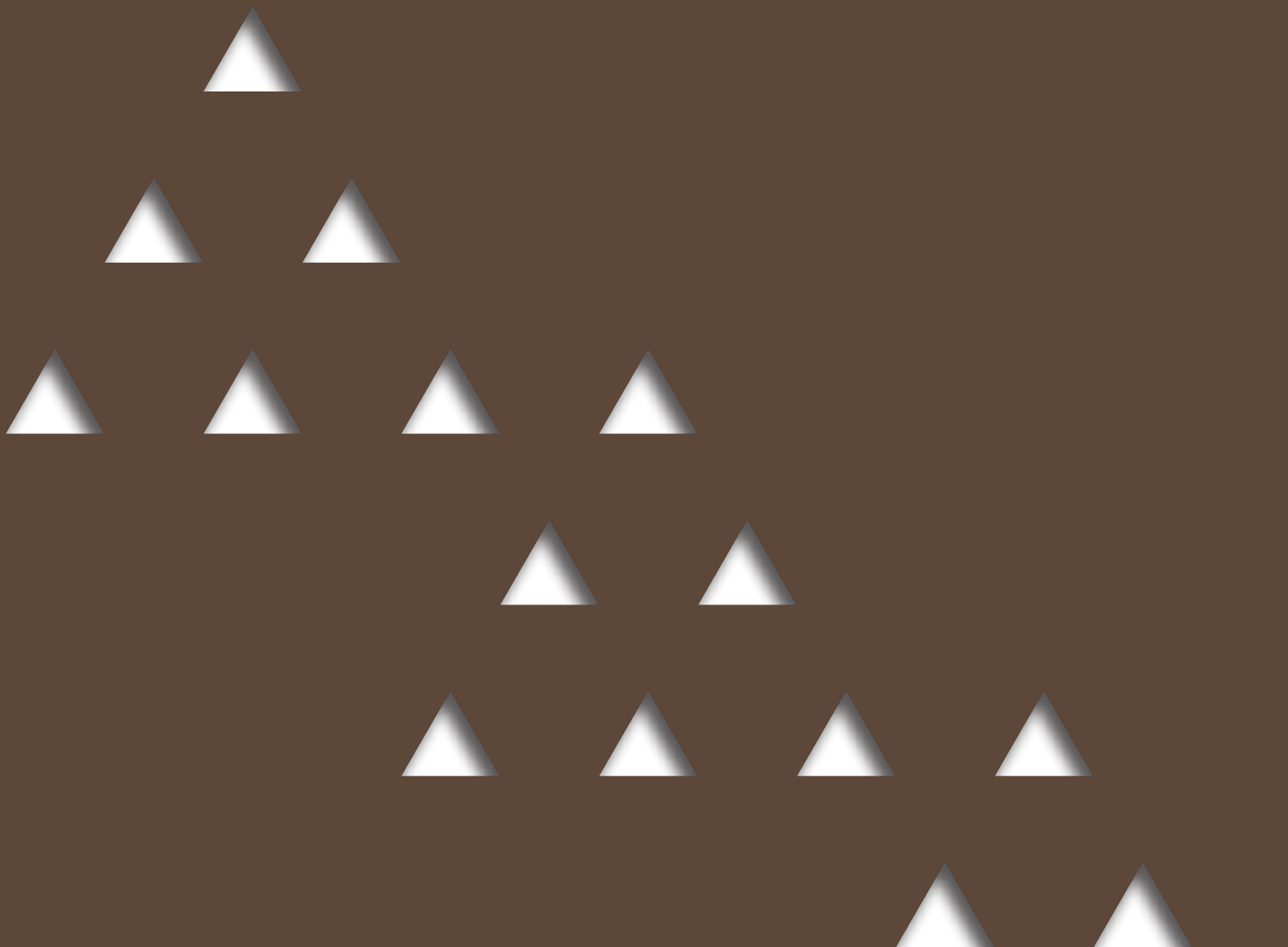




# SOARING BEYOND

ANNUAL REPORT  
2018/2019





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Any discrepancies in the table and charts between the listed figures and total thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

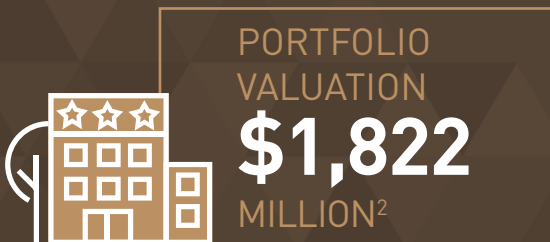
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# CORPORATE PROFILE







Ascendas Hospitality Trust (A-HTRUST) is one of the first listed hospitality trusts to focus on the pan-Asia region. With diversification at the forefront of its strategic objective, A-HTRUST broke into a new market, Seoul, with the acquisition of The Splaisir Seoul Dongdaemun and subsequently ibis Ambassador Seoul Insadong in FY2018/19.

As at 31 March 2019, A-HTRUST's well-diversified portfolio comprises 14 quality assets that are located across Sydney, Melbourne, Brisbane, Tokyo, Osaka, Seoul and Singapore. Each of these cities is a key financial centre, important business hub, major MICE destination or popular leisure destination. Within these cities, the hotels are strategically located in close proximity to central business districts, convention centres, transportation nodes and iconic tourist landmarks.

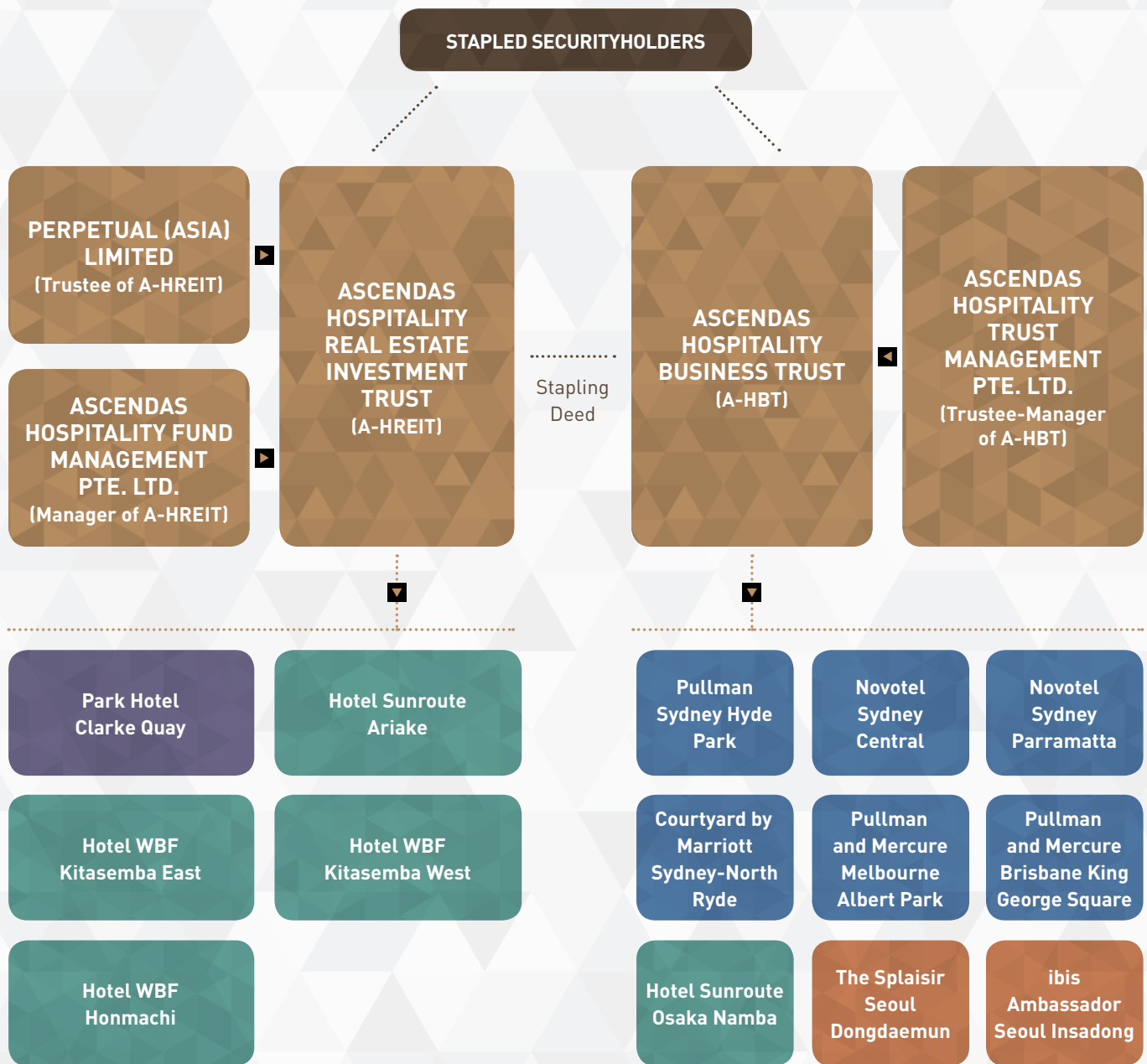
The hotels within the portfolio are managed by established operators and operated under various brands. With a total of 4,744 rooms, these hotels cater to different market segments ranging from economy to upscale, adding a further dimension to the diversity of the portfolio.

A-HTRUST is a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (A-HREIT) and Ascendas Hospitality Business Trust (A-HBT). A-HTRUST is managed by Ascendas Hospitality Fund Management Pte. Ltd. (as manager of A-HREIT) and Ascendas Hospitality Trust Management Pte. Ltd. (as trustee-manager of A-HBT).

A-HTRUST was listed on the Mainboard of the Singapore Exchange Securities Trading Ltd on 27 July 2012, with an initial portfolio valuation of \$1,057 million and the portfolio valuation has since grown to \$1,822 million as at 31 March 2019.

1 Previously known as KY-Heritage Hotel Dongdaemun.  
2 Based on valuation as at 31 March 2019 and A-HTRUST's interest in each of the hotels.

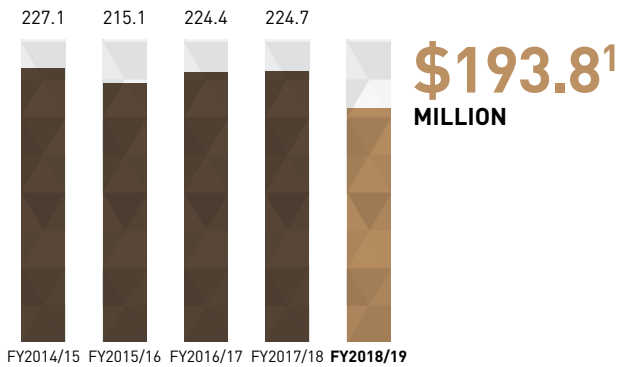
# TRUST STRUCTURE



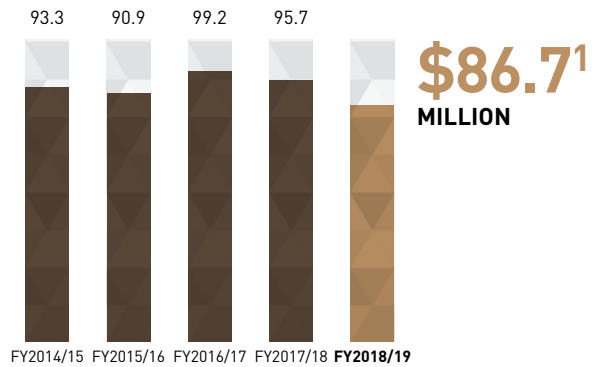
AUSTRALIA JAPAN SOUTH KOREA SINGAPORE

# PAST 5 YEARS FINANCIAL HIGHLIGHTS

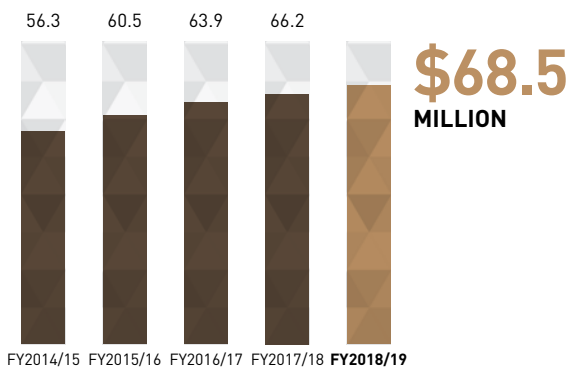
## GROSS REVENUE (\$ million)



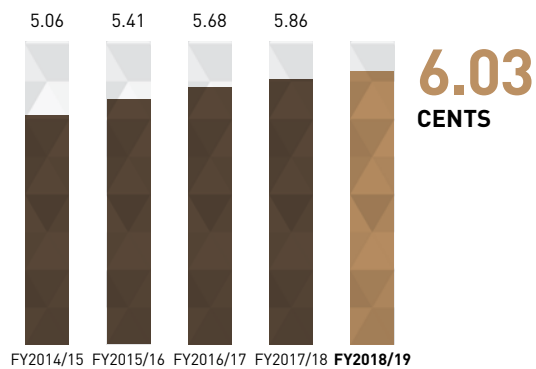
## NET PROPERTY INCOME (\$ million)



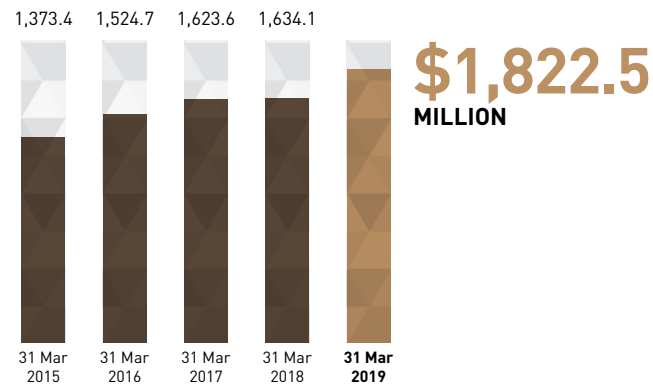
## DISTRIBUTABLE INCOME<sup>2</sup> (\$ million)



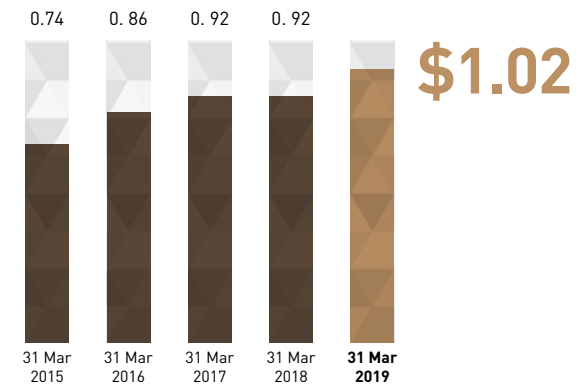
## DISTRIBUTION PER STAPLED SECURITY<sup>2</sup> (cents)



## PORTFOLIO VALUATION<sup>3</sup> (\$ million)



## NET ASSET VALUE PER STAPLED SECURITY (\$)



<sup>1</sup> Including contribution from the hotels in Beijing, China, which were divested on 18 May 2018.

<sup>2</sup> Net of income retained for working capital purposes starting from FY2015/16.

<sup>3</sup> Based on A-HTRUST's interest in each of the hotels.

# KEY EVENTS



▲ The Splaisir Seoul Dongdaemun

## 27 APRIL 2018

Announced the acquisition of The Splaisir Seoul Dongdaemun (previously known as KY-Heritage Hotel Dongdaemun) for KRW73.0 billion<sup>1</sup>. The acquisition marked A-HTRUST's maiden entry into the Seoul, a gateway city in Asia.

## 18 MAY 2018

Completed the divestment of Novotel and ibis Beijing Sanyuan for RMB1,156.4 million, which is double the valuation of the two hotels of RMB574.0 million. The sale price was also 178% higher than the purchase price of the two hotels of RMB416.0 million<sup>2</sup> when they were acquired in 2012 as part of the initial portfolio of A-HTRUST.



▲ Novotel Beijing Sanyuan

## 21 MAY 2018

Completed the acquisition of The Splaisir Seoul Dongdaemun.

1 Based on 100% of the hotel. A-HTRUST holds 98.7% interest in the hotel.

2 Based on the property component of the aggregate initial purchase price of the two hotels in Beijing when they were acquired as part of the initial portfolio for listing in July 2012.

3 Based on 100% of the hotel. A-HTRUST holds 98.8% interest in the hotel.



▲ Hotel WBF Honmachi

## 18 JUNE 2018

Announced the acquisition of three WBF-branded hotels in Osaka (Hotel WBF Kitasemba East, Hotel WBF Kitasemba West and Hotel WBF Honmachi) for a total of JPY10,290.0 million, expanding presence in a city with strong hospitality fundamentals.



▲ A-HTRUST 6th Annual General meeting

## 29 JUNE 2018

A-HTRUST held its sixth Annual General Meeting. The Annual General Meeting was well attended with more than 400 Stapled Securityholders / proxies turning up.

## 28 SEPTEMBER 2018

Completed the acquisition of Hotel WBF Kitasemba East and Hotel WBF Kitasemba West.

## 30 SEPTEMBER 2018

Mr Benson Puah, an Independent Director since the listing of A-HTRUST retired from the Boards.

## 1 OCTOBER 2018

Appointed Mr Robert Hecker to the Boards as an Independent Director. Mr Hecker, with more than 40 years of experience in the hospitality industry, is the Managing Director of Horwath Asia Pacific (Singapore) Pte Ltd.

## 31 OCTOBER 2018

Announcement of the change in appointment of Chief Financial Officer with Ms Woo Yeng Yeng taking over from Ms Lim San San.

## 28 NOVEMBER 2018

Announced the acquisition of ibis Ambassador Seoul Insadong for KRW77.5 billion<sup>3</sup>, the second acquisition in Seoul after successfully breaking into the market earlier in the year.



▲ ibis Ambassador Seoul Insadong

## 12 DECEMBER 2018

Completed the acquisition of ibis Ambassador Seoul Insadong.

## 20 DECEMBER 2018

Completed the acquisition of Hotel WBF Honmachi.

## 31 DECEMBER 2018

Retirement of Dr Ho Kim Wai, an Independent Director since the listing of A-HTRUST retired from the Boards. Appointment of Mr Patrick Lee to the Boards as an Independent Director. Mr Lee is the Chief Executive Officer of Standard Chartered Bank (Singapore) Limited, with more than 25 years of experience in the banking industry.



# OUR STRATEGIES

The key objective of the Managers is to deliver sustainable returns to the Stapled Securityholders and is guided by three strategic pillars in driving the performance and development of A-HTRUST

## ■ ACQUISITION GROWTH STRATEGY

The Managers actively source for and pursue investment opportunities that can improve the overall quality of the portfolio, with a view to enhance capital growth prospects of A-HTRUST and the long term returns to the Stapled Securityholders.

The Managers will continue to source for acquisition opportunities in markets with sound fundamentals, healthy hospitality conditions and growth prospects. Location within the target markets, attractiveness of yields and potential for organic growth are some of the considerations taken into account for acquisitions. The Managers also look out for properties that have potential for value creation through improvement in management or asset

enhancements such as upgrading and repositioning of the assets.

The Managers adopt a disciplined and balanced approach to investments to ensure long term growth for A-HTRUST. In pursuing growth, the Managers will also continue to maintain a well-diversified portfolio, ensuring that the portfolio is not over exposed to any single location. While A-HTRUST have the mandate to invest in markets globally, the focus continues to be in developed markets with mature hospitality sector.

## ■ ACTIVE ASSET MANAGEMENT

The Managers continually explore and implement proactive measures as they seek to improve the operational performance and maximize cashflow of the properties, thereby increasing the value of the portfolio.

The Managers work closely with the hotel operators to improve performance through revenue optimisation, operational efficiencies and development of appropriate marketing strategies. Through active monitoring of the portfolio, the Managers also ensure the properties are properly maintained to guard against obsolescence.

In addition, the Managers seek opportunities to implement suitable asset enhancement initiatives and refurbishment works to refresh the products, improve competitiveness as well as enhance the cashflow from properties.

The Managers also regularly assess the properties in the portfolio and consider if any properties have reached their optimal value or whose growth prospects are limited by changes in the operating landscape. Where appropriate, such properties may be divested to unlock value and the capital recycled for more productive uses.

## ■ CAPITAL AND RISK MANAGEMENT

As the Managers seek to improve the quality of the assets and grow the portfolio, the Managers also ensure that such growth strategies are premised on sound capital management. The Managers adopt a proactive and prudent approach to capital management to ensure healthy financial position in driving sustainable growth and optimise returns for the Stapled Securityholders.

The Managers seek to secure diversified funding sources from capital markets and financial institutions for acquisitions.

To manage exposure to volatility in interest rates and currencies, the Managers execute appropriate hedging strategies so as to optimise risk-adjusted returns to Stapled Securityholders.

- With a substantial portion of income derived in foreign currencies, management of foreign exchange is a key focus in capital management. To manage exposure to volatility in the movements of foreign currencies, the Managers adopt a systematic hedging policy where income in foreign currencies are hedged as far as 15 months in advance. Borrowings are also matched against assets in the same currency so as to achieve a natural hedge.
- The Managers also maintain at least 50% of its borrowings in fixed rates to mitigate any adverse impact due to interest rate volatility.

As the Managers continue to seek acquisitions, they will continue to maintain a healthy balance sheet by keeping to a prudent level of borrowings. The borrowings are also spread across tenors to manage refinancing requirements.

# LETTER TO STAPLED SECURITYHOLDERS

It is our pleasure to report a higher distribution per Stapled Security of 6.03 cents for FY2018/19, an increase of 2.9% from the previous year.

**Dear Stapled Securityholders,**

On behalf of the Boards of Directors of the Managers of A-HTRUST, we are pleased to present A-HTRUST's annual report for the financial year ended 31 March 2019. It is our pleasure to report a higher distribution per Stapled Security of 6.03 cents for FY2018/19, an increase of 2.9% from the previous year. A-HTRUST also posted net asset value per stapled security of \$1.02 as at 31 March 2019, which was 10.9% higher than a year ago. This was mainly attributable to the acquisitions in FY2018/19 which drove portfolio valuation to \$1,822.5 million as at 31 March 2019, up 11.5% year-on-year.

## **EFFECTIVE RECYCLING AND DRIVING GROWTH**

FY2018/19 was an active year for A-HTRUST in terms of transactions undertaken. Over the course of eight months, A-HTRUST completed the divestment of two hotels in Beijing, China and acquired two hotels in Seoul, South Korea and three hotels in Osaka, Japan. The combined property value involved in all these transactions was more than \$500 million<sup>1</sup>. In the process, A-HTRUST also made its first entry into the South Korean hospitality market.

<sup>1</sup> Based on value ascribed to the respective properties for the various transactions.



**MIGUEL KO**  
Chairman



## ■ Substantial Value Unlocked

In May 2018, A-HTRUST completed the divestment of two hotels in Beijing, i.e. Novotel and ibis Beijing Sanyuan, and realised substantial value from the transaction. The sale price for the properties, being RMB1,156.4 million was more than double that of the latest aggregate valuation of the two hotels of RMB574.0 million. This represented a premium of 178% above the acquisition price of RMB416.0 million<sup>2</sup> when the two hotels were acquired in 2012 for the purpose of listing.

The divestment provided A-HTRUST with considerable amount of funds to pursue growth and reduce borrowings.

## ■ Maiden Entry into Another Gateway City

The divestment of the hotels in China was closely followed by the acquisition of The Splaisir Seoul Dongdaemun<sup>3</sup>, marking A-HTRUST's first entry into the Seoul hotel market. This was followed by a second acquisition in December 2018 of ibis Ambassador Seoul Insadong.

A gateway city in Asia, Seoul is a market that A-HTRUST has been monitoring for some time. Being the capital city and financial centre of South Korea, where many large Korean corporates are headquartered, Seoul will continue to attract both domestic and international visitors. In addition, Seoul is also a premium city for meetings, incentives, conferences and exhibitions and a popular leisure destination.

The two newly acquired hotels are strategically located and we believe they are well positioned to benefit from the growth prospects of the Seoul hospitality market.

## ■ Strengthening Portfolio Resilience

Adding to A-HTRUST's expanding portfolio, the acquisitions of Hotel WBF Kitasemba East, Hotel WBF Kitasemba West and Hotel WBF Honmachi were completed in September and December 2018. These hotels which are under master lease arrangements will further strengthen the income stability of the portfolio.

Built only in 2018, the master leases also allow A-HTRUST to get around the initial stabilising years for new hotels and receive immediate stable income. A-HTRUST was also able to benefit from low Japanese Yen funding costs to finance these acquisitions in a hospitality market with strong fundamentals.

Overall, the transactions undertaken in FY2018/19 have benefitted the trust and improved the quality of the portfolio. The divestment of the two hotels in Beijing which were on management contracts and the acquisition of five hotels all on master leases will improve the income stability of the trust, and in turn, strengthen its resilience. While the hotels in Beijing were on leasehold land expiring in 2044, the newly acquired hotels are all freehold properties. As at 31 March 2019, 13 of the 14 hotels in the portfolio are freehold.

## PORTFOLIO PERFORMANCE IN FY2018/19

### ■ Key in Diversification

In FY2018/19, some of the markets A-HTRUST is in faced certain challenges such as increased supply in Australia and natural disasters in Osaka. A look back at the portfolio performance in FY2018/19 has re-emphasised the importance of the diversification strategy that A-HTRUST has been pursuing. While certain markets may not be doing well, the performance of other markets help to support the portfolio and mitigate the negative impact.

In FY2018/19, the Australian portfolio endured a testing period as the markets A-HTRUST are in were affected by new supply of rooms. Despite the challenges, the Australian portfolio on a whole managed to maintain a healthy occupancy rate of 85% but was affected by lower room rates as the hotels sought to retain market share. The hotels in Melbourne and Brisbane, which have substantial Conferences and Events ("C&E") space, were also impacted by more intense competition for the C&E business. The contribution from the Australia portfolio was further impacted by the weaker Australian Dollar against the Singapore Dollar.

<sup>2</sup> Based on the property component of the aggregate purchase prices for the two hotels.

<sup>3</sup> Previously known as KY-Heritage Hotel Dongdaemun.



# LETTER TO STAPLED SECURITYHOLDERS



**TAN JUAY HIANG**  
Chief Executive Officer

Overall, the transactions undertaken in FY2018/19 have benefitted the trust and improved the quality of the portfolio.

The Japan portfolio demonstrated resilience amidst unfavourable conditions as a result of earthquake, typhoon and other adverse weather. The performance of Hotel Sunroute Ariake and Hotel Sunroute Osaka Namba was relatively stable, while the newly acquired WBF-branded hotels boosted the income from the Japan portfolio. The newly acquired hotels in the South Korean portfolio, which are both on master lease arrangements also contributed positively to the portfolio. The improvement in the underlying performance of the South Korean hotels was encouraging, buoyed by the recovering hospitality sector in Seoul. The contribution from Park Hotel Clarke Quay in Singapore was also higher year-on-year.

## ■ Continual Improvements

While we drive the performance of the portfolio, we also continue to invest in the portfolio to ensure that the accommodation offerings remain competitive and we explore opportunities to optimise the income and value of the assets.

In FY2018/19, the refurbishment of the conference space, restaurant and all the rooms in Hotel Sunroute Ariake was completed, while the restaurant in Pullman and Mercure Brisbane King George Square underwent a major renovation. The refreshed interior of the restaurant with an added café will improve the dining experience of in-house guests. The restaurant now also has an open access from the main street to attract non-hotel guests to patronise the restaurant.

## HEALTHY BALANCE SHEET

While A-HTRUST went through a landmark year in FY2018/19, the transactions were premised on prudent capital management which is of utmost importance as we continue to grow and develop the portfolio.

As at 31 March 2019, the aggregate leverage for A-HTRUST was 33.2%, with a relatively longer average weighted maturity of 3.8 years compared to a year ago. A high proportion of the



borrowings remain on fixed rate, at 82.3%. During FY2018/19, we had released encumbrances on the properties in respect of the Australian Dollar borrowings, and as at 31 March 2019, there were no properties that were encumbered against borrowings, giving us greater flexibility for future financing. There is also no significant refinancing requirement until 2020.

## LOOKING FORWARD TO THE NEXT FINANCIAL YEAR

According to World Tourism Organisation, international tourist arrivals to Asia Pacific are projected to grow between 5% and 6% in 2019, which bodes well for our portfolio. Inbound arrivals to Japan are expected to grow as the country gears up towards Olympics 2020 which will help to support the hotel markets, although upcoming supply may moderate growth. The Seoul hotel market is expected to continue its recovery amidst improving inbound and limited upcoming supply, as is the case of the Singapore hotel market.

Over the course of the next financial year, the Australian portfolio is likely to continue facing similar headwinds as the previous year. Nonetheless, we remain positive on the long-term prospects of the cities that A-HTRUST is in. Sydney and Melbourne are key business hubs and popular leisure destinations, while significant infrastructural investments in Brisbane over the next few years will improve its appeal to both foreign and domestic travellers.

We will continue to upkeep the properties to ensure the products remain competitive. In the next financial year, the rooms in Novotel Sydney Parramatta as well as the Mercure rooms in Pullman and Mercure Melbourne Albert Park are expected to be refurbished.

On the acquisition front, we will remain disciplined in seeking opportunities that can improve the quality of the portfolio. While we are able to invest in any market globally, we continue to focus on developed markets with a mature hospitality sector. Diversification will also remain a key strategy.

The merger between the Ascendas-Singbridge Group and Capitaland Limited will create Asia's largest diversified real estate group. We look forward to being part of the enlarged group and we anticipate that A-HTRUST will benefit by having an even stronger sponsor group. While the merger is pending completion, the Managers note that there are overlapping investment mandates between A-HTRUST and

Ascott Residence Trust, a hospitality trust sponsored by the Capitaland group. The Managers will have to evaluate various options and will consider them in the best interest of the Stapled Securityholders. Where there are any material developments, Stapled Securityholders will be informed through announcements at the appropriate time. In the meantime, the Managers remain committed to driving the performance of the trust.

## ACKNOWLEDGEMENT

We continue to review and refresh the Boards to ensure continuity. In line with this policy, Mr Benson Pua and Dr Ho Kim Wai retired from the Boards in FY2018/19. They are both pioneer directors and we would like to express our appreciation to both of them for their invaluable guidance since the founding years of A-HTRUST.

We would also like to welcome Mr Robert Hecker and Mr Patrick Lee to the Boards. Robert has in-depth knowledge of hospitality markets while Patrick has considerable experience in the finance industry. We are certain that A-HTRUST can draw on their expertise and experience as it continues to grow. We would also like to thank Ms Lim San San, the former Chief Financial Officer of the Managers for her contributions since the listing of A-HTRUST, and we welcome Ms Woo Yeng Yeng who took over the role of Chief Financial Officer in 2018.

On behalf of the Boards and the management team, we would like to express our appreciations for our business partners and we look forward to their continued support. Our appreciation is also extended to the team of the Managers for their commitment and contributions. Finally, and of no less importance, we would also like to thank all Stapled Securityholders for their confidence in A-HTRUST and in the Managers. The Managers remain committed to delivering long term value to the Stapled Securityholders of A-HTRUST.

Yours Sincerely,

**MIGUEL KO**  
Chairman

**TAN JUAY HIANG**  
Chief Executive Officer

# BOARDS OF DIRECTORS



**MR MIGUEL KO**  
Chairman and Non-Executive Director



**MR CHIA KIM HUAT**  
Lead Independent Director



**MR MANOHAR KHIATANI**  
Non-Executive Director



**MR TAN JUAY HIANG**  
Chief Executive Officer



**MR ROBERT HECKER**  
Independent Director



**MR MICHAEL ISSENBERG**  
Non-Executive Director



**MS DEBORAH LEE SIEW YIN**  
Independent Director



**MR PATRICK LEE FOOK YAU**  
Independent Director



**MR WILLY SHEE PING YAH**  
Independent Director

**MR MIGUEL KO**  
Chairman and Non-Executive Director

**Date of appointment as Director:**

- ▣ 15 July 2016

**Board Committees served on**

- ▣ Investment Committee (Chairman)

**Academic & Professional Qualifications**

- ▣ Bachelor of Arts in (Economics), University of Massachusetts, U.S.A.
- ▣ Masters of Business Administration, Suffolk University, U.S.A.
- ▣ Certified Public Accountant (non-practicing), State Board of Accountancy, New Hampshire, U.S.A.

**Present Directorships**

**Listed**

- ▣ Ascendas Funds Management (S) Limited (as Manager of Ascendas Real Estate Investment Trust)

**Others**

- ▣ Ascendas-Singbridge Pte Ltd
- ▣ Ascendas-Singbridge Holdings Pte Ltd
- ▣ Changi Airport Group (Singapore) Pte Ltd
- ▣ CTM Property Trust (Steering Committee)
- ▣ Jilin Food Zone Pte. Ltd.
- ▣ Singapore-Sichuan Investment Holdings Pte Ltd

**Past Directorships in Listed Companies held over the Preceding 3 Years**

- ▣ Samsonite International S.A.

**Major Appointments**

- ▣ Group CEO, Ascendas-Singbridge Group

**MR CHIA KIM HUAT**  
Lead Independent Director

**Date of appointment as Director:**

- ▣ 15 July 2016

**Board Committees served on**

- ▣ Audit and Risk Committee (Member)
- ▣ Nominating and Remuneration Committee (Member)

**Academic & Professional Qualifications**

- ▣ Bachelor of Law (Honours), National University of Singapore
- ▣ Postgraduate Practical Course in Law, Board of Legal Education
- ▣ Advocate & Solicitor, Supreme Court, Singapore

**Present Directorships**

**Listed**

- ▣ SATS Ltd

**Others**

- ▣ R&T Corporate Services Pte Ltd
- ▣ Singapore Centre for Chinese Language

**Past Directorships in Listed Companies held over the Preceding 3 Years**

- ▣ PEC Ltd

**Major Appointments:**

- ▣ Regional Head, Corporate and Transactional Practices, Rajah & Tann Singapore LLP
- ▣ Company Secretary, Sun Yat Sen Nanyang Memorial Hall Company Limited
- ▣ Council Member, Singapore Chinese Chamber of Commerce & Industry
- ▣ Chairman, Research & Publication Committee of Singapore Chinese Chamber of Commerce & Industry
- ▣ Company Secretary, Singapore Chinese Chamber of Commerce Foundation
- ▣ School Advisory Board Member, Dunman High School
- ▣ Company Secretary and Committee Member, The Financial Board of Singapore Chinese Chamber of Commerce
- ▣ Committee member, FutureChina & GoEast Business China



# BOARDS OF DIRECTORS

## MR MANOHAR KHIATANI Non-Executive Director

### Date of appointment as Director:

- 10 June 2013

### Board Committees served on

- Investment Committee (Member)
- Nominating and Remuneration Committee (Member)

### Academic & Professional Qualifications

- Master's Degree (Naval Architecture), the University of Hamburg, Germany
- Advanced Management Program, Harvard Business School

### Present Directorships

#### Listed

- SIA Engineering Company Limited
- Ascendas Funds Management (S) Limited (as Manager of Ascendas Real Estate Investment Trust)
- Ascendas Property Fund Trustee Pte. Ltd. (as Trustee-Manager of Ascendas India Trust)

#### Others

- Ascendas-Singbridge Pte Ltd
- Ascendas-Singbridge Holdings Pte Ltd
- Ascendas Pte Ltd
- Ascendas Investment Pte Ltd
- Ascendas Land International Pte Ltd
- Ascendas Land (Singapore) Pte Ltd
- Ascendas Frasers Pte Ltd
- Ascendas-Citramas Pte Ltd
- Nusajaya Tech Park Sdn Bhd
- Singapore Amaravati Investment Holdings Pte Ltd
- Directorships in other Ascendas-Singbridge Group Companies

### Past Directorships in Listed Companies held over the Preceding 3 Years

- Nil

### Major Appointments

- Deputy Group CEO, Ascendas-Singbridge Group

## MR TAN JUAY HIANG Chief Executive Officer

### Date of appointment as Director:

- 23 November 2011<sup>1</sup>

### Board Committees served on

- Nil<sup>2</sup>

### Academic & Professional Qualifications

- Bachelor of Engineering (Honours) degree, National University of Singapore
- Master of Business Administration, Nanyang Technological University

### Present Directorships

#### Listed

- Nil

#### Others

- Armenian Office Pte Ltd
- Directorships in other Ascendas-Singbridge Group Companies

### Past Directorships in Listed Companies held over the Preceding 3 Years

- Nil

<sup>1</sup> Appointed as a director of AHFM on 23 November 2011 and subsequently appointed as a director of AHTM on 13 December 2011.

<sup>2</sup> Attended Board Committees meetings in his capacity as CEO.





**MR ROBERT HECKER**  
Independent Director

**Date of appointment as Director:**

- ▣ 1 October 2018

**Board Committees served on**

- ▣ Audit and Risk Committee (Member)
- ▣ Investment Committee (Member)

**Academic & Professional Qualifications**

- ▣ Bachelor of Science (Business) from University of California, Berkeley
- ▣ MPS degree, Cornell University School of Hotel Administration

**Present Directorships**

**Listed**

- ▣ Nil

**Others**

- ▣ Horwath Asia Pacific (Singapore) Pte Ltd
- ▣ Horwath Consulting Services Asia Pacific Limited

**Past Directorships in Listed Companies held over the Preceding 3 Years**

- ▣ Nil

**Major Appointments:**

- ▣ Managing Director, Horwath Asia Pacific (Singapore) Pte Ltd

**MR MICHAEL ISSENBERG**  
Non-Executive Director

**Date of appointment as Director:**

- ▣ 10 May 2012

**Board Committees served on**

- ▣ Investment Committee (Member)

**Academic & Professional Qualifications**

- ▣ Bachelor of Science in Hotel Administration, Cornell University
- ▣ Lifetime Member, Cornell Hotel Society
- ▣ Lifetime Member, Tourism and Transport Forum in Australia

**Present Directorships**

**Listed**

- ▣ Reef Corporate Services Ltd.

**Others**

- ▣ AAPC Ltd.
- ▣ AAPC Japan KK
- ▣ AAPC Properties Pty. Ltd.
- ▣ ACCOR Asia SA
- ▣ AAPC (Thailand) Ltd.
- ▣ AAPC Singapore Pte. Ltd.
- ▣ AA Korea Hotel Management Co, Ltd
- ▣ AAPC Hong Kong Ltd.
- ▣ AAPC Shanghai Co, Ltd
- ▣ AAPC India Hotel Management Pte. Ltd.
- ▣ AHDF Pte. Ltd.

**Past Directorships in Listed Companies held over the Preceding 3 Years**

- ▣ Nil

**Major Appointments**

- ▣ Chairman and CEO, Accor Asia Pacific



# BOARDS OF DIRECTORS

## MS DEBORAH LEE SIEW YIN Independent Director

### Date of appointment as Director:

- ▣ 1 October 2017

### Board Committees served on

- ▣ Audit and Risk Committee (Chairman)
- ▣ Nominating and Remuneration Committee (Member)

### Academic & Professional Qualifications

- ▣ Master of Applied Finance, the National University of Singapore
- ▣ CFA charterholder, CFA Institute

### Present Directorships

#### Listed

- ▣ Metro Holdings Limited

#### Others

- ▣ WTL Capital Pte Ltd
- ▣ Prime Ventures Holdings Ltd
- ▣ Assurity Trusted Solutions Pte Ltd
- ▣ Integrated Health Information Systems Pte Ltd

### Past Directorships in Listed Companies held over the Preceding 3 Years

- ▣ Nil

### Major Appointments

- ▣ Executive Director, WTL Capital Pte Ltd

## MR PATRICK LEE FOOK YAU Independent Director

### Date of appointment as Director:

- ▣ 31 December 2018

### Board Committees served on

- ▣ Audit and Risk Committee (Member)
- ▣ Nominating and Remuneration Committee (Member)

### Academic & Professional Qualifications

- ▣ Bachelor of Arts (First Class Honours), Trinity College, Cambridge
- ▣ Master of Arts in English, Trinity College, Cambridge

### Present Directorships

#### Listed

- ▣ Nil

#### Others

- ▣ Software International Corporation (M) Sdn. Bhd.
- ▣ Leap Philanthropy Ltd.
- ▣ Clifford Capital Pte Ltd
- ▣ Standard Chartered Bank (Singapore) Limited

### Past Directorships in Listed Companies held over the Preceding 3 Years

- ▣ Nil

### Major Appointments

- ▣ Chief Executive Officer, Standard Chartered Bank, Singapore
- ▣ Council Member/Vice Chairman, Association Banks of Singapore
- ▣ Member, Singapore Business Federation Digitalisation Issues Committee
- ▣ Member, Payment Council
- ▣ Committee Member, Financial Sector Tripartite Committee



**MR WILLY SHEE PING YAH**  
Independent Director

**Date of appointment as Director:**

- 1 October 2017

**Board Committees served on**

- Nominating and Remuneration Committee (Chairman)
- Investment Committee (Member)

**Academic & Professional Qualifications**

- Diploma in Urban Valuation, University of Auckland, New Zealand
- Fellow of the Singapore Institute of Surveyors and Valuers
- Fellow of the Association of Facilities and Property Management

**Present Directorships**

**Listed**

- Bund Center Investment Ltd
- Sinarmas Land Limited

**Others**

- Shanghai Golden Bund Real Estate Co Ltd
- Mercatus Co-operative Limited
- Keppel Land Ltd

**Past Directorships in Listed Companies held over the Preceding 3 Years**

- Nil

**Major Appointments**

- Senior Advisor, CBRE Pte Ltd
- Committee Member, Singapore Turf Club



# THE MANAGERS

## MR TAN JUAY HIANG

Chief Executive Officer

Juay Hiang is Chief Executive Officer at A-HTRUST, where he is responsible for the overall management and charting the strategic direction of A-HTRUST. He has more than 15 years of experience in real estate industry.

Prior to his current appointment, Juay Hiang was the Senior Vice-President of Real Estate Funds for Ascendas Pte. Ltd., where 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 audit on the various private funds within the Ascendas-Singbridge Group.

From October 2007 to April 2010, Juay Hiang was the fund manager for the Ascendas ASEAN Business Space Fund (the ASEAN Fund) where he was responsible for structuring the ASEAN Fund and raising US\$400 million from institutional investors. During this

period, he oversaw the acquisition of assets in Malaysia, Vietnam and the Philippines during the fund investment period, the aggregate development value of which amounted to approximately US\$500 million. He was responsible for the performance of the portfolio in the fund as well as investor relations.

In his tenure with Ascendas-Singbridge Group, Juay Hiang also explored opportunities and new businesses in healthcare and hypermarket asset class as well as private equity investments in technology companies with applications for the real estate, in markets such as India, Thailand and China.

Juay Hiang holds a Bachelor of Engineering (Honours) degree from the National University of Singapore and a Master of Business Administration from Nanyang Technological University.

## MS WOO YENG YENG

Chief Financial Officer

Yeng Yeng 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, Yeng Yeng was Vice President of the Group Finance department of Ascendas Land (Singapore) Pte Ltd and the Chief Financial Officer of Singbridge Pte. Ltd. and its subsidiaries. From August 2006 to July 2015, Yeng Yeng was with UOL Group Limited and one of its subsidiaries, PARKROYAL Parramatta, where she was Assistant Financial Controller and Director of Finance respectively. At UOL Group Limited, Yeng Yeng was responsible for the financial and management reporting and accounting operations. At PARKROYAL Parramatta, Yeng Yeng was responsible for the accounting, information technology, tax and payroll functions.

Yeng Yeng holds a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore and a Master of Commerce (International Business) from The University of New South Wales, Australia. She is also a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants.

## MR TAN YOON PENG

Head, Investments

Yoon Peng is Head, Investments at A-HTRUST, where he is responsible

### ▣ SINGAPORE TEAM

From left to right: Cass Yong, Chua Sock Wah, Jocelyn Tay, Sia Janjuan, Ng Kok Keong, Alice Tse, Tan Juay Hiang, Chee Kum Tin, Tan Yoon Peng, Woo Yeng Yeng, Sheryl Lee, Vanessa Yeo, Chew Lay Ling, Jeremiah Lee, Ng Ai Zhen





for identifying and evaluating potential acquisitions and related investments or divestments, where applicable. He has more than 15 years of experience in development and investment work.

Prior to his current appointment, Yoon Peng was Senior Vice President for Singbridge Corporate Pte Ltd where he was responsible for overseeing their investments in Raffles City Chongqing, Singapore-Sichuan Hi-Tech Innovation Park, Sino-Singapore Tianjin Eco-City and Business Development. From 2007 to 2010, Yoon Peng was with CapitaLand as the Asset Manager for the Raffles City Bahrain Fund and was involved in business development in the Gulf Cooperation Council and integrated developments incorporating leisure, entertainment and convention.

Yoon Peng holds a Bachelor of Applied Science (Honours) from the University of Toronto and is a CFA® charterholder. He has attended the Insead Asian International Executive Programme.

**MR GRANT ALCHIN**  
**Head, Australia Asset Management**

Grant is Head, Australia Asset Management where he is responsible for formulating and overseeing the execution of business plans in relation to A-HTRUST's properties in Australia. He has more than 20 years of experience in the hotel industry.

