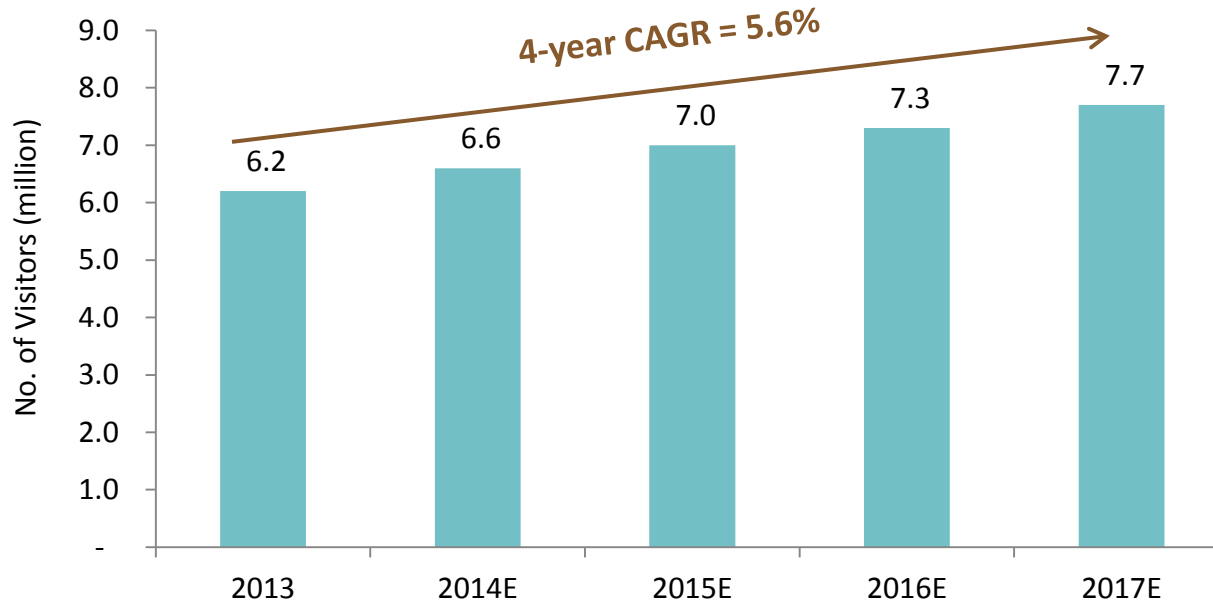
4



Australia – Tourism Market Outlook



International Visitor Arrivals to Australia (2012 – 2017E)



Source: Tourism Research Australia

New room supply 4-year CAGR till 2017 < International visitors arrivals 4-year CAGR :