Prior to joining the Managers, Grant was General Manager of Novotel Perth Langley and previously was Deputy Director of Asset Management with Frasers Hospitality Trust where he oversaw a portfolio of hotels in Australia. During the course of his career, Grant also worked with major international operators IHG and Accor in finance and operational roles across Australia and in Fiji. These include multi business unit roles such as Area Director of Finance for the Northern Territory, and New South Wales with IHG and Senior Financial Controller



**JAPAN TEAM**  
 From left to right:  
 Yohei Suzuki, Akiyoshi Hakama

of the Sydney Olympic Park precinct with Accor. Grant has overseen a diverse range of hotel assets ranging from budget accommodation to 5 Star Luxury Resorts.

Grant holds a Certificate in Hotel Real Estate Investments and Asset Management from Cornell University.

**MS MARY JUDITH DE SOUZA**  
**Company Secretary**

Mary is Company Secretary at A-HTRUST and has more than 20 years of practice as a corporate and commercial lawyer. Mary currently heads Ascendas-Singbridge Group's Legal and Corporate Secretarial Department.

Prior to joining Ascendas-Singbridge Group in 2005, Mary was a legal counsel with a government-linked technology group and subsequently, a practicing legal counsel in a local law firm based in Singapore with several branches in the region. While in legal practice, Mary worked with both local and foreign companies and gained a broad-based understanding of the concerns and needs of investors in Southeast Asia.



**AUSTRALIA TEAM**  
 Standing from left to right: Jane Guo, Donne Salcombe, Lee Yongho, Flora Wang, Grace Wu  
 Seated from left to right: Magid Gerges, Pang Lay Hoon, Grant Alchin

Mary holds an LL.B. (Hons) degree from National University of Singapore and a Masters degree in Counselling Psychology from Monash University. She is an Advocate and Solicitor of the Supreme Court of Singapore.

**MR HON WEI SENG**  
**Company Secretary**

Wei Seng is Company Secretary at A-HTRUST and has more than 18 years of experience as a corporate and commercial lawyer. Wei Seng is currently Head, Corporate Secretariat for Ascendas-Singbridge Group.

Prior to his appointment with Ascendas-Singbridge Group in 2015, Wei Seng served as corporate counsel with Genting Singapore PLC, Stamford Land Corporation Ltd, Singapore Power, ST Telemedia and Frontline Technologies (since merged with BT Group).

Admitted as an Advocate and Solicitor of the Supreme Court of Singapore, Wei Seng holds LLB (Hons) and LL.M degrees from the National University of Singapore, and a MTM degree from the University of Queensland, Australia.

# PORTFOLIO SUMMARY

The portfolio of A-HTRUST can be defined by a keyword – DIVERSIFICATION. The portfolio is diversified in various aspects, being (i) geographical markets; (ii) operators and segments; and (iii) income stream.

A-HTRUST's portfolio of quality assets is well spread across various key cities. Through such geographical diversification, location concentration risks will be mitigated. As such, A-HTRUST is likely to be less affected by both the macroeconomic and microeconomic conditions of any single area and more resilient across economic cycles. Within each city, A-HTRUST's hotels are located in or near business precincts, tourism destinations or transportation nodes. The strategic locations of the hotels allow them to attract a stable base of

both business and leisure travellers. In FY2018/19, the portfolio was further diversified when A-HTRUST entered into the Seoul market with the acquisition of The Splaisir Seoul Dongdaemun and ibis Ambassador Seoul Insadong.

A-HTRUST's hotels are managed by established hotel operators which have strong domain knowledge of the markets in which the hotels are located. These hotels cater to different customer segments from economy to upscale, another aspect of diversification of A-HTRUST's portfolio. A-HTRUST's portfolio of hotels are under two main revenue structures, being master lease and management contract arrangements. Since its listing in 2012, the hotels acquired by A-HTRUST were all under master lease arrangements, namely Park Hotel Clarke Quay (in

2013), Hotel Sunroute Osaka Namba (in 2014) and in FY2018/19, The Splaisir Seoul Dongdaemun, ibis Ambassador Seoul Insadong as well as the three WBF-branded hotels in Osaka. Under such master leases, the fixed rent helps to mitigate any downside risks and enhance the income stability of A-HTRUST. A-HTRUST presently has eight hotels under master leases providing a substantial base of stable income. Most of these master leases also have a variable component, thus providing upside potential.

FY2018/19 was an active year for A-HTRUST which saw its portfolio further grow with the addition of five hotels, partially financed with the proceeds from the divestment of the two hotels in Beijing, China.



## GROWING AND ENHANCING THE PORTFOLIO



### DIVESTMENT OF NOVOTEL BEIJING SANYUAN AND IBIS BEIJING SANYUAN

Completed in May 2018

- Substantial value realised, with sale price doubled the latest aggregate valuation and almost 180% above purchase price<sup>1</sup>
- Proceeds effectively recycled to grow and enhance portfolio
- Hotels under management contract with land use term expiring in 2044

Aggregate valuation at divestment: **RMB574.0 million**  
Aggregate sale price: **RMB1,156.4 million**



### ACQUISITION OF THE SPLAISIR SEOUL DONGDAEMUN

Completed in May 2018

- Freehold hotel at an excellent location in an improving market
- Potential upside from repositioning with the change of operator to an established hotel management company
- Hotel under master lease provide added stability to income stream
- Built in 2015

Valuation at acquisition: **KRW75.4 billion<sup>2,3</sup>**  
Acquisition price: **KRW73.0 billion<sup>2</sup>**



### ACQUISITIONS OF HOTEL WBF KITASEMBA EAST, HOTEL WBF KITASEMBA WEST AND HOTEL WBF HONMACHI

Completed in September / December 2018

- Freehold assets in a good location
- Master leases with established operator provide stable income
- Master leases allow A-HTRUST to receive immediate stable income without the initial ramping up period for new hotels
- All three hotels built in 2018

Aggregate valuation at acquisition: **JPY10,600 million<sup>4</sup>**  
Aggregate acquisition price: **JPY10,290 million**



### ACQUISITION OF IBIS AMBASSADOR SEOUL INSADONG

Completed in December 2018

- Expanded presence in improving market with a strategically located hotel
- Freehold hotel augment income stability through master lease
- Operator with strong local knowledge and ability to leverage on Accor network
- Built in 2013

Valuation at acquisition: **KRW80.0 billion<sup>2,5</sup>**  
Acquisition price: **KRW77.5 billion<sup>2</sup>**

1

Beijing hotels divested for 3.6% NPI yield<sup>6</sup>, blended NPI yield in excess of 4% for acquisitions

2

Entry into Seoul, a growth market and a gateway city in Asia

3

Further diversification of the portfolio

4

Added income stability through more hotels under master leases

5

Overall younger portfolio with the acquired hotels having an average age of less than 3 years

6

13 out of the 14 hotels in the portfolio are freehold properties

1 Based on the property component of the aggregate purchase price for the two hotels when they were acquired in 2012.

2 Based on 100% interest in the hotel.

3 Valuation based on discounted cashflow analysis and direct comparison valuation approaches.

4 Valuation based on discounted cashflow analysis, income capitalisation and cost approaches.

5 Valuation based on discounted cashflow analysis approach.

6 Based on the sale price of RMB1,156.4 million and net property income of the China hotels for FY2017/18.

# PORTFOLIO SUMMARY

## SUMMARY OF KEY PROPERTY DETAILS

	No. of Rooms	Title	Date of Acquisition	Valuation in millions (\$) <sup>1</sup>	Purchase Price in millions (\$)	Vendor
<b>AUSTRALIA</b>						
Pullman Sydney Hyde Park	241	Freehold	27 Jul 2012	156.4	396.2 <sup>2</sup>	Ascendas Hospitality Australia Investment Fund No.1, Ascendas Hospitality Australia Investment Fund No.2, and AHDF Pte. Ltd.
Novotel Sydney Central	255	Freehold	27 Jul 2012	161.2		
Novotel Sydney Parramatta	194	Freehold	27 Jul 2012	43.7		
Courtyard by Marriott Sydney- North Ryde	196	Freehold	27 Jul 2012	52.3		
Pullman and Mercure Melbourne Albert Park	378	Freehold	27 Jul 2012	109.4		
Pullman and Mercure Brisbane King George Square	438	Freehold	27 Jul 2012	89.2		
<b>JAPAN</b>						
Hotel Sunroute Ariake	912	Freehold	27 Jul 2012	325.0	248.4	Ariake Property Tokutei Mokuteki Kaisha
Hotel Sunroute Osaka Namba	698	Freehold	15 Apr 2014	239.8	110.8	Ainodake Godo Kaisha
Hotel WBF Kitasemba East	168	Freehold	28 Sep 2018	43.1	41.9	ES-CON JAPAN Ltd.
Hotel WBF Kitasemba West	168	Freehold	28 Sep 2018	43.2	41.9	ES-CON JAPAN Ltd.
Hotel WBF Honmachi	182	Freehold	20 Dec 2018	43.3	42.3	ES-CON JAPAN Ltd.
<b>SOUTH KOREA</b>						
The Splaisir Seoul Dongdaemun	215	Freehold	21 May 2018	93.8 <sup>3</sup>	89.0 <sup>3</sup>	KY-Development Co., Ltd.
ibis Ambassador Seoul Insadong	363	Freehold	12 Dec 2018	96.9 <sup>4</sup>	93.3 <sup>4</sup>	The Korean Teachers' Credit Union and KT&G Corp
<b>SINGAPORE</b>						
Park Hotel Clarke Quay	336	Leasehold for a term of 99 years due to expire in Nov 2105	28 Jun 2013	325.0	308.0	Parking Property Pte. Limited

1 All the properties were valued as at 31 March 2019. The \$ equivalent of the valuation figures are arrived at based on the exchange rate as at 31 March 2019 of A\$ 1.000 : \$0.9596, JPY 1.000 : \$0.0122 and KRW 1.000 : \$0.0012.

2 Total purchase price for 100% equity in Ascendas Australia Hotel Fund ("AAHF") is \$396.2 million. AAHF comprises Pullman Sydney Hyde Park, Novotel Sydney Central, Novotel Sydney Parramatta, Courtyard by Marriott North Ryde, Pullman and Mercure Melbourne Albert Park, Pullman and Mercure Brisbane King George Square and Pullman Cairns International (which was divested in June 2015).

3 Based on A-HTRUST's 98.7% interest in the hotel. The remaining interest is held by Ascendas (Korea) Pte Ltd, a wholly-owned subsidiary of the Sponsor.

4 Based on A-HTRUST's 98.8% interest in the hotel. The remaining interest is held by Ascendas (Korea) Pte Ltd, a wholly-owned subsidiary of the Sponsor.



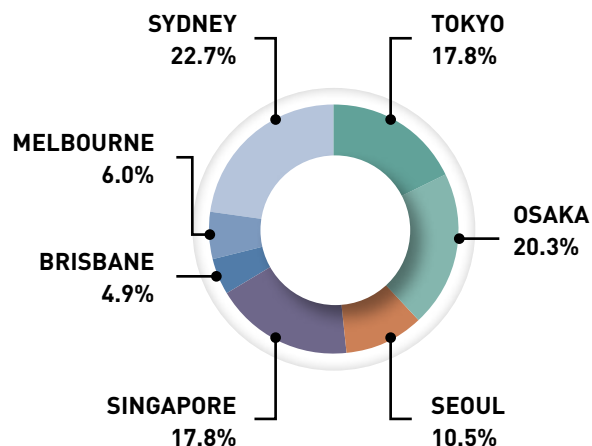
## VALUATION BY PROPERTY

As at 31 March 2019

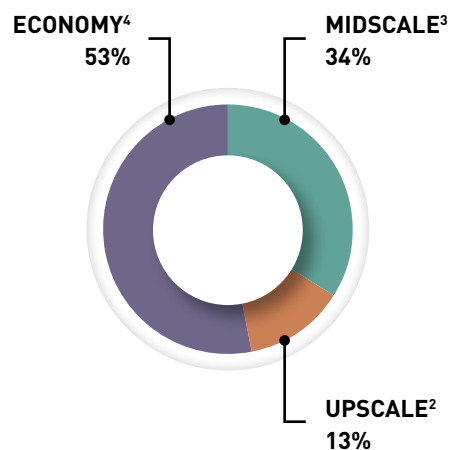
<b>AUSTRALIA</b>	<b>33.6%</b>
Pullman Sydney Hyde Park	8.6%
Novotel Sydney Central	8.8%
Novotel Sydney Parramatta	2.4%
Courtyard by Marriott Sydney-North Ryde	2.9%
Pullman and Mercure Melbourne Albert Park	6.0%
Pullman and Mercure Brisbane King George Square	4.9%
<b>JAPAN</b>	<b>38.1%</b>
Hotel Sunroute Ariake	17.8%
Hotel Sunroute Osaka Namba	13.2%
Hotel WBF Kitasemba East	2.4%
Hotel WBF Kitasemba West	2.4%
Hotel WBF Honmachi	2.4%
<b>SOUTH KOREA<sup>1</sup></b>	<b>10.5%</b>
The Splaisir Seoul Dongdaemun	5.1%
ibis Ambassador Seoul Insadong	5.3%
<b>SINGAPORE</b>	<b>17.8%</b>
Park Hotel Clarke Quay	17.8%
<b>Total</b>	<b>100.0%</b>

## VALUATION BY CITIES

As at 31 March 2019



## ROOMS BREAKDOWN BY SEGMENT



1 Based on A-HTRUST's interest in each of the properties.

2 Upscale refers to the Pullman brand.

3 Midscale refers to the Novotel, Mercure, Courtyard by Marriott, The Splaisir, and Park Hotel brands.

4 Economy refers to the Sunroute, WBF and ibis brands.





# PORTFOLIO SUMMARY

## BREAKDOWN OF REVENUE / REVPAR BY ASSETS

	Gross Revenue		RevPAR	
	FY2017/18	FY2018/19	FY2017/18	FY2018/19
<b>MANAGEMENT CONTRACTS</b>				
<b>AUSTRALIA</b>	<b>A\$ million</b>	<b>A\$ million</b>	<b>A\$</b>	<b>A\$</b>
Pullman Sydney Hyde Park	27.9	26.8	219	208
Novotel Sydney Central	28.3	26.9	206	198
Novotel Sydney Parramatta	14.9	15.3	136	136
Courtyard by Marriott Sydney-North Ryde	13.1	12.8	148	143
Pullman and Mercure Melbourne Albert Park	34.0	32.0	123	117
Pullman and Mercure Brisbane King George Square	28.3	27.9	113	107
<b>MASTER LEASES</b>				
<b>JAPAN</b>	<b>JPY million</b>	<b>JPY million</b>		
Hotel Sunroute Ariake	1,757.3	1,271.0		
Hotel Sunroute Osaka Namba	1,020.0	1,004.0		
Hotel WBF Kitasemba East	N.A.	85.3		
Hotel WBF Kitasemba West	N.A.	85.0		
Hotel WBF Honmachi	N.A.	47.8		
<b>SOUTH KOREA</b>	<b>KRW million</b>	<b>KRW million</b>		
The Splaisir Seoul Dongdaemun	N.A.	2,746.7		
ibis Ambassador Seoul Dongdaemun	N.A.	1,169.3		
<b>SINGAPORE</b>	<b>\$ million</b>	<b>\$ million</b>		
Park Hotel Clarke Quay	13.5	13.3		



## TENANCY

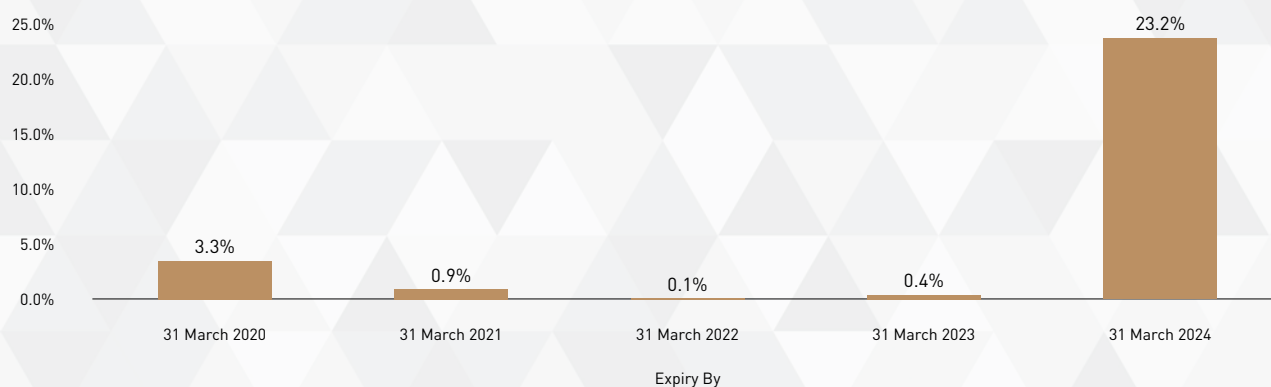
As at 31 March 2019, A-HTRUST has 16 tenants leasing hotels on master lease agreements, office space in Pullman Sydney Hyde Park, as well as leaseable space in certain hotels ("Leased Premises").

### TOP 10 TENANTS<sup>1</sup>

Tenant	Industry	Percentage of Gross Rental Revenue from Leased Premise (%) <sup>1</sup>
1 Sunroute Hotels Co., Ltd.	Hotel	53.6
2 Park Hotel CQ Pte Ltd	Hotel	25.7
3 Sotetsu International Korea Co., Ltd.	Hotel	6.5
4 K.K. White Bear Family	Hotel	5.2
5 Ambastel Inc.	Hotel	2.8
6 Fuji Xerox Businessforce Pty Ltd	Information Technology	2.1
7 Rainleigh Pty Ltd	Medical	1.4
8 Vinindex Pty Ltd	Construction	1.1
9 National Association of Community Legal Centres Ltd	Legal	0.5
10 Bydon 24/7 Pty Ltd	Fitness Centre	0.3

### LEASE EXPIRY PROFILE FOR NEXT 5 YEARS

% of Gross Rental Revenue from Leased Premises



As at 31 March 2019, the weighted average lease expiry of the Leased Premises, based on gross rental revenue derived from Leased Premises for FY2018/19 is approximately 10.6 years.

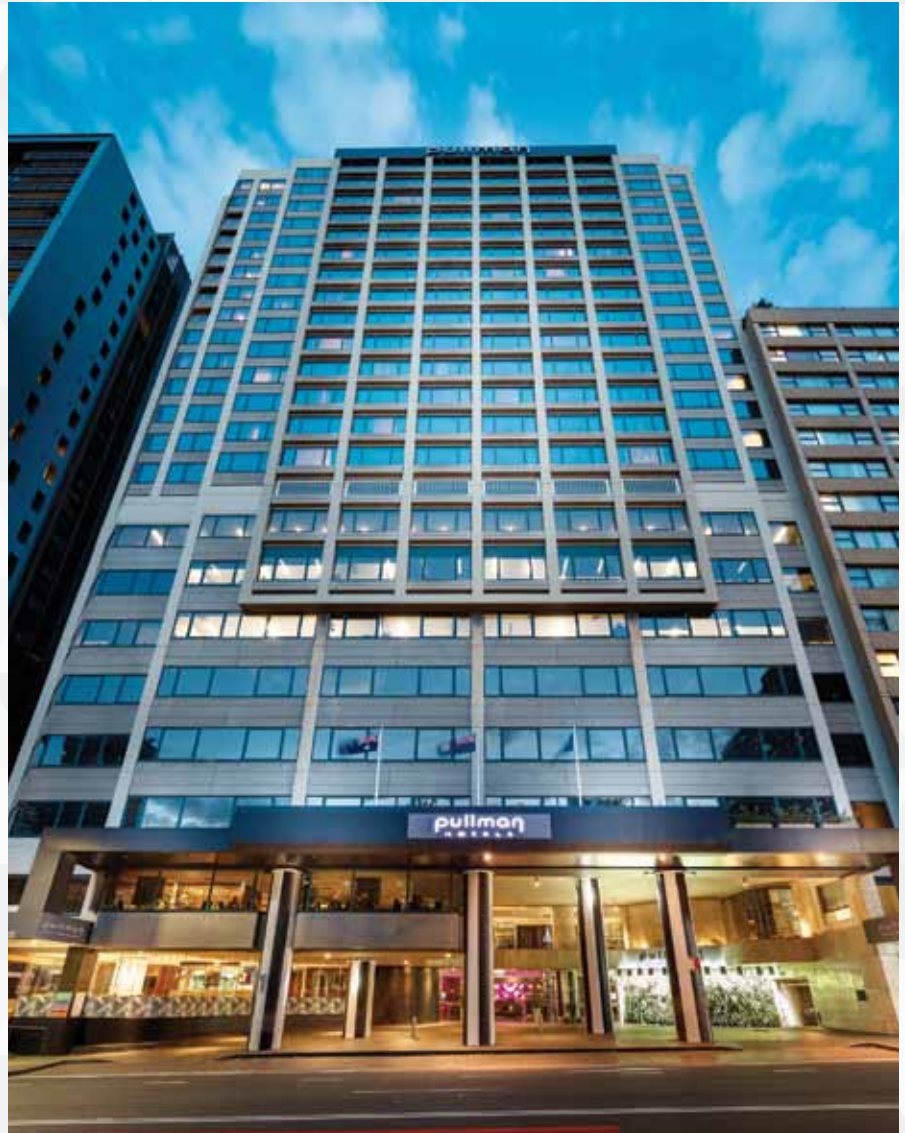
<sup>1</sup> Based on gross rental revenue derived from the Leased Premises for FY2018/19.

# OUR HOTELS

## PULLMAN SYDNEY HYDE PARK

### SYDNEY

36 College Street, Sydney,  
New South Wales, Australia



**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**  
A\$163.0 million  
(\$156.4 million)

Pullman Sydney Hyde Park is an upscale business hotel located in Sydney's CBD overlooking the iconic Hyde Park. Situated in the epicentre of the city's business, cultural, theatre, sports and retail precincts, it is also conveniently located close to well-known attractions such as Darling Harbour, the Australian Museum, Circular Quay, Sydney Tower, Haymarket, Paddy's Market and the vibrant 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, a cafe and a rooftop recreation deck. The recreation deck, which comprises a gymnasium, a swimming pool and a jacuzzi, a spa and a sauna, offers a

picturesque view of Sydney's skyline. Business facilities include a business centre and approximately 600 sqm of meeting and event spaces.

The hotel also has a commercial component with a total net leasable space of approximately 4,600 sqm. The office space is spread across five levels of office space and has its own dedicated lobby and lift access.





# OUR HOTELS

## NOVOTEL SYDNEY CENTRAL

### SYDNEY

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



NUMBER OF  
ROOMS  
255

F&B FACILITIES  
1 Restaurant  
1 Bar

MEETING  
FACILITIES  
12 Meeting  
Rooms

CAR PARKING  
600 Lots

LAND AREA  
4,269 sqm

LAND TITLE  
Freehold

OWNERSHIP  
100%

VALUATION  
A\$ 168.0 million  
(\$161.2 million)



Novotel Sydney Central is a midscale business hotel located in the southern part of the Sydney CBD. Situated near to the Sydney Darling Harbour, the hotel is also in close proximity to Chinatown, the University of Technology Sydney, Haymarket and Paddy's Market. The Sydney International Convention Centre

is also within walking distance from the hotel.

The hotel is well connected to other parts of Sydney CBD through the railway network and is easily accessible through the nearby Central Railway Station.

The 18-storey Novotel Sydney Central offers 255 well-appointed and spacious guest rooms, suited for both business and leisure purposes. Facilities include 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.





# OUR HOTELS

## NOVOTEL SYDNEY PARRAMATTA

### SYDNEY

350 Church Street, Parramatta, New South Wales, Australia



**NUMBER OF ROOMS**  
194

**F&B FACILITIES**  
1 Restaurant  
1 Bar

**MEETING FACILITIES**  
9 Meeting Rooms  
2 Boardrooms

**CAR PARKING**  
192 Lots

**LAND AREA**  
2,674 sqm

**LAND TITLE**  
Freehold

**OWNERSHIP**  
100%

**VALUATION**  
A\$ 45.5 million  
(\$43.7 million)



Novotel Sydney Parramatta is a midscale business hotel situated at the northern end of the Parramatta CBD, which is approximately 23 km away from the Sydney CBD. Located along the banks of the Parramatta River, it is close to visitor attractions such as the Parramatta Stadium, Rosehill Garden Racecourse, Parramatta Ferry Wharf and 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 offers 194 guest rooms and facilities such as a restaurant,

a bar, an outdoor heated swimming pool, a spa, a sauna and a gymnasium. With 915 sqm of conference and event spaces fitted with state-of-the-art audiovisual equipment, the hotel is able to host meetings for up to 550 people. It also boasts one of the largest column-less hotel ballrooms in the Parramatta region.





### ROOMS REFURBISHMENT

In the coming financial year, the rooms in the hotel is intended to be refurbished to create a fresh look and feel. The refurbishment includes changes to the carpets, bedheads along with other furnishing. This can help to improve the competitiveness of the hotel through the enhancement of guest staying experience.

# OUR HOTELS

## COURTYARD BY MARRIOTT SYDNEY- NORTH RYDE

### SYDNEY

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



<b>NUMBER OF ROOMS</b> 196	<b>LAND AREA</b> 6,227 sqm
<b>F&amp;B FACILITIES</b> 1 Restaurant 1 Bar	<b>LAND TITLE</b> Freehold
<b>MEETING FACILITIES</b> 8 Meeting Rooms	<b>OWNERSHIP</b> 100%
<b>CAR PARKING</b> 96 Lots	<b>VALUATION</b> A\$ 54.5 million (\$52.3 million)



Courtyard by Marriott Sydney-North Ryde is a midscale business hotel centrally located in Macquarie Business Park in the heart of the North Ryde business district. The hotel is situated close to several commercial buildings popular with multinational corporations, which provides a

steady stream of business travellers. Macquarie Shopping Centre, the ANZ Stadium and the Sydney Olympic Park are also nearby. The hotel is located approximately 15 km northwest of the Sydney CBD and 28 km from Sydney Airport, and is served by the nearby Macquarie Park station.

The 9-storey hotel offers 196 guest rooms which were all recently refurbished. Facilities in the hotel include a restaurant, a bar, a fitness centre, a business centre, and approximately 220 sqm of meeting space.





# OUR HOTELS

## PULLMAN AND MERCURE MELBOURNE ALBERT PARK

### MELBOURNE

65 Queens Road, Melbourne,  
Victoria, Australia



#### NUMBER OF ROOMS

169 (Pullman)  
209 (Mercure)

#### F&B FACILITIES

1 Restaurant  
1 Cafe  
1 Bar  
1 Executive  
Lounge

#### MEETING FACILITIES

31 Meeting  
Rooms

#### CAR PARKING

550 Lots

#### LAND AREA

13,000 sqm

#### LAND TITLE

Freehold

#### OWNERSHIP

100%

#### VALUATION

A\$ 114.0 million  
(\$109.4 million)



Pullman and Mercure Melbourne Albert Park is a unique dual-branded, upscale and midscale full service hotel overlooking the scenic Albert Park, the venue for the annual Australian Formula One Grand Prix. Located close to the Melbourne CBD, 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 route services. With more than 2,000 sqm of convention centre that can accommodate up to 1,600 participants, the hotel is one of the largest hotel event venues in Melbourne. Its strategic location, comprehensive service offerings and flexible space configuration make it an attractive venue for hosting of business events in the city.

The hotel offers a total of 378 guest rooms and a variety 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.







### MERCURE ROOMS REFURBISHMENT

Minor refurbishments are planned for the Mercure rooms in the hotel which include replacement of some of the furniture. This will help to refresh the Mercure rooms and improve the experience of guests.



# OUR HOTELS

## PULLMAN AND MERCURE BRISBANE KING GEORGE SQUARE

### BRISBANE

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



#### NUMBER OF ROOMS

210 (Pullman)  
228 (Mercure)

#### F&B FACILITIES

1 Restaurant  
1 Cafe  
2 Bars  
1 Executive  
Lounge

#### MEETING FACILITIES

11 Meeting  
Rooms

#### CAR PARKING

168 Lots

#### LAND AREA

3,722 sqm

#### LAND TITLE

Freehold

#### OWNERSHIP

100%

#### VALUATION

A\$ 93.0 million  
(\$89.2 million)

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 within walking distance to attractions and landmarks such as Eagle Street Pier, Brisbane Convention & Exhibition Centre, Suncorp Stadium and the Queen Street Mall retail precinct. Approximately 19 km away

from the Brisbane International Airport, the hotel is well served by two nearby railway stations, Central Station and Roma Street Station.

The hotel 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, two bars and an executive lounge. One of

the bars is a popular rooftop bar, Sixteen Antlers, which offers a picturesque view of the charming Brisbane city skyline. There are also recreational facilities on the rooftop of the Mercure Tower such as a gym, a sauna and an outdoor heated swimming pool. The centrally located hotel also has one of the largest conference and convention hotels in the city with approximately 3,000 sqm of meeting and conference spaces.







### RESTAURANT REFURBISHMENT

During FY2018/19, the hotel carried out a major refurbishment to its restaurant. The newly renovated restaurant, named Goldfinch, now has a refreshed classy interior with an access from the main streets to entice passers-by to patronise. Since opening in December 2018, the restaurant has received generally positive feedback, particularly on the ambience.

# OUR HOTELS

## HOTEL SUNROUTE ARIAKE

### TOKYO

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



**NUMBER OF  
ROOMS**  
912

**F&B FACILITIES**  
2 Restaurants  
3 Banquet Halls

**MEETING  
FACILITIES**  
2 Meeting Rooms

**CAR PARKING**  
103 Lots

**LAND AREA**  
6,188 sqm

**LAND TITLE**  
Freehold

**OWNERSHIP**  
100%

**VALUATION**  
JPY 26,700.0  
million  
(\$325.0 million)

Hotel Sunroute Ariake is a 20-storey economy business hotel. It is located in the Ariake district within the Tokyo Waterfront Secondary City Centre which includes the Odaiba and Aomi districts.

It is in close proximity to Big Sight, an international convention centre, Ariake Colosseum and retail hubs such as

Odaiba and Ginza. Facilities include two restaurants, a business centre and approximately 420 sqm of meeting and conference spaces.

The 912-room hotel 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 areas of 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 renowned Tokyo Disney Resort.







# OUR HOTELS

## HOTEL SUNROUTE OSAKA NAMBA

### OSAKA

1-1-13, Nipponbashi, Chuo-ku,  
Osaka 542-0073, Japan



NUMBER OF  
ROOMS  
698

F&B FACILITIES  
2 Restaurants

LAND AREA  
2,398 sqm

LAND TITLE  
Freehold

OWNERSHIP  
100%

VALUATION  
JPY 19,700.0  
million  
(\$239.8 million)



Hotel Sunroute Osaka Namba is an economy 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 within walking distance to 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, while the famed Osaka Castle is about 15 minute train ride away. The hotel offers 698 guest rooms and two restaurants which can accommodate up to a total of 580 diners.

The 14-storey hotel benefits from excellent connectivity to different transportation options, being in walking distance from the Nipponbashi

Station on the Osaka Municipal Subway Line and the 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.







# OUR HOTELS

## HOTEL WBF KITASEMBA EAST

### OSAKA

2-6-8 Awajicho, Chuo-ku,  
Osaka



### NUMBER OF ROOMS

168

### F&B FACILITIES

1 Restaurant

### LAND AREA

526 sqm

### LAND TITLE

Freehold

### OWNERSHIP

100%

### VALUATION

JPY 3,540.0 million  
(\$43.1 million)

## HOTEL WBF KITASEMBA WEST

### OSAKA

3-2-7, Awajicho, Chuo-ku,  
Osaka



### NUMBER OF ROOMS

168

### F&B FACILITIES

1 Restaurant

### LAND AREA

502 sqm

### LAND TITLE

Freehold

### OWNERSHIP

100%

### VALUATION

JPY 3,550.0 million  
(\$43.2 million)

## HOTEL WBF HONMACHI

### OSAKA

4-4-10, Kitakyuhojimachi,  
Chuo-ku, Osaka



### NUMBER OF ROOMS

182

### F&B FACILITIES

1 Restaurant

### LAND AREA

719 sqm

### LAND TITLE

Freehold

### OWNERSHIP

100%

### VALUATION

JPY 3,560.0 million  
(\$43.3 million)



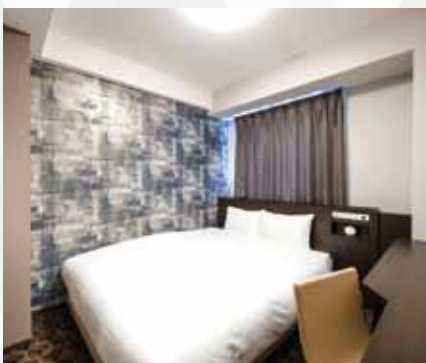




The three WBF-branded hotels are select service hotels situated within the Honmachi district in Osaka. The hotels are located in close proximity to the central business district, leisure destinations and the entertainment precinct, Dotonbori. They are also located within walking distance to the Honmachi Station, a subway station

on three lines of the Osaka Municipal Subway, offering excellent connectivity to other parts of the city.

The three freehold hotels which offer 518 rooms in total, were completed in 2018 and commenced operation between May and June 2018.





# OUR HOTELS

## THE SPLAISIR SEOUL DONGDAEMUN

### SEOUL

226 Jangchoongdan-ro, Jung-gu, Seoul, South Korea



SOUTH KOREA

**NUMBER OF ROOMS**  
215

**F&B FACILITIES**  
1 Restaurant  
1 Cafe

**MEETING FACILITIES**  
2 Meeting Rooms

**LAND AREA**  
942 sqm

**LAND TITLE**  
Freehold

**OWNERSHIP**  
98.7%<sup>1</sup>

**VALUATION**  
KRW 79,500.0 million  
[\$95.1 million]<sup>2</sup>



The 215-room Splaisir Seoul Dongdaemun is a 4-star hotel located in the wholesale and retail precinct of Dongdaemun, one of the most popular destination in Seoul. Landmarks located within its vicinity include the

Dongdaemun Design Plaza, the Doota Mall and the Changdeokgung Palace.

Completed in 2015, the 20-floor hotel offers a variety of facilities which included a restaurant, a cafe, two

conference rooms and a gym. The hotel is easily accessible and is well connected to other parts of Seoul via the Dongdaemun History & Culture Park Station, which is only a short distance of walk away.

<sup>1</sup> The remaining interest is held by Ascendas (Korea) Pte Ltd, a wholly-owned subsidiary of the Sponsor.  
<sup>2</sup> Based on 100% interest in the hotel.





# OUR HOTELS

## IBIS AMBASSADOR SEOUL INSADONG

### SEOUL

31 Samil-daero 30-gil, Jongno-gu,  
Seoul, South Korea



**NUMBER OF  
ROOMS**  
363

**F&B FACILITIES**  
1 Restaurant  
1 Bar

**MEETING  
FACILITIES**  
2 Meeting Rooms

**CAR PARKING**  
34 Lots

**LAND AREA**  
2,001 sqm

**LAND TITLE**  
Freehold

**OWNERSHIP**  
98.8%<sup>1</sup>

**VALUATION**  
KRW 82,000.0  
million  
[\$98.1 million]<sup>2</sup>



ibis Ambassador Seoul Insadong is a freehold hotel strategically located near Jung-gu, one of the major business districts in Seoul, where many large Korea corporates and financial institutions are based. The hotel is also conveniently located in close proximity to prominent

tourist destinations including the Insadong retail precinct, Changdeokgung Palace and Jongmyo Shrine. Completed in 2013, the facilities offered by the 363-room hotel include a restaurant, a bar, two meeting rooms, a gym, a sauna, as well as 24 car park spaces.

The hotel is easily accessible via the Jongno 3-ga Station, which is located a short walking distance away from the hotel. Jongno 3-ga Station, which runs three lines of the Seoul subway, offers excellent connectivity to other parts of the city.

<sup>1</sup> The remaining interest is held by Ascendas (Korea) Pte Ltd, a wholly-owned subsidiary of the Sponsor.  
<sup>2</sup> Based on 100% interest in the hotel.





# OUR HOTELS

## PARK HOTEL CLARKE QUAY

### SINGAPORE

1 Unity St, Singapore 237983



<b>NUMBER OF ROOMS</b> 336	<b>LAND AREA</b> 3,949 sqm
<b>F&amp;B FACILITIES</b> 1 Restaurant 1 Bar	<b>LAND TITLE</b> 99-year leasehold expiring in November 2105
<b>MEETING FACILITIES</b> 3 Meeting Rooms	<b>OWNERSHIP</b> 100%
<b>CAR PARKING</b> 50 Lots	<b>VALUATION</b> \$ 325.0 million



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 and Chinatown. The hotel has excellent transport connectivity, within walking

distance to the Clarke Quay MRT Station and the Fort Canning MRT Station.

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 travelers have access to a well-equipped business centre.







# FINANCIAL REVIEW

\$'million	FY2018/19	FY2017/18	Change
Gross Revenue	193.8	224.7	(13.8)%
Net Property Income	86.7	95.7	(9.4)%
Income available for distribution	73.6	71.3	3.2%
Income available for distribution (less income retained for working capital)	68.5	66.2	3.4%
Distribution per Stapled Security (cents)	6.03	5.86	2.9%
Net asset value per Stapled Security (\$)	1.02	0.92	10.9%

A-HTRUST's revenue of \$193.8 million for the financial year ended 31 March 2019 ("FY2018/19") comprised \$141.9 million from Australia, \$30.5 million from Japan, \$13.3 million from Singapore, \$4.8 million from South Korea and \$3.3 million from China.

Revenue for FY2018/19 decreased by \$30.9 million or 13.8% over the previous financial year ended 31 March 2018 ("FY2017/18"). Overall, the underlying revenue of the portfolio was \$22.5 million lower than last year. This was mainly due to sale of hotels in Beijing and the performance of Australia portfolio, partially mitigated by the contributions from the hotels acquired during FY2018/19. Unfavourable currency movements further exacerbated the decline as AUD weakened against SGD by 5.6% compared to a year ago.

Revenue from China had dropped year-on-year due to A-HTRUST's sale of its entire interests in Ascendas China Hotel Investment Limited and Ascendas Hospitality China Pte. Ltd. (collectively, the "China Group") in May 2018. The absence of earnings from China portfolio has since been replenished by contributions from five hotels in Seoul, South Korea and Osaka, Japan which were acquired in May, September and December 2018.

In Australia, while the hotels' occupancies remained strong year-on-year, lower average room rates amidst keen competition in the respective markets and refurbishment within the hotels impacted room revenue.

New room supplies in Sydney have caused hotel operators to lower rates so as to drive volume. Our hotel operators have put in place revenue management strategies to mitigate the impact. On the conferencing front, Novotel Sydney Parramatta achieved a year-on-year increase in business.

Pullman and Mercure Brisbane King George Square was also affected by new room supplies in the city. The hotel's newly contracted airline crews in Brisbane will help create a healthy base.

Pullman and Mercure Melbourne Albert Park was affected by a weaker demand for conferences and events business. The hotel also secured a new airline crew contract.

Net property income ("NPI") for FY2018/19 decreased by \$9.0 million or 9.4% over FY2017/18 to \$86.7 million. The underlying NPI decreased by \$6.6 million while foreign currency movement accounted for \$2.4 million

year-on-year. The lower NPI is mainly attributed by the flow-through impact from the decrease in room rates.

Gain on disposal of the China Group was \$148.8 million. The proceeds from the disposal of the China Group was substantially used to pare down bank borrowings and fund the acquisition of The Splaisir Seoul Dongdaemun and ibis Ambassador Seoul Insadong, A-HTRUST's maiden entry into Seoul. \$8.2 million was also distributed to Stapled Securityholders in FY2018/19 to mitigate the loss in income due to the disposal of the China Group.

Total distribution to Stapled Securityholders (after retention of \$5.1 million for working capital) for FY2018/19 was \$68.5 million, an increase of \$2.3 million as compared to a year ago. The increase is due to partial distribution of disposal gain from the sale of the China Group and savings in finance costs arising from the paring down of loans. Accordingly, DPS for FY2018/19 was 6.03 cents compared to 5.86 cents recorded for FY2017/18.

A-HTRUST's portfolio of properties was revalued at \$1.8 billion as at 31 March 2019 and a net change in fair value of \$44.1 million (net of tax) was recorded. Substantial value was

created via the divestment of China portfolio, prudent investments in new assets and active asset management strategy as net asset value per Stapled Security increased by 10.9% to \$1.02.

## CAPITAL MANAGEMENT

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

During the financial year, A-HTRUST fully repaid its A\$236 million secured bank loan using a portion of the proceeds from disposal of the China Group as well as new unsecured bank loans.

To finance the acquisition of the 3 new hotels in Osaka, A-HTRUST put in place an offshore JPY5.1 billion unsecured term loan, and an onshore JPY6 billion fixed rate bond issued by Ascendas Hospitality Honmachi Tokutei Mokuteki Kaisha.

An onshore unsecured KRW32 billion loan was used to finance A-HTRUST's



acquisition of ibis Ambassador Seoul Insadong.

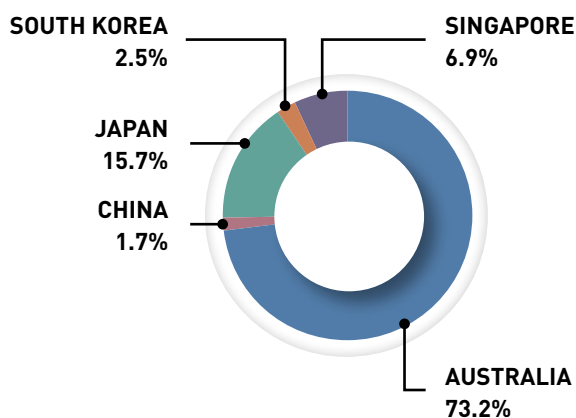
As at 31 March 2019, A-HTRUST's total borrowings was \$643.6 million with overall gearing ratio of 33.2%. The weighted average maturity of A-HTRUST's aggregate borrowings was 3.8 years as at 31 March 2019.

To manage interest rate exposure, A-HTRUST maintains a significant proportion of its borrowings on fixed interest rates. As at 31 March 2019, 82.3% of A-HTRUST's borrowings were on fixed interest rates.

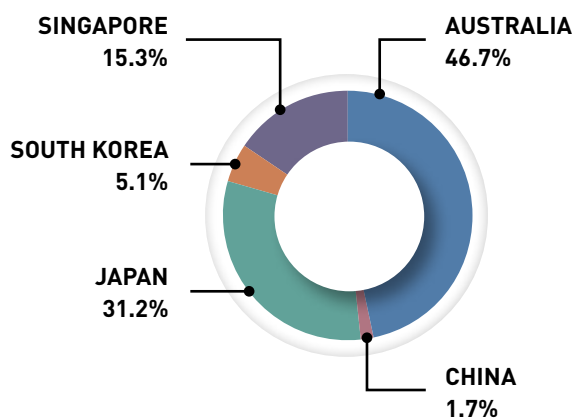
A-HTRUST adopts a policy that systematically hedge the expected overseas distributions using foreign currency forward contracts to protect its distribution against movements in foreign currency. As at 31 March 2019, A-HTRUST had hedged approximately 25% of the expected distributions for the next 12 months.

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.

### FY2018/19 REVENUE BY COUNTRIES



### FY2018/19 NET PROPERTY INCOME BY COUNTRIES



# OPERATIONS REVIEW

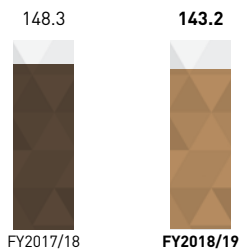
As at 31 March 2019, A-HTRUST has a portfolio of 14 hotels located across cities in Australia, Japan, South Korea and Singapore, with an aggregate portfolio valuation of \$1,822.5 million<sup>1</sup>. The portfolio valuation increased by 11.5% compared to March last year (in SGD term), which was driven mainly by the acquisitions of the five hotels during FY2018/19.

Overall A-HTRUST performance for FY2018/19 was affected by the Australia portfolio which were faced with increased competition, as well as the loss of income from China portfolio which was divested in May 2018. This was partially offset by improvements in the contributions from the Japan portfolio and Singapore hotel, as well as the contributions from the two hotels in

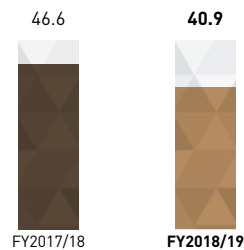
South Korea acquired in FY2018/19. This demonstrated the importance of diversity as improvements in performance of the hotels in other markets helped mitigate the weaker performance from the Australia portfolio.

## AUSTRALIA

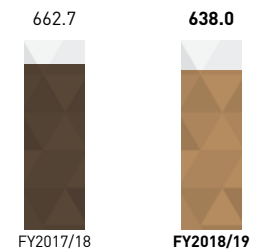
### GROSS REVENUE (A\$ million)



### NET PROPERTY INCOME (A\$ million)



### VALUATION (A\$ million)



In FY2018/19, the Australia portfolio faced challenges in the respective cities, largely brought about by an increase supply of rooms. However, the Australia portfolio managed to maintain an overall healthy occupancy rate of 85% for FY2018/19, although rooms rates were lower resulting in a decline of 4.0% for the overall RevPAR.

The two Sydney city hotels, Pullman Sydney Hyde Park and Novotel Sydney Central, posted a high average occupancy rate of around 90% for FY2018/19. However, room rates were soft which impacted the performance

of these two hotels which also had lower conferences and events (C&E) business. The performance of Pullman Sydney Hyde Park was mitigated by a higher contribution from the office component which was 100% occupied as at 31 March 2019. The performance of Novotel Sydney Parramatta and Courtyard by Marriott Sydney-North Ryde were relatively stable in FY2018/19, where Novotel Sydney Parramatta posted an improvement in C&E business.

In addition to increased supply of rooms, the performance of Pullman and

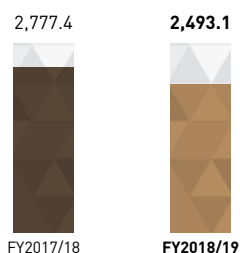
Mercure Melbourne Albert Park was also affected by lower C&E business for the hotel. The hotel, however, had some respite in the fourth quarter of the financial year where there was stronger demand for its C&E space. Pullman and Mercure Brisbane King George Square also had to lower room rates to maintain market share due to large inventory of rooms built up over recent years. However, both the rooftop bar and the newly renovated restaurant, named as Goldfinch, in the hotel contributed positively to the improvement in F&B revenue.

<sup>1</sup> Based on A-HTRUST's interest in each of the hotels.

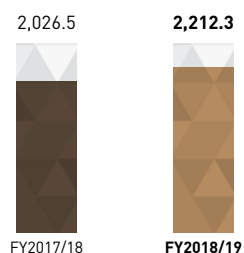


## JAPAN

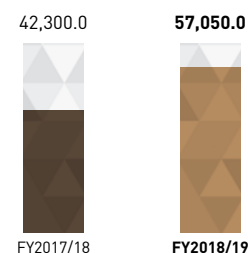
### GROSS REVENUE (JPY million)



### NET PROPERTY INCOME (JPY million)



### VALUATION (JPY million)



Having endured natural disasters and adverse weather, Japan continued to post increase in international arrivals, with a record 31.2 million inbound in 2018, up 8.7% y-o-y<sup>1</sup>. Despite the challenges faced, including increased supply in Osaka, Hotel Sunroute Ariake

and Hotel Sunroute Osaka Namba demonstrated resilience and their net property income contribution was relatively stable. A number of rooms in Hotel Sunroute Ariake were also displaced in the early part of FY2018/19 for refurbishment. The rooms in the

hotel are now refreshed to provide a better experience for guests. The three newly acquired WBF-branded hotels in Osaka helped boost the contribution from the Japan portfolio resulting in growth of net property income of 9.2% y-o-y in JPY term.

## SOUTH KOREA

### GROSS REVENUE (KRW million)



### NET PROPERTY INCOME (KRW million)



### VALUATION (KRW million)



The number of foreign visitors to South Korea recovered well in 2018, with 15.3 million international arrivals, an increase of 15.1% compared to the previous year. The trend continued in 2019 with international arrivals growing 14.1% y-o-y in the first three months

of 2019. Against this backdrop, and with a majority of the arrivals visiting Seoul, the hotel market in Seoul also recovered. In line with this, the newly acquired hotels, The Splaisir Seoul Dongdaemun and ibis Ambassador Seoul Insadong, also posted y-o-y

growth in underlying performance. These two hotels contributed net property income of \$4.4 million in FY2018/19.

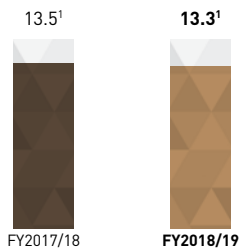
<sup>1</sup> Source: Japan National Tourism Organization.

<sup>2</sup> Based on A-HTRUST's interest in each of the hotels.

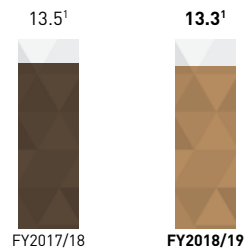
# OPERATIONS REVIEW

## SINGAPORE

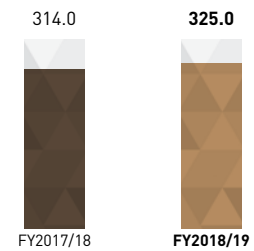
### GROSS REVENUE (\$ million)



### NET PROPERTY INCOME (\$ million)



### VALUATION (\$ million)



Singapore's market wide hotel RevPAR rose by 2.4% y-o-y to \$189 in 2018 as the supply of new hotels slow down amidst increasing international visitor arrivals<sup>2</sup>. The international visitors rose by 6.2% y-o-y to reach a record level of 18.5 million in 2018. This has supported

Park Hotel Clarke Quay's underlying performance in FY18/19. Despite a moderation in transient and corporate demand in the second half of the financial year and absence of Singapore Airshow 2018, a biennial event held in February 2018, the underlying income

from the hotel to A-HTRUST improved, with gross revenue and net property income growing by 1.5%<sup>3</sup> and 1.7%<sup>3</sup>, respectively.

1 Including effects of recognising rental income on a straight-line basis over lease term.  
 2 Source: Singapore Tourism Board.  
 3 Excluding effects of recognising rental income on a straight-line basis over lease term.





# MARKET REVIEW

## SYDNEY

### SYDNEY MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

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

According to Tourism Research Australia, the Sydney Tourism Region recorded 110.9 million visitor nights in 2018, an increase of 4.6% on the previous corresponding period.

International visitor nights, which comprise 73.3% of all visitor nights in the Sydney Tourism Region, experienced a 2.5% increase y-o-y to 81.3 million visitor nights in 2018. The major source markets include Mainland China (24.3% of international visitor nights), the United Kingdom (6.3% of international visitor nights) and Korea (5.8% of international visitor nights).

Domestic visitor nights in the Sydney Tourism Region totalled 29.6 million in 2018, an increase of 10.7% in comparison to the previous year. This robust growth in domestic visitor nights can be primarily attributed to the y-o-y increases in domestic visitor nights to the business travel (25.3% increase y-o-y) and leisure travel (12.2% increase y-o-y) segments.

#### EXISTING SUPPLY

According to STR as at 31 December 2018, there were approximately 21,162 rooms in Sydney City. Hotel openings in 2018 accounted for an estimated 472 rooms representing a 2.2% increase in room stock. Notable openings in 2018 included the 297-room Four Points by Sheraton Sydney, Central Park, 73-room SKYE Hotel Suites Sydney and the 35-room Little Albion Guest House.

#### FUTURE SUPPLY

There are nine short term accommodation developments currently under construction and due for completion between 2019 and 2020. This includes, but is not limited to the 202-room Meriton Suites Sussex Street, 145-room Vibe Hotel

Darling Harbour, and the 590-room W Hotel Sydney located within the "Ribbon" development. The hotel room supply is projected to grow at an average of 3.1% per annum over the four years to the end of 2022.

#### HOTEL MARKET PERFORMANCE

According to STR market-wide occupancy levels in Sydney throughout 2018 have experienced a 1.6% decline over the previous year, reducing from 88.5% to 87.1%. Additionally, ADR has slightly increased by 0.5% to AUD 262 resulting in a decline in RevPAR of 1.2% to AUD 228.

Sydney has continued to realise strong tourist visitation, and in addition to a busy events calendar, the market is widely considered to strengthen over the medium term.

#### HOTEL MARKET OUTLOOK

The outlook for Sydney's accommodation market remains strong with market occupancy at a high level and ADR growing modestly over the medium term in line with the strong occupancy outlook and more stable demand environment with growth across a variety of segments including corporate, cruise and inbound. We note that the city has also enhanced demand through the creation of events during the traditionally lower yielding months.

While a relatively large number of rooms are anticipated to enter the Sydney market over the next 3 years, it is expected that continued strong demand will offset the incoming supply increases and anticipated increases in ADR are expected to outweigh the slightly falling occupancy. As a result, RevPAR will continue to improve, although at a lower level than experienced over the five years to 2018.

#### HOTEL INVESTMENT MARKET

Whilst the demand for Sydney hotels remains strong, there have been limited opportunities to acquire them throughout both the city and wider metropolitan region. In 2018 there were seven standalone transactions within NSW which include but are not limited to the 122-room Park Regis City Centre (AUD 54.18 million), the 50-room BreakFree on Clarence (AUD 30.0 million) and the 35-room Little Albion Guest House (AUD 25.75 million). Additionally, we note that a further three hotels within a wider portfolio transacted within NSW.

## MELBOURNE

### MELBOURNE MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

Melbourne is an internationally recognised tourism destination, which boasts world-class infrastructure that consistently attracts a large number of domestic and international visitors annually. Melbourne's consistently strong trading performance over many years has now gained the attention of a wide spectrum of domestic and international developers, investors and operators. As a result, the market now has an active supply pipeline with a number of new hotel projects announced throughout the year.

According to Tourism Research Australia, Melbourne's tourism region recorded an increase in demand over the twelve months to December 2018, with total visitor nights increasing by 11.5% y-o-y to 92.6 million.

International visitors accounted for 70.0% of total visitor nights in Melbourne for the year ending December 2018, increasing by 12.4% to approximately 64.7 million visitors compared to the previous year. Mainland China, United Kingdom and Malaysia were the primary inbound markets over this period.

Domestic visitor nights rose by 9.5% to approximately 28 million for the year ending December 2018, with travel for the purpose of Business recording the largest increases y-o-y.

#### EXISTING SUPPLY

According to STR, there were 146 establishments with 22,113 accommodation rooms in Melbourne City at the end of 2018.

Notable additions to supply in 2018 included the 347-room Novotel Melbourne South Wharf, 150-room AVANI Melbourne and the 483-room Ibis & Novotel Central Melbourne. This represents a 4.4% increase on existing stock.

#### FUTURE SUPPLY

We are aware of 23 properties which are currently under construction in Melbourne City due for completion between 2019 and 2022. If these projects materialise, this will represent an increase of 5,200 rooms, or 23.5% on existing stock. The hotel room supply is projected to grow at an

average of around 5.2% per annum over the four years to the end of 2022.

#### HOTEL MARKET PERFORMANCE

STR showed market wide occupancy levels in Melbourne have declined 1.1 percentage points to 83.6% in 2018. ADR improved slightly by 0.7% to AUD196 resulting in a marginal RevPAR moderation of 0.04% to AUD164.

#### HOTEL MARKET OUTLOOK

Melbourne's expected influx of accommodation supply pipeline is anticipated to have an impact on the market over the medium-term, as downward pressure is placed on the high levels of occupancy that the market has been experiencing, which is expected to moderate trading performance levels. That said, the market is anticipated to maintain a core level of demand growth as Melbourne is a major corporate and leisure market in Australia, with the market is expected to ultimately absorb the supply and return to historic levels over the longer-term.

#### HOTEL INVESTMENT MARKET

Investor appetite for hotel investment opportunities in Melbourne remains strong with the city ranked as the second hotel investment destination in Australia. There were three major hotel transactions in 2018, being the sale of the 419-room Pullman Melbourne on the Park, the 844-room Bell City Hotel and the 44-room Habitat HQ hotel.

# MARKET REVIEW

## BRISBANE

### BRISBANE MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

Brisbane's new lifestyle and luxury positioned hotels entering the market in 2018, spread across CBD, South Bank and Fortitude Valley locations, greatly contributed to Brisbane's underlying appeal as a destination for both leisure and corporate tourism markets.

According to Tourism Research Australia, Brisbane's tourism region recorded an increase in demand over the twelve months to December 2018, with total visitor nights increasing by 8.0% y-o-y to 50.6 million.

International visitors accounted for 57.0% of total visitor nights in Brisbane for the year ending December 2018, increasing by 9.7% to approximately 29 million visitor nights compared to the previous year. Mainland China, United Kingdom and Korea were the primary inbound markets.

Domestic visitor nights rose by 5.2% to 22 million for the year ending December 2018, with travel for the purposes of visiting family and friends, holiday and business recording the largest increases y-o-y.

#### EXISTING SUPPLY

As at December 2018, there were approximately 98 establishments with 12,140 accommodation rooms in Brisbane, according to STR.

Notable additions to supply in 2018 included the 143-room Emporium Southbank, 312-room W Hotel, 238-room Novotel Brisbane Southbank, 178-room Calile Hotel, 286-room Westin Hotel Brisbane and the 220-room Adina Apartment Hotel. These new hotels represent an 11.3% increase on the existing stock.

#### FUTURE SUPPLY

We are aware of seven hotel properties which are currently under construction in Brisbane City due for completion between 2019 and 2024. If these projects materialise, this will represent an increase of 1,375 rooms, or a further 11.3% increase on existing stock. We note that five of these hotels are to be located within the Queens Wharf precinct currently

under re-development. The hotel room supply is projected to grow at an average of 3.0% per annum over the four years to end 2022.

#### HOTEL MARKET PERFORMANCE

According to STR, there was a slight moderation in the Brisbane accommodation market in 2018, with market wide occupancy decreasing by 2.1 percentage points to 73.0%. An ADR of AUD158 was achieved, down by approximately 0.3% compared to the previous year. Due to moderations in demand and ADR, a RevPAR decrease was recorded of 2.4% to AUD115 during the 12 months to December 2018.

#### HOTEL MARKET OUTLOOK

Future trading performance will likely remain conditional on a sustained recovery in the corporate and conference/events segments as well as growth across the leisure markets. Ultimately, resource sector related corporate demand has the potential to improve over the medium term. It is anticipated at this stage that demand growth will be progressive and spread over the medium to long term. This growth is likely to be enhanced by notable infrastructure and tourism amenity within Brisbane's City centre.

There is clear sense of positive change within the city's hotel sector. Improving corporate demand as well as an enhanced city centre with draw cards such as the recently completed Howard Smith Wharfs and forthcoming projects such as Queens Wharf and Brisbane Live support further growth.

In addition, of particular importance to the city remains the completion of the second runway at Brisbane Airport. This improves airlift to/from the city and South East Queensland. A positive in terms of tourism visitation, the broader corporate environment, and Brisbane's gateway position for core commercial as well as logistical activities and distribution.

#### HOTEL INVESTMENT MARKET

There were three major hotel transactions in Brisbane in 2018, being the sale of the 94-room Watermark Brisbane, the 367-room Ibis Styles Brisbane and the 179-room Hotel Urban Brisbane. Investor appetite for hotel investment opportunities in Brisbane remains strong with the city ranked as one of the key investment destinations in Australia.





## TOKYO

### TOKYO MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

According to the Japan National Tourism Organisation, international visitor arrivals to Japan rose by 8.7% y-o-y to 31.2 million in 2018. The top source markets to Japan were South Korea, Mainland China, Taiwan and Hong Kong, which in total comprised around 73% of total inbound visitors to Japan in 2018. Mainland China remained the top source market with around 8.4 million visitors during the period.

The y-o-y increase was despite the series of natural disasters in 2018, such as the earthquake in the northern part of Osaka, heavy rains in western Japan in late-June to early-July, Typhoon Jebi (the strongest Typhoon in 25 years), as well as another earthquake in Hokkaido in September.

According to the Japan Tourism Agency, 57.0 million visitor nights were recorded in Tokyo in 2018, representing a 5.4% y-o-y growth. The increase was driven by international guests, which registered a y-o-y growth of 12.9% and accounted for 37.0% of all accommodation demand in Tokyo. Domestic guest demand, on the other hand, increased modestly by 1.4% y-o-y.

#### EXISTING HOTEL SUPPLY

Based on the latest statistics from the Japan Ministry of Health, Labour and Welfare, the Tokyo Metropolitan area has a total of 718 hotels with 110,641 rooms at end-March 2018. The number of rooms increased by 8.2% y-o-y from end-March 2017, compared to just 2.1% y-o-y during the same period in the previous year. The majority of new openings in 2018 are categorised under limited-service hotels.

Notable major supply in 2018 include the 164-room Hyatt Centric Ginza Tokyo, the 164-room The Gate Hotel Tokyo by Hulic and the 143-room Pullman Tokyo Tamachi.

#### FUTURE HOTEL SUPPLY

In 2019, major hotel openings (upscale and above segment) include the reopening of the Okura Tokyo, which is scheduled to open in September. The hotel room supply is projected to grow at an average of around 2.3% per annum over the four years to end 2022.

From 2019 onwards, we are aware of 3,363 rooms of major hotels which are expected to enter the market until 2025.

Among the hotel supply pipeline from 2019 to 2025, luxury hotel projects represent 43.7% of the future supply, whilst upscale hotel projects represent 31.8% of the future supply.

These new upscale hotels are categorised as limited-service hotel without large banquet facilities or multiple F&B outlets, but offer a greater range of leisure facilities as compared to the typical limited-service hotels. Some of the leisure facilities include a guest lounge and fitness centre to attract increasing international leisure demand.

#### HOTEL MARKET PERFORMANCE

According to STR, Tokyo's market-wide hotel trading performance improved with RevPAR increasing by 5.4% y-o-y to JPY 17,309 in 2018. The improvement in trading performance was driven by both ADR and occupancy growth. ADR increased 3.9% y-o-y to JPY 19,578, whilst occupancy increased by 1.3 percentage points to reach 88.4%.

#### HOTEL MARKET OUTLOOK

Hotel demand is expected to be supported by positive growth in international visitors, driven by the Tokyo Metropolitan Government's tourism strategies. In 2018, Tokyo was named the best city in the Condé Nast Traveller's Readers' Choice Award for the third consecutive year, further reinforcing the successes of various government initiatives to enhance Tokyo's attractiveness as a popular tourist destination.

In addition to the above, Japan is looking ahead to two major global sporting events, namely the 2019 Rugby World Cup and the Tokyo 2020 Olympic Games. Tokyo's luxury hotel market is expected to see further improvement in RevPAR driven by the induced international demand relating to these major events.

#### HOTEL INVESTMENT OUTLOOK

In 2018, there were 23 hotel transactions in Tokyo and majority of the sold assets were limited-service hotels. Buyers mainly include domestic REITs and investment funds.

Whilst investors' appetite for hotel assets remain, offerings for major hotels remain rare, particularly in Tokyo. Nevertheless, the number of hotel investment transactions is anticipated to continue to grow over the next 12 months as we anticipate investment funds to start divesting hotel assets in the lead-up to Tokyo Olympics in 2020.

# MARKET REVIEW

## OSAKA

### OSAKA MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

According to the Japan Tourism Agency, a total of 30.7 million visitor nights were recorded in Osaka in 2018, representing a 0.8% y-o-y growth. The y-o-y increase was despite the series of natural disasters that occurred in the region, reflecting the resilience in Osaka's accommodation demand.

The increase in visitor nights was attributed to strong international accommodation demand, which saw a 4.2% y-o-y growth and accounted for 36.8% of total visitor nights in Osaka. This helped to offset the decline in domestic demand, which fell by 1.1% y-o-y in visitor nights during the same period.

The top source markets to Osaka were Mainland China, South Korea, Taiwan and Hong Kong, which in total made up around 72% of total inbound visitor nights to Osaka in 2018. Mainland China remained the top source market with around 3.6 million visitor guest nights.

#### EXISTING HOTEL SUPPLY

Based on the latest statistics from the Japan Ministry of Health, Labour and Welfare, Osaka City has 411 hotels with 61,090 guestrooms as at end-March 2018. The number of rooms increased by 6.5% y-o-y, which included the opening of the 428-room Hotel Universal Port Vita, located in front of Universal Studios Japan. The rest of new openings in 2018 are limited-service hotels managed under domestic hotel operators.

Hotel rooms in Osaka City have been steadily increasing since 2012, rising at a CAGR of 4.9% with majority of new supply in Osaka being limited-service hotels. Both the number of hotels and hotel rooms registered a significant uptick in 2018, reflecting an influx of new hotel supply drawn by the robust

accommodation demand fuelled by strong visitor growth to Osaka.

#### FUTURE HOTEL SUPPLY

In 2019, major hotel openings (upscale and above segment) include the 150-room Hotel Royal Classic, 360-room Osaka Excel Tokyu, 300-room Citadines Osaka and the 760-room Liber Hotel At Universal Studios Japan, which is an upscale hotel located near Universal Studios. The hotel room supply is projected to grow at an average of around 6.5% per annum over the four years to end 2022.

#### HOTEL MARKET PERFORMANCE

The natural disasters in Osaka and the western part of Japan in 2018 highlighted several risks associated with the tourism industry. According to STR, Osaka's market-wide hotel trading performance experienced a decline in RevPAR of 6.6% y-o-y to JPY 13,754, which was driven by the ADR decline of 3.9% y-o-y to JPY 15,703 and the decline in occupancy of 2.5 percentage points to 87.6%.

#### HOTEL MARKET OUTLOOK

Despite the upcoming supply, overall hotel trading performance is expected to be resilient in 2019. The impact of natural disasters in 2018 are unlikely to affect both hotel trading and capital markets in the long-term, amidst continued growth in inbound visitation and quick recovery in infrastructure improvements.

The G20 summit will be held in Osaka in June 2019 and this is expected to provide a positive impact on hotel trading performance. Moreover, Kobe city and Higashi-Osaka city, located near Osaka, will be the host cities for the 2019 Rugby World Cup from September to November 2019. In light of the limited number of accommodation facilities within host cities, strong spillover demand is expected in Osaka before, during, and after the Rugby World Cup. A new Nintendo World

section will open in Universal Studios Japan in 2020, which is anticipated to positively impact the Osaka tourism market.

Osaka will be the host city for the World Expo in 2025, which will be held on man-made island, Yumeshima Island, in Osaka Bay. Over the six-month period from 3 May to 3 November 2025, the event is expected to draw approximately 28.0 million visitors, bringing further support to Osaka's hotel trading performance in the longer-term.

#### **HOTEL INVESTMENT OUTLOOK**

In 2018, there were seven hotel transactions in Osaka, with majority of the sold assets being limited-service hotels. Buyers include a mix of domestic and international real estate companies and REITs.

Whilst investors' appetite for hotel assets remain, offerings for major hotels are rare, particularly in Osaka. The impact of natural disasters in 2018 is unlikely to affect the hotel investment climate in the short- to medium-term, amidst continued growth in inbound visitation and quick recovery infrastructure improvements.

In the long-term, investors' interest is expected to remain high on the back of significant future demand generators such as the World Expo 2025 and the increasing possibility that the city will be home to the first IR in Japan.



# MARKET REVIEW

## SEOUL

### SEOUL MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

In 2018, international visitor arrivals to South Korea increased by around 15% y-o-y, mainly driven by improving sentiments between North and South Korea, as well as the normalisation of political relations between South Korea and China. The opening of Terminal 2 at Incheon International Airport and the 2018 PyeongChang Winter Olympics & Paralympics were also regarded as drivers of visitor growth during the period.

Mainland China (31.2%) accounted for the largest proportion of international visitors to the country, followed by Japan (19.2%) and Taiwan (7.3%). In 2018, visitors from China rose by 14.9% y-o-y, whilst strong visitor growth was also registered from Vietnam (+41.0%), Japan (+28.6%) and Taiwan (20.5%).

#### EXISTING HOTEL SUPPLY

In 2018, eight hotels comprising 2,379 rooms opened, representing a 4.5% y-o-y increase in total room supply. This brings the total room supply to 55,833 rooms as at the end of the year.

#### FUTURE HOTEL SUPPLY

We are aware of the opening of two internationally branded hotels in 2019, namely ibis budget Ambassador Seoul Gangnam and Andaz Gangnam Seoul. Together, these hotels will add 362 rooms to the existing supply. The hotel room supply is projected to grow at an average of 2.0% per annum over the four years to end 2022.

From 2020 onwards, the opening of six full-service hotels is expected to add 1,716 keys to the current supply, or increase

the existing supply by 3.0%. The new openings spread across popular districts such as Gangnam-gu and Yeongdeungpo-gu, as well as emerging areas like Mapo-gu and Guro-gu.

#### HOTEL MARKET PERFORMANCE<sup>1</sup>

In 2018, overall RevPAR trading performance registered an improvement over the previous year, largely in line with the recovery in international visitor arrivals. According to STR, midscale and economy hotel trading performance in Seoul continued on an upward trend, with RevPAR increasing by 8.6% y-o-y to KRW 75,076. This growth was primarily driven by occupancy, which increased by 5.2 percentage points y-o-y to reach 78.6%. During the same period, ADR increased by 1.4% y-o-y to KRW 95,465.

The RevPAR of luxury and upper upscale hotels likewise increased y-o-y by 7.7% to KRW 164,138 in 2018. Both occupancy and ADR registered y-o-y growth, with occupancy increasing y-o-y by 3.6 percentage points to reach 71.0% and ADR increasing y-o-y by 2.3% to KRW 231,117.

#### HOTEL MARKET OUTLOOK

With a normalising of political relations between South Korea and China, as well as improving sentiment on the Korean Peninsula, the outlook for international visitor arrivals is positive. Visitor arrivals to Seoul are expected to grow further as the demand from Mainland China and the secondary source markets continue to rise. In combination with limited new supply, this trend is expected to continue and drive Seoul market-wide trading performance.

Looking forward, the outlook on RevPAR across all markets is positive as ADR and occupancy growth is expected to continue

<sup>1</sup> STR baskets for 2018 have been split by category and have been updated to better represent the overall performance of the hotel industry.

in 2019 following the ongoing return in visitation from China and the continued supply constraint.

#### **HOTEL INVESTMENT OUTLOOK**

Seven major hotel transactions took place in Seoul in 2018, including the KY-Heritage Hotel Dongdaemun, Hotel Capital, ibis Ambassador Seoul Insadong and the Skypark Myeongdong portfolio.

Being one of the largest cities in Asia and one of the few markets where foreigners can hold freehold properties, Seoul has seen increasing demand for hotels from international investors in recent years. KY-Heritage Hotel Dongdaemun, Hotel Aropa and ibis Ambassador Seoul Insadong were examples of such trend in 2018.

Several hotel transactions were also noted as taking place for redevelopment or alternative use, such as the sale of the Hotel Capital in Itaewon. Given the expected improvement in trading performance and increasing demand from foreign buyers, hotel asset values are expected to see further growth.

# MARKET REVIEW

## SINGAPORE

### SINGAPORE MARKET OVERVIEW

#### TOURISM MARKET OVERVIEW

In 2018, visitor arrivals rose by 6.2% y-o-y to reach record levels for the third consecutive year to 18.5 million. In the same year, Changi Airport handled a record number of passenger movements of 65.6 million, a y-o-y increase of 5.5%. According to Changi Airport Group, the airport welcomed three new passenger airlines in 2018, namely Guangxi Beibu Gulf Airlines, LOT Polish Airlines and Shandong Airlines, as well as seven new passenger links via China, Germany, India, Indonesia and Poland

The top 10 visitor source markets all recorded y-o-y growth in 2018, except for South Korea which declined marginally by 0.3%. Amongst the top 10 markets, the United States, India and Vietnam recorded double-digit y-o-y growth of 13.7%, 13.4% and 11.3%, respectively. Continued marketing efforts by the Singapore Tourism Board (STB), coupled with several high-profile events, including the debut of Hollywood movie "Crazy Rich Asians" featuring Singapore, also significantly helped to increase Singapore's profile on a global stage.

The strong increase in American visitors may be attributed to the publicity from the North Korea-US summit in Singapore in June 2018. The continued growth in visitors from India, was also supported by the cruise market, with cruise passengers from India rising significantly by 27.0% y-o-y to about 160,000 in 2018.

In 2019, the STB forecasts visitor arrivals to increase in the range of 1.0% to 4.0% y-o-y, which translates to approximately 18.7 to 19.2 million.

#### EXISTING HOTEL SUPPLY

According to JLL Research, there is a total of 68,788 quality hotel rooms in 2018, representing a 0.5% y-o-y increase over the previous year. These comprised three hotels consisting of 344 rooms, namely 157-room The Capitol Kempinski Hotel Singapore, 138-room Six Senses Maxwell and 49-room Six Senses Duxton.

#### FUTURE HOTEL SUPPLY

According to the STB and JLL Research, approximately 1,880 quality hotel rooms are expected to open in 2019, which will represent a 2.7% y-o-y increase on the existing room supply. More than 90% of future hotel room supply is in the upscale and midscale segments. The hotel room supply is projected to grow at an average of around 0.9% per annum over the four years to end 2022.

Further, it should be noted that the majority of upcoming hotel room supply in 2019 will be located in Sentosa (44.6%), followed Raffles Place (31.7%), the eastern region of the city-state (17.4%) and Rochor (6.4%). Notable new supply includes three hotels in Sentosa, namely the 606-room Village Hotel Sentosa, 193-room Outpost Hotel Sentosa and the 40-room The Barracks Hotel, as well as the 130-room YOTELAIR which is located at the iconic Jewel Changi Airport.

#### HOTEL MARKET PERFORMANCE<sup>1</sup>

According to STB, market wide RevPAR rose by 2.4% y-o-y to SGD 189 in 2018. This was driven by the increase occupancy of 1.5 percentage points to 86.0% and ADR of 0.9% y-o-y to SGD 219.

#### HOTEL MARKET OUTLOOK

The introduction of new airline carriers and passenger flight routes in 2018 is expected to continue to drive visitor growth to Singapore in 2019, enabling the city-state to be on track to receive yet another year of record visitors. Moreover, STB has also announced that there will be even greater connectivity to Singapore with the introduction of new flight routes and/or seat capacities from key growth markets such as Mainland China and Japan in 2019. This, together with the relatively limited supply in 2019, is expected to bode well for hotel trading performance in the short-term.

Apart from the rejuvenation of Orchard Road and Sentosa, the two integrated resorts in Singapore will undergo expansion and introduce new attractions to remain competitive. Marina Bay Sands will introduce a new 15,000-seat entertainment arena and a 1,000 all-suite room hotel. Resorts World Sentosa

<sup>1</sup> STB has reviewed and updated data estimation methodology as to better represent the overall performance of the hotel industry. On 29 January 2018, hotel performance statistics from 1 January 2007 onwards have been updated based on the revised methodology.



will introduce two new hotels consisting of up to 1,100 rooms and will be expanding its theme park, Universal Studios Singapore, to include new attractions such as the Minion Park and Super Nintendo World. Although the construction timeline has not yet been finalised, the refreshed offerings are expected to open in phases from 2020 to 2025.

The upcoming hotel supply in Sentosa in 2019 coupled with the proposed increase in hotels at Resorts World Sentosa, may potentially put some pressure on hotel trading performance on the island in the medium-term. Nevertheless, the ongoing plans to reshape Sentosa to provide greater leisure and entertainment options as well as MICE events (meetings, incentives, conventions and exhibitions), are anticipated to provide impetus for tourist demand in the medium- to long-term.

#### **HOTEL INVESTMENT OUTLOOK**

There were three notable transactions in 2018, namely the sale of Darby Park Executive Suites, Wangz Hotel and Wanderlust Hotel.

Following the award of the hotel site along Club Street to Worldwide Hotels Group's Midtown Development for a record price per square foot per plot ratio for a 99-year leasehold site, Singapore is riding on wave of hotel sales in a usually tightly-held market. As market sentiment strengthens, evident by the strong hotel operating performance and the record number of visitor arrivals achieved in 2018, we expect investor interest to increase as more hotels are brought to market.

# INVESTOR RELATIONS

The Managers are committed to maintaining fair, timely, accurate and effective communications with A-HTRUST's stakeholders, including Stapled Securityholders, prospective investors, analysts and the media.

Announcements, press releases and investor presentations are promptly released on SGXNET and subsequently on A-HTRUST's corporate website ([www.a-htrust.com](http://www.a-htrust.com)) so as to keep investors updated of the material developments and financial performance of A-HTRUST. Stapled Securityholders and the general public can also subscribe to A-HTRUST's electronic mailing list via the corporate website and they will receive email notification of latest updates.

The Managers ensure that price sensitive information is disseminated to the public on a timely and non-selective basis via SGXNet as well as on A-HTRUST's corporate website. Information relating to the portfolio, financial results and annual reports are

also available on the corporate website, which is updated regularly.

## REACHING OUT TO INVESTMENT COMMUNITY

The Managers regularly communicate with the investment community, to maintain engagement with existing Stapled Securityholders and to cultivate new ties with prospective investors. The Managers hold one-on-one meetings, participate in investor conferences and non-deal roadshows in Singapore and overseas in reaching out to institutional investors. During such meetings, both existing and prospective investors can have a better understanding of A-HTRUST as the Managers provide updates on A-HTRUST's development and performance. Through these meetings, the Managers also seek to raise the profile of A-HTRUST amongst the investment community. In addition, the Managers also conduct results briefing with analysts via teleconferences every quarter following the release of A-HTRUST's financial results. To engage

retail investors, the Manager participated in the annual REITs Symposium jointly organised by Shareinvestor and the REIT Association of Singapore (REITAS) in May 2018.

The annual general meeting was held in June 2018 which was well attended by Stapled Securityholders or proxies. The annual general meeting is an important platform where the Managers update the Stapled Securityholders of the performance and developments of A-HTRUST, as well as future plans. Such meetings, which are attended by the Boards of Directors and senior management of the Managers, allow the Stapled Securityholders to raise queries on A-HTRUST and also provide the Managers with an opportunity to better understand any issues or concerns Stapled Securityholders may have.

To promote ongoing and open communication, Stapled Securityholders can also submit any queries or feedback through email ([info-aht@ascendas-singbridge.com](mailto:info-aht@ascendas-singbridge.com)).

## KEY INVESTOR RELATIONS EVENTS IN FY2018/19

FY2018/2019	COUNTRY	DATE
4Q FY2018/19 Analysts Teleconference	Singapore	May 2018
DBS-REITAS Forum 2018	Singapore	May 2018
REITs Symposium 2018	Singapore	May 2018
HSBC 2nd Annual Asia Credit Conference	Hong Kong	June 2018
6th Annual General Meeting	Singapore	June 2018
1Q FY2018/19 Analysts Teleconference	Singapore	August 2018
Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Forum	Singapore	August 2018
SGX-DBSV-REITAS Singapore Corporate Day 2018	Bangkok, Thailand	September 2018
2Q FY2018/19 Analysts Teleconference	Singapore	October 2018
3Q FY2018/19 Analysts Teleconference	Singapore	January 2019
16th Annual Citi Asia Pacific Investor Conference 2019	Singapore	February 2019
SGX-DBSV-NH Singapore Corporate Day 2019	Seoul, South Korea	March 2019

## FINANCIAL CALENDAR

### FY2018/2019

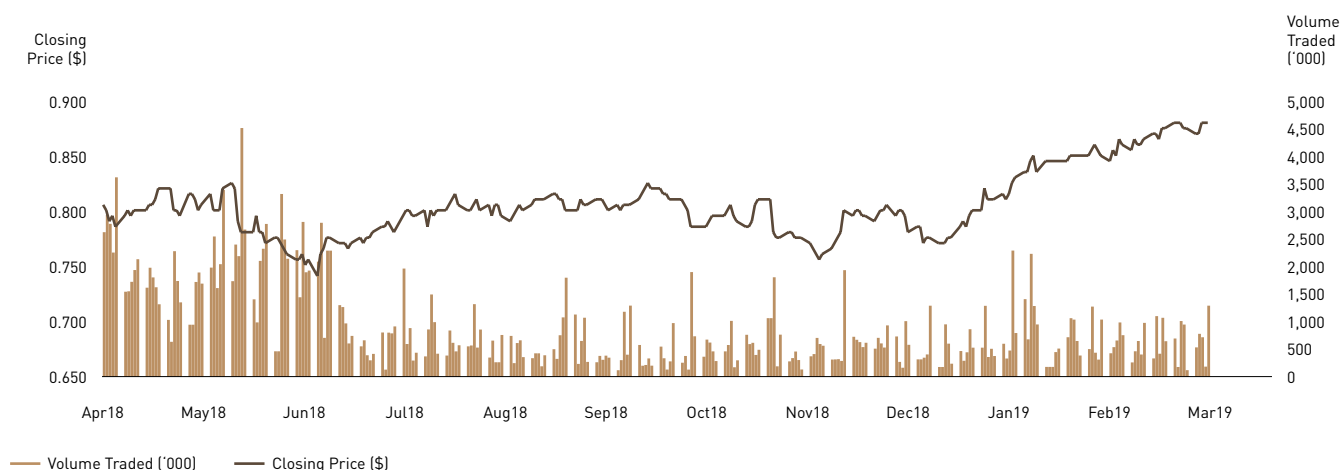
10 May 2018	Results announcement for quarter ended 31 March 2018
19 June 2018	Payment of distribution for the period from 1 October 2017 to 31 March 2018
29 June 2018	6th Annual General Meeting
2 August 2018	Results announcement for quarter ended 30 June 2018
31 October 2018	Results announcement for quarter ended 30 September 2018
7 December 2018	Payment of distribution for the period from 1 April 2018 to 30 September 2018
29 January 2019	Results announcement for quarter ended 31 December 2018

### FY2019<sup>1</sup>

9 May 2019	Results announcement for quarter ended 31 March 2019
18 June 2019	Payment of distribution for the period from 1 October 2018 to 31 March 2019
10 July 2019	7th Annual General Meeting
August 2019 <sup>2</sup>	Results announcement for quarter ending 30 June 2019
October 2019 <sup>2</sup>	Results announcement for quarter ending 30 September 2019
December 2019 <sup>2</sup>	Payment of distribution for the period from 1 April 2019 to 30 September 2019
February 2020 <sup>2</sup>	Results announcement for quarter ending 31 December 2019

- 1 Subject to approval by the Stapled Securityholders on Resolution 4 and 5 as set out in the Notice of Annual General Meeting, FY2019 will be a 9-month period from 1 April 2019 to 31 December 2019. Please refer to the Appendix to the Notice of Annual General Meeting dated 17 June 2019 for further information.
- 2 Tentative and subject to change.

## STAPLED SECURITY TRADING PERFORMANCE IN FY2018/19





# INVESTOR RELATIONS

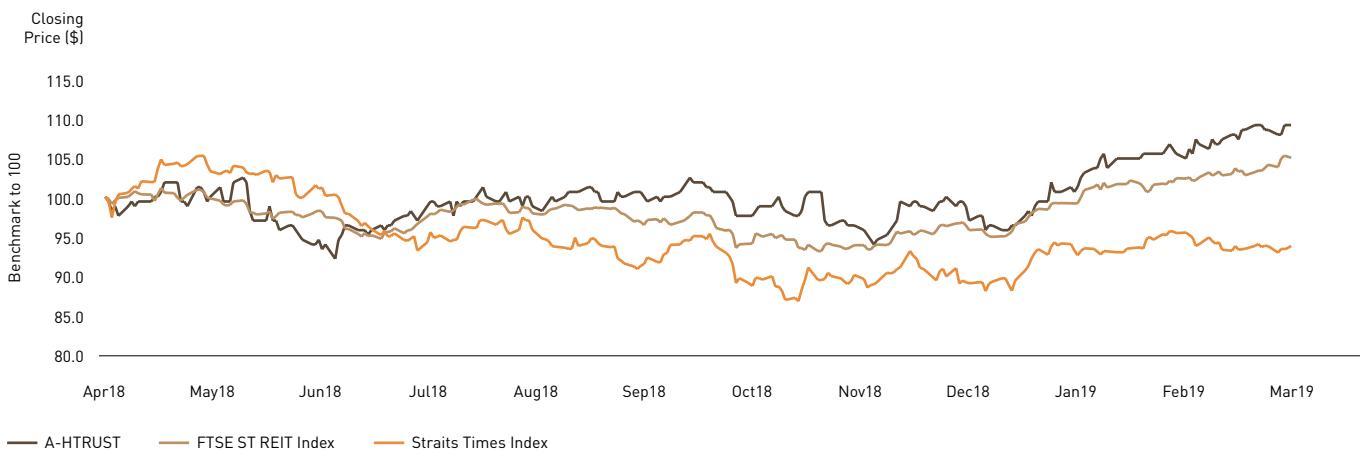
STAPLED SECURITY PRICE PERFORMANCE	\$
Closing Price as at 29 March 2018	0.815
Closing Price as at 29 March 2019 <sup>1</sup>	0.880
Highest Closing Price	0.880
Lowest Closing Price	0.740

VOLUME TRADED	NUMBER OF STAPLED SECURITIES ('000)
Total Traded Volume	230,107
Average Daily Traded Volume	920

Source: Bloomberg

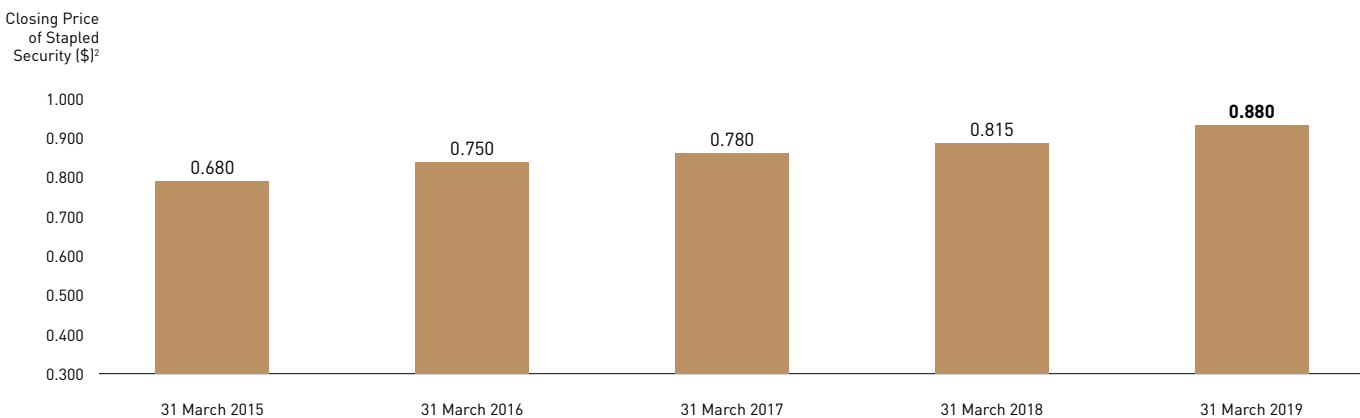
Assuming the dividends paid during FY2017/18 are reinvested into A-HTRUST, the total return for an investor in FY2018/19 would be 16.3%.

## STAPLED SECURITY TRADING PERFORMANCE IN FY2018/19 COMPARED TO MAJOR INDICES



Source: Bloomberg

## PAST 5 YEARS CLOSING PRICE



<sup>1</sup> Last trading day for the FY2018/19.

<sup>2</sup> Based on the closing price of the last trading day for each financial year.

# SUSTAINABILITY REPORT

## MESSAGE FROM CEO

The Managers recognise the integral role that sustainability plays in A-HTRUST's ability to provide sustainable value to its Stapled Securityholders. The Managers take guidance from its Sponsor group, Ascendas-Singbridge Group (ASB Group) on select sustainability matters while still retaining flexibility in prioritising specific Environmental, Social and Governance (ESG) matters that are more relevant and critical to A-HTRUST. To deliver on their main responsibility of optimising returns for the Stapled Securityholders, the Managers have taken proactive steps to integrate ESG matters into the business. Together with the Management, the Boards provide

oversight of sustainability management within the trust and continues to monitor its progress.

## ABOUT THE REPORT

This is A-HTRUST's third sustainability report since its inaugural edition was published in 2017. This report summarises the ESG matters and its impacts that have been identified as most important to A-HTRUST and its internal and external stakeholders.

The report has been prepared in accordance with the Singapore Exchange (SGX) Sustainability Reporting requirements set out in Listing Rule 711A and 711B and the Global Reporting

Initiative (GRI) Standards: Core option, a globally recognised framework that offers a standardised approach for reporting on sustainability matters. In addition, reference was made to the SGX Sustainability Reporting Guide Practice Note 7.6.

While the report has not undergone external assurance, the disclosures have been prepared in good faith and to the best of the Managers' knowledge. The GRI Reporting Principles for defining report quality have also been applied in the overall preparation of this report. As the sustainability reporting process matures over time, the Managers may consider seeking external assurance.



# SUSTAINABILITY REPORT

## REPORTING SCOPE

The scope of this report covers the hotels under management contracts in Australia and the corporate office in

Singapore, where the Managers have a semblance of operational control. The period accounted for in this report is from 1 April 2018 to 31 March 2019 (FY2018/19) and includes the prior

year (FY2017/18)'s performance where relevant and available. Refer to Table 1 for the full list of hotels.

**TABLE 1: HOTELS IN SUSTAINABILITY REPORTING SCOPE**

Portfolio by Country	The Managers	Under Management Contract with:		Under Master Lease Arrangement
		Accor	Marriott	
<b>AUSTRALIA</b>				
Pullman Sydney Hyde Park		•		
Novotel Sydney Central		•		
Novotel Sydney Parramatta		•		
Courtyard by Marriot Sydney-North Ryde			•	
Pullman and Mercure Melbourne Albert Park		•		
Pullman and Mercure Brisbane King George Square		•		
<b>JAPAN</b>				
Hotel Sunroute Ariake				•
Hotel Sunroute Osaka Namba				•
Hotel WBF Kitasemba East				•
Hotel WBF Kitasemba West				•
Hotel WBF Honmachi				•
<b>SOUTH KOREA</b>				
The Splaisir Seoul Dongdaemun				•
ibis Ambassador Seoul Insadong				•
<b>SINGAPORE</b>				
Park Hotel Clarke Quay				•
Corporate Office	•			



## SUSTAINABILITY APPROACH

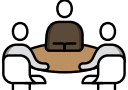

### Stakeholders Engagement

The Managers have always held the belief that stakeholders are important parts of the organisation and are committed to establishing good





relationships with them. The Managers reach out to them for feedback and to understand their concerns. Stakeholders can identify organisational and operational inefficiencies and highlight opportunities for better performance from their unique and

diverse perspectives. The Managers will consider their suggestions and develop action plans to address them where applicable. Details on the various methods of engagement between the Managers and key stakeholder groups are summarised below in Table 2.