- ✦ Sydney: 0.8%
- ✦ Melbourne: 1.2%
- ✦ Brisbane: 4.7%

Australia - Drivers of Tourism Growth



G20 Australia Summit



2014

Sydney International Convention, Exhibition & Entertainment Precinct



2015

2016

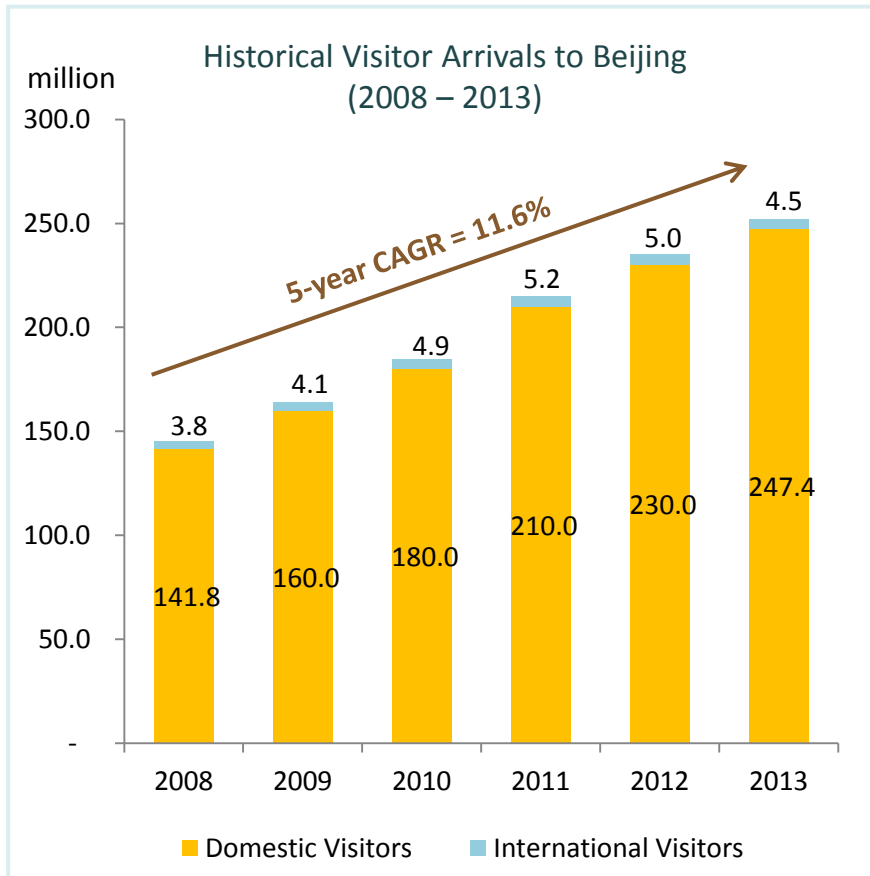
Sydney Barangaroo



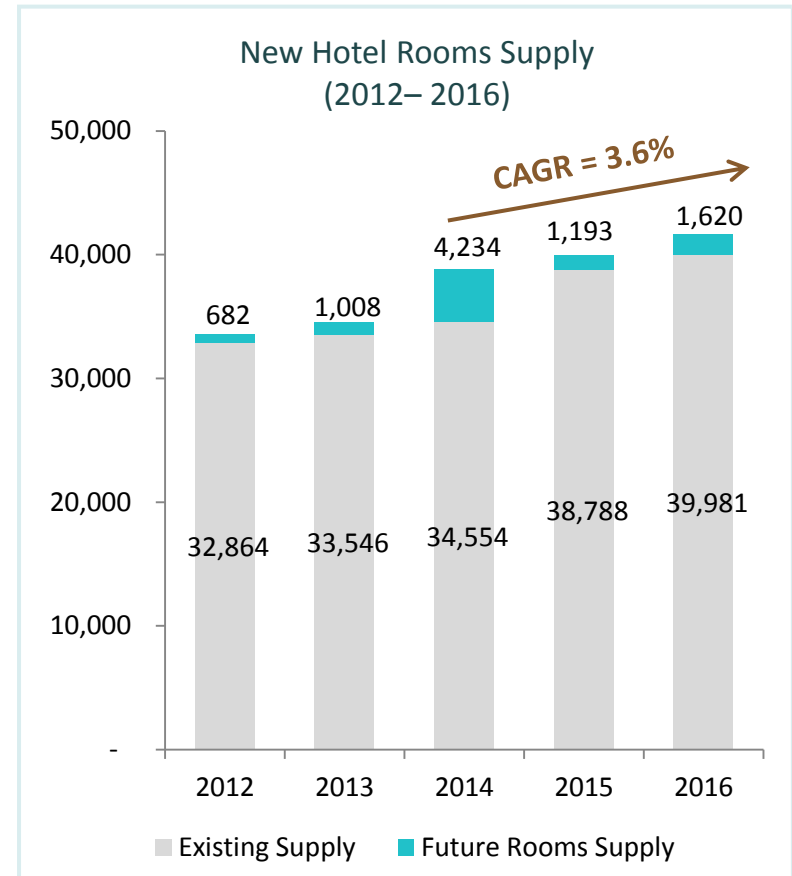
Beijing – Tourism Market Outlook



- Moderate growth in hotels is expected for 2014 due to the Government's austerity drive and intensified competition from a higher supply of rooms.