**TABLE 2: A-HTRUST'S STAKEHOLDERS ENGAGEMENT**

Key Stakeholder Groups	Needs and Expectations of Each Stakeholder Group	Modes of Engagement	Frequency of Engagement	Key Concerns Raised by Stakeholder Group	Strategic Management of Stakeholder Group
<b>Investment Community and Stapled Security-holders</b> 	<ul style="list-style-type: none"> <li>Sustainable returns and development of A-HTRUST</li> <li>Timely and transparent dissemination of information so as to allow the investment community and Stapled Securityholders to make informed decisions</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>One-on-one meetings, investors conferences and non-deal roadshows</li> <li>Announcements on SGX and corporate websites</li> <li>Corporate website and email alerts</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Ad-hoc</li> <li>Ad-hoc/result announcements on quarterly basis</li> <li>Regular updates</li> </ul>	<ul style="list-style-type: none"> <li>Performance of the portfolio and financial returns</li> <li>Business and market risks</li> <li>Foreign exchange volatility</li> <li>Growth strategies and effectiveness of strategies employed</li> </ul>	<p>The Managers seek to address such concerns through timely and transparent disclosures via various communication platforms such as quarterly results announcements, and presentations. Material updates are made available on SGXNet and concurrently on A-HTRUST corporate website. The Managers also communicate and update its strategies during the various meetings with investors.</p> <p>Through such meetings and disclosures, the Managers provide an interactive platform for investors to better understand A-HTRUST and its strategies.</p>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career progression</li> <li>Conducive working environment</li> <li>Self-development in terms of skillsets and knowledge</li> <li>Improved benefits in both monetary and non-monetary terms</li> </ul>	<ul style="list-style-type: none"> <li>Employee forum</li> <li>Employee surveys</li> <li>Team bonding</li> <li>Orientation briefing</li> <li>Setting of key performance indicators and evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Annual</li> <li>Annual</li> <li>As required</li> <li>Twice a year</li> </ul>	<ul style="list-style-type: none"> <li>Prospects of career progression</li> <li>Opportunities for self development</li> </ul>	<p>The Managers recognise the employees as their most valuable assets and ensure fair treatment for all employees. At A-HTRUST, the employees are provided with ample opportunities to develop and equip themselves with skillsets and knowledge through on-the-job learning and/or formal training provided.</p> <p>The Managers also ensure that the environment is conducive for employees and continually seek to improve the working environment. Team bonding sessions are also held to foster unity and closer ties amongst employees.</p>

# SUSTAINABILITY REPORT

Key Stakeholder Groups	Needs and Expectations of Each Stakeholder Group	Modes of Engagement	Frequency of Engagement	Key Concerns Raised by Stakeholder Group	Strategic Management of Stakeholder Group
<b>Business Partners (i.e. Hotel Operators)</b>  	<ul style="list-style-type: none"> <li>Support from A-HTRUST in driving the performance of the hotels and running the hotels in an efficient and effective manner</li> </ul>	<ul style="list-style-type: none"> <li>Performance outlook</li> <li>Performance review</li> <li>Calls and updates</li> <li>Annual budget setting</li> </ul>	<ul style="list-style-type: none"> <li>Weekly and monthly</li> <li>Monthly and annually</li> <li>Ad-hoc</li> <li>Annual</li> </ul>	<ul style="list-style-type: none"> <li>Ability to meet financial targets</li> <li>Coming to agreement on strategies and work plans</li> </ul>	<p>A hotel operator is an important component in driving the performance of A-HTRUST portfolio. The Managers adopt an open and interactive communication approach with the hotel operators, with discussions on the risks and opportunities that may impact the performance of the hotels.</p> <p>The Managers also work closely with the hotel operators in formulating appropriate strategies and in identifying any assets enhancement opportunities to ensure hotels stay competitive and relevant to potential guests.</p>
<b>Regulators</b>  	<ul style="list-style-type: none"> <li>Ensure interests of public investors are protected</li> <li>Ensure a level playing field for all investors and corporates</li> </ul>	<ul style="list-style-type: none"> <li>Circulars</li> <li>White papers</li> <li>Round table and consultation sessions</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> <li>Ad-hoc</li> <li>Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>Any compliance issues with regards to regulations where interests of investors may be prejudiced</li> <li>Asymmetry of information flow with regard to material corporate developments</li> </ul>	<p>Non-compliance with regulations may result in severe repercussions on the reputation, business and financial aspects of A-HTRUST. The Managers are strongly committed to adhering to regulations and are kept abreast on all developments in rules and regulations that may affect A-HTRUST.</p> <p>Feedback is provided when the Managers are consulted on potential changes to the rules and regulations. Where appropriate, the Managers may proactively seek the views of the regulators.</p> <p>The Managers ensure that price sensitive information are disseminated to the public on a timely and non-selective basis via SGXNet as well as on A-HTRUST's corporate website.</p>
<b>Local Communities</b>  	<ul style="list-style-type: none"> <li>Social development and support</li> <li>Operation in responsible manner and ensure no adverse disruption to the environment</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement via Ascendas-Singbridge Gives Foundation</li> <li>Community engagements organised by respective hotels</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>Lack of opportunities in receiving assistance</li> <li>Disruption to community</li> </ul>	<p>The Managers strongly advocate caring for the community and are mindful to act in a responsible manner. The Managers will continue to actively contribute to support the needy in local communities in doing their part as considerate corporate citizens.</p>
<b>Guests</b>  	<ul style="list-style-type: none"> <li>Guest experience</li> <li>Guest safety</li> </ul>	<ul style="list-style-type: none"> <li>Guest satisfaction surveys</li> <li>Responses via various travel websites</li> <li>Face to face engagement</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> <li>During and after each stay</li> </ul>	<ul style="list-style-type: none"> <li>Refurbishment, maintenance and general upkeep of hotel's amenities</li> </ul>	<p>The Managers regard all feedback received from guests with high importance and seek to follow up with the respective hotel operators in ensuring that such concerns are addressed where possible.</p>

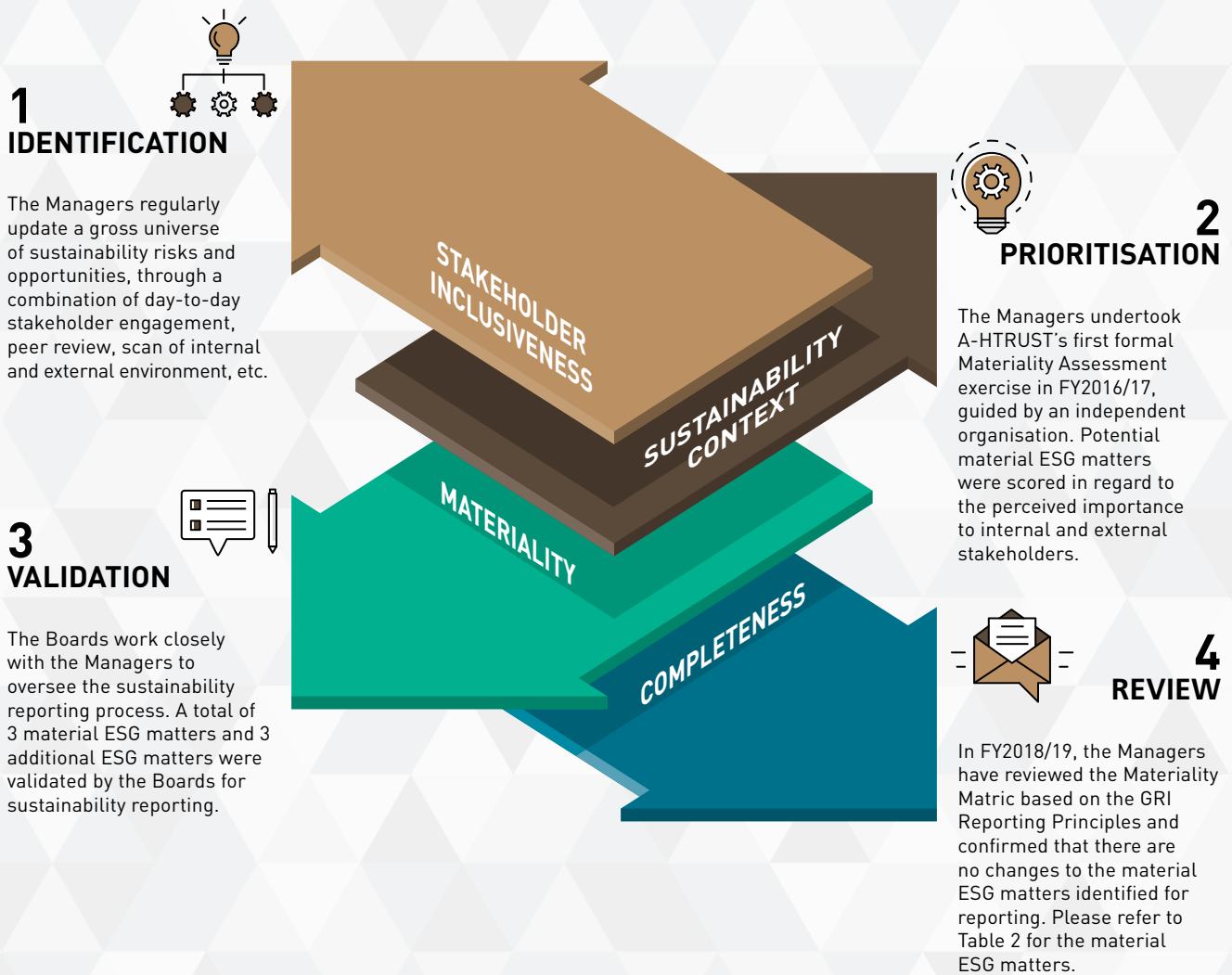
## MATERIALITY ASSESSMENT

At the beginning of A-HTRUST's commitment to sustainability, the Managers went through an extensive

materiality assessment (Figure 1) to identify the key ESG matters that were most critical for them. In FY2017/18 and FY2018/19, an internal review was conducted where it was concluded

that the six ESG matters that are highlighted in Figure 2 can potentially create significant impact on the organisation, and are thereby relevant and important to A-HTRUST.

**FIGURE 1: A-HTRUST'S MATERIALITY ASSESSMENT PROCESS**





# SUSTAINABILITY REPORT

**TABLE 2: A-HTRUST'S MATERIAL ESG MATTERS FY2018/19**

The same six ESG matters have been determined to be relevant to A-HTRUST and are accordingly categorised under critical priority and higher priority. The following chapters detail how they have been proactively monitored and managed.

Mapping of Material ESG Matters			
No	ESG Matters	Impact and Boundaries	Section of the Report
CRITICAL PRIORITY	1 <b>CORPORATE GOVERNANCE</b> <ul style="list-style-type: none"> <li>■ Governance</li> <li>■ Business Ethics</li> <li>■ Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>▣ Investment Community and Stapled Security-holders</li> </ul>	Managing the Business: Governance & Business Ethics and Risk Management
	2 <b>Security of Information</b>	<ul style="list-style-type: none"> <li>▣ Investment Community and Stapled Security-holders</li> <li>▣ Business Partner (i.e. Hotel Operators)</li> </ul>	Looking After Our Customers: Guest Safety & Security
	3 <b>Energy and Carbon Footprint</b>	<ul style="list-style-type: none"> <li>▣ Local Communities</li> <li>▣ Regulators</li> </ul>	Reducing our Energy & Carbon Footprint
HIGHER PRIORITY	4 <b>Customer (guests) Satisfaction</b>	<ul style="list-style-type: none"> <li>▣ Business Partners (i.e. Hotel Operators)</li> <li>▣ Guests</li> </ul>	Looking After Our Customers: Guest Satisfaction
	5 <b>Guest Safety and Security</b> <ul style="list-style-type: none"> <li>■ Security of Hotels</li> <li>■ Health, Hygiene and Safety Protection of Guests</li> </ul>	<ul style="list-style-type: none"> <li>▣ Business Partners (i.e. Hotel Operators)</li> <li>▣ Guests</li> </ul>	Looking After Our Customers: Guest Safety & Security
	6 <b>Succession Planning</b>	<ul style="list-style-type: none"> <li>▣ Employees</li> <li>▣ Investment Community and Stapled Security-holders</li> </ul>	Managing the Business: Succession Planning and Talent Management

## MANAGING THE BUSINESS

### Governance & Business Ethics











A high standard of corporate governance is at the core of every successful business. The Managers place the highest priority in ensuring a high level of governance upon which, the trust and confidence of the various stakeholders are built. With the primary aim of protecting the Stapled Securityholders' interests, the Managers have the onus of looking after the assets of A-HTRUST that have been entrusted by the Stapled Securityholders.

A Sustainability Committee, comprising members from ASB Group's top management and various department representatives, has also been established during the year to oversee and manage the Group's sustainability performance.

A-HTRUST adopts ASB Group's corporate governance framework and complies with the policies and guidelines that have been set out, as summarised in Table 3 below and adheres with other guidelines and regulations such as Code of Corporate Governance 2012. These policies guide the employees to conduct themselves in a transparent, fair and accountable manner. To ensure adherence to these policies, training is conducted for all employees on relevant policies.

A full report of our corporate governance practices can be found on pages 89 to 115 of this Annual Report FY2018/19.

**TABLE 3: ASB GROUP'S POLICIES & GUIDELINES ON CORPORATE GOVERNANCE**

Policy	Summary
 <b>Anti-Bribery and Corruption</b>	<ul style="list-style-type: none"> <li>Zero tolerance for acts of bribery and corruption</li> <li>Guidelines and procedures for providing and/or receiving gifts, donations and sponsorships</li> </ul>
 <b>Anti-Money Laundering</b>	<ul style="list-style-type: none"> <li>Identifies the principles and procedures by which suspected cases of money laundering, terrorism financing and other suspicious activities should be prevented, detected and reported</li> </ul>
 <b>Code of Ethics and Conduct</b>	<ul style="list-style-type: none"> <li>High standards of employee conduct</li> <li>Zero tolerance towards any forms of workplace harassment, fraud, gratification, corruption and bribery</li> </ul>
 <b>Conflict of Interest</b>	<ul style="list-style-type: none"> <li>Guidelines to prevent conflict of interest, including corporate opportunities, subsequent acquisition of interest, disclosure of confidential information</li> </ul>
 <b>Employment of Relatives</b>	<ul style="list-style-type: none"> <li>Guidelines and procedures on hiring, placement and hiring of relatives of current employees</li> </ul>
 <b>External Directorships</b>	<ul style="list-style-type: none"> <li>Guidelines and procedures on external directorships, interests</li> </ul>
 <b>Misconduct and Disciplinary Action</b>	<ul style="list-style-type: none"> <li>Guidelines and procedures for handling misconduct and to ensure fair inquiry and disciplinary processes</li> </ul>
 <b>Outside Employment</b>	<ul style="list-style-type: none"> <li>Guidelines and procedures for outside employment</li> </ul>
 <b>Personal Data Protection Act (PDPA)</b>	<ul style="list-style-type: none"> <li>Governs the collection, use and disclosure of individuals' personal data</li> </ul>
 <b>Whistleblowing</b>	<ul style="list-style-type: none"> <li>Facilitates confidential reporting and objective management of misdeeds through structured channels</li> </ul>

# SUSTAINABILITY REPORT

The Group Legal function reviews and updates the policies when required to maintain relevance. There is also a dedicated Compliance function to manage all regulatory matters. In

FY2018/19, the Group updated its Anti-Bribery and Corruption, Anti-Money Laundering and PDPA policies to tighten governance controls and stay aligned with renewed regulations. External

audits were also carried out to spot any non-compliance cases and prescribe corrective action where necessary.

Focus Area	Target	FY2018/19 Performance
<b>Corporate governance and business ethics</b>	Zero material breaches or lapses of corporate governance best practices and principles, including corruption and bribery	Achieved
<b>Regulatory compliance</b>	Zero material breaches of relevant laws and regulations in their respective jurisdictions of operations or lapse of statutory requirements	Achieved

## Risk Management

The ASB Group has established a robust Enterprise Risk Management framework that enables the organisation to anticipate, identify and manage potential risks. Similarly, A-HTRUST adopts a similar framework to help manage its risks.

For more information on our Enterprise Risk Management framework, refer to Annual Report FY2018/19 pages 102 to 104.

## Sustainable Supply Chain

As an owner of hospitality properties, A-HTRUST's performance is dependent on providing top-notch service, which in turn hinges on engaging reliable and quality third-party hotel operators. The operators of A-HTRUST's portfolio in Australia, Accor and Marriott, are both established hotel management companies with their separate policies to ensure the hotels are managed in a proper manner. Both these hotel management companies also

have well-established sustainability practices. Credit assessments are also done on the various master lessees on an annual basis to determine their financial standing. For new investments, due diligence will be carried out on the operators.



**Succession Planning and Talent Management**

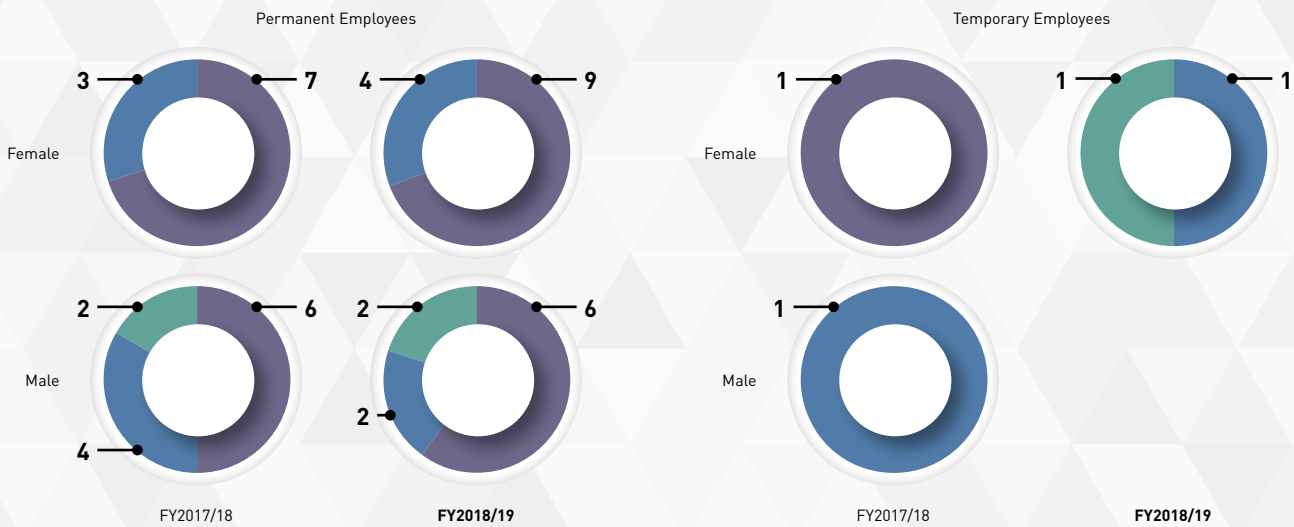
A-HTRUST recognises the importance of succession planning especially in the competitive industry it is in. To ensure that there is a ready pipeline of candidates for management roles, the Managers adopt the strategy of grooming talents within the organisation to help them assume greater responsibilities in due course.

The Talent Council chaired by ASB Group CEO reviews the performance and potential of executives and managers to identify those who could be further developed for progression and leadership roles.

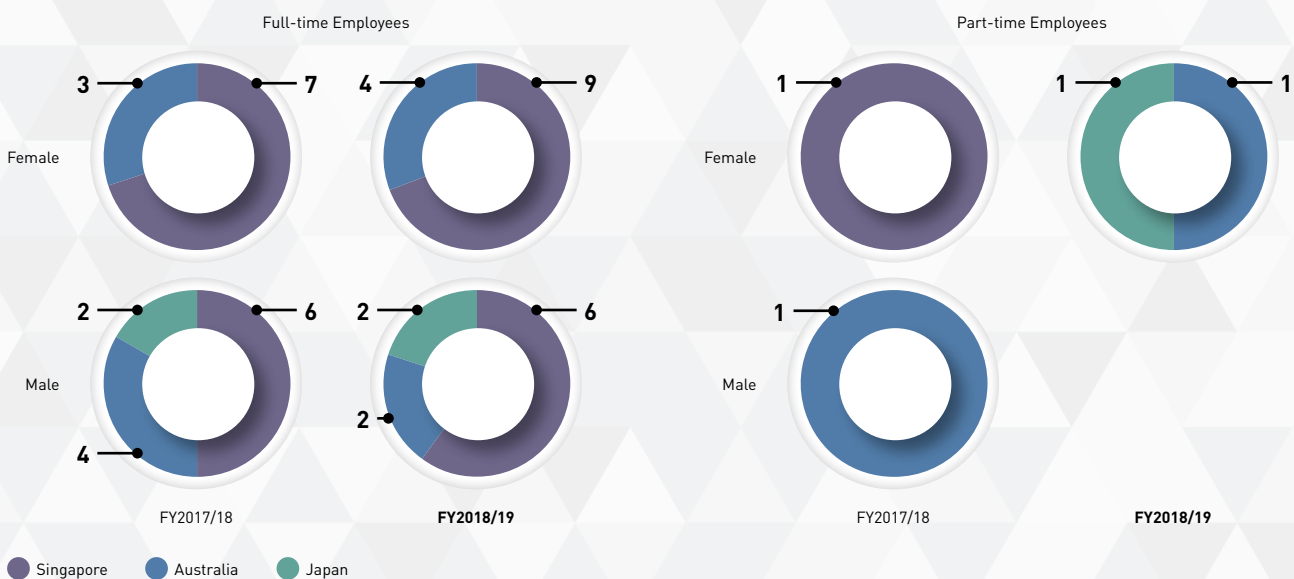
As of 31 March 2019, A-HTRUST has a team of 25 employees, of whom 23 are permanent employees. The total

headcount remains relatively stable with 24 employees in the previous year. Amongst the permanent employees, 15 are in Singapore, 6 in Australia and 2 in Japan. The female:male ratio is 57:43, signifying the Manager's efforts in achieving fair hiring and gender diversity. Figures 3 and 4 below illustrate the employee profile in greater detail.

**FIGURE 3: EMPLOYEE PROFILE BY EMPLOYEE CONTRACT, GENDER & REGION**



**FIGURE 4: EMPLOYEE PROFILE BY EMPLOYEE TYPE, GENDER & REGION**



● Singapore ● Australia ● Japan

# SUSTAINABILITY REPORT

The Managers' lean team size necessitates that each employee performs to the best of their capabilities for the success of the trust, making career development an important component. Employees are encouraged to attend training to widen their knowledge and enhance their skill sets. ASB Group's Potential Framework helps leaders to identify those with potential for leadership positions. Development programmes include job rotations, role expansions, cross-functional projects, leadership training programmes and the ASB mentoring programme.

In addition to nurturing experienced employees, ASB Group also reaches out to younger talents to grow the Ascendas-Singbridge family. Through the Ascendas-Singbridge Management Associate Programme (A-MAP) spearheaded by the Group, young university graduates with leadership potential are recruited and undergo a rigorous attachment programme to different parts of the business over 18 months. With the wide exposure to various business teams, including with A-HTRUST, the young recruits are developed laterally instead of being

restricted to a specialised career track. Their immersion in ASB Group from a younger age also helps to instill the company identity and values in them deeply, making them highly competitive candidates for management roles. As at end of FY2018/19, there are 12 management associates who have completed A-MAP and are progressing well in various business units of the Group.

## QUOTE FROM A GRADUATE OF A-MAP

The programme has benefitted me greatly as I was exposed to various aspects of ASB Group which helped me appreciate the workings of different departments and how they work together for the common goal of the wider organisation and the stakeholders. Since joining the Managers of A-HTRUST, I have been exposed to a number of transactions and potential deals which have helped to build up my knowledge and experience in this field.

- JEREMIAH LEE

## LOOKING AFTER OUR CUSTOMERS

There is nothing more valuable to guests than service, safety and security. The former is central to a good patronage as the hospitality space gets increasingly competitive with more players entering the market. The latter two are escalating concerns for both guests and hotel operators especially since a series of terrorist acts struck all over the world and including on hotels. While its hotels are managed by third-party operators, A-HTRUST

maintains oversight to ensure its guests leave its properties with the best experiences. The Managers work closely with the hotel operators to review guest satisfaction, safety and security measures.


### Guest Satisfaction

Hotel operation is primarily a “people-business”. As such, the Managers and hotel operators take care to provide top-notch service and collect feedback to understand how they can do better. Each hotel operator has an established system to collect and evaluate customer

satisfaction, including action plans to address their feedback. In FY2018/19, the Managers continue to receive 100% response rate on customer satisfaction performance from all its hotels. Through receiving the survey results from the hotel operators directly and reviewing feedback hosted on third-party booking platforms, the Managers have close oversight of the hotels’ performance. Refer to Table 4 for more details on how the Managers monitor the hotel operators’ guest engagement efforts.

**TABLE 4: SELECT AREAS OF REVIEW RELATING TO GUEST SATISFACTION SURVEYS**

Areas that A-HTRUST reviews	How hotel operators Accor and Marriott measure customer satisfaction	
 <b>Aspects on which guests are surveyed</b>	<ul style="list-style-type: none"> <li>■ Service upon arrival and departure</li> <li>■ Staff assistance and friendliness</li> <li>■ Room</li> <li>■ Hotel amenities</li> </ul>	<ul style="list-style-type: none"> <li>■ Food and beverage</li> <li>■ Hotel brand</li> <li>■ Overall experience</li> </ul>
 <b>Frequency of surveys</b>	<ul style="list-style-type: none"> <li>■ Monthly</li> <li>■ Upon guest check-out</li> </ul>	
 <b>Modes used to survey guests</b>	<ul style="list-style-type: none"> <li>■ Emails</li> <li>■ Hotel survey platform</li> <li>■ Third-party booking sites</li> </ul>	

Focus Area	Target	FY2018/19 Performance
 <b>Guest satisfaction</b>	100% response rate from hotel operators on customer satisfaction performance	Achieved



# SUSTAINABILITY REPORT

## Guest Safety & Security

Guest experience is not solely attributed to service but includes safety and security as well. The Managers have provided an overview of the key practices they adopt to manage safety and security risks at the properties in Figure 5.

**FIGURE 5: OVERVIEW OF SAFETY & SECURITY MANAGEMENT PRACTICES AT A-HTRUST**

### PHYSICAL SECURITY

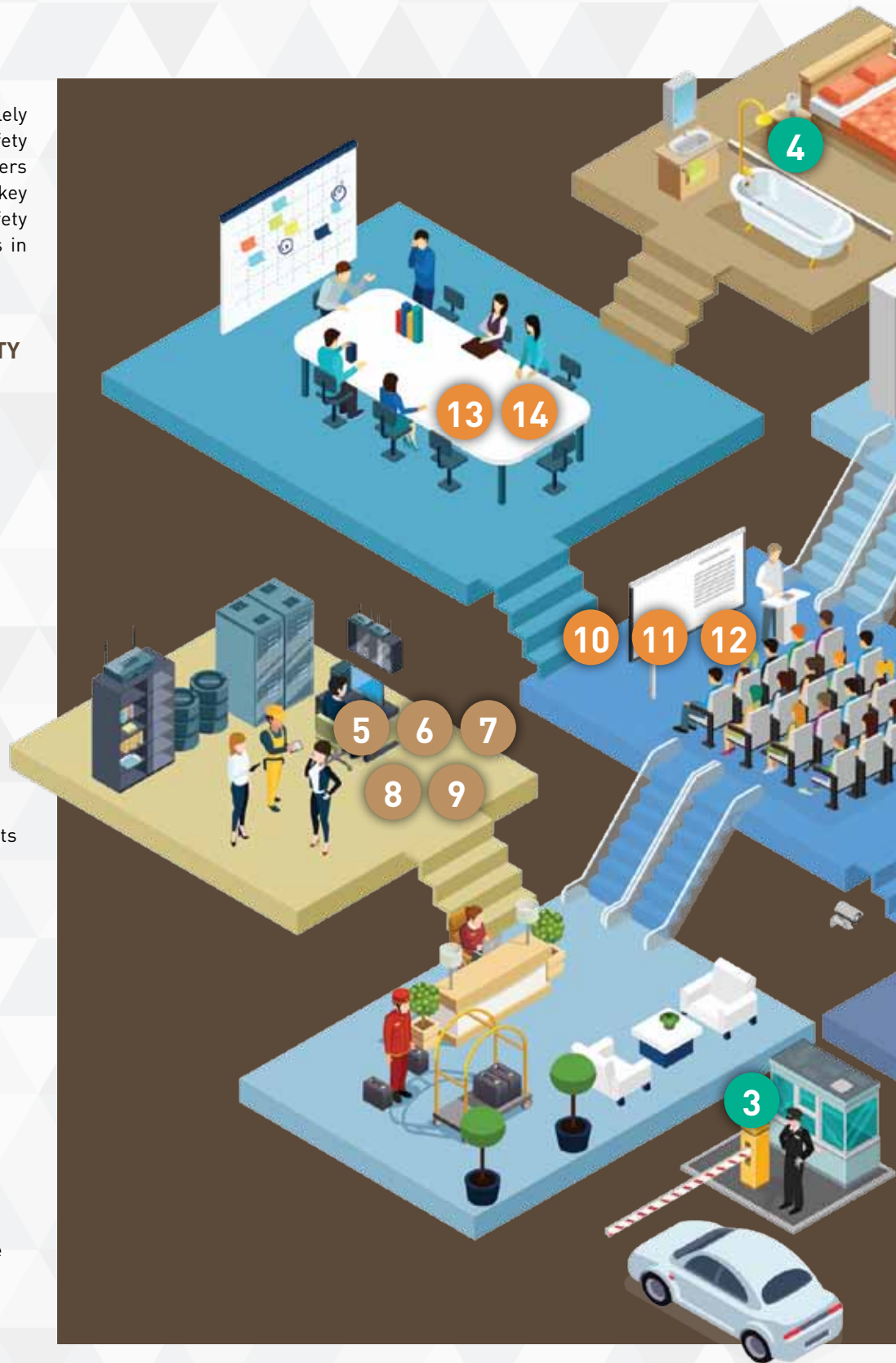
- 1 Closed-circuit television (CCTV)
- 2 Prohibited access to rooftops
- 3 Security guards deployment
- 4 Caution signages and in-room safes

### INFORMATION SECURITY

- 5 Vulnerability Assessment and Penetration Testing (VAPT)
- 6 Data Loss Prevention (DLP) software
- 7 Information Technology (IT) audits
- 8 Next Generation End-Point Protection
- 9 Privilege Account Management System

### HEALTH, HYGIENE AND SAFETY

- 10 Public health management
- 11 Safety training and awareness campaigns
- 12 Safety risk assessments
- 13 Incident reporting and investigation
- 14 Safety performance monitoring
- 15 First aid and personal protective equipment
- 16 Emergency preparedness







Preventive measures are in place to avoid safety incidents and contingency plans are drawn up in anticipation of emergencies. Fire drills, emergency evacuation plans and food hygiene checks are organised to keep safety in check and equip staff with the know-how to respond in unexpected situations. In FY2018/19, internal and external assessments were conducted to ensure high level of safety is maintained.

While hotel security has typically referred to physical building security due to the greater frequency at which terrorist acts are carried out globally, cybersecurity is increasingly

taking center stage. Hotels hold huge amounts of guest information as online reservation channels have proliferated and is the preferred booking mode today. Such information includes guest names, credit card details, home addresses and contact details, all of which are valuable to scammers, swindlers and even competitors. As such, information security is a key material factor identified by A-HTRUST and is dealt with seriously. The Managers monitor the security measures in place to avoid theft of guest information such as the PDPA and ASB Group's IT department also carries out IT audits on selected hotels.

Focus Area	Target	FY2018/19 Performance
<b>Guest safety</b> 	Zero reported safety incidents	<p>In September 2018, a gas leak occurred at Pullman Sydney Hyde Park due to chemical mix-up which resulted in discomfort to guests and staff.</p> <p>The hotel operator has since implemented multiple post-incident corrective actions, as well as review longer-term actions to prevent any recurrence of such incidents.</p>
<b>Guest security</b> 	Zero reported incidents of hacking, website defacement or loss of data that has a huge negative impact on the corporation in terms of significant financial or reputational loss	Achieved
	Zero substantiated complaints regarding breaches of privacy and data loss	Achieved

# SUSTAINABILITY REPORT

## REDUCING OUR ENERGY & CARBON FOOTPRINT

As a hotel owner, A-HTRUST acknowledges its contribution to the increasing global environmental footprint. In alignment with the ASB Group, A-HTRUST has identified energy management to be one of its key strategies to making its business more

sustainable. In addition, the Managers have also recognised the fringe benefit of accruing cost savings by using energy efficient equipment and adopting eco-friendly practices.

At the hospitality assets in Australia, energy use is directly managed by its hotel operators – Accor and Marriott. A-HTRUST is proud to be partnering

with them given their strong track record in consistently delivering service excellence, as well as their long-standing commitments to environmental conservation. They have established extensive environmental management systems comprising of policies, targets, and action plans to support their intentions to reduce energy consumption within their businesses.

### CASE STUDY: MARRIOTT'S SERVE 360 PLATFORM

Marriott has demonstrated its commitment towards creating a positive impact by communicating several planet and people-related goals in its Serve 360 initiative. Under one of its four priority areas – Sustain Responsible Operations, Marriott aims to reduce its environmental impacts, source responsibly and build and operate sustainable hotels.

To that end, Marriott has set targets to reduce carbon intensity by 30% (from 2016) and achieve a minimum of 30% renewable energy use by 2025. It has introduced building automation systems to increase building energy efficiency, and installed smart and integrated occupancy thermostat systems, and LED lighting in its properties. Marriott also engages its guests in activities such as inviting them to participate in the annual Earth Hour organised by the World Wide Fund for Nature.



### CASE STUDY: ACCOR'S PLANET 21 PROGRAMME

Since 2011, Accor has operated its business in a sustainable approach as guided by the Planet 21 programme. This programme aims to support Accor to deliver a positive hospitality experience, whilst bearing in mind their environmental and social responsibilities. In addition to conducting infrastructural upgrades such as installing LED lighting and presence sensors, fine-tuning machine settings and improving chiller controls, Accor has enabled guests to learn more about their stay's environmental impact by integrating a carbon footprint calculator in the AccorHotels app.



### CASE STUDY: ASB GROUP'S SUPPORT FOR ENERGY CONSERVATION

ASB Group is a strong advocate of maintaining a sustainable environment. As part of its initiatives, ASB Group sponsored the installation of a Building and Energy Management Platform in Pullman Sydney Hyde Park as a pilot hotel during FY2018/19. This platform allows for a wide range of data to be collected and analysed, and through this helps to highlight energy saving opportunities.

The performance of the platform will be monitored and where successful, may be implemented to the other hotels owned by A-HTRUST in Australia.

In line with ASB Group's drive towards a more sustainable future, the Managers have a plan in place to upgrade its older and less energy efficient plant and machinery in phases.



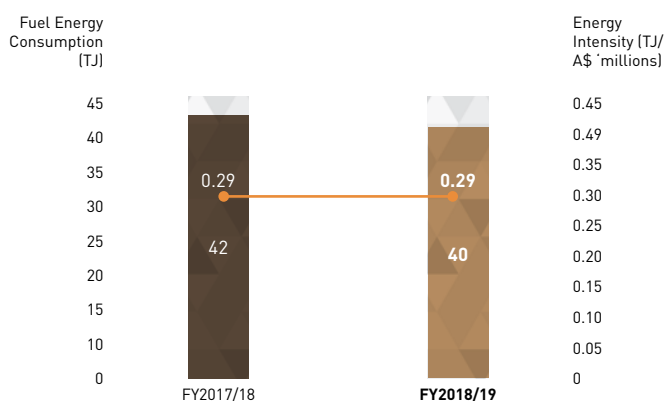
### Energy & Carbon Emissions<sup>1,2</sup>

This section details the total energy consumption and emissions from A-HTRUST's primary hospitality assets

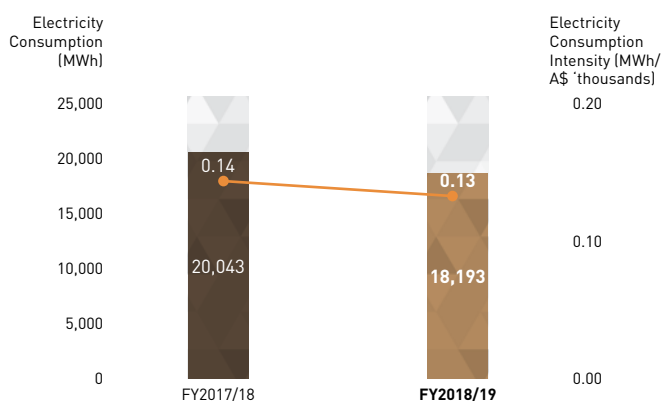
as indicated in Table 1 on page 70. The Managers consider direct energy consumption from the use of natural gas liquid mainly for laundry and at

the kitchens for cooking purposes, and indirect energy consumption relating to the use of electrical energy sourced from the power grid.

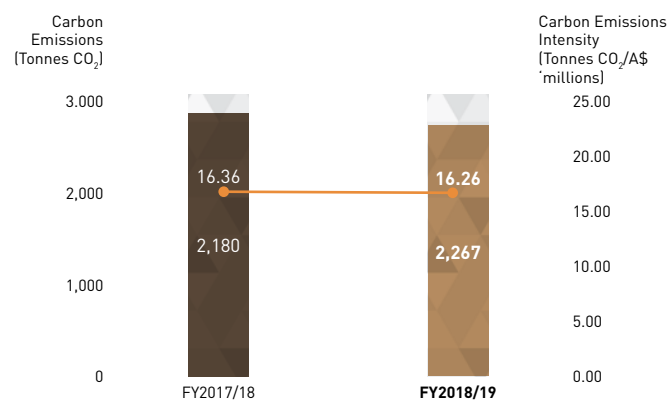
**FIGURE 6: DIRECT ENERGY CONSUMPTION & INTENSITY**



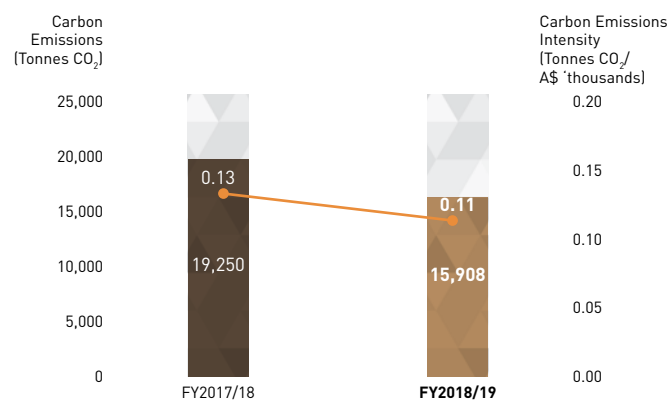
**FIGURE 7: ELECTRICITY CONSUMPTION & INTENSITY**



**FIGURE 8: DIRECT CARBON EMISSIONS (SCOPE 1) & INTENSITY**



**FIGURE 9: INDIRECT CARBON EMISSIONS (SCOPE 2) & INTENSITY**



Both the energy consumption and emissions decreased by 4% in FY2018/19 from FY2017/18. A reduction was

similarly achieved for the indirect energy consumption and emissions of 9% and 17% respectively. This achievement is

testament to the continued efforts by our operators to reduce their energy consumption.

1 The energy consumption was calculated based on the data and information provided by the hotel operators in scope for this report. This energy data was also used to derive the carbon emission amounts by using emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories for the direct energy consumed and the National Greenhouse Accounts Factors, Australian National Greenhouse Accounts for the indirect energy consumed.  
 2 Our restatement for FY2017/18 for total energy consumption relates to non-material differences arising out of improved data collection procedures adopted. Corresponding corrections have been made to energy intensity and greenhouse gas emissions



# SUSTAINABILITY REPORT

GRI 2016 Standards Disclosures		Reference(s) or Reasons for Omission
<b>General Disclosures</b>		
<b>Organisational Profile</b>		
102-1	Name of the organisation	Ascendas Hospitality Trust
102-2	Activities, brands, products, and services	Corporate Profile, Annual Report FY2018/19, page 2-3
102-3	Location of headquarters	1 Fusionopolis Place #10-10 Galaxis, Singapore 138522
102-4	Location of operations	Corporate Profile, Annual Report FY2018/19, page 2-3
102-5	Ownership and legal form	Corporate Information, Annual Report FY2018/19, back page
102-6	Markets served	Corporate Profile, Annual Report FY2018/19, page 2-3
102-7	Scale of the organisation	Corporate Profile and Trust Structure, Annual Report FY2018/19, pages 2-4; Succession Planning and Talent Management, page 77
102-8	Information on employee and other workers	Succession Planning and Talent Management, page 77
102-9	Supply chain	Sustainable Supply Chain, page 76
102-10	Significant changes to the organisation and its supply chain	No significant changes relating to the hotels in Sustainability Report FY2018/19 scope
102-11	Precautionary principle and approach	Governance & Business Ethics, page 75-76
102-12	External initiatives	N.A.
102-13	Membership of associations	<ul style="list-style-type: none"> <li>■ REIT Association of Singapore <a href="http://www.reitas.sg">www.reitas.sg</a></li> <li>■ Singapore Business Federation <a href="http://www.sbf.org.sg">www.sbf.org.sg</a></li> <li>■ HOFTEL <a href="http://www.hoftel.com">www.hoftel.com</a></li> </ul>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Message from CEO, page 69
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Governance & Business Ethics, page 75-76
102-17	Mechanisms for advice and concerns about ethics	Governance & Business Ethics, page 75-76

GRI 2016 Standards Disclosures		Reference(s) or Reasons for Omission
<b>General Disclosures</b>		
<b>Governance</b>		
102-18	Governance structure	Message from CEO, page 69
Governance & Business Ethics, page 75		
102-22	Composition of the highest governance body and its committees	Corporate Governance, Annual Report FY2018/19, page 93-98
102-23	Chair of the highest governance body	Corporate Governance, Annual Report FY2018/19, page 93-98
102-24	Nominating and selecting the highest governance body	Corporate Governance, Annual Report FY2018/19, page 93-98
102-25	Conflicts of interest	Corporate Governance, Annual Report FY2018/19, page 110-111
102-35	Remuneration policies	Corporate Governance, Annual Report FY2018/19, page 98-101
102-36	Process for determining remuneration	Corporate Governance, Annual Report FY2018/19, page 98-101
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Stakeholder engagement, page 71-72
102-41	Collective bargaining agreements	All employees within the scope of this report are not covered by collective bargaining agreements, as they are professionals in nature.
102-42	Identifying and selecting stakeholders	Stakeholder engagement, page 71-72
102-43	Approach to stakeholder engagement	Stakeholder engagement, page 71-72
102-44	Key topics and concerns raised	Stakeholder engagement, page 71-72
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Reporting Scope, page 70
102-46	Defining report content and topic boundaries	Materiality assessment, page 73-74
102-47	List of material topics	Materiality assessment, page 74
102-48	Restatements of information	No restatements were made from the previous report except for energy-related indicators on page 82 due to improved data collection procedures adopted.
102-49	Changes in reporting	N.A.
102-50	Reporting period	Reporting Scope, page 70
102-51	Date of most recent report (if any)	Sustainability Report embedded in Annual Report FY2017/18
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Chee Kum Tin Senior Manager, Capital Markets & Investor Relations kumtin.chee@ascendas-singbridge.com
102-54	Claims of reporting in accordance with the GRI Standards	About the Report, page 69
102-55	GRI content index	GRI Content Index, page 84-87
102-56	External assurance	About the Report, page 69

# SUSTAINABILITY REPORT

Disclosure		Reference(s) or Reasons for Omission
<b>Material Topic: Corporate Governance</b>		
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Governance & Business Ethics, page 75-76
103-2	The management approach and its components	Governance & Business Ethics, page 75-76
103-3	Evaluation of the management approach	Governance & Business Ethics, page 75-76
<b>Environmental Compliance</b>		
307-1	Non-compliance with environmental laws and regulations	Governance & Business Ethics, page 76
<b>Socioeconomic Compliance</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	Governance & Business Ethics, page 76
<b>Material Topic: Security of Information</b>		
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Guest Safety & Security, page 80-81
103-2	The management approach and its components	Guest Safety & Security, page 80-81
103-3	Evaluation of the management approach	Guest Safety & Security, page 80-81
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Guest Safety & Security, page 81
<b>Material Topic: Energy and Carbon Footprint</b>		
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Reducing Our Environmental Footprint, page 82-83
103-2	The management approach and its components	Reducing Our Environmental Footprint, page 82-83
103-3	Evaluation of the management approach	Reducing Our Environmental Footprint, page 82-83
<b>Energy</b>		
302-1	Energy consumption within the organisation	Reducing Our Environmental Footprint, page 83
302-3	Energy intensity	Reducing Our Environmental Footprint, page 83
302-4	Reduction of energy consumption	Reducing Our Environmental Footprint, page 83
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Reducing Our Environmental Footprint, page 83
305-2	Indirect (Scope 2) GHG emissions	Reducing Our Environmental Footprint, page 83
305-4	GHG emissions intensity	Reducing Our Environmental Footprint, page 83

Disclosure		Reference(s) or Reasons for Omission
<b>Additional Topic: Guest Safety and Security</b>		
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Guest Safety & Security, page 80-81
103-2	The management approach and its components	Guest Safety & Security, page 80-81
103-3	Evaluation of the management approach	Guest Safety & Security, page 80-81
<b>Customer Health &amp; Safety</b>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Guest Safety & Security, page 81
<b>Additional Topic (Non-GRI): Customer (guests) Satisfaction</b>		
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Guest Satisfaction, page 79
103-2	The management approach and its components	Guest Satisfaction, page 79
103-3	Evaluation of the management approach	Guest Satisfaction, page 79
<b>Additional Topic (Non-GRI): Succession Planning</b>		
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Succession Planning and Talent Management, page 77-78
103-2	The management approach and its components	Succession Planning and Talent Management, page 77-78
103-3	Evaluation of the management approach	Succession Planning and Talent Management, page 77-78





# CORPORATE GOVERNANCE

Good corporate governance is ingrained in the core values of Ascendas Hospitality Trust (“A-HTRUST”) and encompasses the implementation of forms of best practices and structures, internal checks and balances, transparency and compliance.

Ascendas Hospitality Fund Management Pte. Ltd., as the Manager of Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) (“REIT Manager”) and Ascendas Hospitality Trust Management Pte. Ltd., as the Trustee-Manager of Ascendas Hospitality Business Trust (“A-HBT”) (“Trustee-Manager”), believe that effective corporate governance is critical to the performance and the success of A-HTRUST. The REIT Manager and the Trustee-Manager (collectively, the “Managers”) remain focused on complying with the principles and requirements of prevailing legislation, regulations and codes (the “relevant regulations”), including the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore (“Code”) in Singapore.

The Managers are committed to regularly improve their corporate governance practices. They develop and maintain adequate policies and practices to meet the specific business needs of A-HTRUST on an ongoing basis.

This section sets out the existing corporate governance practices of A-HTRUST with reference to the Code and relevant regulations. The Managers have strived to adhere to the principles and guidelines of the Code and comply with the relevant regulations. Where there are deviations from the principles and guidelines of the Code and relevant regulations, an explanation has been provided in this section.

## THE MANAGERS OF A-HTRUST

A-HTRUST is a stapled trust comprising A-HREIT and A-HBT (collectively, the “Group”). The REIT Manager was appointed the Manager of A-HREIT in accordance with the terms of the Trust Deed constituting A-HREIT dated 13 March 2012 (as amended) (the “A-HREIT Trust Deed”). The Trustee-Manager was appointed the Trustee-Manager of A-HBT in accordance with the terms of the Trust Deed constituting A-HBT dated 13 March 2012 (as amended) (the “A-HBT Trust Deed”). 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 (collectively, the “Trust Deeds”), the Managers have general powers of management over the assets of A-HTRUST. The Managers’ main responsibility is to manage A-HTRUST’s assets and liabilities for the benefit of Stapled Securityholders of A-HTRUST (“Stapled Securityholders”). The Trust Deeds are available for inspection at the registered office of the Managers.

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 Perpetual (Asia) Limited, as trustee of A-HREIT (“REIT Trustee”), on acquisitions, divestments and 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 key functions and responsibilities of the Managers include:

1. conducting all transactions on behalf of A-HTRUST at arm’s length, using best endeavours;
2. developing and implementing A-HTRUST’s business plan and budget;
3. ensuring compliance with prevailing laws and regulations, such as those contained in the Listing Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Code on Collective Investment Schemes (“CIS Code”) including the Property Funds Appendix issued by the Monetary Authority of Singapore (the “MAS”), the Capital Markets Services (“CMS”) licence for REIT Management issued by the MAS, the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), the Business Trusts Act, Chapter 31A of Singapore, the Managers’ obligations under the A-HREIT and A-HBT Trust Deeds and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of A-HTRUST and the Stapled Securityholders;

# CORPORATE GOVERNANCE

4. ensuring the execution of works by the appointed hotel managers that provide hotel management and marketing services for the properties held by A-HTRUST, pursuant to the relevant hotel management agreements;
5. monitoring and updating a framework of prudent and effective controls which enable financial, operational and compliance risks, to be assessed and managed; and
6. managing regular communications with Stapled Securityholders and any necessary announcements in accordance with the Listing Manual of the SGX-ST ("Listing Manual").

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, amongst others, capital expenditure, foreign exchange management, new investments and divestments, procurement of goods and services and the operation of bank accounts.

The Managers have also considered sustainability issues (including environmental, social and governance factors) as part of their responsibilities. Please refer to pages 69 to 87 of this Annual Report for A-HTRUST's Sustainability Report for further details.

The Boards of Directors of the Managers (the "Boards") comprise competent and experienced individuals who have been recognised as accomplished leaders in their respective fields. 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 oversee the Managers and ensure primarily, that the interests of the Stapled Securityholders are always upheld above the interests of the Managers and their shareholder/sponsor. The Boards and the Managers are fully committed to maintain a culture of good corporate governance that balances sound business practices and compliance.

The Trust Deeds outline the circumstances under which the Managers can be retired or removed, which include (i) in the case of the REIT Manager, the proposal and passing of a resolution by a majority, being greater than 50.0%, of the total number of votes cast at a meeting of Stapled Securityholders duly convened in accordance with the provisions of A-HREIT Trust Deed, and (ii) in the case of the Trustee-Manager, the proposal and passing of a resolution by a majority of not less than 75.0% of the total number of votes cast at a meeting of Stapled Securityholders duly convened in accordance with the provisions of A-HBT Trust Deed.

## **(A) BOARD MATTERS**

### **Principle 1: The Boards' Conduct of Affairs**

The Boards are responsible for the overall management and corporate governance of the Managers and A-HTRUST, establishing goals for the management team of the Managers (the "Management"), ensuring that necessary financial and human resources are in place for the Managers to meet their objectives and that Stapled Securityholders' interests are safeguarded. The Boards have established an oversight framework for the Managers and A-HTRUST, including a system of internal controls which enables risks to be assessed and managed.

The Managers appoint experienced and well-qualified executives to handle its day-to-day operations and administration in accordance with the policies and strategy set by the Boards.

The Boards approve transactions in relation to investments, divestments and capital expenditure exceeding certain limits. The authority for the approval of operating transactions below a certain level is delegated to the Management to facilitate operational efficiency.

# CORPORATE GOVERNANCE

The Managers have adopted and documented internal guidelines which include financial regulations, setting out matters that require the Boards' approval. Some of the matters which are reserved for the Boards' approval/endorsement include the following:

- acquisitions and divestments above the limits of the IC (defined herein);
- major asset enhancement initiatives;
- all funding transactions;
- corporate and financial transactions that are above the limits set out in the financial regulation guidelines;
- compensation framework and recommendations on the remuneration of the Chief Executive Officer ("CEO") and key executive officers of the Managers for submission to the Managers' shareholders for approval;
- the division of responsibilities and terms of reference of the Boards and Committees;
- annual and quarterly financial reports;
- internal controls, risk management framework and the execution thereof;
- determination of the independence of Directors; and
- performance measures of the Managers.

The Boards meet every quarter to review the performance of A-HTRUST. The Boards also oversee the risks relating to the assets of A-HTRUST, examine liabilities and comments from the auditors of A-HTRUST and ensure that measures are implemented to address recommendations. Where matters requiring the Boards' approval are to be considered, all members of the Boards (with the exception of such Directors who may be required to recuse themselves due to actual or potential conflicts of interest) participate in the discussions and deliberations, and approvals are obtained during meetings and minuted, by passing resolutions or by circulation via electronic means. When necessary, additional Board meetings are held to approve transactions or resolve issues. In addition, the Boards also meet and review A-HTRUST's business strategies, business plan and budget on an annual basis.

The Management monitors changes to regulations, policies and financial reporting standards. Any change that might impact A-HTRUST and its disclosure obligations are promptly brought to the attention of the Boards, either during Board meetings or via circulation of Board papers.

The Boards have established various committees to assist the Boards in discharging their oversight function. These committees have been constituted with written terms of reference and they are actively engaged to ensure that the Managers are in compliance with good corporate governance. The Committees established by the Boards are:

- Audit and Risk Committee ("ARC");
- Investment Committee ("IC");
- Nominating and Remuneration Committee ("NRC"), following the merger of the Remuneration Committee ("RC") and the Nominating Committee ("NC") with effect from 1 October 2018.

The merger of the NC and the RC into the NRC is to streamline and facilitate holistic oversight and consideration of key executive nomination/succession planning and remuneration matters under the NRC. Each of these Board Committees has its own terms of reference and operates under delegated authority from the Board, with the Board retaining overall oversight.



# CORPORATE GOVERNANCE

The board composition and members of the respective Board Committees in FY2018/19 are set out below:

Board members	ARC	IC	RC	NC	NRC
Mr Miguel Ko <sup>1</sup>		C		M	
Mr Benson Puah Tuan Soon <sup>2</sup>	M			C	
Mr Manohar Khatani <sup>3</sup>		M	M		M
Mr Tan Juay Hiang <sup>4</sup>					
Mr Chia Kim Huat <sup>5</sup>	M	M		M	M
Mr Robert Hecker <sup>6</sup>	M	M			
Dr Ho Kim Wai <sup>7</sup>	C				
Mr Michael Issenberg		M			
Ms Deborah Lee Siew Yin <sup>8</sup>	C		M		M
Mr Patrick Lee Fook Yau <sup>9</sup>	M				M
Mr Willy Shee Ping Yah <sup>10</sup>		M	C		C

C – denotes Chairman; M – denotes Member

- Mr Miguel Ko relinquished his role as Member of the NC on 30 September 2018.
- Mr Benson Puah Tuan Soon retired from the Boards on 30 September 2018 and relinquished his roles as Chairman of the NC and Member of ARC on 30 September 2018.
- Mr Manohar Khatani relinquished his role as Member of the RC on 30 September 2018. He was appointed Member of the NRC on 1 October 2018.
- Mr Tan Juay Hiang attends all Board Committees meetings in his capacity as the CEO of the Managers.
- Mr Chia Kim Huat relinquished his role as Member of the IC and the NC on 30 September 2018. He was appointed Lead Independent Director and Member of the NRC on 1 October 2018.
- Mr Robert Hecker joined the Boards on 1 October 2018 and was appointed Member of the ARC and IC on 1 October 2018.
- Dr Ho Kim Wai retired from the Boards on 31 December 2018 and relinquished his role as Chairman of ARC on 31 December 2018.
- Ms Deborah Lee Siew Yin relinquished her role as Member of the RC on 30 September 2018. She was appointed Member of the NRC on 1 October 2018 and Chairman of the ARC on 31 December 2018.
- Mr Patrick Lee Fook Yau joined the Boards on 31 December 2018 and was appointed Member of the ARC and NRC on 31 December 2018.
- Mr Willy Shee Ping Yah relinquished his role as Chairman of the RC on 30 September 2018. He was appointed Chairman of the NRC on 1 October 2018.

Members and their respective attendance at the Board, ARC, IC, RC, and NC meetings for FY2018/19 are set out below:

	Board	ARC	IC	RC	NC	NRC <sup>1</sup>
<b>No of meetings held</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>0</b>
Mr Miguel Ko <sup>2</sup>	4		2		1	
Mr Benson Puah Tuan Soon <sup>3</sup>	2	3			1	
Mr Manohar Khatani	6		4	1		0
Mr Tan Juay Hiang <sup>4</sup>	6	6	4	1	1	
Mr Chia Kim Huat <sup>5</sup>	6	6	2		1	0
Mr Robert Hecker <sup>6</sup>	3	3	1			
Dr Ho Kim Wai <sup>7</sup>	3	4				
Mr Michael Issenberg	2		3			
Ms Deborah Lee Siew Yin	6	6		1		0
Mr Patrick Lee Fook Yau <sup>8</sup>	2	1				0
Mr Willy Shee Ping Yah	6		3	1		0

- The NRC was formed only with effect from 1 October 2018 and its first meeting was held after the end of FY2018/19.
- On leave of absence with effect from 21 January 2019.
- Mr Benson Puah Tuan Soon retired as Independent Director with effect from 30 September 2018.
- Mr Tan Juay Hiang attended the Board Committees meetings in his capacity as the CEO of the Managers.
- Mr Chia Kim Huat relinquished his role as Member of the IC on 30 September 2018.
- Mr Robert Hecker was appointed as Independent Director with effect from 1 October 2018.
- Dr Ho Kim Wai retired as Independent Director with effect from 31 December 2018.
- Mr Patrick Lee Fook Yau was appointed as Independent Director with effect from 31 December 2018.

# CORPORATE GOVERNANCE

## Principle 2: Board Composition and Guidance

The Boards review from time to time their size and composition, with a view to ensuring that the size of the Boards is appropriate to facilitate effective decision making, and that the Boards have a strong independent element as well as diversity of thought and background in their composition. The review takes into account the scope and nature of the operations of A-HTRUST.

The Boards have a strong independent element and they presently comprises nine (9) Directors, five (5) of whom are independent. The Lead Independent Director is Mr Chia Kim Huat. Non-executive Directors make up a majority of the Boards. The profiles of the Directors are provided on pages 13 to 17 of this Annual Report.

The Boards assess the independence of each Director in accordance with the guidance in the Code, the Business Trusts Regulations ("BTR"), the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFR") and the Listing Manual.

The Statement on the Composition of the Board of Directors of the Trustee-Manager pursuant to Regulation 12 (8) of the Business Trusts Regulations 2005 can be found on page 130 of this Annual Report.

The Boards have conducted an annual review of the independence of the Independent Directors.

An Independent Director is one who is independent in conduct, character and judgment and:

- (a) has no relationship with the Managers, their related corporations and their shareholders who hold 10% or more of the voting shares of the Managers, or stapled securityholders who hold 10% or more of the stapled securities in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgment, in the best interests of the stapled security holders;
- (b) is independent from the management of the Managers and A-HTRUST, from any business relationship with the Managers and A-HTRUST, and from every substantial shareholder of the Managers and every substantial stapled securityholder of A-HTRUST;
- (c) is not a substantial shareholder of the Managers or a substantial stapled security holder of A-HTRUST;
- (d) has not served on the Boards for a continuous period of nine years or longer; and
- (e) is not employed by the Managers or A-HTRUST or their related corporations in the current or any of the past three financial years and does not have an immediate family member who is employed or has been employed by the Managers or A-HTRUST or their related corporations for the past three financial years and whose remuneration is determined by the Boards.

The Boards have established a process for assessing the independence of its Directors.

As part of the process:

- (a) each relevant non-executive Director provides information on his or her business interests and confirms, upon appointment, as well as on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business judgment in the best interests of the Stapled Securityholders; such information is then reviewed by the Boards; and
- (b) the Boards also consider on the respective Directors' conduct and contributions at Board and Board Committee meetings. In particular, whether they have exercised independent judgment in discharging their responsibilities.

# CORPORATE GOVERNANCE

The Boards have carried out the assessment of each of the Directors for FY2018/19 and the paragraphs below set out the outcome of the assessment.

Mr Patrick Lee Fook Yau is the CEO of Standard Chartered Bank (Singapore) Limited and Standard Chartered Bank, Singapore Branch (collectively "SCB Singapore"). A-HTRUST currently has financing facilities from SCB Singapore (and may in future enter into transactions pertaining to financial products and services in the future from time to time). Mr Patrick Lee Fook Yau is not involved in any of SCB Singapore's dealings with A-HTRUST, and the services that A-HTRUST received from SCB Singapore were in the ordinary course of business, on arm's length basis and on normal commercial terms. The Boards consider that Mr Patrick Lee Fook Yau's independent judgment and ability to act in the interests of the Stapled Securityholders of A-HTRUST as a whole will not be impeded, for the following reasons:

- (a) Mr Patrick Lee Fook Yau would recuse from, and not be involved in any dealing(s) and/or transaction(s), between SCB Singapore (and its related entities) and A-HTRUST.
- (b) A-HTRUST's financial regulations ensure that A-HTRUST's procurement of various products and services (including financial products and services) is undertaken competitively, on arms' length basis and on normal commercial terms. In the case of A-HTRUST, all financial products and/or services (including financing facilities and currency swaps/hedging) are required to be obtained at the best available/competitive terms and rates (backed by a minimum 3-quote procurement process), with a focus on obtaining the most competitive financing terms and rates available.
- (c) The Managers have also implemented the following, without exception (for so long as Mr Patrick Lee Fook Yau remains a Director of the Managers and an employee of SCB Singapore):
  - (i) Mr Patrick Lee Fook Yau shall recuse from any and all matters, information flows and decisions that may involve SCB Singapore (and its related entities);
  - (ii) no transaction(s) falling outside of the A-HTRUST financial regulations/procurement framework noted in (iii) below shall be entered into with SCB Singapore (and its related entities); and
  - (iii) any transaction(s) involving SCB Singapore (and its related entities) shall additionally be subject to review by the other Independent Directors serving on the ARC (with Mr Patrick Lee Fook Yau being recused from any and all information flows, deliberations and/or decisions on any such matter), to ensure that the transaction is undertaken competitively, on arms' length basis and on normal commercial terms.

Each of Mr Chia Kim Huat, Mr Willy Shee Ping Yah and Mr Patrick Lee Fook Yau are a non-executive director of associated corporations of Temasek Holdings (Private) Limited ("Temasek"). Temasek is a substantial shareholder of the Managers, and is also a substantial Stapled Securityholder. Each of Mr Chia Kim Huat, Mr Willy Shee Ping Yah and Mr Patrick Lee Fook Yau's role in these corporations is non-executive in nature with no involvement in the day-to-day conduct of the business of these corporations.

The Boards also considered the conduct of Mr Chia Kim Huat, Mr Patrick Lee Fook Yau and Mr Willy Shee Ping Yah in the discharge of their responsibilities as directors, and are of the view that the relationships set out above did not impair their ability to act with independent judgment in the discharge of their responsibilities as directors, and that as at the last day of FY2018/19, they were able to act in the best interests of all the Stapled Securityholders in respect of FY2018/19. Save for the relationships stated above, they do not have any other relationships and are not faced with any of the circumstances identified in the Code, BTR, SFR and Listing Manual, or any other relationships which may affect their independent judgment.

# CORPORATE GOVERNANCE

Ms Deborah Lee Siew Yin and Mr Robert Hecker do not have any relationships (and are not faced with any of the circumstances identified in the Code, BTR, SFR and Listing Manual, or any other relationships) which may affect their independent judgment. The Boards considered whether each of them had demonstrated independence in character and judgment in the discharge of his or her responsibilities as a director and concluded that each of them had acted with independent judgment.

Each of Mr Chia Kim Huat, Ms Deborah Lee Siew Yin, Mr Willy Shee Ping Yah, Mr Patrick Lee Fook Yau and Mr Robert Hecker will recuse themselves from participating in any Board deliberation on any transactions that could potentially give rise to a conflict of interest.

It is noted that all of the current Directors have served on the Boards for less than nine years.

On the bases of the declarations of independence provided by the relevant non-executive Directors and the guidance in the Code, the BTR, the SFR and the Listing Manual, the Boards determined that Mr Chia Kim Huat, Ms Deborah Lee Siew Yin, Mr Willy Shee Ping Yah, Mr Patrick Lee Fook Yau and Mr Robert Hecker are each an independent director.

Each of the above Directors had recused himself or herself from the Board's deliberations on his or her independence.

At all times, the Directors as fiduciaries are collectively and individually obliged to act honestly and with diligence, and in the best interests of A-HTRUST. The Manager has established a policy that its Directors disclose their interests in transactions and recuse themselves from the deliberations on any matter in which they may have a conflict of interest. Every Director has complied with this policy. Compliance by the relevant Director is duly minuted in the proceedings of the relevant meeting.

Mr Miguel Ko, Mr Manohar Khiatani, Mr Tan Juay Hiang and Mr Michael Issenberg are non-independent Directors. Mr Ko is the Group CEO of the Ascendas-Singbridge Group ("ASB") and Mr Khiatani is the Deputy Group CEO of ASB. ASB, through its subsidiaries, is a substantial Stapled Securityholder of A-HTRUST. Mr Tan Juay Hiang is the CEO of the Managers.

As at 31 March 2019, six of the 14 hotels in the portfolio of A-HTRUST (or five out of the six hotels A-HTRUST owns in Australia) are managed by Accor Asia Pacific ("AAP") or its affiliates. Mr Michael Issenberg, the Chairman and CEO of AAP, is responsible for overseeing AAP's overall development and management activities in the Asia-Pacific region. In view of AAP's commercial relationship with A-HTRUST, Mr Michael Issenberg is considered a non-independent Director.

The Boards comprise Directors with relevant experience and expertise, including real estate, accounting and finance, legal, banking, business, hospitality and management. The Directors actively participate in developing and setting the strategies and goals for the Management and reviewing and monitoring Management's performance in driving agreed goals and objectives. The Management benefits from the Directors' objective perspectives on issues brought before the Boards. Members of the Boards engage in open and constructive debate and guide the Management on its proposals. The Managers have put in place processes to ensure that Directors are well supported by accurate, complete and timely information. All Directors have unrestricted access to the Management and have sufficient time and resources to effectively discharge their oversight function. In FY2018/19, the Directors provided insightful inputs on business strategies, and also reviewed and evaluated the performance of the Management.

## Principle 3: Chairman and Chief Executive Officer

The Chairman and CEO are two separate persons. This ensures a balance of power and authority, increased accountability and greater capacity of the Boards for independent decision making. The Chairman and CEO are also not immediate family members.



# CORPORATE GOVERNANCE

The Chairman ensures that the members of the Boards work together with the Management in a constructive manner to address strategic, business, operational, capital management, risk, corporate governance and financial issues. At Board meetings, the Chairman ensures that adequate time is available for discussion of all agenda items and strategic issues. At Annual General Meetings, the Chairman ensures there is constructive dialogue between the Stapled Securityholders, the Boards and the Management.

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

## Principle 4: Board Membership

The Managers have established the NRC which comprises five (5) Directors, the majority of whom, including the Chairman, are independent. The members of the NRC are Mr Willy Shee Ping Yah (Chairman), Mr Chia Kim Huat, Mr Manohar Khiatani, Ms Deborah Lee Siew Yin and Mr Patrick Lee Fook Yau.

The NRC has clear terms of reference and is responsible for all Board appointments as well as re-appointments and reviews succession plans for the Boards. In determining whether to re-nominate a Director, the NRC considers the following:

- whether the Director has given sufficient time and attention to the affairs of the Managers and A-HTRUST, in particular, when a Director holds multiple directorships; and
- whether the Director is able to and has been adequately carrying out his duties as a Director.

The NRC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and/or have other principal commitments. As a guide, Directors should not have more than six (6) listed company board representations so that they are able to commit time and effort to carry out their duties and responsibilities effectively. The NRC also took into account the results of the annual assessment of the effectiveness and performance of each Director, as well as his/her actual conduct on the Boards, and is satisfied that all Directors have effectively carried out their duties as Directors notwithstanding their other board representations and other principal commitments.

The Boards have adopted a formal Board Diversity Policy setting out the policy and framework for promoting diversity on the Boards. The Boards recognise that a diverse Board of Directors is an important element which will better support the Managers' achievement of A-HTRUST's strategic objectives for sustainable growth, by enhancing the decision-making process of the Boards through the perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

A formal process is put in place for the selection of new Directors. The search for candidates to be appointed as new Directors is conducted through contacts and recommendations by external support or by existing Directors and the Management. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. The NRC also meets shortlisted candidates to further assess their suitability. In recommending the appointment of new Directors, the NRC takes into consideration the current Board size and composition, including diversity of skills, experience, gender, expertise required by the Boards and knowledge of matters relating to A-HTRUST which the new Director can provide to the Boards. Appointment of Directors is subject to the approval of the Managers' parent entities and MAS. New Directors are appointed by way of a Board resolution.

In the year under review, and upon the recommendation of the Code, none of the Independent Directors have served on the Boards for more than nine (9) years from the date of their first appointment and no alternate Directors were appointed.

# CORPORATE GOVERNANCE

Upon their appointment to the Boards, the newly appointed Directors are given a letter setting out the Director's duties, obligations and responsibilities, together with the Trust Deeds and other relevant information and documentation relating to A-HTRUST and the Managers. They are also briefed on the business activities of A-HTRUST, its business plan, the regulatory environment in which A-HTRUST operates, its corporate governance practices and their statutory duties and responsibilities as Directors. First-time directors without prior experience as director of a listed entity also attend seminars and courses on a director's roles and responsibilities. Directors are also kept updated on revisions to relevant laws and regulations as well as on relevant areas that may impact the business, through presentations and briefing sessions. The Managers support the Directors for further relevant training in connection with their duties.

Key information regarding the Directors, such as their academic and professional qualifications, the committees served on, the date of first appointment as a Director, directorships, both present and those held over the last three years in other listed companies, and other major appointments, is disclosed on pages 13 to 17 of the Annual Report.

## Principle 5: Board Performance

The Boards' performance is reviewed annually to assess the effectiveness of the Boards as a whole, and each of the respective Board committees. The review includes assessing the Directors' commitment, attendance and ability to contribute effectively at meetings, 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 Evaluation Questionnaire (the "Questionnaire") and is allowed to individually express his/her personal and confidential assessment of the Boards' overall effectiveness in accomplishing its goals and discharging its responsibilities. This provides insights into the functioning of the Boards, while identifying areas that might need strengthening and development. Based on responses to the Questionnaire returned by each Director, a consolidated report is prepared and presented to the NRC and the Boards. The NRC will evaluate the responses and provide its comments and recommendations to the Boards on any changes that should be made to help the Boards discharge its duties more effectively. Accordingly, the annual review of the Boards' performance was carried out for FY2018/19.

Based on the Board assessment exercise, the Boards are of the view that the Boards have each met its performance objectives, and the members of each Board are contributing to its overall effectiveness.

## Principle 6: Access to Information

The Management provides the Boards with information on the business and the operations of A-HTRUST and the Managers on a regular basis. Such information includes board papers and related materials, background or explanatory information relating to matters to be brought before the Boards, and copies of disclosure documents, budgets, forecasts and quarterly internal financial statements.

As a general rule, board papers are sent to the Directors seven (7) days before the Board meeting so that the Directors may better assess the matters tabled, and discussion at the Board meeting may be focused on questions and issues that the Directors may raise. Parties who can provide relevant information on matters tabled at Board meetings will be in attendance to provide any further information that may be required.

At the quarterly Board meetings, Directors are updated on developments and changes in the operating environment affecting A-HTRUST.

A one-day Board strategy meeting is also organised annually for the Boards and the Management to discuss strategic issues and formulate plans pertaining to A-HTRUST and the Managers.

# CORPORATE GOVERNANCE

In addition, the Boards have separate and independent access to Management, the Joint Company Secretaries of the Managers (the “Joint Company Secretaries”), as well as internal and external auditors, at all times. Each Director of the Boards has the right to seek independent professional advice on matters relating to A-HTRUST at A-HTRUST’s expense, to enable him/her to discharge his duties.

The Joint Company Secretaries prepare the minutes of Board meetings and proceedings of the ARC, as well as the RC and NC (which has since merged into the NRC). The Managers prepare the minutes of the IC meetings. The Joint Company Secretaries assist the Chairman of the Boards and the Committees in ensuring that proper procedures are followed and that the Managers’ Constitution, the Committees’ Terms of Reference, the Trust Deeds, relevant rules, regulations, best practices, and internal policies, including applicable provisions of the Property Funds Appendix, are complied with. Under the direction of the Chairman of the Boards and the Committees, the Joint Company Secretaries are responsible for ensuring information flow within and among the Boards, the Committees and the Management.

The Joint Company Secretaries also work with the Management to ensure that Board and Committee papers are provided to each Director ahead of meetings. In the year under review, all Board meetings and proceedings of the ARC, RC and NC were attended by at least one of the Joint Company Secretaries. The appointment and removal of any of the Joint Company Secretaries is subject to the approval of the Boards.

The CEO and the Joint Company Secretaries are the primary channels of communication between the Managers and the SGX-ST.

## **(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 NRC has clear Terms of Reference and its primary duty and responsibility is to oversee the establishment of the appropriate remuneration policy and framework, provide oversight on the framework of remuneration for the Boards and all key executives, and review and endorse the specific remuneration package for each Director and all the key executives including the CEO. The NRC reviews and approves proposals on the remuneration policy and framework of the Managers and has access to independent and expert advice from external consultants whenever required.

The underlying principles governing the Managers’ remuneration policy for all its key executives are as follows:

- (i) reward and motivate employees to work towards achieving the strategic goals and business results of A-HTRUST and the Managers; and
- (ii) enhance the retention of key talents to build strong organisational capabilities and ensure competitive remuneration relative to the appropriate external talent markets.

# CORPORATE GOVERNANCE

The remuneration policy and framework is reviewed periodically for alignment to industry norms and practices as well as the underlying principles. The Managers advocate a performance-based remuneration system using both financial and non-financial key performance indicators for all the key executives of the Managers. The NRC is also responsible for approving all key performance indicators and targets to drive the performance of A-HTRUST and the Managers. The remuneration structure is designed with the objective of retaining, rewarding and motivating each individual to stay competitive and relevant. In arriving at the annual remuneration package for all the key executives including the CEO, the NRC takes into consideration the remuneration policy and framework, performance of the Managers in relation to the approved key performance indicators and reference to compensation benchmarks within the industry, as appropriate. After the end of the financial year when the results of the key performance indicators are known, the resultant performance incentives are reviewed together with the relevant compensation benchmarks before approval by the NRC.

For FY2018/19, the total remuneration mix of all the key executives comprises a fixed annual salary, short-term incentives including benefits-in-kind and long-term incentives as set out below:

- (a) The fixed annual salary includes a base salary, fixed allowances and compulsory employer's CPF contribution;
- (b) The short-term incentive is linked to the performance of A-HTRUST and each individual. The key performance indicators of A-HTRUST include Distribution per Stapled Security ("DPS") and Net Property Income ("NPI"), all of which are aligned to the interests of Stapled Securityholders; and
- (c) The long-term incentive is tied to Sponsor's performance which is measured by Total Shareholders' Return. The Sponsor's Total Shareholders Return is defined as the growth in the shareholders fund over the performance period of the long-term incentive grant. As the Managers are wholly-owned subsidiaries of ASB, employees of the Managers are part of a larger group which allows the Managers increased flexibility and effectiveness to reward and motivate them with better career prospects. The Managers will be in an advantageous position to attract and retain qualified key executives and employees. This will also provide continual development of talent and renewal of leadership for sustaining the long-term business growth of A-HTRUST. Therefore, the rationale for granting the long-term incentive is aligned with Stapled Securityholders' interests. The long-term incentive payouts are conditional upon the achievement of pre-determined performance targets set by the ASB Board for a performance period of three years, which include the performance and growth of A-HTRUST.

The NRC is of the view that the remuneration is aligned to the FY2018/19 performance and that all the performance conditions used to determine the remuneration of Directors and all the key executives of the Managers were met.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the Securities and Futures Act) require (i) the disclosure of the remuneration of each individual Director and the CEO on a named basis with a breakdown (in percentage or dollar terms) of each Director's and the CEO's remuneration earned through 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, (ii) the disclosure of the remuneration of at least the top five (5) key executive officers (who are neither Directors nor the CEO) in bands of \$250,000, with a breakdown (in percentage or dollar terms) of each key executive officer's remuneration earned through 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 and (iii) the aggregate total remuneration paid to the top five (5) key executives (who are neither Directors nor the CEO). In the event of non-disclosure, the Managers are also required to provide reasons for such non-disclosure.



# CORPORATE GOVERNANCE

The Managers have decided (a) to disclose the CEO's remuneration in bands of \$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the other key executives of the Managers in bands of \$250,000, and (c) to disclose the total remuneration of all key executives of the Managers (including the CEO). In arriving at its decision, the Managers took into account the sensitivity and confidential nature of remuneration matters and the importance of the continuity of a stable management team in the competitive environment which the Managers operate. The Managers are of the view that disclosure in such manner is not prejudicial to the interests of the Stapled Securityholders as the indicative range for the CEO's remuneration, as well as the total remuneration for all key executives (including the CEO), is made known to the Stapled Securityholders. In addition, sufficient information is provided on the Managers' remuneration framework to enable the Stapled Securityholders to understand the link between A-HTRUST's performance and the remuneration of all key executives (including the CEO). Lastly, the remuneration of all key executives (including the CEO) of the Managers is paid out of the fees that the Managers receive (of which the quantum and basis have been disclosed), rather than the assets of A-HTRUST.

Remuneration of Directors and all key executives of the Managers is paid in cash. There were no employees of the Managers who were immediate family members of a Director or the CEO in FY2018/19. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

No compensation is payable to any Director, 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.

The structure of Directors' base 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. The Directors' base fee, which is a fixed sum, takes into account the following:

- the size 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 are reviewed and endorsed by the NRC, and the framework for determining the Directors' fees is shown in the table below:

Boards	Chairman	\$43,750 per annum
	Directors	\$35,000 per annum
Audit and Risk Committee	Chairman	\$36,750 per annum
	Member	\$18,375 per annum
Investment Committee	Chairman	\$26,250 per annum
	Member	\$13,125 per annum
Nominating and Remuneration Committee	Chairman	\$21,000 per annum
	Member	\$10,500 per annum
Nominating Committee	Chairman	\$10,500 per annum
	Member	\$5,250 per annum
Remuneration Committee	Chairman	\$10,500 per annum
	Member	\$5,250 per annum

# CORPORATE GOVERNANCE

The fees paid/payable to the Directors for FY2018/19 are as follows:

## Directors' Fees<sup>1</sup>

Board Members	FY2018/19
Mr Miguel Ko <sup>2</sup>	\$115,632
Mr Benson Puah Tuan Soon	\$43,938
Mr Manohar Khatani <sup>2</sup>	\$71,445
Mr Tan Juay Hiang	N.A.
Mr Chia Kim Huat	\$97,200
Mr Robert Hecker	\$40,159
Dr Ho Kim Wai	\$62,558
Mr Michael Issenberg <sup>3</sup>	\$54,125
Ms Deborah Lee Siew Yin	\$79,824
Mr Patrick Lee Fook Yau	\$18,925
Mr Willy Shee Ping Yah	\$74,861

- Inclusive of attendance fees of (a) \$1,000 per meeting attendance in person, (b) \$1,000 per meeting via teleconferencing or video conferencing, (c) \$500 per meeting attendance allowance for ad-hoc meeting with Management, (d) an additional \$500 per day for overseas attendance allowance. Directors' fees are subject to the approval of the Managers' parent entity.
- Mr Miguel Ko and Mr Manohar Khatani have elected to waive their Directors' fees for the financial year ended 31 March 2019.
- Directors' fees paid/payable to Mr Michael Issenberg was/will be paid in cash to AHDF Pte Ltd, an indirect wholly owned subsidiary of Accor S.A..

The remuneration of the CEO in bands of \$250,000, and a breakdown of the remuneration of all key executives (including the CEO) of the Managers in percentage terms, are provided below:

## Key Executives' Remuneration for FY2018/19

Total Remuneration Bands	Fixed Compensation and Employer's CPF <sup>1</sup>	Short-term Incentives and Employer's CPF <sup>2</sup>	Long-term Incentives <sup>3</sup>	Total
<b>Above \$750,000 to \$1,000,000</b>				
Mr Tan Juay Hiang	43%	55%	2%	100%
<b>Key Executives (excluding CEO)</b>				
Ms Lim San San, Susanna <sup>4</sup>				
Ms Woo Yeng Yeng <sup>5</sup>	68%	30%	2%	100%
Mr Tan Yoon Peng				
Mr Julian Anthony <sup>6</sup>				
<b>Total for all key executives (including CEO): \$1,974,896</b>				

- The amount disclosed includes base salary, Annual Wage Supplement, allowances, other fixed benefits and employer's CPF contributions accrued for FY2018/19.
- The amount disclosed includes bonuses and other variable benefits accrued for FY2018/19.
- This refers to the FY2018/19 grant. The payout will be based on the achievement of pre-determined performance targets over a period of three years.
- Ms Susanna Lim, the former Chief Financial Officer, was in service from 1 April 2018 to 31 October 2018. The total remuneration disclosed was pro-rated based on her service period.
- Ms Woo Yeng Yeng was appointed as Chief Financial Officer with effect from 1 November 2018. The fixed remuneration and short-term incentives disclosed was pro-rated based on her service period.
- Mr Julian Anthony's (former Head, Australia Operations) last day of service was 25 January 2019. The total remuneration disclosed was pro-rated based on his service period. He was not eligible for FY2018/19 short-term incentive and his long-term incentive would lapse in accordance with the Managers' policy.

# CORPORATE GOVERNANCE

## (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 via SGXNet, press releases, the A-HTRUST website and media and analyst briefings.

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

The Managers have, pursuant to the amended Rule 720(1) of the Listing Manual of the SGX-ST, received undertakings from all its directors and key management that they each shall, in the exercise of their powers and duties as directors and officers comply to the best of their endeavours with the provisions of the SGX-ST's listing rules, the SFA, the Code on Takeovers & Mergers, and the Companies Act and will also procure the Managers to do so.

### Principle 11: Risk Management and Internal Controls

#### *Risk Management*

The Boards recognise their responsibility for the governance of risks and ensure that the Managers have in place a sound system of risk management and internal controls for good corporate governance. The ARC assists the Boards in identifying the nature and extent of key risks which the Managers may take in achieving its strategic objectives within the Managers' levels of risk tolerance and risk policies.

Ownership of risks lies with the Management. The Management maintains a structured Enterprise Risk Management ("ERM") framework for the Managers that incorporates a continuous and interactive process for identifying and evaluating risks and formulating risk management policies, controls and procedures to manage and mitigate those risks.

The Managers classifies risks into two main categories, controllable and non-controllable. Controllable risks are within the Management's ability to manage through risk mitigation processes and agreed risk appetite. Non-controllable risks are external factors that will impact A-HTRUST but because of their nature cannot be directly controlled by the Management. Examples of non-controllable risks are risks of macroeconomic and hospitality industry downturn in countries where A-HTRUST has existing business operations.



# CORPORATE GOVERNANCE

The Management identifies key controllable and non-controllable risks, and assesses their likelihood and impact on the business. For controllable risks, mitigating processes are established, and for non-controllable risks, regular monitoring is implemented, where possible. Risk assessments are recorded in risk registers which are maintained and reviewed by the Management and updated regularly. The key risks identified include, but are not limited to:

## A. *Controllable Risks*

- Investment Risks

All investment proposals are subject to stringent and careful evaluations and assessed against country and sector-specific hurdle rates. Third-party consultants may also be engaged to provide expert advice and opinions. Hurdle rates are approved by the Boards, and regularly reviewed and adjusted, where necessary, for example when A-HTRUST enters into a new market. All investment proposals are to be approved by the IC and/or Boards, in accordance to internal financial regulations depending on the value involved. Post-transaction evaluations are also carried out.

- Operational Risks

A-HTRUST faces operational risks in several areas such as asset management and people risks. The risks will differ depending on whether the hotel properties are under management contract or master lease and mitigating controls are tailored accordingly.

For example, for hotels under management contracts, the Managers have put in place robust processes to manage the hotel operators and to align interests, including regular oversight of the operators and monitoring routines to optimise the hotels' performance and adapt to market conditions, as well as regular internal audit on the properties' processes.

People risk is mitigated by specific processes to build an engaged workforce and high-performance culture, succession planning, talent management, and competitive compensation and benefit plans. The Managers and the respective appointed hotel operators have an appropriate Business Continuity Plan for business operations that would allow for recovery of activities with mitigated disruption if there is an unforeseen catastrophic event.

- Financial Risks

Funding and financial markets are actively managed to ensure sufficient liquidity to fund operations and meet debt obligations at competitive interest rates and to smooth the impact of currency fluctuations on A-HTRUST over a long-term horizon, given a substantial proportion of assets and income are from overseas' markets.

Foreign exchange risk management is done through systematic hedging up to 15 months in advance, using forward contracts in accordance with the hedging policy approved by the Boards. Also, a natural currency hedge is achieved by borrowing in the same currency or swapping borrowings to same currency as the overseas asset.



# CORPORATE GOVERNANCE

- Regulatory Compliance Risk

As a listed entity, A-HTRUST is accountable to its Stapled Securityholders as well as regulators. The Manager is responsible for ensuring compliance with prevailing laws and regulations such as the SGX-ST Listing Rules, the CIS Code issued by the MAS and regulations issued by the relevant local tax authorities.

Regulatory compliance risk is managed through robust processes embedded in the business to meet key trust deed requirements and regulations. Completeness of these key requirements and regulations, and corresponding business processes, are monitored and compliance is tracked. For hotel operations, the hotel management teams are also required to confirm compliance with local regulations to the Managers on a regular basis. The Managers report compliance with key requirements of trust deeds and regulations to the ARC and Boards every quarter.

- Information Technology (“IT”) Risk

The Managers are part of ASB and rely on ASB’s multiple levels of defence against cyberattacks and for the enforcement of data security. These include a ASB wide IT risk framework to provide consistent standards and guidance to the business, advanced IT security enforcement, system access controls, and IT incident response plans and disaster recovery plan that is tested annually.

Also, the effectiveness of the hotel operators in managing cyber security risk is assessed by the Management in conjunction with ASB’s IT team on a regular basis.

*b. Non-Controllable Risks*

- Macroeconomic Risk

The macroeconomic risks which are not under the direct control of A-HTRUST and the Managers are closely monitored by the Management and business strategies and processes formulated or adapted, where required, to mitigate risks as much as possible. Changes in key economic data and political developments at all levels that have an impact on the operations of A-HTRUST are identified and assessed. The Managers conduct regular country and market researches and adopt a disciplined investment strategy in maintaining a well-diversified and high-quality portfolio to manage country risks.

*Monitoring, Escalation, and Mitigation of Risks*

The Managers have developed metrics for key risk indicators (“KRIs”) and tolerance thresholds that are monitored by the Management. KRI dashboards are utilised by Management to prioritise risk areas for action if KRIs are above tolerance levels.

Every quarter, the Management presents to the ARC, and updates the Boards with a risk report, which highlights significant issues for their attention. The Boards and ARC are notified of any material changes to A-HTRUST’s risk profile and corresponding activities.

Risk mitigation action plans are implemented by the Management as part of enhancements to business processes to reduce risks within agreed risk appetite levels.

The Boards are assisted by the ARC and Internal Audit in its oversight role in examining the effectiveness of Management’s risk management policies and procedures. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures and will report any material non-compliance or weaknesses in internal controls to the ARC. The Management will also follow up on the actions to be taken on the recommendations made by the Internal Audit.

# CORPORATE GOVERNANCE

## *Internal Controls*

The Group-wide system of internal controls, which includes a code of conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes, constitute an important part of the internal controls system. The Managers have documented procedures and policies that cover financial reporting, new investments, divestments, valuation of properties, bank borrowings, hedging policies, compliance and other risk management issues, as well as insurance coverage and a business continuity plan.

The Managers have implemented a control self-assessment programme to all hotels under management contracts whereby selected process owners will evaluate their respective internal controls via self-assessment questionnaires on an annual basis. Action plans are then drawn up to mitigate the control gaps. The self-assessment exercise is subsequently validated by Internal Audit.

The ARC is assisted by internal and external auditors to assess and to ensure that key internal controls and risk management processes are adequate and effective.

The internal and external auditors will report any material non-compliance or weaknesses in internal controls and make recommendations to further improve the internal controls to the ARC. The ARC will also follow up on the actions taken by Management on the recommendations made by the internal and external auditors.

The Managers recognise that there is a significant amount of risks inherent in making property investment decisions and carefully examine whether the anticipated return on investment is appropriate having regard to the level of risk of the investment. Accordingly, the Managers have set out procedures when making such decisions and ensure that comprehensive due diligence is carried out on each proposed investment. The IC has the authority to approve investments up to certain limits. Beyond the limits, the Boards, assisted by the Management and IC, will review and approve these investment decisions.

The Managers have a Whistleblowing Policy which reflects the Managers' commitment to conduct business within a framework that fosters the highest ethical and legal standards. The Whistleblowing Policy aims to provide an avenue to raise concerns about possible improprieties in matters of financial consequences or other matters. The ARC is kept informed of all concerns raised in whistleblowing channels.

## *Directors' Opinion on Internal Controls*

The CEO and Chief Financial Officer ("CFO") 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 controls, and in the absence of contradictory evidence, 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, 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 the 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 ARC.

# CORPORATE GOVERNANCE

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 taking into account operational efficiency and risks 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. The Boards understand that the Management is continuously monitoring the controls and has obtained assurances on the effectiveness of the controls implemented.

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 CEO and CFO of the Managers, the Boards concur with the ARC and 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 2019 in addressing material risks.

## Principle 12: Audit and Risk Committee

The Boards appoint the members of ARC from among the Directors of the Boards, all of whom (including the Chairman of the ARC) are independent Directors. The members of the ARC as at 31 March 2019 are Ms Deborah Lee Siew Yin (Chairman), Mr Chia Kim Huat, Mr Robert Hecker and Mr Patrick Lee Fook Yau.