Source: Beijing Tourism Bureau, Jones Lang LaSalle



Source: Jones Lang LaSalle

Beijing – Infrastructure Developments



2011: Beijing-Shanghai High Speed Train

- In service since June 2011, it takes only 4 hours and 45 mins to travel from one city to another

2015: Beijing-Guangzhou-Shenzhen-Hong Kong High Speed Train



2014: New subway lines

- Improves accessibility between urban and suburban districts



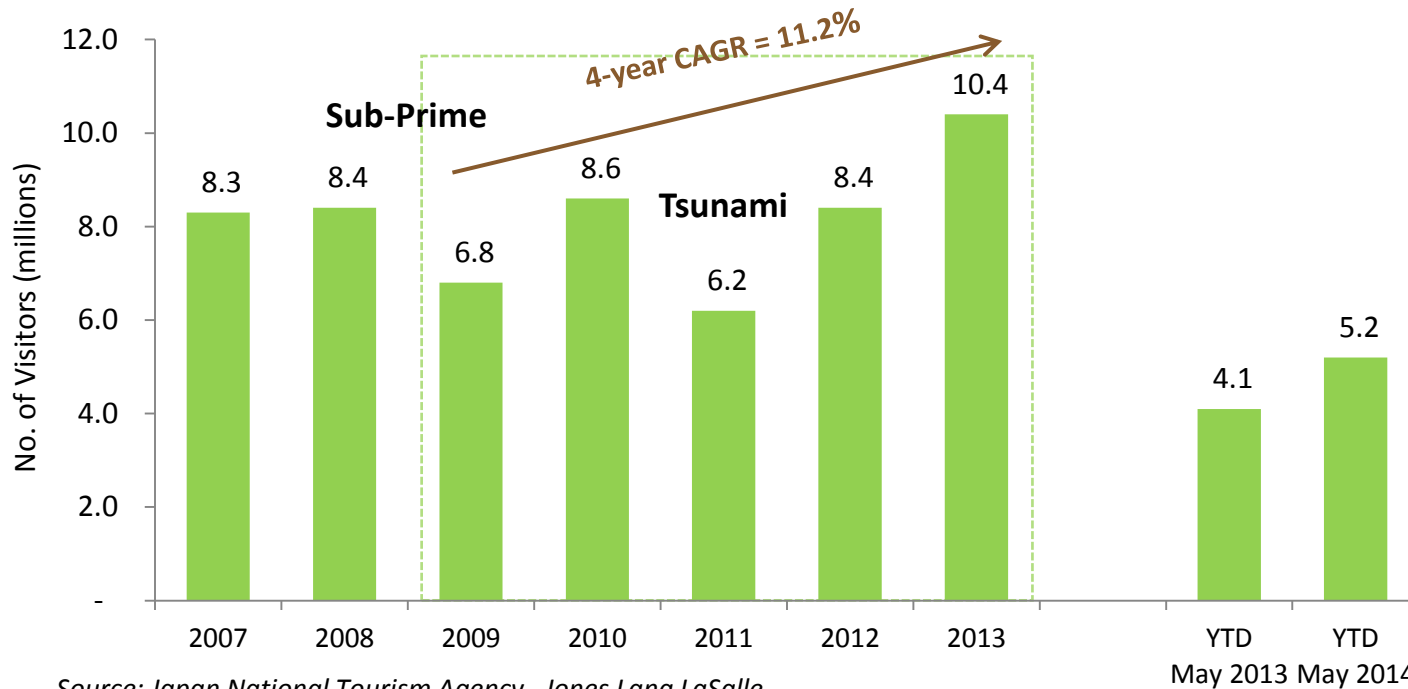
2018: Beijing Daxing International Airport