The Boards are of the view that the members of the ARC bring with them invaluable recent and relevant managerial and professional expertise in accounting, financial management and legal expertise and experience and hence are appropriately qualified to discharge their responsibilities. Collectively, the members of the ARC have extensive accounting, real estate, business, legal, banking and financial management expertise and experience. The ARC Chairman, Ms Deborah Lee Siew Yin, started her career as an auditor and she was also previously, Executive Vice-President, Corporate Development of Singapore Press Holdings Ltd. Ms Lee holds a Bachelor of Accountancy (Honours) and a Master in Applied Finance from the National University of Singapore. She is also a Chartered Financial Analyst charterholder. Mr Chia Kim Huat is Regional Head, Corporate and Transactional Group at Rajah & Tann LLP, with extensive experience in capital market, and has also advised in numerous corporate finance mergers and acquisitions transactions in the real estate and hospitality sectors across the region. Mr Robert Hecker manages the Asia regional arm of Horwath HTL and has over 40 years of experience in the hospitality industry. Mr Patrick Lee is the Chief Executive Officer of Standard Chartered Bank (Singapore) Limited with more than 25 years of experience in banking sector.

The core functions and responsibilities of the ARC are set out in the ARC's written terms of reference and comprise oversight of the integrity of the financial statements and related disclosures, oversight, assessment and review of internal controls, review of the internal and external auditors' findings on internal controls, making recommendations to the Boards on the appointment, reappointment of the external auditors and the remuneration of the external auditors. The ARC also reviews the quality and reliability of information prepared for inclusion in financial reports. The ARC is responsible for the nomination of external auditors and reviewing the adequacy of existing audits in respect of cost, scope and performance. The ARC also reviews the quarterly and annual financial statements before submission to the Boards for approval, including any Interested Party Transactions ("IPTs"). The ARC has authority to investigate any matter within its terms of reference, full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

For the financial year under review, the ARC met six (6) times and has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The ARC has also met with the external and internal auditors without the presence of Management. The aggregate amount of fees paid and payable by A-HTRUST and its subsidiaries to the external auditors for FY2018/19 was \$959,000, of which audit and non-audit fees amounted to \$604,000 and \$355,000, respectively. In recommending the appointment of the audit firm for A-HTRUST, the ARC is satisfied that A-HTRUST has complied with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST.

# CORPORATE GOVERNANCE

ARC meetings are generally held after the end of every quarter before the official announcement of results in relation to that quarter.

The ARC members are kept updated whenever there are changes to the accounting standards or issues that may have an impact on the financial statements of A-HTRUST.

In the review of the financial statements for FY2018/19, the ARC has discussed the following key audit matter identified by the external auditors with Management:

Key audit matter	Review the ARC
Valuation of investment properties and property, plant and equipment	<p>The ARC considered the independence and competency of the external valuers, as well as the methodologies applied by them to the valuation of the properties.</p> <p>The ARC reviewed the outcomes of the annual external valuation process and discussed the details of the valuation with the Management and the external auditors.</p> <p>The ARC noted that the valuation of properties was an area of focus for the external auditors as a key audit matter in its auditors' report and also noted their assessment of the appropriateness of the valuation models, data and assumptions used.</p> <p>The ARC concurs with the basis and conclusions included in the auditors' report with respect to the key audit matter.</p>

## External Audit

Ernst & Young LLP ("EY") was re-appointed as the external auditor for A-HTRUST for FY2018/19. The ARC approved the scope and audit plans undertaken by the external auditor, reviewed the results of the audits, significant findings and recommendations as well as the Management's responses.

The ARC assessed the independence and quality of the external auditor throughout the year and also met with the external auditor without the presence of the Management. The external auditor provided regular updates to the ARC on relevant changes to the accounting standards and the implications on the financial statements.

The ARC received a report from the Management on their evaluation of the performance and effectiveness of the external auditor. This report assessed the quality of the external auditor across a number of evaluation criteria, including measures of relevance and quality of its work as well as its level of independence. The Management has referred to the Checklist for Evaluation of External Auditors in the Guidebook for Audit Committees in Singapore to set the evaluation criteria.

On the basis of their own interactions with EY and based on the Management's report, the ARC assessed and concluded that EY fulfilled its responsibilities as external auditor. The Boards concurred with the ARC's endorsement. Accordingly, the Boards recommend the reappointment of EY at the coming AGM.



# CORPORATE GOVERNANCE

## Principle 13: Internal Audit

The internal auditors assist the ARC in ensuring that the Management maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their continued effectiveness. A-HTRUST's internal audit function is outsourced to KPMG LLP ("KPMG"), an international auditing firm. Staffed by qualified executives, KPMG has unrestricted access to the ARC. KPMG reports to the Chairman of the ARC and is guided by the Standards for the Professional Practice of Internal Auditing. These standards cover attributes as well as performance and implementation standards. With respect to FY2018/19, the ARC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

## (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 Managers have in place a dedicated investor relations function to provide Stapled Securityholders and prospective investors of A-HTRUST with timely information necessary to make well-informed investment decisions and to ensure a level playing field.

The Managers uphold a strong culture of disclosure 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 and then including the release on A-HTRUST's website ([www.a-htrust.com](http://www.a-htrust.com)).

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.

During the year under review, the Managers held meetings or teleconferences with institutional investors and participated in conferences and non-deal road shows, both in Singapore and overseas. The Managers also participated in events organised by the SGX-ST and REIT Association of Singapore in reaching out to retail investors with the objective to educate and keep them updated on A-HTRUST. The Annual General Meeting of Stapled Securityholders was also held, providing a platform for the Managers to engage with investors, particularly retail investors, allowing them direct access to the Managers to clarify any queries that they might have.

Stapled Securityholders are informed of meetings through notices accompanied by annual reports or circulars sent to them. Stapled Securityholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon.

Any Stapled Securityholders who are not able to attend these meetings are allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. Members of the Boards together with the external auditors will be in attendance at these meetings to address questions from Stapled Securityholders. For the Annual General Meeting of the Stapled Securityholders with respect to FY2017/18 held on 29 June 2018, all members of the Boards were in attendance as well as representatives from the REIT Trustee and external auditors. Stapled Securityholders are also accorded the opportunity to raise relevant questions and to communicate their views at the Stapled Securityholders' meetings. At the Stapled Securityholders' meetings, each matter is proposed as a separate resolution. To ensure transparency, the Managers conduct electronic poll voting for the Stapled Securityholders/proxies present at the meetings for all resolutions proposed at the Stapled Securityholders'



# CORPORATE GOVERNANCE

meetings. 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 results of each poll are also verified by scrutineers present at the meetings. 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 Joint Company Secretaries prepare the minutes of the Stapled Securityholders’ meetings 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. Starting from the Annual General Meeting of Stapled Securityholders with respect to FY2017/18 held on 29 June 2018, the minutes will also be posted on A-HTRUST’s website.

## **(E) ADDITIONAL INFORMATION**

### **Trading of Stapled Securities**

The Managers have in place a trading policy which prohibits Directors and employees of the Managers 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 employees of the Managers are reminded on a regular basis through emails 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 employees of the Managers must not advise others to trade in the Stapled Securities or communicate such information to another person.

Directors and employees of the Managers are also advised not to deal in the Stapled Securities on short-term considerations.

The Managers have also undertaken that they will not deal in the Stapled Securities of A-HTRUST 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.

### **Dealing with Conflicts of Interest**

The Managers have put in place several procedures to address potential conflicts of interest which the Managers (including their Directors, key executive officers and employees) may encounter in managing A-HTRUST. Examples of these are:

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 IPT above \$100,000 will be reviewed by the ARC. The review procedures for IPT are set out below;

# CORPORATE GOVERNANCE

4. in respect of matters in which Temasek, JTC and/or their subsidiaries (which includes ASB) have a direct or indirect interest, any nominees appointed by Temasek, JTC or any of their 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 Temasek, JTC and/or their subsidiaries; and
5. the Managers and its Associates (as defined in the Trust Deeds) are prohibited under the Trust Deeds from voting with their Stapled Securities, or being part of a quorum for, any meeting of Stapled Securityholders convened to approve any matter in which the Managers or any of its Associates has a material interest in the business to be conducted (save for a resolution to remove the Managers as provided in the Trust Deeds).

The Managers have also established 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. The Boards will have a duty to ensure that the Managers so comply.

Notwithstanding the foregoing, 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.

## 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 an Interested 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. The Managers would have to demonstrate this to the ARC, which may include obtaining (where practicable) quotations from parties unrelated to the Managers, or obtaining a valuation from an independent valuer (in accordance with the Property Funds Appendix). In addition, regulatory requirements relating to IPTs, including the need for approvals and disclosure, are strictly observed by the Managers.

Where matters concerning A-HTRUST relate to transactions entered into or to be entered into by the REIT Trustee or Trustee-Manager for and on behalf of A-HREIT or A-HBT with an Interested Party of the REIT Manager or Trustee-Manager, the REIT Trustee or Trustee-Manager is required to ensure that such transactions are conducted at arm's length in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the REIT Trustee, as trustee for A-HREIT, or the Trustee-Manager, as trustee-manager of A-HBT, has the ultimate discretion under the Trust Deeds to decide whether or not to enter into a transaction involving an Interested Party of the REIT Manager or Trustee-Manager. If the REIT Trustee or Trustee-Manager is to sign any contract with an Interested Party of the REIT Trustee, the REIT Manager or the Trustee-Manager, the REIT Trustee or Trustee-Manager will review the contract to ensure that it complies with the requirements relating to IPTs in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to IPTs (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

# CORPORATE GOVERNANCE

All IPTs will be subject to regular review by the ARC and any IPTs requiring disclosure are set out in the Annual Report.

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, as the case may be (based on the latest audited accounts) will be subject to review by the ARC 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, as the case may be or \$15.0 million (whichever is the lower) but below 5.0% of A-HREIT's or A-HBT's net tangible assets, as the case may be (based on the latest audited accounts) will be subject to the review and approval of the ARC; 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, as the case may be (based on the latest audited accounts) will be reviewed and approved by the ARC 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 to A-HTRUST Stapled Securityholders for approval. An announcement will also be made on SGXNet in accordance with the Listing Manual requirements.

The Managers maintain a register to record all IPTs (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by A-HTRUST. The Managers incorporate into its internal audit plan a review of all IPTs entered into by A-HTRUST. The ARC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor IPTs have been complied with. In addition, the REIT Trustee will also review such audit reports to ascertain that the Property Funds Appendix have been complied with.

The Managers have disclosed in A-HTRUST's Annual Report the aggregate value of IPTs 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 IPTs 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, disposal fees, property management fees, and fund management fees.



# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
General	(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.	Yes, save in respect of the guidelines on disclosure of remuneration where the Managers have provided the reasons under Remuneration Matters on pages 98 to 101 of the Corporate Governance Report in relation to the remuneration of all key executives (including the CEO) of the Managers.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The information under Remuneration Matters on pages 98 to 101 of the Corporate Governance Report enables investors to understand the link between remuneration paid to Directors and key executives, and performance.
<b>Board Responsibility</b>		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to Principle 1 on The Boards' Conduct of Affairs.
<b>Members of the Board</b>		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	Please refer to Principle 4 on Board Membership.
	(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.	Please refer to Principle 2 on Board Composition and Guidance.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	Please refer to Principle 2 on Board Composition and Guidance and Principle 4 on Board Membership.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	Please refer to Principle 4 on Board Membership and Principle 5 on Board Performance.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes. Please refer to Principle 4 on Board Membership.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to Principle 4 on Board Membership.
Guideline 4.4	(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?	As a guide, Directors should not have more than six (6) listed company board representations. Please refer to Principle 4 on Board Membership.
	(b) If a maximum number has not been determined, what are the reasons?	Not applicable. Please refer to the response to Guideline 4.4(a) above.
	(c) What are the specific considerations in deciding on the capacity of directors?	Please refer to Principle 4 on Board Membership and Principle 5 on Board Performance.
<b>Board Evaluation</b>		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to Principle 5 on Board Performance.



# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
	(b) Has the Board met its performance objectives?	Based on the Board assessment exercise, the Boards are satisfied that the Boards have achieved the performance objectives for FY2018/19 and that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties. Please refer to Principle 5 on Board Performance.
<b>Independence of Directors</b>		
Guideline 2.1	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.	Yes. Please refer to Principle 2 on Board Composition and Guidance.
Guideline 2.3	(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.	Please refer to Principle 2 on Board Composition and Guidance.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Please refer to Principle 2 on Board Composition and Guidance.
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.	Not applicable. None of the Independent Directors have served on the Board for more than nine years from the date of his first appointment.
<b>Disclosure on Remuneration</b>		
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?	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration, and Principle 9 on Disclosure on Remuneration.

# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of \$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?	Please refer to the response to question relating to Guideline 9.2 above.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Please refer to the response to question relating to Guideline 9.2 above.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds \$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	There were no employees of the Managers who were immediate family members of a Director or the CEO during FY2018/19.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Please refer to pages 98 to 101 of the Corporate Governance Report on Remuneration Matters.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to the response to question relating to Guideline 9.6(a) above.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Please refer to the response to question relating to Guideline 9.6(a) above.
<b>Risk Management and Internal Controls</b>		
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?	Please refer to Principle 6 on Access to Information and Principle 11 on Risk Management and Internal Controls.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes. The internal audit function is outsourced to KPMG LLP, an international auditing firm. Please refer to Principle 13 on Internal Audit.
Guideline 11.3	(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.	Please refer to Principle 11 on Risk Management and Internal Controls.

# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
	(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: (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 (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?	Please refer to the response to question relating to Guideline 11.3(a) above.
Guideline 12.6	(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.	Please refer to Principle 12 on Audit and Risk Committee.
	(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.	Please refer to Principle 12 on Audit and Risk Committee.
<b>Communication with Shareholders</b>		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Please refer to Principle 14 on Stapled Securityholders' Rights, Principle 15 on Communication with Stapled Securityholders, and Principle 16 on Conduct of Stapled Securityholders' Meetings.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Please refer to the response to question relating to Guideline 15.4(a) above.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable. Please refer to the Distribution Statements on page 139 of the Annual Report.



## **FINANCIAL STATEMENTS**

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# REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

For the financial year ended 31 March 2019

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 2019.

## OPINION OF THE DIRECTORS

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 136 to 245 are drawn up so as to give a true and fair view of the financial positions of A-HTRUST and of A-HBT Group as at 31 March 2019, and the financial performance, changes in Stapled Securityholders' funds and cash flows of A-HTRUST and the A-HBT Group, for the financial year ended 31 March 2019 in accordance with the provisions of the Business Trusts Act of Singapore (Chapter 31A) (the "Act") and Singapore Financial Reporting Standards (International); 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.

## DIRECTORS

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

Mr Miguel Ko (Chairman)

Mr Manohar Khatani

Mr Tan Juay Hiang (Chief Executive Officer)

Mr Chia Kim Huat

Mr Michael Issenberg

Ms Deborah Lee Siew Yin

Mr Willy Shee Ping Yah

Mr Robert Hecker

Mr Patrick Lee Fook Yau

(Appointed on 1 October 2018)

(Appointed on 31 December 2018)

# REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

For the financial year ended 31 March 2019

## 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 object 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 Act, particulars of interests of Directors who hold office at the end of the financial year in the Trust are as follows:

Name of Director in which interests are held	Direct and deemed holdings registered in the name of the director, spouse or infant children					
	Direct	Deemed	Direct	Deemed	Direct	Deemed
	At 1 April 2018 or date of appointment	At 1 April 2018 or date of appointment	At 31 March 2019	At 31 March 2019	At 21 April 2019	At 21 April 2019
Mr Miguel Ko	2,000,000	-	2,000,000	-	2,000,000	-
Mr Manohar Khatani	52,000	-	52,000	-	52,000	-
Mr Tan Juay Hiang	125,000	-	125,000	-	125,000	-
Mr Chia Kim Huat	115,000	-	115,000	-	115,000	-
Mr Michael Issenberg	-	-	-	-	-	-
Ms Deborah Lee Siew Yin	-	-	-	-	-	-
Mr Willy Shee Ping Yah	-	162,000	-	162,000	-	162,000
Mr Robert Hecker <sup>1</sup>	-	-	-	-	-	-
Mr Patrick Lee Fook Yau <sup>1</sup>	-	-	-	-	-	-

<sup>1</sup> Mr Robert Hecker and Mr Patrick Lee Fook Yau were appointed as Directors on 1 October 2018 and 31 December 2018 respectively. These reflect their interests in Stapled Securities of the Trust at the date of their appointment.

## 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.

# REPORT OF THE TRUSTEE-MANAGER OF **ASCENDAS HOSPITALITY BUSINESS TRUST**

For the financial year ended 31 March 2019

## **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee comprises four independent Directors. The members at the end of the financial year were as follows:

Ms Deborah Lee Siew Yin (Chairman)

Mr Chia Kim Huat

Mr Robert Hecker

Mr Patrick Lee Fook Yau

(Appointed on 1 October 2018)

(Appointed on 31 December 2018)

The Audit and Risk 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 of the Trustee-Manager.
- 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 and report to the Board of Directors of the Trustee-Manager on any inadequacies, deficiencies or matters of concern of which the Audit and Risk Committee becomes aware or that it suspects, arising from its review of the above described.
- 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 and Risk Committee becomes aware or that it suspects.
- Report to the Monetary Authority of Singapore if the Audit and Risk 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 and Risk 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.



# REPORT OF THE TRUSTEE-MANAGER OF **ASCENDAS HOSPITALITY BUSINESS TRUST**

For the financial year ended 31 March 2019

## **AUDIT AND RISK COMMITTEE (CONT'D)**

- Nominate the appointment, re-appointment or removal of the external auditors to the Board of Directors.
- Ensure the adequacy of the internal audit function.
- Investigate any matters within the Audit and Risk Committee's terms of reference, whenever it deems necessary.
- Undertake such other functions as may be agreed to by the Audit and Risk Committee and the Board of Directors of the Trustee-Manager.

The Audit and Risk 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 and Risk 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.,**

**Chia Kim Huat**  
Director

**Tan Juay Hiang**  
Chief Executive Officer

Singapore  
29 May 2019

# STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

For the financial year ended 31 March 2019

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**

Chief Executive Officer

Singapore  
29 May 2019

# REPORT OF THE TRUSTEE OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

For the financial year ended 31 March 2019

Perpetual (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.

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 136 to 245, 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,  
**Perpetual (Asia) Limited,**

**Sin Li Choo**  
Director

Singapore  
29 May 2019

# REPORT OF THE MANAGER OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

For the financial year ended 31 March 2019

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 the A-HREIT Group, set out on pages 136 to 245, comprising the Balance Sheet, Income Statement, Statement of Comprehensive Income, 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 holdings of the A-HREIT Group as at 31 March 2019 and the financial performance and movements in Stapled Securityholders’ funds, distributable income and cash flows of the A-HREIT Group for the financial year ended 31 March 2019, in accordance with the Singapore Financial Reporting Standards (International) and the provisions of the Amended and Restated Trust Deed dated 9 July 2012 between the REIT Manager and Perpetual (Asia) Limited (the “REIT Trustee”) and the applicable requirement of the Code on Collective Investment Scheme issued by Monetary Authority of Singapore (“MAS”). At the date of this statement, there are reasonable grounds to believe that the A-HREIT Group will be able to meet its respective financial obligations as and when they materialise.

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

**Chia Kim Huat**  
Director

**Tan Juay Hiang**  
Chief Executive Officer

Singapore  
29 May 2019



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

For the financial year ended 31 March 2019

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 2019, the Directors of the REIT Manager Board are also the Directors of the Trustee-Manager Board (collectively, the “Boards 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 Boards of the Managers, in exercising their power and carrying out their duties as REIT Manager and Trustee-Manager of the Trust, have 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 the Listing Rules of Singapore Exchange Securities Trading Limited 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 used predominantly for hospitality purposes (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 (“IC”) of the Managers assists the Boards 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 2019

## POTENTIAL CONFLICTS OF INTEREST

As the Managers are related companies of Temasek Holdings (Private) Limited, Jurong Town Corporation and/or their subsidiaries (which includes the Ascendas-Singbridge Group) (“Temasek/JTC”), there may be potential conflicts of interest between the Trust, the Managers and Temasek/JTC.

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

- The Boards of the Managers comprise five independent Directors, who form the majority of the Boards;
- All executive officers are directly employed by the Managers;
- All resolutions in writing of the Directors of the Boards of the Managers in relation to matters concerning the Trust must be approved by a majority of the independent Directors;
- There is compliance with the relevant provisions of the Code of Corporate Governance;
- In respect of matters in which Temasek/JTC have an interest, direct or indirect, any nominees appointed by Temasek/JTC to the Boards 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 Temasek/JTC; and
- 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 and Risk 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 Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 July 2012, which would adversely affect the Trust.

### (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 Boards of the Managers may make a written statement in accordance with the resolution of the Boards and signed by at least two Directors on behalf of the Boards 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 2019

## PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS (CONT'D)

### (ii) Future Interested Person Transactions (cont'd)

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 Temasek/JTC 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 and Risk Committee of the Managers, which comprises only independent Directors; and
- decided by the Boards of the Managers, of which at least half of the Directors are independent Directors.

## INTERESTED PERSON TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The interested person transactions for the financial year ended 31 March 2019 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 <sup>1</sup>	
Base fee	181
Performance fee	2,299
Trustee fee	162
Acquisition fee	915
Divestment fee	1,344
REIT Manager's fees paid/payable <sup>1</sup>	
Base fee	1,698
Performance fee	1,158
Acquisition fee	622
Ascendas Hospitality Australia Fund Management Pty Ltd Manager's fees paid/payable <sup>1</sup>	
Management fee	2,556

<sup>1</sup> Refer to "Exempted Agreements" in paragraph (i) above.

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

For the financial year ended 31 March 2019

## INTERESTED PERSON TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

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
Ascendas Japan Kabushiki Kaisha Manager's fees paid/payable <sup>1</sup> Management fee	493
Acquisition fee	622
Ascendas Asset Management (Korea) Co., Ltd. Manager's fees paid/payable <sup>1</sup> Acquisition fee	926
Ascendas (Korea) Pte. Ltd. <sup>2</sup> Joint investment in acquisition of The Splaisir Seoul Dongdaemun <sup>3</sup> Joint investment in acquisition of ibis Ambassador Seoul Insadong <sup>4</sup>	96,337 94,820
Perpetual (Asia) Limited Trustee fee paid/payable to REIT Trustee	162
The Trust Company (Australia) Limited Trustee fee paid/payable to Trustee	188

<sup>1</sup> Refer to "Exempted Agreements" in paragraph (i) above.

<sup>2</sup> Ascendas (Korea) Pte. Ltd. ("AKPL") is a wholly-owned subsidiary of the Sponsor, Ascendas Land International Pte Ltd who is a "controlling Stapled Securityholder" of A-HTRUST. As such, for the purposes of the Listing Manual, AKPL is an "interested person" of A-HBT under the Listing Manual.

<sup>3</sup> A-HBT and AKPL are joint investors for the acquisition of The Splaisir Seoul Dongdaemun and shareholding proportion in the investment for A-HBT and AKPL are 98.7% and 1.3%, respectively. Under Rule 916(2) of the Listing Manual, A-HTRUST is not required to seek the approval of the Stapled Securityholders for the Joint Investment by A-HBT and AKPL.

<sup>4</sup> A-HBT and AKPL are joint investors for the acquisition of ibis Ambassador Seoul Insadong and shareholding proportion in the investment for A-HBT and AKPL are 98.8% and 1.2%, respectively. Under Rule 916(2) of the Listing Manual, A-HTRUST is not required to seek the approval of the Stapled Securityholders for the Joint Investment by A-HBT and AKPL.

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 ("Management Fees"):

- a base 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).



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

For the financial year ended 31 March 2019

## FEES PAYABLE TO THE MANAGERS (CONT'D)

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 (unless such change is necessary in order to comply with the requirements of the Property Funds Appendix).

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 Hotel Sunroute Ariake, Hotel Sunroute Osaka Namba, Hotel WBF Kitasemba West, Hotel WBF Kitasemba East and Hotel WBF Honmachi 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 Trust properties are provided by Ascendas Hospitality Australia Fund Management Pty Ltd ("AHAFM"), a related entity of the Managers.

In Korea, asset management services for The Splaisir Seoul Dongdaemun and ibis Ambassador Seoul Insadong properties are provided by Ascendas Asset Management (Korea) Co., Ltd. ("AAMC"), a related entity of the Managers.

The Management Fees 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 the base fee and performance fee in Stapled Securities and the remainder in cash for the financial year ended 31 March 2019. The cash portion is derived after deducting the Management Fees payable to the other appointed asset managers.

For transactions, the Managers are entitled to:

- an acquisition fee at 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 (plus any other payments in addition to the acquisition price made by the Trust or its SPV to the vendor in connection with the purchase of the real estate) of any authorised investment acquired by the Managers on behalf of the Trust; and
- a divestment fee at 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 (plus any payments in addition to the sale price received by the Trust or its SPV from the purchaser in connection with the sale or divestment of the real estate) 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). In accordance with the A-HREIT Trust Deed, when A-HREIT acquires or disposes of real estate from an interested person, the acquisition fee or, as the case may be, the divestment fee, shall be in the form of Stapled Securities issued at the prevailing market price, and such Stapled Securities shall not be sold within one year from the date of issuance. In accordance with the A-HBT Trust Deed, when A-HBT 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 the prevailing market price.



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

For the financial year ended 31 March 2019

## FEES PAYABLE TO THE MANAGERS (CONT'D)

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 divestment 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 a minimum amount of \$13,500 per month or 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 an extraordinary 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 2019:

	REIT Manager \$'000	REIT Trustee \$'000	Trustee-Manager \$'000
Base Fee	1,698	-	181
Performance Fee	1,158	-	2,299
Acquisition Fee	622	-	915
Divestment Fee	-	-	1,344
Trustee Fee	-	162	162
<b>Total</b>	<b>3,478</b>	<b>162</b>	<b>4,901</b>

## 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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and the applicable requirement of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS").

MAS has granted A-HREIT Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes. With effect from the financial year beginning 1 April 2018, A-HREIT Group prepares its financial statements in accordance with SFRS(I).

# STATEMENT ON COMPOSITION OF THE BOARDS OF DIRECTORS

For the financial year ended 31 March 2019

The Boards 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 Chia Kim Huat

Ms Deborah Lee Siew Yin

Mr Willy Shee Ping Yah

Mr Robert Hecker (Appointed on 1 October 2018)

Mr Patrick Lee Fook Yau (Appointed on 31 December 2018)

Mr Miguel Ko, Mr Manohar Khiatani, Mr Michael Issenberg and Mr Tan Juay Hiang are considered non-independent Directors. Mr Ko is the Group Chief Executive Officer ("CEO") and a Director of Ascendas-Singbridge Group ("ASB"). Mr Khiatani is the Deputy CEO of ASB. ASB, through its subsidiaries, is a substantial Stapled Securityholder of A-HTRUST. Mr Tan is the CEO of the Managers.

As at 31 March 2019, six of the fourteen hotels in the portfolio of A-HTRUST (or five out of the six hotels A-HTRUST owns in Australia) are managed by AccorHotels Asia Pacific ("Accor") or its affiliates. Mr Michael Issenberg, the Chairman and CEO of Accor, is responsible for overseeing Accor's overall development and management activities in the Asia-Pacific region. In view of Accor's commercial relationship with A-HTRUST, Mr Michael Issenberg is considered a non-independent Director.



# INDEPENDENT AUDITOR'S REPORT

TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY TRUST

For the financial year ended 31 March 2019

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

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 2019, the Income Statement, Statement of Comprehensive Income, 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 2019, and notes to the financial statements, including a summary of significant accounting policies;
- (ii) the financial statements of Ascendas Hospitality Business Trust (A-HBT), which comprise the Balance Sheet as at 31 March 2019, 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 2019, and notes to the financial statements, including a summary of significant accounting policies; and
- (iii) the consolidated financial statements of Ascendas Hospitality Trust (A-HTRUST), which comprise the Balance Sheet as at 31 March 2019, 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 2019, and notes to the financial statements, including a summary of significant accounting policies of A-HTRUST, which comprises A-HBT and A-HREIT, and hereinafter referred to as the "Stapled Group".

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 2019 and the total return, changes in Stapled Securityholders' Funds, distributable income and cash flows of A-HREIT for the year ended 31 March 2019 in accordance with Singapore Financial Reporting Standards (International) SFRS(I); and
- (b) the financial statements of A-HBT and the Stapled Group are properly drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the Act) and SFRS(I) 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 2019 and the results, changes in Stapled Securityholders' Funds and cash flows of A-HBT and the Stapled Group for the year ended 31 March 2019.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# INDEPENDENT AUDITOR'S REPORT

TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY TRUST

For the financial year ended 31 March 2019

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

### Valuation of investment properties and property, plant and equipment

The carrying amounts of investment properties and property, plant and equipment are \$1,213 million and \$612 million respectively as at 31 March 2019 which account for 63% and 32% of total assets respectively, representing the largest two assets categories of the Stapled Group.

The valuations of the investment properties and property, plant and equipment are significant to our audit due to their magnitude. Their valuations are complex and highly dependent on a range of estimates made by external appraisers and agreed upon by the manager of A-HREIT and trustee-manager of A-HBT (collectively, the Managers). The valuation of the investment property is highly sensitive to the key assumptions applied and a change in the key assumptions may have significant impact on the valuations. As disclosed in Note 28(d), the key assumptions affecting the valuations are discount rates, capitalisation rates, revenue per available room and occupancy rates used.

We assessed the Group's process relating to the selection of the external appraisers, the determination of the scope of work of the external appraisers, and the review of the valuation reports issued by the external appraisers. We have considered the objectivity, independence and capability of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We also inquired the external appraisers to obtain an understanding of their valuation models. We assessed the appropriateness of the valuation models and property related data such as operating expenses and property taxes used in the valuation process and adopted by the external appraisers and management. We also considered the valuation methodologies adopted against those applied by other valuers for similar property types.

In addition, our internal valuation specialists assisted us in evaluating the appropriateness of the property related data by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We assessed the appropriateness of the movements in fair value of the investment properties, and the revaluation surplus in the property, plant and equipment. We also assessed the appropriateness of the disclosures in Note 28(d) relating to the assumptions used in the valuation process and the disclosures on the investment properties in Note 14 and property, plant and equipment in Note 15 to the financial statements.





# INDEPENDENT AUDITOR'S REPORT

TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY TRUST

For the financial year ended 31 March 2019

## **Other Information**

The Managers are responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **A-HREIT Manager's Responsibilities for the Financial Statements**

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 SFRS(I), 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**

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 Act and SFRS(I), 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, the REIT Manager and Trustee-Manager are responsible for assessing the ability of A-HREIT, and A-HBT and the Stapled Group to continue as a going concern respectively, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager and the Trustee-Manager either intends to liquidate or to cease operations of A-HREIT, and A-HBT and the Stapled Group respectively, or have no realistic alternative but to do so.

The Board of Directors of the REIT Manager and the Board of Directors of the Trustee-Manager are responsible for overseeing A-HREIT, A-HBT and the Stapled Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY TRUST

For the financial year ended 31 March 2019

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 A-HREIT, A-HBT and the Stapled Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on A-HREIT, A-HBT and the Stapled Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause A-HREIT, A-HBT and the Stapled Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within A-HREIT, A-HBT and the Stapled Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



# INDEPENDENT AUDITOR'S REPORT

TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY TRUST

For the financial year ended 31 March 2019

## **Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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.

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.

ERNST & YOUNG LLP  
Public Accountants and Chartered Accountants

Singapore  
29 May 2019

# INCOME STATEMENTS

for the financial year ended 31 March 2019

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			Restated (Note 2.2)		Restated (Note 2.2)		Restated (Note 2.2)
<b>Continuing operations</b>							
<b>Gross revenue</b>	<b>4</b>	<b>190,456</b>	<b>203,259</b>	<b>31,352</b>	<b>31,453</b>	<b>173,234</b>	<b>188,767</b>
Gross rental revenue		139,434	144,361	30,826	30,735	122,561	130,336
Food and beverage revenue		38,896	43,281	-	-	38,896	43,281
Other income		12,126	15,617	526	718	11,777	15,150
<b>Property expenses</b>		<b>(105,241)</b>	<b>(116,034)</b>	<b>(2,137)</b>	<b>(4,377)</b>	<b>(117,057)</b>	<b>(128,367)</b>
Operations and maintenance expenses	5	(17,065)	(19,167)	(76)	(134)	(16,989)	(19,033)
Hotel management fee		(5,032)	(6,278)	-	-	(5,032)	(6,278)
Property taxes and insurance		(3,111)	(2,690)	(1,655)	(1,510)	(1,456)	(1,180)
Service and other taxes		(6,364)	(6,567)	(1)	(4)	(6,363)	(6,563)
Administrative and general expenses		(8,309)	(8,572)	(395)	(358)	(7,914)	(8,214)
Sales and marketing expenses		(7,244)	(8,355)	-	-	(7,244)	(8,355)
Staff costs		(48,411)	(51,453)	-	-	(48,411)	(51,453)
Energy and utilities expenses		(5,276)	(8,195)	(10)	(2,368)	(5,266)	(5,827)
Other expenses		(4,429)	(4,757)	-	(3)	(18,382)	(21,464)
<b>Net property income</b>		<b>85,215</b>	<b>87,225</b>	<b>29,215</b>	<b>27,076</b>	<b>56,177</b>	<b>60,400</b>
Depreciation	15	(23,672)	(23,933)	-	-	(23,672)	(23,933)
Finance income	6	800	630	3	59	797	571
Finance costs	7	(11,624)	(15,338)	(2,310)	(2,623)	(9,314)	(12,715)
Fund management fees	8(a)	(8,467)	(8,644)	(3,142)	(2,823)	(5,325)	(5,821)
Trustees' fees	8(b)	(711)	(674)	(196)	(166)	(515)	(508)
Foreign exchange (loss)/gain, net <sup>1</sup>	10	(7,166)	(8,677)	6	(3,948)	(7,172)	(4,729)
Other trust (expenses)/income	9	(1,728)	2,100	(639)	(391)	(1,089)	2,491
Net change in fair value of derivative financial instruments	22	267	571	53	(181)	214	752
Net change in fair value of investment properties	14	65,717	21,957	51,250	14,956	14,467	7,001
Net change in fair value of investment securities		-	-	(502)	-	-	-
<b>Profit before tax from continuing operations</b>	<b>10</b>	<b>98,631</b>	<b>55,217</b>	<b>73,738</b>	<b>31,959</b>	<b>24,568</b>	<b>23,509</b>
Income tax expense	11	(14,584)	(9,807)	(8,213)	(4,706)	(6,371)	(5,101)
<b>Profit from continuing operations, net of tax</b>		<b>84,047</b>	<b>45,410</b>	<b>65,525</b>	<b>27,253</b>	<b>18,197</b>	<b>18,408</b>
<b>Discontinued operations</b>							
Profit from discontinued operations, net of tax	12	150,138	4,024	-	-	150,138	4,024
<b>Profit for the year</b>		<b>234,185</b>	<b>49,434</b>	<b>65,525</b>	<b>27,253</b>	<b>168,335</b>	<b>22,432</b>

<sup>1</sup> Comparative figures have been restated upon adoption of SFRS(I). Please refer to Note 2.2 for details.

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

# INCOME STATEMENTS

for the financial year ended 31 March 2019

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			Restated (Note 2.2)		Restated (Note 2.2)		Restated (Note 2.2)
<b>Profit for the year attributable to:</b>							
<b>Stapled Securityholders of the Trust</b>							
Profit from continuing operations, net of tax		83,915	45,410	65,525	27,253	18,054	18,378
Profit from discontinued operations, net of tax	12	150,138	4,024	-	-	150,138	4,024
		<b>234,053</b>	<b>49,434</b>	<b>65,525</b>	<b>27,253</b>	<b>168,192</b>	<b>22,402</b>
<b>Non-controlling interests</b>							
Profit from continuing operations, net of tax		132	-	-	-	143	30
Profit from discontinued operations, net of tax		-	-	-	-	-	-
		<b>132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143</b>	<b>30</b>
Earnings per Stapled Security from continuing operations attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security							
- Basic and diluted (cents)	13(a)	7.41	4.02	5.78	2.42	1.59	1.63
Earnings per Stapled Security from continuing and discontinued operations attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security							
- Basic and diluted (cents)	13(b)	20.66	4.38	5.78	2.42	14.84	1.99

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 2019

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			Restated (Note 2.2)		Restated (Note 2.2)		Restated (Note 2.2)
<b>Profit for the year</b>		<b>234,185</b>	<b>49,434</b>	<b>65,525</b>	<b>27,253</b>	<b>168,335</b>	<b>22,432</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Cash flow hedges – fair value gain/(loss)		32	823	(341)	(64)	373	887
Cash flow hedges – reclassification to profit or loss upon settlement		979	59	–	59	979	–
Foreign currency translation (loss)/gain, net <sup>1</sup>		(28,584)	(13,944)	(4,383)	1,558	(24,201)	(15,502)
		(27,573)	(13,062)	(4,724)	1,553	(22,849)	(14,615)
<b>Item that will not be reclassified to profit or loss:</b>							
Revaluation (deficit)/surplus on freehold land and building (net of tax)		(14,295)	30,215	–	–	(14,295)	30,215
<b>Other comprehensive income for the year, net of tax</b>		<b>(41,868)</b>	<b>17,153</b>	<b>(4,724)</b>	<b>1,553</b>	<b>(37,144)</b>	<b>15,600</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>192,317</b>	<b>66,587</b>	<b>60,801</b>	<b>28,806</b>	<b>131,191</b>	<b>38,032</b>
<b>Total comprehensive income for the year attributable to:</b>							
<b>Stapled Securityholders of the Trust</b>							
Total comprehensive income from continuing operations, net of tax		40,949	61,095	60,801	28,806	(19,851)	32,315
Total comprehensive income from discontinued operations, net of tax		151,303	5,492	–	–	151,303	5,492
		<b>192,252</b>	<b>66,587</b>	<b>60,801</b>	<b>28,806</b>	<b>131,452</b>	<b>37,807</b>
<b>Non-controlling interests</b>							
Total comprehensive income from continuing operations, net of tax		65	–	–	–	(261)	225
Total comprehensive income from discontinued operations, net of tax		–	–	–	–	–	–
		<b>65</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(261)</b>	<b>225</b>

<sup>1</sup> Comparative figures have been restated upon adoption of SFRS(I). Please refer to Note 2.2 for details.

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

# DISTRIBUTION STATEMENTS

for the financial year ended 31 March 2019

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Restated (Note 2.2)	Restated (Note 2.2)	Restated (Note 2.2)	Restated (Note 2.2)	Restated (Note 2.2)	Restated (Note 2.2)
<b>Profit for the year attributable to Stapled Securityholders of the Trust</b>		<b>234,053</b>	<b>49,434</b>	<b>65,525</b>	<b>27,253</b>	<b>168,192</b>	<b>22,402</b>
Add/(Less):							
REIT Manager's management fees paid/payable in Stapled Securities		1,571	1,412	1,571	1,412	-	-
Trustee-Manager's management fees paid/payable in Stapled Securities		2,662	2,898	-	-	2,662	2,898
Depreciation	15	23,672	26,950	-	-	23,672	26,950
Amortisation of prepaid land leases		-	997	-	-	-	997
Foreign exchange loss, net		7,666	8,933	127	4,352	7,539	4,581
Loss on disposal of property, plant and equipment		19	-	-	-	19	-
Net change in fair value of derivative financial instruments		(267)	(630)	(53)	122	(214)	(752)
Net change in fair value of investment properties (net of tax)		(57,094)	(17,753)	(44,148)	(11,466)	(12,946)	(6,287)
Net change in fair value of investment securities		-	-	502	-	-	-
Partial distribution from disposal gain of China Group		8,150	-	-	-	8,150	-
Gain on disposal of China Group		(148,756)	-	-	-	(148,756)	-
Others		1,935	(940)	270	(207)	1,676	(703)
Income available for distribution for the year (before deducting income retained for working capital)		73,611	71,301	23,794	21,466	49,994	50,086
Less:							
Income retained for working capital		(5,148)	(5,069)	(1,448)	-	(3,700)	(5,069)
<b>Income available for distribution for the year (after deducting income retained for working capital)</b>		<b>68,463</b>	<b>66,232</b>	<b>22,346</b>	<b>21,466</b>	<b>46,294</b>	<b>45,017</b>

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 2019

	Note	A-HREIT Group	
		2019 \$'000	2018 \$'000 Restated (Note 2.2)
<b>Income</b>			
Rental income	4	30,826	30,735
Other income	4	526	718
		<b>31,352</b>	<b>31,453</b>
<b>Property expenses</b>			
		<b>(2,137)</b>	<b>(4,377)</b>
<b>Less: Expenses</b>			
Finance income	6	3	59
Finance costs	7	(2,310)	(2,623)
Fund management fees	8(a)	(3,142)	(2,823)
Trustees' fees	8(b)	(196)	(166)
Foreign exchange gain/(loss), net <sup>1</sup>	10	6	(3,948)
Other trust expenses	9	(639)	(391)
		<b>(6,278)</b>	<b>(9,892)</b>
<b>Net income</b>			
		<b>22,937</b>	<b>17,184</b>
<b>Net gains or losses on value of derivative financial instruments, investment properties and investment securities</b>			
Net change in fair value of derivative financial instruments		53	(181)
Net change in fair value of investment properties	14	51,250	14,956
Net change in fair value of investment securities		(502)	-
<b>Total return for the year before income tax</b>			
		<b>73,738</b>	<b>31,959</b>
Income tax expense	11	(8,213)	(4,706)
<b>Total return for the year</b>			
		<b>65,525</b>	<b>27,253</b>

1 Comparative figures have been restated upon adoption of SFRS(I). Please refer to Note 2.2 for details.

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

# BALANCE SHEETS

as at 31 March 2019

Note	A-HTRUST			A-HREIT Group			A-HBT Group			
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April	
	2019	2018	2017	2019	2018	2017	2019	2018	2017	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Restated	Restated		Restated	Restated		Restated	Restated		
	(Note 2.2)	(Note 2.2)		(Note 2.2)	(Note 2.2)		(Note 2.2)	(Note 2.2)		
<b>ASSETS</b>										
<b>Non-current assets</b>										
Investment properties	14	1,212,681	843,258	824,129	779,699	606,781	593,293	432,982	236,477	230,836
Prepaid land lease		-	-	32,665	-	-	-	-	-	32,665
Property, plant and equipment	15	612,225	671,514	744,393	-	-	-	612,225	671,514	744,393
Investment securities	16	-	-	-	2,849	3,058	3,058	-	-	-
Derivative financial instruments	22	8,774	6,819	7,556	1,525	1,421	1,227	7,249	5,398	6,329
Deferred tax assets	11	4,540	5,174	6,059	-	-	-	4,540	5,174	6,059
Other non-current assets	17	4,854	5,113	5,394	32	15	19	4,822	5,098	5,375
		1,843,074	1,531,878	1,620,196	784,105	611,275	597,597	1,061,818	923,661	1,025,657
<b>Current assets</b>										
Inventories		333	363	431	-	-	-	333	363	431
Trade and other receivables	17	17,635	12,749	13,819	9,371	5,108	5,778	12,651	12,574	12,696
Prepayments		4,130	4,012	4,542	1,482	1,160	1,198	2,648	2,852	3,344
Cash and cash equivalents	18	72,025	67,441	86,213	23,393	17,170	23,849	48,632	50,271	62,364
Derivative financial instruments	22	742	2,102	370	106	174	188	636	1,928	182
Other current assets	17	426	300	337	-	-	-	426	300	337
		95,291	86,967	105,712	34,352	23,612	31,013	65,326	68,288	79,354
Assets of disposal group classified as held for sale	12	-	120,426	-	-	-	-	-	120,426	-
		95,291	207,393	105,712	34,352	23,612	31,013	65,326	188,714	79,354
<b>Total assets</b>		<b>1,938,365</b>	<b>1,739,271</b>	<b>1,725,908</b>	<b>818,457</b>	<b>634,887</b>	<b>628,610</b>	<b>1,127,144</b>	<b>1,112,375</b>	<b>1,105,011</b>

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

# BALANCE SHEETS

as at 31 March 2019

Note	A-HTRUST			A-HREIT Group			A-HBT Group			
	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	
		Restated (Note 2.2)	Restated (Note 2.2)		Restated (Note 2.2)	Restated (Note 2.2)		Restated (Note 2.2)	Restated (Note 2.2)	
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Trade and other payables	19	36,819	55,937	39,817	11,614	10,756	9,604	29,593	50,115	34,869
Deferred income	20	1,903	1,818	1,904	155	138	134	1,748	1,680	1,770
Borrowings	21	5,000	155,682	64,287	5,000	3,800	64,287	-	151,882	-
Derivative financial instruments	22	15	2,601	624	6	55	48	9	2,546	576
Income tax payable		1,457	1,380	1,684	663	686	680	794	694	1,004
		45,194	217,418	108,316	17,438	15,435	74,753	32,144	206,917	38,219
Liabilities directly associated with disposal group classified as held for sale	12	-	9,887	-	-	-	-	-	9,887	-
		45,194	227,305	108,316	17,438	15,435	74,753	32,144	216,804	38,219
<b>Net current assets/ (liabilities)</b>		<b>50,097</b>	<b>(19,912)</b>	<b>(2,604)</b>	<b>16,914</b>	<b>8,177</b>	<b>(43,740)</b>	<b>33,182</b>	<b>(28,090)</b>	<b>41,135</b>
<b>Non-current liabilities</b>										
Other payables	19	378	529	466	-	-	-	378	529	466
Rental and other deposits	19	16,914	12,362	11,944	7,806	5,710	5,412	9,108	6,652	6,532
Deferred income	20	5,892	6,875	9,151	707	585	702	5,185	6,290	8,449
Borrowings	21	493,682	234,640	346,091	231,289	99,447	46,940	262,393	135,193	299,151
Deferred tax liabilities	11	72,477	68,726	67,394	27,529	21,040	17,679	44,948	47,686	49,715
Derivative financial instruments	22	3,281	4,583	4,523	1,736	1,654	1,260	1,545	2,929	3,263
Medium term notes	21	144,892	144,844	144,794	49,763	49,746	49,728	95,129	95,098	95,066
		737,516	472,559	584,363	318,830	178,182	121,721	418,686	294,377	462,642
<b>Total liabilities</b>		<b>782,710</b>	<b>699,864</b>	<b>692,679</b>	<b>336,268</b>	<b>193,617</b>	<b>196,474</b>	<b>450,830</b>	<b>511,181</b>	<b>500,861</b>
<b>NET ASSETS ATTRIBUTABLE TO STAPLED SECURITYHOLDERS</b>										
		<b>1,155,655</b>	<b>1,039,407</b>	<b>1,033,229</b>	<b>482,189</b>	<b>441,270</b>	<b>432,136</b>	<b>676,314</b>	<b>601,194</b>	<b>604,150</b>

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



# BALANCE SHEETS

as at 31 March 2019

Note	A-HTRUST			A-HREIT Group			A-HBT Group			
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April	
	2019	2018	2017	2019	2018	2017	2019	2018	2017	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		Restated (Note 2.2)	Restated (Note 2.2)		Restated (Note 2.2)	Restated (Note 2.2)		Restated (Note 2.2)	Restated (Note 2.2)	
<b>Stapled Securityholders' funds</b>										
Stapled Securities in issue	23	981,115	976,963	972,627	418,564	417,098	415,679	562,551	559,865	556,948
Issue costs	24	(15,761)	(15,761)	(15,761)	(5,994)	(5,994)	(5,994)	(9,767)	(9,767)	(9,767)
Management fees payable in Stapled Securities	23	1,527	1,446	1,472	856	751	758	671	695	714
Revenue reserve <sup>1</sup>		71,788	(94,987)	(79,285)	71,929	27,857	21,688	1,322	(121,338)	(99,688)
Foreign currency translation reserve <sup>1</sup> 25(a)		(43,977)	(14,853)	-	(2,825)	1,558	-	(40,813)	(16,244)	-
Asset revaluation reserve	25(b)	159,625	173,985	155,955	-	-	-	157,816	172,006	154,324
Hedging reserve	25(c)	(681)	(1,199)	(2,574)	(341)	-	5	(334)	(1,188)	(2,554)
Other reserves		-	-	795	-	-	-	-	-	795
Reserves of disposal group classified as held for sale <sup>1</sup>	12	-	13,813	-	-	-	-	-	13,813	-
		<b>1,153,636</b>	<b>1,039,407</b>	<b>1,033,229</b>	<b>482,189</b>	<b>441,270</b>	<b>432,136</b>	<b>671,446</b>	<b>597,842</b>	<b>600,772</b>
Non-controlling interests		2,019	-	-	-	-	-	4,868	3,352	3,378
		<b>1,155,655</b>	<b>1,039,407</b>	<b>1,033,229</b>	<b>482,189</b>	<b>441,270</b>	<b>432,136</b>	<b>676,314</b>	<b>601,194</b>	<b>604,150</b>
Number of Stapled Securities in issue ('000)	23	1,135,005	1,129,839	1,124,481	1,135,005	1,129,839	1,124,481	1,135,005	1,129,839	1,124,481
Net asset value per Stapled Security (\$)		1.02	0.92	0.92	0.42	0.39	0.38	0.60	0.53	0.54

<sup>1</sup> Comparative figures have been restated upon adoption of SFRS(I). Please refer to Note 2.2 for details.