- World's largest airport to handle passenger volume of 130 million

Japan – Tourism Market Outlook



Historical International Visitor Arrivals to Japan

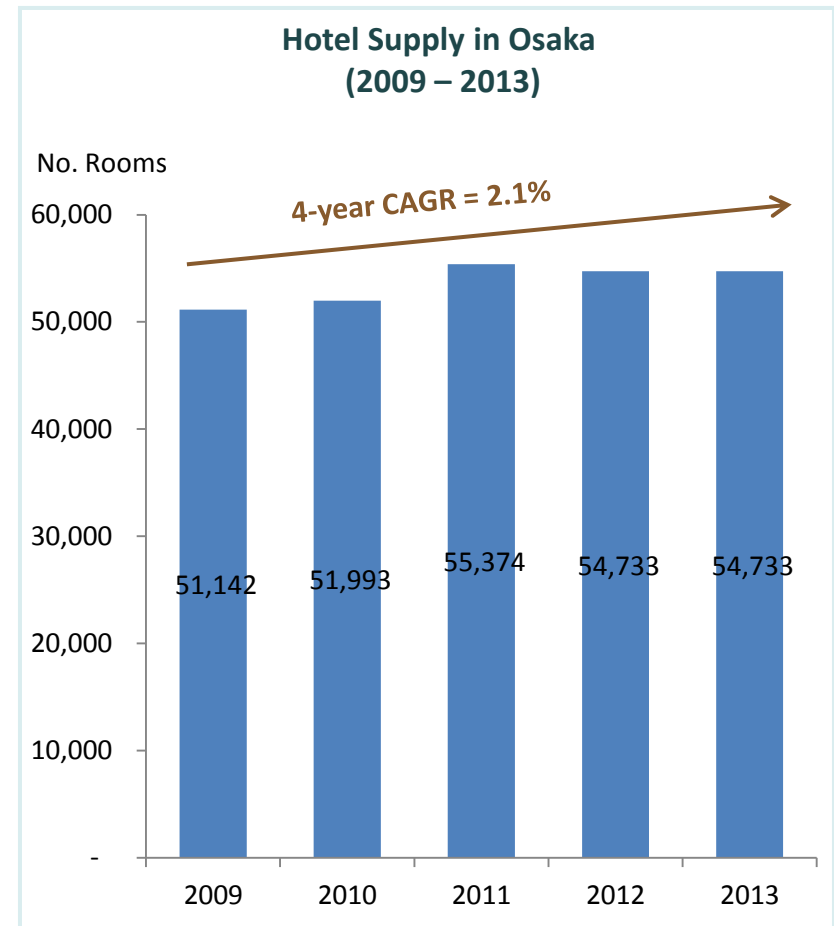
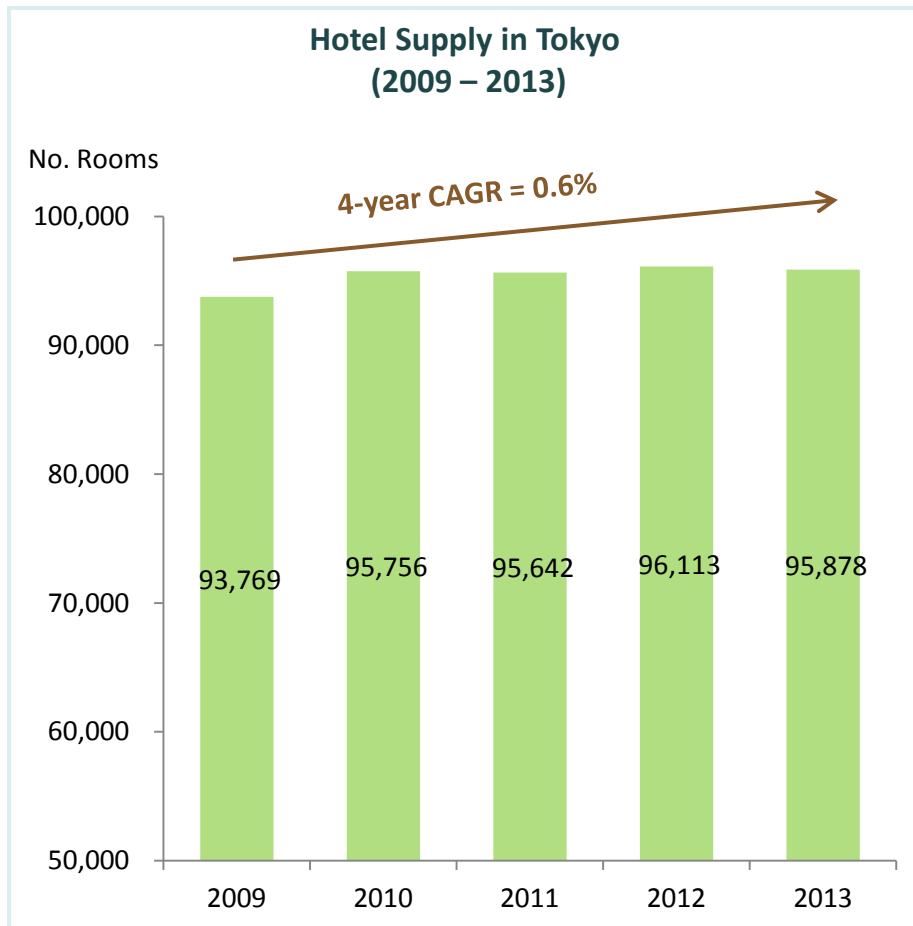