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 2019

2019 A-HTRUST	Stapled Securities in issue \$'000	Issue costs \$'000	Management fees payable in Stapled Securities \$'000
<b>Balance at 31 March 2018, as previously reported</b>	<b>976,963</b>	<b>(15,761)</b>	<b>1,446</b>
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-
<b>Balance at 1 April 2018, restated</b>	<b>976,963</b>	<b>(15,761)</b>	<b>1,446</b>
Profit for the year	-	-	-
<u>Other comprehensive income</u>			
Cash flow hedges – fair value (loss)/gain	-	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-
Revaluation (deficit)/surplus on freehold land and building (net of tax)	-	-	-
Currency translation differences	-	-	-
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 and non-controlling interests</u>			
Managers' fees paid in Stapled Securities	4,152	-	(4,152)
Managers' fees payable in Stapled Securities	-	-	4,233
Capital contribution by non-controlling interests	-	-	-
Distributions to Stapled Securityholders (Note 33)	-	-	-
Dividends paid/payable to non-controlling interests	-	-	-
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	4,152	-	81
<u>Others</u>			
Disposal of subsidiaries (Note 12)	-	-	-
Total others	-	-	-
<b>Balance at 31 March 2019</b>	<b>981,115</b>	<b>(15,761)</b>	<b>1,527</b>

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 2019

Attributable to Stapled Securityholders of the Trust							
Revenue reserve \$'000	Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Reserves of disposal classified as held for sale \$'000	Total \$'000	Non-controlling interests \$'000	Equity, Total \$'000
<b>(26,976)</b>	<b>(87,258)</b>	<b>173,985</b>	<b>(1,199)</b>	<b>18,207</b>	<b>1,039,407</b>	-	<b>1,039,407</b>
(68,011)	72,405	-	-	(4,394)	-	-	-
<b>(94,987)</b>	<b>(14,853)</b>	<b>173,985</b>	<b>(1,199)</b>	<b>13,813</b>	<b>1,039,407</b>	-	<b>1,039,407</b>
234,053	-	-	-	-	234,053	132	234,185
-	-	-	(102)	134	32	-	32
-	-	-	620	359	979	-	979
-	-	(14,360)	-	65	(14,295)	-	(14,295)
-	(29,124)	-	-	607	(28,517)	(67)	(28,584)
-	(29,124)	(14,360)	518	1,165	(41,801)	(67)	(41,868)
234,053	(29,124)	(14,360)	518	1,165	192,252	65	192,317
-	-	-	-	-	-	-	-
-	-	-	-	-	4,233	-	4,233
-	-	-	-	-	-	1,972	1,972
(67,278)	-	-	-	-	(67,278)	-	(67,278)
-	-	-	-	-	-	(18)	(18)
(67,278)	-	-	-	-	(63,045)	1,954	(61,091)
-	-	-	-	(14,978)	(14,978)	-	(14,978)
-	-	-	-	(14,978)	(14,978)	-	(14,978)
<b>71,788</b>	<b>(43,977)</b>	<b>159,625</b>	<b>(681)</b>	-	<b>1,153,636</b>	<b>2,019</b>	<b>1,155,655</b>

# STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

for the financial year ended 31 March 2019

2018 A-HTRUST	Stapled Securities in issue \$'000	Issue costs \$'000	Management fees payable in Stapled Securities \$'000
<b>Balance at 31 March 2017, as previously reported</b>	<b>972,627</b>	<b>(15,761)</b>	<b>1,472</b>
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-
<b>Balance at 1 April 2017, restated</b>	<b>972,627</b>	<b>(15,761)</b>	<b>1,472</b>
Profit for the year, as previously reported	-	-	-
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-
Profit for the year, restated	-	-	-
<u>Other comprehensive income</u>			
Cash flow hedges – fair value gain	-	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-
Revaluation surplus on freehold land and building (net of tax)	-	-	-
Currency translation differences	-	-	-
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>			
Managers' fees paid in Stapled Securities	4,336	-	(4,336)
Managers' fees payable in Stapled Securities	-	-	4,310
Distributions to Stapled Securityholders (Note 33)	-	-	-
Total contributions by and distributions to Stapled Securityholders	4,336	-	(26)
<u>Others</u>			
Transfer from revenue reserve to other reserves	-	-	-
Reserves of disposal group classified as held for sale (Note 12)	-	-	-
Total others	-	-	-
<b>Balance at 31 March 2018</b>	<b>976,963</b>	<b>(15,761)</b>	<b>1,446</b>

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 2019

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	Reserves of disposal group classified as held for sale \$'000	Total \$'000	
<b>16,858</b>	<b>(96,143)</b>	<b>155,955</b>	<b>(2,574)</b>	<b>795</b>	-	<b>1,033,229</b>	
(96,143)	96,143	-	-	-	-	-	
<b>(79,285)</b>	-	<b>155,955</b>	<b>(2,574)</b>	<b>795</b>	-	<b>1,033,229</b>	
21,302	-	-	-	-	-	21,302	
28,132	-	-	-	-	-	28,132	
49,434	-	-	-	-	-	49,434	
-	-	-	823	-	-	823	
-	-	-	59	-	-	59	
-	-	30,215	-	-	-	30,215	
-	(13,944)	-	-	-	-	(13,944)	
-	(13,944)	30,215	882	-	-	17,153	
49,434	(13,944)	30,215	882	-	-	66,587	
-	-	-	-	-	-	-	
-	-	-	-	-	-	4,310	
(64,719)	-	-	-	-	-	(64,719)	
(64,719)	-	-	-	-	-	(60,409)	
(417)	-	-	-	417	-	-	
-	(909)	(12,185)	493	(1,212)	13,813	-	
(417)	(909)	(12,185)	493	(795)	13,813	-	
<b>(94,987)</b>	<b>(14,853)</b>	<b>173,985</b>	<b>(1,199)</b>	-	<b>13,813</b>	<b>1,039,407</b>	



# STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

for the financial year ended 31 March 2019

2019 A-HREIT Group	Attributable to Stapled Securityholders of the Trust						Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Management fees payable in Stapled Securities \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	
<b>Balance at 31 March 2018, as previously reported</b>	<b>417,098</b>	<b>(5,994)</b>	<b>751</b>	<b>48,014</b>	<b>(18,599)</b>	<b>-</b>	<b>441,270</b>
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-	(20,157)	20,157	-	-
<b>Balance at 31 March 2018, restated under SFRS(I) 1</b>	<b>417,098</b>	<b>(5,994)</b>	<b>751</b>	<b>27,857</b>	<b>1,558</b>	<b>-</b>	<b>441,270</b>
Adoption of SFRS(I) 9 (Note 2.2)	-	-	-	293	-	-	293
<b>Balance at 1 April 2018, restated</b>	<b>417,098</b>	<b>(5,994)</b>	<b>751</b>	<b>28,150</b>	<b>1,558</b>	<b>-</b>	<b>441,563</b>
Profit for the year	-	-	-	65,525	-	-	65,525
<u>Other comprehensive income</u>							
Cash flow hedges – fair value loss	-	-	-	-	-	(341)	(341)
Currency translation differences	-	-	-	-	(4,383)	-	(4,383)
Other comprehensive income for the year, net of tax	-	-	-	-	(4,383)	(341)	(4,724)
Total comprehensive income for the year, net of tax	-	-	-	65,525	(4,383)	(341)	60,801
<u>Contributions by and distributions to Stapled Securityholders</u>							
Managers' fees paid in Stapled Securities	1,466	-	(1,466)	-	-	-	-
Managers' fees payable in Stapled Securities	-	-	1,571	-	-	-	1,571
Distributions to Stapled Securityholders (Note 33)	-	-	-	(21,746)	-	-	(21,746)
Total contributions by and distributions to Stapled Securityholders	1,466	-	105	(21,746)	-	-	(20,175)
<b>Balance at 31 March 2019</b>	<b>418,564</b>	<b>(5,994)</b>	<b>856</b>	<b>71,929</b>	<b>(2,825)</b>	<b>(341)</b>	<b>482,189</b>

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 2019

2018 A-HREIT Group	Attributable to Stapled Securityholders of the Trust						Total \$'000
	Stapled Securities in issue \$'000	Issue costs \$'000	Management fees payable in Stapled Securities \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	
<b>Balance at 31 March 2017, as previously reported</b>	<b>415,679</b>	<b>(5,994)</b>	<b>758</b>	<b>70,027</b>	<b>(48,339)</b>	<b>5</b>	<b>432,136</b>
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-	(48,339)	48,339	-	-
<b>Balance at 1 April 2017, restated</b>	<b>415,679</b>	<b>(5,994)</b>	<b>758</b>	<b>21,688</b>	<b>-</b>	<b>5</b>	<b>432,136</b>
Loss for the year, as previously reported	-	-	-	(929)	-	-	(929)
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-	28,182	-	-	28,182
Profit for the year, restated	-	-	-	27,253	-	-	27,253
<u>Other comprehensive income</u>							
Cash flow hedges – fair value loss	-	-	-	-	-	(64)	(64)
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-	-	-	59	59
Currency translation differences	-	-	-	-	1,558	-	1,558
Other comprehensive income for the year, net of tax	-	-	-	-	1,558	(5)	1,553
Total comprehensive income for the year, net of tax	-	-	-	27,253	1,558	(5)	28,806
<u>Contributions by and distributions to Stapled Securityholders</u>							
Managers' fees paid in Stapled Securities	1,419	-	(1,419)	-	-	-	-
Managers' fees payable in Stapled Securities	-	-	1,412	-	-	-	1,412
Distributions to Stapled Securityholders (Note 33)	-	-	-	(21,084)	-	-	(21,084)
Total contributions by and distributions to Stapled Securityholders	1,419	-	(7)	(21,084)	-	-	(19,672)
<b>Balance at 31 March 2018</b>	<b>417,098</b>	<b>(5,994)</b>	<b>751</b>	<b>27,857</b>	<b>1,558</b>	<b>-</b>	<b>441,270</b>

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 2019

2019 A-HBT Group	Stapled Securities in issue \$'000	Issue costs \$'000	Management fees payable in Stapled Securities \$'000
<b>Balance at 31 March 2018, as previously reported</b>	<b>559,865</b>	<b>(9,767)</b>	<b>695</b>
Adoption of SFRS(I) 1 (Note 2.2)	-	-	-
<b>Balance at 1 April 2018, restated</b>	<b>559,865</b>	<b>(9,767)</b>	<b>695</b>
Profit for the year	-	-	-
<u>Other comprehensive income</u>			
Cash flow hedges – fair value gain/(loss)	-	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-
Revaluation (deficit)/surplus on freehold land and building (net of tax)	-	-	-
Currency translation differences	-	-	-
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 and non-controlling interests</u>			
Managers' fees paid in Stapled Securities	2,686	-	(2,686)
Managers' fees payable in Stapled Securities	-	-	2,662
Capital contribution by non-controlling interests	-	-	-
Distributions to Stapled Securityholders (Note 33)	-	-	-
Dividends to non-controlling interests	-	-	-
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	2,686	-	(24)
<u>Others</u>			
Disposal of subsidiaries (Note 12)	-	-	-
Total others	-	-	-
<b>Balance at 31 March 2019</b>	<b>562,551</b>	<b>(9,767)</b>	<b>671</b>

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 2019

Attributable to Stapled Securityholders of the Trust							
Revenue reserve \$'000	Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Reserves of disposal group classified as held for sale \$'000	Total \$'000	Non-controlling interests \$'000	Equity, Total \$'000
<b>(74,092)</b>	<b>(67,884)</b>	<b>172,006</b>	<b>(1,188)</b>	<b>18,207</b>	<b>597,842</b>	<b>3,352</b>	<b>601,194</b>
(47,246)	51,640	-	-	(4,394)	-	-	-
<b>(121,338)</b>	<b>(16,244)</b>	<b>172,006</b>	<b>(1,188)</b>	<b>13,813</b>	<b>597,842</b>	<b>3,352</b>	<b>601,194</b>
168,192	-	-	-	-	168,192	143	168,335
-	-	-	240	134	374	(1)	373
-	-	-	614	359	973	6	979
-	-	(14,190)	-	65	(14,125)	(170)	(14,295)
-	(24,569)	-	-	607	(23,962)	(239)	(24,201)
-	(24,569)	(14,190)	854	1,165	(36,740)	(404)	(37,144)
168,192	(24,569)	(14,190)	854	1,165	131,452	(261)	131,191
-	-	-	-	-	-	-	-
-	-	-	-	-	2,662	-	2,662
-	-	-	-	-	-	1,972	1,972
(45,532)	-	-	-	-	(45,532)	-	(45,532)
-	-	-	-	-	-	(195)	(195)
(45,532)	-	-	-	-	(42,870)	1,777	(41,093)
-	-	-	-	(14,978)	(14,978)	-	(14,978)
-	-	-	-	(14,978)	(14,978)	-	(14,978)
<b>1,322</b>	<b>(40,813)</b>	<b>157,816</b>	<b>(334)</b>	<b>-</b>	<b>671,446</b>	<b>4,868</b>	<b>676,314</b>

# STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

for the financial year ended 31 March 2019

2018 A-HBT Group	Stapled Securities in issue \$'000	Issue costs \$'000	Management fees payable in Stapled Securities \$'000
<b>Balance at 31 March 2017, as previously reported</b>	<b>556,948</b>	<b>(9,767)</b>	<b>714</b>
Adoption of SFRS (I) 1 (Note 2.2)	-	-	-
<b>Balance at 1 April 2017, restated</b>	<b>556,948</b>	<b>(9,767)</b>	<b>714</b>
Profit for the year, as previously reported	-	-	-
Adoption of SFRS (I) 1 (Note 2.2)	-	-	-
Profit for the year, restated	-	-	-
<u>Other comprehensive income</u>			
Cash flow hedges – fair value gain	-	-	-
Revaluation surplus on freehold land and building (net of tax)	-	-	-
Currency translation differences	-	-	-
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 and non-controlling interests</u>			
Managers' fees paid in Stapled Securities	2,917	-	(2,917)
Managers' fees payable in Stapled Securities	-	-	2,898
Distributions to Stapled Securityholders (Note 33)	-	-	-
Dividends paid to non-controlling interests	-	-	-
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	2,917	-	(19)
<u>Others</u>			
Transfer from revenue reserve to other reserves	-	-	-
Reserves of disposal group classified as held for sale (Note 12)	-	-	-
Total others	-	-	-
<b>Balance at 31 March 2018</b>	<b>559,865</b>	<b>(9,767)</b>	<b>695</b>

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 2019

Attributable to Stapled Securityholders of the Trust									
Revenue reserve	Foreign currency translation reserve	Asset revaluation reserve	Hedging reserve	Other reserves	Reserves of disposal group classified as held for sale	Total	Non-controlling interests	Equity, Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(52,492)</b>	<b>(47,196)</b>	<b>154,324</b>	<b>(2,554)</b>	<b>795</b>	-	<b>600,772</b>	<b>3,378</b>	<b>604,150</b>	
(47,196)	47,196	-	-	-	-	-	-	-	
<b>(99,688)</b>	-	<b>154,324</b>	<b>(2,554)</b>	<b>795</b>	-	<b>600,772</b>	<b>3,378</b>	<b>604,150</b>	
22,452	-	-	-	-	-	22,452	30	22,482	
(50)	-	-	-	-	-	(50)	-	(50)	
22,402	-	-	-	-	-	22,402	30	22,432	
-	-	-	873	-	-	873	14	887	
-	-	29,867	-	-	-	29,867	348	30,215	
-	(15,335)	-	-	-	-	(15,335)	(167)	(15,502)	
-	(15,335)	29,867	873	-	-	15,405	195	15,600	
22,402	(15,335)	29,867	873	-	-	37,807	225	38,032	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	2,898	-	2,898	
(43,635)	-	-	-	-	-	(43,635)	-	(43,635)	
-	-	-	-	-	-	-	(251)	(251)	
(43,635)	-	-	-	-	-	(40,737)	(251)	(40,988)	
(417)	-	-	-	417	-	-	-	-	
-	(909)	(12,185)	493	(1,212)	13,813	-	-	-	
(417)	(909)	(12,185)	493	(795)	13,813	-	-	-	
<b>(121,338)</b>	<b>(16,244)</b>	<b>172,006</b>	<b>(1,188)</b>	-	<b>13,813</b>	<b>597,842</b>	<b>3,352</b>	<b>601,194</b>	

# STATEMENTS OF CASH FLOWS

for the financial year ended 31 March 2019

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>						
Profit before tax from continuing operations	98,631	55,217	73,738	31,959	24,568	23,509
Profit before tax from discontinued operations	150,400	4,978	–	–	150,400	4,978
Profit before tax, total	249,031	60,195	73,738	31,959	174,968	28,487
Adjustments for:						
Depreciation and amortisation	23,672	27,947	–	–	23,672	27,947
Gain on disposal of China Group	(148,756)	–	–	–	(148,756)	–
Management fees paid/payable in Stapled Securities	4,233	4,310	1,571	1,412	2,662	2,898
Foreign exchange loss from capital reduction (Note 10)	273	4,608	158	4,582	115	26
Net foreign exchange loss/(gain),net	7,531	4,815	(58)	(249)	7,589	5,064
Effects of recognising rental income on a straight-line basis over lease term	148	(320)	62	(324)	86	4
Net change in fair value of derivative financial instruments	(267)	(630)	(53)	122	(214)	(752)
Net change in fair value of investment properties	(65,717)	(21,957)	(51,250)	(14,956)	(14,467)	(7,001)
Net change in fair value of investment securities	–	–	502	–	–	–
Dividends from investment securities	–	–	(177)	(251)	–	–
Finance costs	11,624	15,338	2,310	2,623	9,314	12,715
Finance income	(814)	(919)	(3)	(59)	(811)	(860)
Amortisation of deferred income (Note 20)	(1,935)	(1,986)	(148)	(137)	(1,787)	(1,849)
Loss on disposal of property, plant and equipment	19	–	–	–	19	–
<b>Operating cash flows before working capital changes</b>	<b>79,042</b>	<b>91,401</b>	<b>26,652</b>	<b>24,722</b>	<b>52,390</b>	<b>66,679</b>
Changes in working capital:						
Inventories	20	(4)	–	–	20	(4)
Trade and other receivables	(4,090)	(76)	(4,392)	594	(244)	(1,384)
Prepayments	(340)	316	(356)	29	16	287
Other assets (current and non-current)	(147)	(84)	(17)	4	(130)	(88)
Trade and other payables	1,974	355	68	1,111	2,452	(42)
Rental and other deposits	6,026	443	2,240	164	3,786	279
<b>Cash generated from operations</b>	<b>82,485</b>	<b>92,351</b>	<b>24,195</b>	<b>26,624</b>	<b>58,290</b>	<b>65,727</b>
Income tax paid	(5,388)	(6,217)	(1,168)	(1,189)	(4,220)	(5,028)
Interest received	743	1,050	3	84	740	966
Interest paid	(10,778)	(14,470)	(1,793)	(2,109)	(8,985)	(12,361)
<b>Net cash generated from operating activities</b>	<b>67,062</b>	<b>72,714</b>	<b>21,237</b>	<b>23,410</b>	<b>45,825</b>	<b>49,304</b>

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 2019

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Cash flows from investing activities</b>						
Acquisition of property, plant and equipment	(17,185)	(13,007)	-	-	(17,185)	(13,007)
Subsequent capital expenditures incurred on investment properties	(448)	(742)	(280)	(317)	(168)	(425)
Acquisition of investment properties	(321,891)	-	(128,320)	-	(193,571)	-
Dividends income received from investment securities	-	-	177	251	-	-
Increase in restricted fixed deposit (Note 18)	(3,588)	-	-	-	(3,588)	-
Deposit received for China Group sale	-	19,460	-	-	-	19,460
Net cash inflow from disposal of China Group (Note 26)	200,731	-	-	-	200,731	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(142,381)</b>	<b>5,711</b>	<b>(128,423)</b>	<b>(66)</b>	<b>(13,781)</b>	<b>6,028</b>
<b>Cash flows from financing activities</b>						
Capital contribution by non-controlling interests	1,972	-	-	-	1,972	-
Distributions paid to Stapled Securityholders (Note 33)	(67,278)	(64,719)	(21,746)	(21,084)	(45,532)	(43,635)
Dividends paid to non-controlling interests	(16)	-	-	-	(193)	(251)
Proceeds from borrowings, net of transaction costs	553,986	118,203	156,115	105,729	397,871	12,474
Repayment of borrowings	(436,691)	(124,097)	(20,662)	(114,697)	(416,029)	(9,400)
<b>Net cash generated from/(used in) financing activities</b>	<b>51,973</b>	<b>(70,613)</b>	<b>113,707</b>	<b>(30,052)</b>	<b>(61,911)</b>	<b>(40,812)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(23,346)</b>	<b>7,812</b>	<b>6,521</b>	<b>(6,708)</b>	<b>(29,867)</b>	<b>14,520</b>
Cash and cash equivalents at the beginning of year	93,311	86,213	17,170	23,849	76,141	62,364
Effect of exchange rate changes on cash and cash equivalents	(1,528)	(714)	(298)	29	(1,230)	(743)
<b>Cash and cash equivalents at the end of year (Note 18)</b>	<b>68,437</b>	<b>93,311</b>	<b>23,393</b>	<b>17,170</b>	<b>45,044</b>	<b>76,141</b>

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 2019

Property	Acquisition date	Tenure of land	Term of lease	Remaining term of lease
Hotel Sunroute Ariake ("Sunroute Ariake")	27 July 2012	Freehold	-	-
Park Hotel Clarke Quay	28 June 2013	Leasehold	99 years from 27 November 2006	86 years
Hotel WBF Kitasemba West ("WBF West")	28 September 2018	Freehold	-	-
Hotel WBF Kitasemba East ("WBF East")	28 September 2018	Freehold	-	-
Hotel WBF Honmachi ("WBF Honmachi")	20 December 2018	Freehold	-	-

## Portfolio of investments

Other assets and liabilities (net)

### Net assets

Independent valuations of the investment properties were undertaken by JLL Morii Valuation & Advisory K.K., CBRE Korea Co., Ltd. and CBRE Pte. Ltd. (2018: Cushman & Wakefield K.K. and CBRE Limited) based on the discounted cash flow method and capitalisation approach (2018: discounted cash flow method and capitalisation approach). The independent valuers have the appropriate professional qualifications and experience in the location and category of the properties 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.

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 2019

Location	Existing use	Latest valuation \$'000	Valuation date	2019		2018	
				At valuation/ carrying value \$'000	Percentage of net assets %	At valuation/ carrying value \$'000	Percentage of net assets %
3-6-6 Ariake Koto-ku, Tokyo, Japan	Hotel	325,046	31 March 2019	325,046	67	292,781	66
1 Unity Street, Park Hotel Clarke Quay Singapore 237983	Hotel	325,000	31 March 2019	325,000	67	314,000	71
3-2-7, Awajimachi, Chuo-ku, Osaka, Japan	Hotel	43,218	31 March 2019	43,218	9	-	-
2-6-8, Awajimachi, Chuo-ku, Osaka, Japan	Hotel	43,096	31 March 2019	43,096	9	-	-
4-4-10, Kitakyuhojicho, Chuo-ku, Osaka, Japan	Hotel	43,339	31 March 2019	43,339	9	-	-
				<b>779,699</b>	<b>161</b>	<b>606,781</b>	<b>137</b>
				(297,510)	(61)	(165,511)	(37)
				<b>482,189</b>	<b>100</b>	<b>441,270</b>	<b>100</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 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 SGX-ST, for a listed REIT. Perpetual (Asia) Limited replaced Ascendas Hospitality Trustee Pte. Ltd. as trustee of A-HREIT on 9 July 2012.

A-HBT is a Singapore-domiciled private 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.

The registered address of the REIT Manager and the Trustee-Manager is at 1 Fusionopolis Place, #10-10 Galaxis, Singapore 138522.

For financial reporting purposes, A-HTRUST’s holding company is Ascendas Pte. Ltd., and its ultimate holding company is Temasek Holdings (Private) Limited. All companies are incorporated in Singapore. Related companies refer to companies within the Temasek Group of companies.

The principal activity of A-HTRUST is owning income producing real estate used predominantly for hospitality purposes, 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 26.

## 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 the A-HBT Group and A-HTRUST have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

For all periods up to and including the year ended 31 March 2018, the A-HBT Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 31 March 2019 are the first the A-HBT Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the A-HBT Group adopted SFRS(I).

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.1 *Basis of preparation (cont'd)*

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 SFRS(I), the applicable requirements of the Code on Collective Investment Schemes ("CIS") issued by the MAS and the provisions of the A-HREIT Trust Deed.

For all periods up to and including the year ended 31 March 2018, the A-HREIT Group prepared its financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice "Reporting Framework for Unit Trusts" ("RAP 7").

MAS has granted A-HREIT Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes and with effect from the financial year beginning 1 April 2018, A-HREIT Group prepares its financial statements in accordance with SFRS(I).

These financial statements for the year ended 31 March 2019 are the first the A-HREIT Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the A-HREIT Group adopted SFRS(I).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars and all values presented are rounded to the nearest thousand (\$'000), except where otherwise indicated. The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

### 2.2 *First-time adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)")*

These financial statements for the year ended 31 March 2019 are the first the Group has prepared in accordance with SFRS(I). Accordingly, the Group has prepared financial statements that comply with SFRS(I) applicable as at 31 March 2019, together with the comparative period data for the year ended 31 March 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's opening balance sheets were prepared as at 1 April 2017, the Group's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 April 2018 are disclosed below.

#### Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- Cumulative translation differences for all foreign operations are deemed to be zero at the date of transition at 1 April 2017. As a result, cumulative translation losses of \$96,143,000, \$48,339,000 and \$47,196,000 of A-HTRUST, A-HREIT Group and A-HBT Group respectively were adjusted against the opening balance of revenue reserve as at 1 April 2017.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. Consequently, the foreign exchange loss on capital reduction in subsidiaries for the year ended 31 March 2018 was restated to \$4,608,000 (Note 10) from \$32,740,000. As at 1 April 2018, cumulative translation losses of \$68,011,000, \$20,157,000 and \$47,246,000 respectively were adjusted against the revenue reserve.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.2 *First-time adoption of SFRS(I) (cont'd)*

#### **New accounting standards effective on 1 April 2018**

The accounting policies adopted are consistent with those previously applied except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 April 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

#### **SFRS(I) 9 Financial Instruments**

On 1 April 2018, the Group adopted SFRS(I) 9 Financial Instruments, which is effective for annual periods beginning on or after 1 April 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening balance of revenue reserve at the date of initial application, 1 April 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

#### Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.2 First-time adoption of SFRS(I) (cont'd)

#### SFRS(I) 9 Financial Instruments (cont'd)

For investment securities, A-HREIT Group has previously measured its investment securities at cost. Upon adoption of SFRS(I) 9, A-HREIT Group elects to measure its currently held investment securities at FVPL. The impact arising from this change resulted in an increase in carrying value of \$293,000 to the investment securities with a corresponding adjustment to the opening balance of revenue reserve as at 1 April 2018.

#### Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees, either on a 12-month or lifetime basis. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

Upon adoption of SFRS(I) 9, the Group applies a simplified approach in calculating expected credit losses (ECLs) on all trade receivables. No additional impairment has been recognised by the Group upon adoption of SFRS(I) 9 as at 1 April 2018.

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) on 1 April 2017 to the balance sheets of A-HTRUST, A-HREIT Group and A-HBT Group.

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2017 (FRS) \$'000	Effect of transition to SFRS(I) 1 \$'000	1 April 2017 (SFRS(I)) \$'000	31 March 2017 (FRS) \$'000	Effect of transition to SFRS(I) 1 \$'000	1 April 2017 (SFRS(I)) \$'000	31 March 2017 (FRS) \$'000	Effect of transition to SFRS(I) 1 \$'000	1 April 2017 (SFRS(I)) \$'000

#### Stapled Securityholders' funds

Revenue									
reserve	16,858	(96,143)	(79,285)	70,027	(48,339)	21,688	(52,492)	(47,196)	(99,688)
Foreign									
currency									
translation									
reserve	(96,143)	96,143	-	(48,339)	48,339	-	(47,196)	47,196	-

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.2 First-time adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) including application of SFRS(I) 9 to the balance sheets of A-HTRUST, A-HREIT Group and A-HBT Group at 31 March 2018 and 1 April 2018.

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2018 (FRS) \$'000	Effect of transition to SFRS(I) 1 \$'000	31 March 2018 (SFRS(I)) \$'000	31 March 2018 (FRS) \$'000	Effect of transition to SFRS(I) 1 \$'000	31 March 2018 (SFRS(I)) \$'000	31 March 2018 (FRS) \$'000	Effect of transition to SFRS(I) 1 \$'000	31 March 2018 (SFRS(I)) \$'000

#### Stapled Securityholders' funds

Revenue reserve	(26,976)	(68,011)	(94,987)	48,014	(20,157)	27,857	(74,092)	(47,246)	(121,338)
Foreign currency translation reserve	(87,258)	72,405	(14,853)	(18,599)	20,157	1,558	(67,884)	51,640	(16,244)
Reserves of disposal group classified as held for sale	18,207	(4,394)	13,813	-	-	-	18,207	(4,394)	13,813

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2018 (SFRS(I)) \$'000	Effect of transition to SFRS(I) 9 \$'000	1 April 2018 (SFRS(I)) \$'000	31 March 2018 (SFRS(I)) \$'000	Effect of transition to SFRS(I) 9 \$'000	1 April 2018 (SFRS(I)) \$'000	31 March 2018 (SFRS(I)) \$'000	Effect of transition to SFRS(I) 9 \$'000	1 April 2018 (SFRS(I)) \$'000

#### Non-current assets

Investment securities	-	-	-	3,058	293	3,351	-	-	-
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#### Stapled Securityholders' funds

Revenue reserve	(94,987)	-	(94,987)	27,857	293	28,150	(121,338)	-	(121,338)
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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.2 First-time adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) to the comprehensive income of A-HTRUST, A-HREIT Group and A-HBT Group for the year ended 31 March 2018.

	A-HTRUST			A-HREIT Group			A-HBT Group		
	Effect of transition			Effect of transition			Effect of transition		
	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(I)) \$'000	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(I)) \$'000	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(I)) \$'000
<b>Continuing operations</b>									
Gross revenue	203,259	-	203,259	31,453	-	31,453	188,767	-	188,767
Property expenses	(116,034)	-	(116,034)	(4,377)	-	(4,377)	(128,367)	-	(128,367)
Net property income	87,225	-	87,225	27,076	-	27,076	60,400	-	60,400
Depreciation	(23,933)	-	(23,933)	-	-	-	(23,933)	-	(23,933)
Finance income	630	-	630	59	-	59	571	-	571
Finance costs	(15,338)	-	(15,338)	(2,623)	-	(2,623)	(12,715)	-	(12,715)
Fund management fees	(8,644)	-	(8,644)	(2,823)	-	(2,823)	(5,821)	-	(5,821)
Trustees' fees	(674)	-	(674)	(166)	-	(166)	(508)	-	(508)
Foreign exchange (loss)/gain, net	(36,809)	28,132	(8,677)	(32,130)	28,182	(3,948)	(4,679)	(50)	(4,729)
Other trust income/(expenses)	2,100	-	2,100	(391)	-	(391)	2,491	-	2,491
Net change in fair value of derivative financial instruments	571	-	571	(181)	-	(181)	752	-	752
Net change in fair value of investment properties	21,957	-	21,957	14,956	-	14,956	7,001	-	7,001
<b>Profit/(Loss) before tax from continuing operations</b>	<b>27,085</b>	<b>28,132</b>	<b>55,217</b>	<b>3,777</b>	<b>28,182</b>	<b>31,959</b>	<b>23,559</b>	<b>(50)</b>	<b>23,509</b>
Income tax expense	(9,807)	-	(9,807)	(4,706)	-	(4,706)	(5,101)	-	(5,101)
<b>Profit/(Loss) from continuing operations, net of tax</b>	<b>17,278</b>	<b>28,132</b>	<b>45,410</b>	<b>(929)</b>	<b>28,182</b>	<b>27,253</b>	<b>18,458</b>	<b>(50)</b>	<b>18,408</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.2 First-time adoption of SFRS(I) (cont'd)

	A-HTRUST			A-HREIT Group			A-HBT Group		
	Effect of transition			Effect of transition			Effect of transition		
	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(II)) \$'000	2018 (FRS) \$'000	to SFRS(II) 1 \$'000	2018 (SFRS(II)) \$'000	2018 (FRS) \$'000	to SFRS(II) 1 \$'000	2018 (SFRS(II)) \$'000
<b>Discontinued operations</b>									
Profit from discontinued operations, net of tax	4,024	-	4,024	-	-	-	4,024	-	4,024
<b>Profit/(Loss) for the year</b>	<b>21,302</b>	<b>28,132</b>	<b>49,434</b>	<b>(929)</b>	<b>28,182</b>	<b>27,253</b>	<b>22,482</b>	<b>(50)</b>	<b>22,432</b>
<b>Items that may be reclassified subsequently to profit or loss</b>									
Cash flow hedges – fair value gain/(loss)	823	-	823	(64)	-	(64)	887	-	887
Cash flow hedges – reclassification to profit or loss upon settlement	59	-	59	59	-	59	-	-	-
Foreign currency translation gain/(loss), net	14,188	(28,132)	(13,944)	29,740	(28,182)	1,558	(15,552)	50	(15,502)
	15,070	(28,132)	(13,062)	29,735	(28,182)	1,553	(14,665)	50	(14,615)
<b>Items that will not be reclassified to profit or loss</b>									
Revaluation surplus on freehold land and building (net of tax)	30,215	-	30,215	-	-	-	30,215	-	30,215
<b>Other comprehensive income for the year, net of tax</b>	<b>45,285</b>	<b>(28,132)</b>	<b>17,153</b>	<b>29,735</b>	<b>(28,182)</b>	<b>1,553</b>	<b>15,550</b>	<b>50</b>	<b>15,600</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>66,587</b>	<b>-</b>	<b>66,587</b>	<b>28,806</b>	<b>-</b>	<b>28,806</b>	<b>38,032</b>	<b>-</b>	<b>38,032</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.2 First-time adoption of SFRS(I) (cont'd)

	A-HTRUST			A-HREIT Group			A-HBT Group		
	Effect of transition			Effect of transition			Effect of transition		
	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(I)) \$'000	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(I)) \$'000	2018 (FRS) \$'000	to SFRS(I) 1 \$'000	2018 (SFRS(I)) \$'000

Earnings per Stapled Security from continuing operations attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security

- Basic and diluted (cents)	1.53	2.49	4.02	(0.08)	2.50	2.42	1.63	-	1.63
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Earnings per Stapled Security from continuing and discontinued operations attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security

- Basic and diluted (cents)	1.89	2.49	4.38	(0.08)	2.50	2.42	1.99	-	1.99
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### 2.3 Standards that have been issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for SFRS(I) 16, the REIT Manager and Trustee-Manager expects that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.3 *Standards that have been issued but not yet effective (cont'd)*

#### SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt the new standard on the required effective date by applying SFRS(I) 16 retrospectively with the cumulative effect of initial application as an adjustment to the retained earnings as at the date of initial application, 1 April 2019.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (a) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or
- (b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On adoption of SFRS(I) 16, Ascendas Ariake Godo Kaisha ("AAGK"), a subsidiary of A-HBT, leases Hotel Sunroute Ariake from Ascendas Hospitality Tokutei Mokuteki Kaisha ("Ascendas Hospitality TMK"), a subsidiary of A-HREIT. FRS 116 requires AAGK to recognise a lease liability and right-of-use asset relating to this operating lease. The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expect the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio of A-HBT Group. This will be eliminated upon consolidation at A-HTRUST.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.4 *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.

### 2.5 ***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.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.5 *Basis of consolidation and business combinations (cont'd)*

#### (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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.5 *Basis of consolidation and business combinations (cont'd)*

#### (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.

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 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 2.4.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.6 *Investment properties*

Investment properties are properties either owned by the Group 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, including transaction costs 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 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 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 Trust Deed. Any increase in valuation on revaluation shall be credited to equity under the heading of asset revaluation reserve through other comprehensive income. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or 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 2019

## 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	26 to 31 years
Computers, furniture and fittings	2 to 10 years
Motor vehicles	8 years
Plant and equipment	2 to 15 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 de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Upon de-recognition of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

### 2.8 **Non-current assets held for sale and discontinued operations**

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 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.

### 2.10 *Impairment of non-financial assets*

#### ***Property, plant and equipment***

Property, plant and equipment 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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.11 *Financial assets*

#### (a) **Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

#### (b) **Subsequent measurement**

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group business model for managing the asset and the contractual cash flow characteristics of the assets.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

##### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

##### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value are recognised in profit or loss.

#### (c) **De-recognition**

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. 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 for debt instruments is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.11 *Financial assets (cont'd)*

#### (d) *Impairment*

The Group assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience.

### 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 subject 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 *Rental deposits*

Rental deposits relate to rental deposits received from tenants of the investment properties. The accounting policy for rental deposits as a financial liability is set out in Note 2.17.

### 2.15 *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.

### 2.16 *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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.17 *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 in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

#### (b) ***Subsequent measurement***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest 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 expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.18 *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.

The carrying amount of a derivative is presented as a non-current asset or liability if the remaining expected life of the hedging instrument is more than 12 months, and as a current asset or liability if the remaining expected life of the hedging instrument is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.18 *Derivative financial instruments and hedging activities (cont'd)*

#### **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.

#### **Net investment hedge**

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 2019

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

### 2.19 *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.

### 2.20 *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.

### 2.21 *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 2019

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

### 2.22 *Distribution policy*

Distributions from A-HTRUST comprise distributions from A-HREIT and A-HBT.

A-HTRUST's distribution policy is to distribute at least 90% of its distributable income to the Stapled Securityholders.

For the financial year ended 31 March 2019, A-HTRUST retained 7.0% of its distributable income (2018: 7.1%).

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.

### 2.23 *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 revenue and food & beverage ("F&B") revenue*

Hotel revenue is recognised over the period of the customer stay whereas F&B revenue is recognised when the relevant 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.

### 2.24 *Expenses*

#### (a) *Property expenses*

Property expenses are recognised on an accrual basis.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

### 2.24 Expenses (cont'd)

(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.

### 2.25 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 2019

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

### 2.25 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Current and deferred taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from fair value gains and losses on equity instruments are charged or credited directly to equity in the same period the temporary differences arise.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (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 2019

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

### 2.26 *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.

### 2.27 *Share-based payments*

Managers of the Group receive management fee in the form of Stapled Securities in full or in part as consideration for management services rendered. The cost of these equity-settled transactions is measured by reference to the fair value of the Stapled Securities at the date on which the Stapled Securities are issued or issuable. The charge to profit or loss is correspondingly credited to equity as "Managers' fees payable in Stapled Securities". Upon issuance of the Stapled Securities to the Managers, the "Managers' fees payable in Stapled Securities" is transferred to "Stapled Securities in issue".

## 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements requires the Managers to make judgements, 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 judgements 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 judgements in the following key areas:

- i. The fair valuations of investment properties, property, plant and equipment and derivative financial instruments (Notes 14, 15, 22 and 28);
- ii. The assessment of the adequacy of provision for current and deferred taxation (Note 11); and
- iii. The assessment of impairment of financial and non-financial assets (Notes 15, 16, 17 and 29).

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 4. GROSS REVENUE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Hotel revenue	90,960	105,763	-	-	90,960	105,763
Rental income	50,293	40,818	30,765	31,058	33,481	26,470
Food and beverage revenue	38,896	43,281	-	-	38,896	43,281
Car park revenue	7,108	7,898	-	-	7,108	7,898
Utilities income	-	2,405	-	-	-	2,405
Amortisation of deferred income (Note 20)	1,935	1,986	148	137	1,787	1,849
Others	1,264	1,108	439	258	1,002	1,101
	190,456	203,259	31,352	31,453	173,234	188,767

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Primary geographical markets</b>						
Australia	141,868	155,736	177	251	141,868	155,736
Japan	30,516	34,030	17,858	17,709	26,611	33,031
Korea	4,755	-	-	-	4,755	-
Singapore	13,317	13,493	13,317	13,493	-	-
	190,456	203,259	31,352	31,453	173,234	188,767

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Business segments</b>						
Master leases	48,588	26,985	31,352	31,453	31,366	12,493
Hotels under management	141,868	176,274	-	-	141,868	176,274
	190,456	203,259	31,352	31,453	173,234	188,767

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Timing of revenue recognition</b>						
At a point in time	49,149	56,588	439	258	48,887	56,581
Over time	89,079	103,867	-	-	89,079	103,867
	138,228	160,455	439	258	137,966	160,448

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. OPERATIONS AND MAINTENANCE EXPENSES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Costs of food and beverage and other supplies	10,240	11,656	-	-	10,240	11,656
Repair and maintenance expenses	6,493	6,902	(26)	75	6,519	6,827
Management fees	166	389	102	59	64	330
Other expenses	166	220	-	-	166	220
	17,065	19,167	76	134	16,989	19,033

## 6. FINANCE INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income from:						
- Financial institutions	527	340	2	58	525	282
- Others	273	290	1	1	272	289
	800	630	3	59	797	571

## 7. FINANCE COSTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest expense on:						
- Borrowings	10,356	14,385	1,900	2,281	8,456	12,104
- Amortisation of capitalised transaction costs (Note 21)	961	677	263	191	698	486
- Others	307	276	147	151	160	125
	11,624	15,338	2,310	2,623	9,314	12,715



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 8(a). FUND MANAGEMENT FEES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
REIT Manager's fees						
- Base fee <sup>1</sup>	1,698	1,511	1,698	1,511	-	-
- Performance fee <sup>1</sup>	1,158	1,064	1,158	1,064	-	-
Trustee-Manager's fees						
- Base fee <sup>1</sup>	181	186	-	-	181	186
- Performance fee <sup>1</sup>	2,299	2,751	-	-	2,299	2,751
- Divestment fee <sup>2</sup>	-	24	-	-	-	24
Others <sup>4,5</sup>						
- Management fees paid/payable to related entities of the Managers <sup>3</sup>	3,131	3,108	286	248	2,845	2,860
	<u>8,467</u>	<u>8,644</u>	<u>3,142</u>	<u>2,823</u>	<u>5,325</u>	<u>5,821</u>

<sup>1</sup> For the financial year ended 31 March 2019, the REIT Manager and the Trustee-Manager have agreed to receive 50% (2018: 50%) of their management fees in Stapled Securities. An aggregate of 5,176,475 Stapled Securities (2018: 5,133,347 Stapled Securities) were issued or are issuable to the managers as satisfaction of the management fees incurred during the financial year. The performance fee component of management fee of the A-HREIT Manager will be crystallised and paid out on an annual basis in accordance with the A-HREIT Trust Deed.