- ✦ International visitor arrivals to Japan reached approximately 5.2 million visitors as at May 2014, a 26.8% y-o-y growth. In 2013, the Japanese government achieved its goal of more than 10 million international visitors.
- ✦ Depreciation of Japanese Yen, relaxation of visa requirements and positive impact of low cost carriers continue to drive strong demand in hotel occupancy.

Japan – Hotel Rooms Supply



✦ Hotel supply 4-year CAGR < International visitors arrivals 4-year CAGR



Source: Japan Ministry of Health, Labour and Welfare and Jones Lang LaSalle

Tokyo - Drivers of Tourism Growth



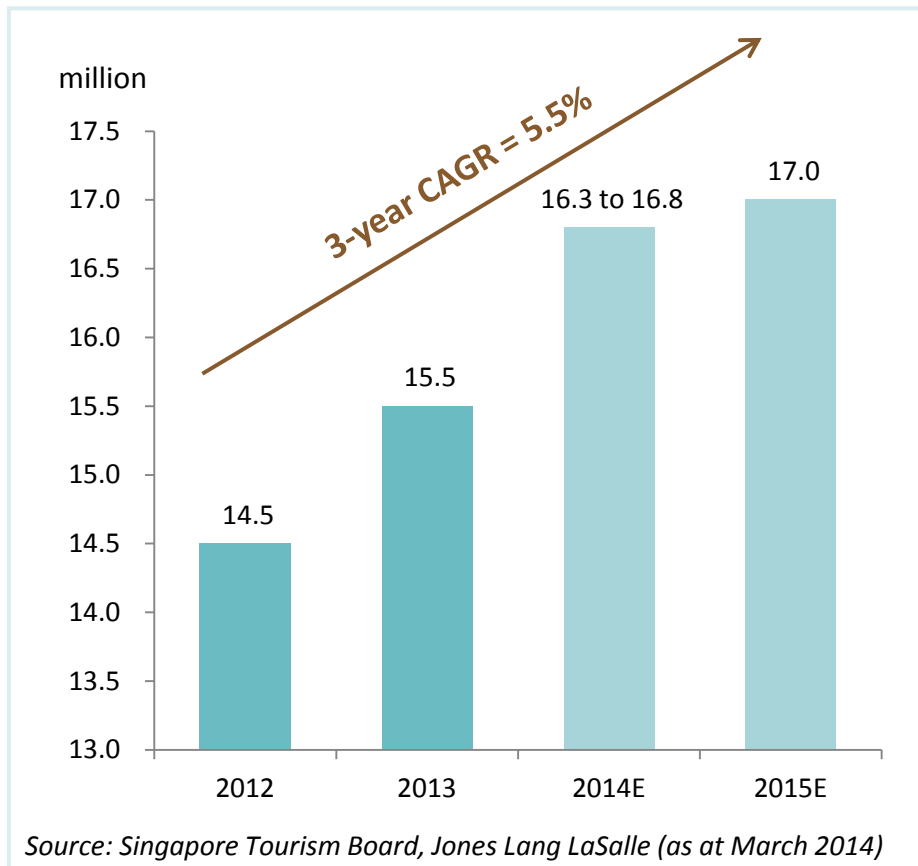
Olympics and Paralympics 2020

- Positive impact on the hotel and tourism market during the 7 years prior to Olympics
- Estimated economic impact: JPY2.96 trillion
- The Olympics Village and venues for the Olympics competitions will be located in Tokyo Bay area, where Hotel Sunroute Ariake & Oakwood Apartments are situated

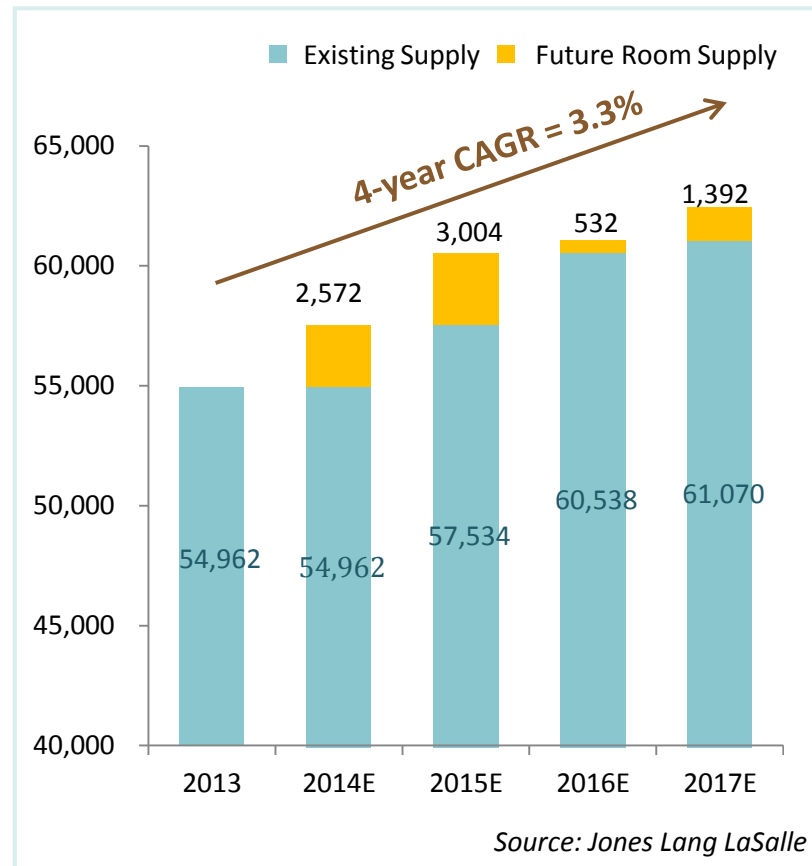
Singapore – Tourism Market Outlook



International Visitor Arrivals to Singapore
(2012 – 2015)



New Hotel Rooms Supply
(2013 – 2017)



- ✦ International visitor arrivals to Singapore in 2013 rose 6.9% y-o-y
- ✦ STB expects visitor arrivals to increase 5.2% to 8.4% y-o-y in 2014

Singapore - Drivers of Tourism Growth

Marine Life Park



River Safari



Singapore Sports Hub



2013

2014

2015

2017 & beyond

National Art Gallery



Changi Airport Terminals 4 & 5



Project Jewel



Singapore – Upcoming Key Events



19 – 21 September 2014:
Formula One SingTel Grand Prix



17 – 26 October 2014:
Woman's Tennis Association Championships



5 – 16 June
2015



Dec 2015



ahtrust
ascendas hospitality trust

Thank You