<sup>2</sup> This relates to divestment fee paid to the Trustee-Manager in connection with the look fee received for the China Group sale (Note 12).

<sup>3</sup> This relates to management fee paid/payable to AJKK, AHAFM and AAMC for asset management services for the Japan, Australia and Korea portfolios respectively.

<sup>4</sup> For the financial year ended 31 March 2019, in addition to amounts disclosed above, acquisition fees of \$915,000, \$622,000, \$622,000 and \$926,000 (2018: Nil) paid/payable to the Trustee-Manager, the REIT Manager, AJKK and AAMC, respectively, are capitalised in "investment properties".

<sup>5</sup> For the financial year ended 31 March 2019, in addition to amounts disclosed above, divestment fee of \$1,344,000 (2018: Nil) paid to the Trustee-Manager is included in "gain on disposal of China Group" in arriving at "profit from discontinued operations, net of tax".

## 8(b). TRUSTEES' FEES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
REIT Trustee's fees	162	162	162	162	-	-
Trustee-Manager's fees	162	162	-	-	162	162
Other trustee fees	387	350	34	4	353	346
	<u>711</u>	<u>674</u>	<u>196</u>	<u>166</u>	<u>515</u>	<u>508</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 9. OTHER TRUST (EXPENSES)/INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Loss on disposal of property, plant and equipment	(19)	-	-	-	(19)	-
Look fee <sup>1</sup>	-	4,865	-	-	-	4,865
Trust expenses	(1,709)	(2,765)	(639)	(391)	(1,070)	(2,374)
	(1,728)	2,100	(639)	(391)	(1,089)	2,491

<sup>1</sup> Look fee received in connection to the divestment of the China Group (Note 12).

## 10. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The following items have been included in arriving at profit before tax from continuing operations:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
		Restated (Note 2.2)		Restated (Note 2.2)		Restated (Note 2.2)
Foreign exchange loss from capital reduction (Note 25 (a)) <sup>1</sup>	273	4,608	158	4,582	115	26
Foreign exchange loss/(gain) – others	6,893	4,069	(164)	(634)	7,057	4,703
Foreign exchange loss/(gain), net	7,166	8,677	(6)	3,948	7,172	4,729
Audit fees paid/payable to A-HTRUST auditors <sup>2</sup>	598	446	193	103	405	343
Non-audit fees paid/payable to A-HTRUST auditors <sup>2,3</sup>	273	220	155	96	118	124
Non-audit fees paid/payable to other accounting firms <sup>4</sup>	424	317	30	3	394	314
Valuation fees	127	151	37	12	90	139
Rental expenses paid to A-HREIT	-	-	-	-	13,953	16,710

<sup>1</sup> This pertains to reclassification of foreign exchange differences from foreign currency translation reserve to profit or loss as a result of repatriation of funds from overseas subsidiaries to Singapore via capital reduction.

<sup>2</sup> For the financial year ended 31 March 2019, in addition to the amounts disclosed above, audit fees of \$6,000 (2018: \$78,000) and non-audit fees of \$48,000 (2018: Nil) are paid to auditors of A-HBT Group in relation to discontinued operations and included in "other expenses" and "gain on disposal of China Group" in arriving at "profit from discontinued operations, net of tax".

<sup>3</sup> For the financial year ended 31 March 2019, in addition to the amounts disclosed above, non-audit fees paid/payable to auditors of A-HBT Group of \$35,000 (2018: Nil) in relation to the acquisition of investment property are included in "investment properties".

<sup>4</sup> For the financial year ended 31 March 2019, in addition to the amounts disclosed above, non-audit fees paid to other accounting firm of A-HBT Group of \$14,000 (2018: Nil) in relation to the acquisition of investment property are included in "investment properties".

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 11. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Consolidated income statements:</b>						
Current income tax expense:						
- Current income tax	(2,180)	(2,200)	(766)	(773)	(1,414)	(1,427)
- (Under)/Over provision in respect of previous years	(212)	(92)	(144)	(100)	(68)	8
Deferred income tax expense:						
- Origination and reversal of temporary differences	(9,265)	(4,486)	(7,054)	(3,501)	(2,211)	(985)
Withholding tax expense	(2,927)	(3,029)	(249)	(332)	(2,678)	(2,697)
Income tax expense from continuing operations	(14,584)	(9,807)	(8,213)	(4,706)	(6,371)	(5,101)
Current income tax expense:						
- Current income tax	(159)	(870)	-	-	(159)	(870)
- (Under)/Over provision in respect of previous years	(103)	19	-	-	(103)	19
Deferred income tax expense:						
- Origination and reversal of temporary differences	-	(103)	-	-	-	(103)
Income tax expense from discontinued operations (Note 12)	(262)	(954)	-	-	(262)	(954)
Income tax expense	(14,846)	(10,761)	(8,213)	(4,706)	(6,633)	(6,055)

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 11. INCOME TAX EXPENSE (CONT'D)

### Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2019 and 2018 are as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Profit before tax from continuing operations	98,631	55,217	73,738	31,959	24,568	23,509
Profit before tax from discontinued operations (Note 12)	150,400	4,978	-	-	150,400	4,978
Profit before tax	249,031	60,195	73,738	31,959	174,968	28,487
Tax at the Singapore income tax rate of 17% (2018: 17%)	42,335	10,233	12,535	5,433	29,744	4,843
Adjustments:						
Expenses not deductible for tax purpose	1,512	4,096	-	2,105	1,512	1,990
Income not subject to tax	(33,131)	(4,443)	(5,049)	(1,511)	(28,026)	(2,932)
Effect of different tax rates arising from foreign jurisdiction	1,026	177	346	(140)	680	317
Under/(Over) provision in respect of previous years	315	73	144	100	171	(27)
Effect of previously unrecognised tax losses	(133)	(727)	-	-	(133)	(727)
Effect of tax losses not allowed to carry forward	-	2	-	1	-	1
Withholding tax expense	2,927	3,029	249	332	2,678	2,697
Others	(5)	(1,679)	(12)	(1,614)	7	(107)
	14,846	10,761	8,213	4,706	6,633	6,055

Income not subject to tax mainly relates to income from tax exempted entities and gain on disposal of subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 11. INCOME TAX EXPENSE (CONT'D)

### Deferred tax assets/(liabilities)

Deferred tax as at 31 March 2019, 31 March 2018 and 1 April 2017 are shown on the balance sheets as follows:

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000
<b>Deferred tax assets (non-current):</b>									
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	6,172	6,172
Origination of temporary differences	235	610	1,204	-	-	-	235	610	1,204
Translation differences	(1,867)	(1,608)	(1,317)	-	-	-	(1,867)	(1,608)	(1,317)
	4,540	5,174	6,059	-	-	-	4,540	5,174	6,059
<b>Deferred tax liabilities (non-current):</b>									
Fair value adjustments on acquisition of subsidiaries	(5,351)	(5,351)	(5,351)	(1,288)	(1,288)	(1,288)	(4,063)	(4,063)	(4,063)
Fair value gain on investment properties	(49,943)	(40,042)	(34,646)	(26,270)	(19,274)	(15,785)	(23,673)	(20,768)	(18,861)
Revaluation to fair value of freehold land and buildings	(19,176)	(29,618)	(25,657)	-	-	-	(19,176)	(29,618)	(25,657)
Translation differences	3,572	978	(327)	216	(349)	(491)	3,356	1,327	164
Attributable to discontinued operations (Note 12)	-	6,513	-	-	-	-	-	6,513	-
Others	(1,579)	(1,206)	(1,413)	(187)	(129)	(115)	(1,392)	(1,077)	(1,298)
	(72,477)	(68,726)	(67,394)	(27,529)	(21,040)	(17,679)	(44,948)	(47,686)	(49,715)
	(67,937)	(63,552)	(61,335)	(27,529)	(21,040)	(17,679)	(40,408)	(42,512)	(43,656)

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 11. INCOME TAX EXPENSE (CONT'D)

### Deferred tax assets/(liabilities) (cont'd)

The movements in the deferred tax assets/(liabilities) are as follows:

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of the financial year	(63,552)	(61,335)	(48,416)	(21,040)	(17,679)	(15,852)	(42,512)	(43,656)	(32,564)
Tax charged to profit or loss	(9,265)	(4,589)	(1,642)	(7,054)	(3,501)	(1,012)	(2,211)	(1,088)	(630)
Tax charged to asset revaluation reserve	2,545	(5,153)	(9,393)	-	-	-	2,545	(5,153)	(9,393)
Attributable to discontinued operations (Note 12)	-	6,513	-	-	-	-	-	6,513	-
Translation differences	2,335	1,012	(1,884)	565	140	(815)	1,770	872	(1,069)
At end of the financial year	(67,937)	(63,552)	(61,335)	(27,529)	(21,040)	(17,679)	(40,408)	(42,512)	(43,656)

## 12. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 29 January 2018, the Trustee-Manager on behalf of A-HBT, entered into a conditional share purchase agreement to divest A-HBT's entire interests in Ascendas China Hotel Investment Limited and Ascendas Hospitality China Pte. Ltd. (collectively, the "China Group"), which were previously reported in the hotels under management segment. The decision is consistent with the Group's active asset management strategy under which the Managers periodically evaluate asset plans for the portfolio and, where appropriate, free up or recycle capital for more productive use. As at 31 March 2018, the assets, liabilities and reserves related to the China Group have been presented in the balance sheet as "Assets of disposal group classified as held for sale", "Liabilities directly associated with disposal group classified as held for sale", and "Reserves of disposal group classified as held for sale" respectively and its results are presented separately on income statements as "Profit from discontinued operations, net of tax". The sale transaction was completed on 18 May 2018.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 12. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

### Balance sheet disclosures

The major classes of assets, liabilities and reserves of the China Group classified as held for sale as at 31 March 2019 and 31 March 2018 are as follows:

	A-HTRUST and A-HBT Group 2019 \$'000	A-HTRUST and A-HBT Group 2018 \$'000 Restated (Note 2.2)
<b>Assets</b>		
Prepaid land lease	-	32,389
Property, plant and equipment	-	60,706
Inventories	-	53
Trade and other receivables	-	1,212
Prepayments	-	78
Cash and cash equivalents	-	25,870
Other current assets	-	118
Assets of disposal group classified as held for sale	-	120,426
<b>Liabilities</b>		
Trade and other payables	-	3,035
Income tax payable	-	224
Rental and other deposits	-	115
Deferred tax liabilities	-	6,513
Liabilities directly associated with disposal group classified as held for sale	-	9,887
Net assets directly associated with disposal group classified as held for sale	-	110,539
<b>Reserves</b>		
Foreign currency translation reserve	-	909
Asset revaluation reserve	-	12,185
Hedging reserve	-	(493)
Other reserves	-	1,212
Reserves of disposal group classified as held for sale	-	13,813

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 12. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

### Income statement disclosures

The results of the China Group for the years ended 31 March 2019 and 2018 are as follows:

	A-HTRUST and A-HBT Group 2019 \$'000	A-HTRUST and A-HBT Group 2018 \$'000
<b>Gross revenue</b>	<b>3,317</b>	<b>21,471</b>
Gross rental revenue	3,014	19,243
Food and beverage revenue	238	1,863
Other income	65	365
<b>Property expenses</b>	<b>(1,815)</b>	<b>(12,980)</b>
Operations and maintenance expenses	(429)	(2,894)
Hotel management fee	(226)	(1,250)
Property taxes and insurance	(124)	(934)
Service and other taxes	(16)	(117)
Administrative and general expenses	(96)	(758)
Sales and marketing expenses	(190)	(1,332)
Staff costs	(522)	(4,147)
Energy and utilities expenses	(82)	(846)
Other expenses	(130)	(702)
<b>Net property income</b>	<b>1,502</b>	<b>8,491</b>
Depreciation	-	(3,017)
Amortisation of prepaid land leases	-	(997)
Finance income	14	289
Foreign exchange gain, net	128	222
Other trust expenses	-	(10)
<b>Profit before tax from discontinued operations</b>	<b>1,644</b>	<b>4,978</b>
Income tax expense	(262)	(954)
<b>Profit from discontinued operations, net of tax</b>	<b>1,382</b>	<b>4,024</b>
Gain on disposal of China Group	148,756	-
<b>Profit from discontinued operations, net of tax</b>	<b>150,138</b>	<b>4,024</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

### Statement of cash flow disclosures

The cash flows attributable to the China Group are as follows:

	A-HTRUST and A-HBT Group 2019 \$'000	A-HTRUST and A-HBT Group 2018 \$'000
Operating	(1,696)	7,137
Investing	200,731	(630)
Net cash inflows	<u>199,035</u>	<u>6,507</u>

### Earnings per Stapled Security disclosures

	A-HTRUST and A-HBT Group 2019 \$'000	A-HTRUST and A-HBT Group 2018 \$'000
Earnings per Stapled Security from discontinued operations attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security – Basic and diluted (cents)	<u>13.25</u>	<u>0.36</u>

The basic earnings per Stapled Security from discontinued operations are calculated by dividing the profit from discontinued operations, net of tax, attributable to Stapled Securityholders of the Trust by the weighted average number of Stapled Securities for basic earnings per Stapled Security computation. Diluted earnings per Stapled Securities from discontinued operations are the same as the basic earnings per Stapled Security from discontinued operations as there are no dilutive instruments in issue during the financial year. These profit and Stapled Security data are presented in the tables in Note 13.

## 13. EARNINGS PER STAPLED SECURITY

Basic earnings per Stapled Security are calculated by dividing profit, net of tax, attributable to Stapled Securityholders by the weighted average number of Stapled Securities outstanding during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 13. EARNINGS PER STAPLED SECURITY (CONT'D)

The calculation of basic earnings per Stapled Security is based on:

### (a) Profit from continuing operations

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
		Restated (Note 2.2)		Restated (Note 2.2)		Restated (Note 2.2)
Profit from continuing operations, net of tax, attributable to Stapled Securityholders of the Trust	83,915	45,410	65,525	27,253	18,054	18,378
Weighted average number of Stapled Securities outstanding during the year ('000)	1,132,739	1,127,540	1,132,739	1,127,540	1,132,739	1,127,540
Basic earnings per Stapled Security (cents)	7.41	4.02	5.78	2.42	1.59	1.63

Diluted earnings 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.

### (b) From continuing and discontinued operations

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
		Restated (Note 2.2)		Restated (Note 2.2)		Restated (Note 2.2)
Profit for the year, net of tax, attributable to Stapled Securityholders of the Trust	234,053	49,434	65,525	27,253	168,192	22,402
Weighted average number of Stapled Securities outstanding during the year ('000)	1,132,739	1,127,540	1,132,739	1,127,540	1,132,739	1,127,540
Basic earnings per Stapled Security (cents)	20.66	4.38	5.78	2.42	14.84	1.99

Diluted earnings 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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## 14. INVESTMENT PROPERTIES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Consolidated balance sheets:</b>						
At beginning of the financial year	843,258	824,129	606,781	593,293	236,477	230,836
Acquisition of investment properties <sup>1</sup>	321,891	-	128,320	-	193,571	-
Subsequent capital expenditures incurred on investment properties	838	780	386	355	452	425
Fair value gain on revaluation	65,655	22,281	51,188	15,280	14,467	7,001
Translation differences	(18,961)	(3,932)	(6,976)	(2,147)	(11,985)	(1,785)
At end of the financial year	<u>1,212,681</u>	<u>843,258</u>	<u>779,699</u>	<u>606,781</u>	<u>432,982</u>	<u>236,477</u>
<b>Consolidated income statements:</b>						
Gross rental revenue from investment properties:						
- Minimum lease payments	44,010	34,016	29,855	29,563	28,108	21,164
- Contingent rent based on tenant's turnover	4,105	4,515	971	1,172	3,134	4,332
	<u>48,115</u>	<u>38,531</u>	<u>30,826</u>	<u>30,735</u>	<u>31,242</u>	<u>25,496</u>
Fair value gain on revaluation	65,655	22,281	51,188	15,280	14,467	7,001
Effect of recognising rental income on a straight-line basis over lease term	62	(324)	62	(324)	-	-
Net change in fair value of investment properties	<u>65,717</u>	<u>21,957</u>	<u>51,250</u>	<u>14,956</u>	<u>14,467</u>	<u>7,001</u>

<sup>1</sup> This includes acquisition fees of \$3,085,000 (2018: Nil) in relation to the acquisition of investment properties.

Total property expenses, recognised in the consolidated income statements, represent direct operating expenses arising from investment properties that generate rental income.

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. INVESTMENT PROPERTIES (CONT'D)

The investment properties held by A-HTRUST as at 31 March 2019 are as follows:

Description of property	Held by	Title	Location	Existing use	Carrying value as at 31 March 2019 \$'000	Date of valuation
Hotel Sunroute Ariake	A-HREIT	Freehold	3-6-6 Ariake Koto-ku, Tokyo	Hotel	325,046	31 March 2019
Park Hotel Clarke Quay	A-HREIT	99-year leasehold expiring in November 2105	1 Unity Street Park Hotel Clarke Quay Singapore 237983	Hotel	325,000	31 March 2019
Hotel WBF Kitasemba West	A-HREIT	Freehold	3-2-7, Awajimachi, Chuo-ku, Osaka	Hotel	43,218	31 March 2019
Hotel WBF Kitasemba East	A-HREIT	Freehold	2-6-8, Awajimachi, Chuo-ku, Osaka	Hotel	43,096	31 March 2019
Hotel WBF Honmachi	A-HREIT	Freehold	4-4-10, Kitakyuhjicho, Chuo-ku, Osaka	Hotel	43,339	31 March 2019
Hotel Sunroute Osaka Namba	A-HBT	Freehold	1-1-13, Nipponbashi, Chuo-ku, Osaka	Hotel	239,828	31 March 2019
The Splaisir Seoul Dongdaemun	A-HBT	Freehold	226 Jangchoongdan-ro Jung-gu, Seoul	Hotel	95,082	31 March 2019
ibis Ambassador Seoul Insadong	A-HBT	Freehold	31 Samil-daero 30-gil, Jongno-gu, Seoul	Hotel	98,072	31 March 2019

Investment properties are carried at fair value, with change in fair values being recognised in consolidated income statements.

The Group has no restrictions on the realisability of its investment properties.

Investment properties are valued at balance sheet date by independent professional valuers, JLL Morii Valuation & Advisory K.K., CBRE Korea Co., Ltd. and CBRE Pte. Ltd. (2018: Cushman & Wakefield K.K. and CBRE Limited), having appropriate recognised professional qualification and experience in the location and category of properties being valued. Details of valuation methodologies and inputs used are disclosed in Note 28(d).



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 15. PROPERTY, PLANT AND EQUIPMENT

2019 A-HTRUST and A-HBT Group	At valuation		At cost				Total \$'000
	Freehold land \$'000	Buildings \$'000	Computers, furniture and fittings \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Capital work-in- progress \$'000	
<b>Cost or valuation:</b>							
At 1 April 2018	185,954	415,710	16,507	11	66,694	13,654	698,530
Additions	-	1,106	2,176	-	2,061	11,776	17,119
Disposals/write-off	-	-	(293)	-	-	(5)	(298)
Transfer upon completion	-	16,912	2,141	-	1,992	(21,045)	-
Revaluation surplus/ (deficit)	19,747	(36,737)	-	-	-	-	(16,990)
Translation differences	(9,834)	(22,259)	(2,937)	(3)	(5,152)	(927)	(41,112)
Elimination of accumulated depreciation on revaluation	-	(14,901)	-	-	-	-	(14,901)
At 31 March 2019	195,867	359,831	17,594	8	65,595	3,453	642,348
<b>Accumulated depreciation:</b>							
At 1 April 2018	-	-	(3,744)	(11)	(23,261)	-	(27,016)
Charge for the year	-	(15,381)	(3,267)	-	(5,024)	-	(23,672)
Disposals/write-off	-	-	279	-	-	-	279
Translation differences	-	480	1,984	3	2,918	-	5,385
Elimination of accumulated depreciation on revaluation	-	14,901	-	-	-	-	14,901
At 31 March 2019	-	-	(4,748)	(8)	(25,367)	-	(30,123)
<b>Net carrying amount:</b>							
At 31 March 2019	195,867	359,831	12,846	-	40,228	3,453	612,225

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2018 A-HTRUST and A-HBT Group	At valuation		At cost				Total \$'000
	Freehold land \$'000	Buildings \$'000	Computers, furniture and fittings \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Capital work-in- progress \$'000	
<b>Cost or valuation:</b>							
At 1 April 2017	171,751	493,860	31,923	20	71,058	5,075	773,687
Additions	-	1,038	1,665	-	1,146	9,158	13,007
Disposals/write-off	-	-	(149)	-	(70)	-	(219)
Revaluation surplus	23,178	12,220	-	-	-	-	35,398
Translation differences	(8,975)	(21,322)	(2,411)	(2)	(4,997)	(579)	(38,286)
Elimination of accumulated depreciation on revaluation	-	(16,674)	-	-	-	-	(16,674)
Attributable to discontinued operations (Note 12)	-	(53,412)	(14,521)	(7)	(443)	-	(68,383)
At 31 March 2018	185,954	415,710	16,507	11	66,694	13,654	698,530
<b>Accumulated depreciation:</b>							
At 1 April 2017	-	-	(8,211)	(20)	(21,063)	-	(29,294)
Charge for the year <sup>1</sup>	-	(17,186)	(4,598)	-	(5,166)	-	(26,950)
Disposals/write-off	-	-	149	-	70	-	219
Translation differences	-	512	1,525	2	2,619	-	4,658
Elimination of accumulated depreciation on revaluation	-	16,674	-	-	-	-	16,674
Attributable to discontinued operations (Note 12)	-	-	7,391	7	279	-	7,677
At 31 March 2018	-	-	(3,744)	(11)	(23,261)	-	(27,016)
<b>Net carrying amount:</b>							
At 1 April 2017	171,751	493,860	23,712	-	49,995	5,075	744,393
At 31 March 2018	185,954	415,710	12,763	-	43,433	13,654	671,514

<sup>1</sup> Includes depreciation for discontinued operations and disposal group classified as held for sale of \$3,017,000 (Note 12).

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Certain 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, Cushman & Wakefield (Valuations) Pty Ltd (2018: Knight Frank Valuations and CBRE Limited) to determine the fair value of the freehold land and buildings. The valuers have the appropriate professional qualifications and recent experiences in the locations and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 28(d).

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	<b>A-HTRUST and A-HBT Group</b>		
	<b>31 March 2019 \$'000</b>	<b>31 March 2018 \$'000</b>	<b>1 April 2017 \$'000</b>
Freehold land:			
Cost and net carrying amount	111,677	117,926	124,234
Buildings:			
Cost	364,012	365,555	429,405
Accumulated depreciation	(74,115)	(65,744)	(62,861)
Net carrying amount	289,897	299,811	366,544

### Asset pledged as security

Property, plant and equipment with a carrying amount of \$671,514,000 at 31 March 2018 and \$683,200,000 at 1 April 2017 were mortgaged as security for bank facilities obtained from the financial institutions (Note 21).

During the year, the Group has released its property, plant and equipment from mortgage as security for the bank facilities obtained from the financial institutions as the Group has fully repaid the secured bank loans.

## 16. INVESTMENT 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% (2018: 100%) equity interest in Ascendas Australia Hotel Trust, which owns the hotel properties in Australia.

Upon adoption of SFRS(I) 9 (Note 2.2), investment in unquoted investment securities are measured at fair value with change in fair value recognised in the consolidated income statements. As at 31 March 2019, the fair value of A-HREIT Group's 1% (2018: 1%) interest in AHAIF1 is \$2,849,000 (2018: carrying amount of \$3,058,000).

# NOTES TO THE FINANCIAL STATEMENTS

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## 17. TRADE AND OTHER RECEIVABLES

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000
<b>Current</b>									
Trade receivables	8,386	8,338	9,566	1,051	1,353	1,811	7,335	6,985	7,755
Sundry debtors	3,708	4,274	4,180	2,974	3,755	3,967	5,121	5,452	4,868
GST/ VAT receivables	5,541	137	73	5,346	-	-	195	137	73
<b>Total trade and other receivables</b>	<b>17,635</b>	<b>12,749</b>	<b>13,819</b>	<b>9,371</b>	<b>5,108</b>	<b>5,778</b>	<b>12,651</b>	<b>12,574</b>	<b>12,696</b>
Cash and cash equivalents (Note 18)	72,025	67,441	86,213	23,393	17,170	23,849	48,632	50,271	62,364
Other current assets	426	300	337	-	-	-	426	300	337
<b>Non-current</b>									
Other non-current assets	4,854	5,113	5,394	32	15	19	4,822	5,098	5,375
Less:									
Deferred expenditure	(477)	(335)	(316)	(32)	(15)	(19)	(445)	(320)	(297)
Non-refundable deposit	(4,798)	(5,066)	(5,338)	-	-	-	(4,798)	(5,066)	(5,338)
GST/ VAT receivables	(5,541)	(137)	(73)	(5,346)	-	-	(195)	(137)	(73)
<b>Total financial assets carried at amortised cost</b>	<b>84,124</b>	<b>80,065</b>	<b>100,036</b>	<b>27,418</b>	<b>22,278</b>	<b>29,627</b>	<b>61,093</b>	<b>62,720</b>	<b>75,064</b>

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.

Other non-current assets include a deposit of A\$5 million paid for the acquisition of the serviced apartment component of Shama Luxe Melbourne Central.

Information regarding financial assets that are impaired is disclosed in Note 29(b).

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 18. CASH AND CASH EQUIVALENTS

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	54,417	51,441	64,511	23,393	17,170	15,949	31,024	34,271	48,562
Fixed deposits	14,020	16,000	21,702	-	-	7,900	14,020	16,000	13,802
Restricted fixed deposit	3,588	-	-	-	-	-	3,588	-	-
	<u>72,025</u>	<u>67,441</u>	<u>86,213</u>	<u>23,393</u>	<u>17,170</u>	<u>23,849</u>	<u>48,632</u>	<u>50,271</u>	<u>62,364</u>

Fixed deposits are placed for periods between 2 to 3 months (2018: 3 months) at interest rates ranging from 1.20% to 1.92% (2018: 1.17%) per annum.

Restricted fixed deposit of \$3,588,000 (2018: Nil) relates to security deposit from a tenant which can only be drawn down as rental payment upon tenant's default or refunded to tenant upon lease expiry.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents:									
- Continuing operations	72,025	67,441	86,213	23,393	17,170	23,849	48,632	50,271	62,364
- Discontinued operations (Note 12)	-	25,870	-	-	-	-	-	25,870	-
Less: restricted fixed deposit	(3,588)	-	-	-	-	-	(3,588)	-	-
	<u>68,437</u>	<u>93,311</u>	<u>86,213</u>	<u>23,393</u>	<u>17,170</u>	<u>23,849</u>	<u>45,044</u>	<u>76,141</u>	<u>62,364</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. TRADE AND OTHER PAYABLES

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000	31 March 2019 \$'000	31 March 2018 \$'000	1 April 2017 \$'000
Trade payables	4,335	3,709	3,006	224	167	64	4,111	3,542	2,942
Sundry creditors	107	11	226	44	6	21	63	5	205
Amounts due to related companies	616	80	36	2,636	2,688	2,102	2,368	2,326	2,544
GST/VAT payables	1,394	1,434	1,491	515	532	573	879	902	918
Other payables	2,408	4,173	4,483	442	965	759	1,966	3,208	3,770
Accrued employee benefits	3,621	3,676	4,264	-	-	-	3,621	3,676	4,264
Accrued operating expenses	15,254	14,061	16,262	3,913	3,120	3,209	11,341	10,941	13,053
Accrued management fees	674	616	654	722	641	639	(48)	(25)	15
Other deposits	-	19,460	-	-	-	-	-	19,460	-
Rental received in advance	8,410	8,717	9,395	3,118	2,637	2,237	5,292	6,080	7,158
<b>Total trade and other payables (current)</b>	<b>36,819</b>	<b>55,937</b>	<b>39,817</b>	<b>11,614</b>	<b>10,756</b>	<b>9,604</b>	<b>29,593</b>	<b>50,115</b>	<b>34,869</b>
Add:									
Borrowings (current) (Note 21)	5,000	155,682	64,287	5,000	3,800	64,287	-	151,882	-
Other payables (non-current)	378	529	466	-	-	-	378	529	466
Rental and other deposits (non-current)	16,914	12,362	11,944	7,806	5,710	5,412	9,108	6,652	6,532
Borrowings (non-current) (Note 21)	638,574	379,484	490,885	281,052	149,193	96,668	357,522	230,291	394,217
Less:									
GST/VAT payables	(1,394)	(1,434)	(1,491)	(515)	(532)	(573)	(879)	(902)	(918)
Other deposits	-	(19,460)	-	-	-	-	-	(19,460)	-
Rental received in advance	(8,410)	(8,717)	(9,395)	(3,118)	(2,637)	(2,237)	(5,292)	(6,080)	(7,158)
<b>Total financial liabilities carried at amortised cost</b>	<b>687,881</b>	<b>574,383</b>	<b>596,513</b>	<b>301,839</b>	<b>166,290</b>	<b>173,161</b>	<b>390,430</b>	<b>413,027</b>	<b>428,008</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 19. TRADE AND OTHER PAYABLES (CONT'D)

Trade and other payables are non-interest bearing. Trade payables are normally settled on 30 days' term.

Amounts due to related companies are non-trade related, unsecured, interest-free and repayable on demand. These amounts are to be settled in cash.

Other deposits (current) related to deposit received from the buyer in connection with the China Group sale (Note 26).

## 20. DEFERRED INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
At beginning of the financial year	8,693	11,055	723	836	7,970	10,219
Additions during the financial year	1,385	44	286	24	1,099	20
Amount amortised during the financial year	(1,935)	(1,986)	(148)	(137)	(1,787)	(1,849)
Translation differences	(348)	(420)	1	-	(349)	(420)
At end of the financial year	7,795	8,693	862	723	6,933	7,970
This comprises:						
Current	1,903	1,818	155	138	1,748	1,680
Non-current	5,892	6,875	707	585	5,185	6,290
Total	7,795	8,693	862	723	6,933	7,970

Deferred income relates to the following:

- (1) Cash reimbursement received from Accor for its 50% share of the A\$30.0 million capital expenditure incurred by the Accor Australia hotels for refurbishment works which was completed in 2013. The reimbursement by Accor is conditional upon the non-termination of the hotel management agreement signed between Ascendas Hotel Investment Company Pty Limited and Accor prior to 30 June 2017 and on a pro-rata basis if the termination occurs after 30 June 2017 but before 30 June 2022.
- (2) Difference between the considerations received for rental deposits and its fair value at initial recognition, and is credited to the income statements as gross revenue on a straight line basis over individual lease term.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. BORROWINGS

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current</b>									
TMK Bond	-	-	1,261	-	-	1,261	-	-	-
Secured bank loans	-	151,995	-	-	-	-	-	151,995	-
Less: Transaction costs capitalised	-	(113)	-	-	-	-	-	(113)	-
	-	151,882	-	-	-	-	-	151,882	-
Unsecured bank loans	5,000	3,800	63,071	5,000	3,800	63,071	-	-	-
Less: Transaction costs capitalised	-	-	(45)	-	-	(45)	-	-	-
	5,000	3,800	63,026	5,000	3,800	63,026	-	-	-
Total current	5,000	155,682	64,287	5,000	3,800	64,287	-	151,882	-
<b>Non-current</b>									
TMK Bonds	171,653	101,347	1,261	170,436	100,096	-	1,217	1,251	1,261
Less: Transaction costs capitalised	(892)	(649)	-	(892)	(649)	-	-	-	-
	170,761	100,698	1,261	169,544	99,447	-	1,217	1,251	1,261
Secured bank loans	-	87,144	248,729	-	-	-	-	87,144	248,729
Less: Transaction costs capitalised	-	(377)	(852)	-	-	-	-	(377)	(852)
	-	86,767	247,877	-	-	-	-	86,767	247,877
Medium term notes	145,000	145,000	145,000	49,780	49,780	49,780	95,220	95,220	95,220
Less: Transaction costs capitalised	(108)	(156)	(206)	(17)	(34)	(52)	(91)	(122)	(154)
	144,892	144,844	144,794	49,763	49,746	49,728	95,129	95,098	95,066
Unsecured bank loans	324,530	47,419	97,382	62,087	-	47,000	262,443	47,419	50,382
Less: Transaction costs capitalised	(1,609)	(244)	(429)	(342)	-	(60)	(1,267)	(244)	(369)
	322,921	47,175	96,953	61,745	-	46,940	261,176	47,175	50,013
Total non-current	638,574	379,484	490,885	281,052	149,193	96,668	357,522	230,291	394,217
<b>Total borrowings</b>	<b>643,574</b>	<b>535,166</b>	<b>555,172</b>	<b>286,052</b>	<b>152,993</b>	<b>160,955</b>	<b>357,522</b>	<b>382,173</b>	<b>394,217</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. BORROWINGS (CONT'D)

### (a) TMK Bonds

The TMK bonds in A-HREIT Group relate to the following:

- (i) JPY8.0 billion TMK bond issued by Ascendas Hospitality TMK on 4 October 2017 which carries a fixed rate of 0.714% per annum and matures on 4 October 2022. JPY7.9 billion of the proceeds from the bond issuance were repatriated to Singapore via capital reduction to repay bank borrowings during the year ended 31 March 2018;
- (ii) JPY3.82 billion TMK bond was issued by Ascendas Hospitality Honmachi TMK on 28 September 2018 which carries a fixed rate of 0.749% per annum and matures on 28 September 2023; and
- (iii) JPY2.18 billion TMK bond was issued by Ascendas Hospitality Honmachi TMK on 20 December 2018 which carries a fixed rate of 0.627% per annum and matures on 28 September 2023.

The TMK bond in A-HBT Group relates to JPY100 million bond issued by Ascendas Japan Namba Tokutei Mokuteki Kaisha ("Ascendas Japan Namba TMK") on 24 March 2017. The bond carries a floating interest rate of 3 Month JPY LIBOR + 1.50% per annum and matures on 23 March 2023.

A-HTRUST's interests in the Sunroute Ariake, Osaka Namba, WBF West, WBF East and WBF Honmachi 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.

### (b) Secured bank loans

The Group has fully repaid the secured bank loans, which was previously taken by A-HBT Group's subsidiaries, Ascendas Australia Hotel Trust ("AAHF Trust") and Ascendas Hotel Investment Company Pty Limited ("AAHF Company") with sales proceeds from the disposal of China Group and a new unsecured term loan drawdown in September 2018. The Group has no secured bank loans as at 31 March 2019 (2018: \$238.6 million).

### (c) Unsecured bank loans and medium term notes

Two tranches of medium term notes were issued pursuant to the \$1 billion multi-currency stapled debt issuance programme. The first tranche of 5-year \$75.0 million (\$49.5 million under A-HREIT and \$25.5 million under A-HBT) 3.3% notes are due in April 2020. The second tranche of 6-year \$70.0 million (\$0.28 million under A-HREIT and \$69.72 million under A-HBT) 3.325% notes are due in September 2022.

As at 31 March 2019, A-HREIT and A-HBT have outstanding bank loans of \$67.1 million (2018: \$3.8 million) and \$262.4 million (2018: \$47.4 million) respectively, of which \$5.0 million (2018: \$3.8 million) of A-HREIT's bank loans will be due for repayment within the next 12 months.

A-HREIT and A-HBT have in place \$50.0 million and \$79.2 million (2018: \$50.0 million and \$70.0 million) revolving credit facilities, of which \$45.0 million and \$76.3 million (2018: \$46.2 million and \$70.0 million) were unutilised as at 31 March 2019. A-HREIT and A-HBT also have a joint revolving credit facility of \$60.0 million (2018: \$60.0 million), of which \$60.0 million (2018: \$60.0 million) was unutilised as at 31 March 2019.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 21. BORROWINGS (CONT'D)

### Terms and debt repayment schedule

31 March 2019	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
<b>A-HREIT Group</b>				
TMK fixed rate bond	JPY	0.714%	2022	97,392
TMK fixed rate bond	JPY	0.749%	2023	46,505
TMK fixed rate bond	JPY	0.627%	2023	26,539
Unsecured variable rate term loan	SGD	0.65% + SOR <sup>1</sup>	2019	5,000
Unsecured variable rate term loan	JPY	0.58% + JPY LIBOR <sup>2</sup>	2023	62,087
Medium term note	SGD	3.30%	2020	49,500
Medium term note	SGD	3.325%	2022	280
<b>A-HBT Group</b>				
TMK variable rate bond	JPY	1.50% + JPY LIBOR <sup>2</sup>	2023	1,217
Unsecured fixed rate term loan	KRW	3.55%	2024	38,272
Unsecured variable rate term loan	USD	1.20% + USD LIBOR <sup>2</sup>	2022	48,564
Unsecured variable rate term loan	AUD	1.60% + BBSY <sup>3</sup>	2023	175,607
Medium term note	SGD	3.30%	2020	25,500
Medium term note	SGD	3.325%	2022	69,720
Gross borrowings				646,183
Less: Transaction costs capitalised				(2,609)
<b>Total borrowings</b>				<b>643,574</b>
<hr/>				
31 March 2018	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
<b>A-HREIT Group</b>				
TMK fixed rate bond	JPY	0.714%	2022	100,096
Unsecured variable rate term loan	SGD	0.65% + SOR <sup>1</sup>	2018	3,800
Medium term note	SGD	3.30%	2020	49,500
Medium term note	SGD	3.325%	2022	280
<b>A-HBT Group</b>				
TMK variable rate bond	JPY	1.50% + JPY LIBOR <sup>2</sup>	2023	1,251
Unsecured variable rate term loan	USD	1.20% + USD LIBOR <sup>2</sup>	2022	47,419
Secured variable rate term loans	AUD	1.43% + BBSY <sup>3</sup>	2018 – 2020	239,139
Medium term note	SGD	3.30%	2020	25,500
Medium term note	SGD	3.325%	2022	69,720
Gross borrowings				536,705
Less: Transaction costs capitalised				(1,539)
<b>Total borrowings</b>				<b>535,166</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 21. BORROWINGS (CONT'D)

1 April 2017	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
<b>A-HREIT Group</b>				
TMK fixed rate bond	JPY	1.333%	2017	1,261
Unsecured fixed rate term loan	JPY	1.099%	2017	63,071
Unsecured variable rate term loan	SGD	1.20% + SOR <sup>1</sup>	2018	47,000
Medium term note	SGD	3.30%	2020	49,500
Medium term note	SGD	3.325%	2022	280
<b>A-HBT Group</b>				
TMK variable rate bond	JPY	1.50% + JPY LIBOR <sup>2</sup>	2023	1,261
Unsecured variable rate term loan	USD	1.20% + USD LIBOR <sup>2</sup>	2022	50,382
Secured variable rate term loans	AUD	1.43% + BBSY <sup>3</sup>	2018 – 2020	248,729
Medium term note	SGD	3.30%	2020	25,500
Medium term note	SGD	3.325%	2022	69,720
Gross borrowings				556,704
Less: Transaction costs capitalised				(1,532)
<b>Total borrowings</b>				<b>555,172</b>

<sup>1</sup> Singapore Dollar Swap Offered Rate

<sup>2</sup> London Interbank Offered Rate

<sup>3</sup> Bank Bill Swap Bid Rate

A reconciliation of liabilities arising from financing activities are as follows:

	1 April 2018 \$'000	Cash flows \$'000	Foreign exchange movement \$'000	Non-cash changes		31 March 2019 \$'000
				Amortisation of capitalised transaction costs \$'000	Reclassification \$'000	
Loans and medium term notes						
– Current	155,682	(149,865)	(930)	113	–	5,000
– Non-current	379,484	267,160	(8,918)	848	–	638,574
Total	535,166	117,295	(9,848)	961	–	643,574



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 21. BORROWINGS (CONT'D)

	1 April 2017 \$'000	Cash flows \$'000	Non-cash changes			31 March 2018 \$'000
			Foreign exchange movement \$'000	Amortisation of capitalised transaction costs \$'000	Reclassification \$'000	
Loans and medium term notes						
- Current	64,287	(104,697)	(4,693)	256	200,529	155,682
- Non-current	490,885	98,803	(10,096)	421	(200,529)	379,484
Total	555,172	(5,894)	(14,789)	677	-	535,166

### A-HREIT Group

Included in the borrowings as at 31 March 2019 are medium term notes of \$49.5 million (2018: \$49.5 million), which together with currency swaps, have been designated as hedge of the net investment in subsidiaries in Japan, Ascendas Hospitality TMK and Ascendas Hospitality Honmachi TMK (Note 22). These borrowings are being used to hedge the Group's exposure to foreign exchange risk on these investments.

### A-HBT Group

Included in the borrowings as at 31 March 2019 are bank borrowings of USD36 million, approximately \$48.6 million and medium term notes of \$94.5 million (2018: bank borrowings of USD36 million, approximately \$47.4 million and medium term notes of \$94.5 million), which together with certain currency swaps have been designated as hedge of the net investment in the subsidiaries in Japan and Korea, namely, Ascendas Japan Namba TMK, Ascendas Korea Hospitality No 1 Professional Investors Private Real Estate Investment, LLC and Ascendas Korea Hospitality Qualified Investors Private Real Estate Investment Trust No. 2 (2018: net investment in the subsidiaries in China and Japan, namely, Ascendas (Beijing) Hotel Co., Ltd., Ascendas 2 (Beijing) Hotel Co., Ltd., and Ascendas Japan Namba TMK) (Note 22).

Gains or losses on the translation of borrowings designated as hedges of net investment in the subsidiaries are transferred to other comprehensive income to offset any gains or losses on translation of the net investment in the subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 22. DERIVATIVE FINANCIAL INSTRUMENTS

	A-HREIT Group			
	Year of maturity	Contract/ Notional amount \$'000	Fair values Assets \$'000	Liabilities \$'000
<b>31 March 2019</b>				
<u>Non-hedging instrument</u>				
Currency forwards (buy)	2019 – 2020	11,271	135	(6)
<u>Cash flow hedge and net investment hedge</u>				
Interest rate swaps	2023	62,087	–	(342)
Currency swaps	2020	49,500	1,496	(1,394)
<b>Total</b>			<u>1,631</u>	<u>(1,742)</u>
Current			106	(6)
Non-current			1,525	(1,736)
Total derivatives			<u>1,631</u>	<u>(1,742)</u>
Add: Investment securities at fair value through profit or loss (Note 16)			2,849	–
Less: Interest rate swaps			–	342
Less: Currency swaps			<u>(1,496)</u>	<u>1,394</u>
Total financial assets/(liabilities) at fair value through profit or loss			<u>2,984</u>	<u>(6)</u>
<b>31 March 2018</b>				
<u>Non-hedging instrument</u>				
Currency forwards (buy)	2018 – 2019	9,128	174	(98)
<u>Cash flow hedge and net investment hedge</u>				
Currency swaps	2020	49,500	1,421	(1,611)
<b>Total</b>			<u>1,595</u>	<u>(1,709)</u>
Current			174	(55)
Non-current			1,421	(1,654)
Total derivatives			<u>1,595</u>	<u>(1,709)</u>
Less: Currency swaps			<u>(1,421)</u>	<u>1,611</u>
Total financial assets/(liabilities) at fair value through profit or loss			<u>174</u>	<u>(98)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 22. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	A-HREIT Group			
	Year of maturity	Contract/ Notional amount \$'000	Fair values Assets \$'000      Liabilities \$'000	
<b>1 April 2017</b>				
<u>Non-hedging instrument</u>				
Currency forwards (buy)	2017 – 2018	10,884	247	(48)
<u>Cash flow hedge and net investment hedge</u>				
Interest rate swaps	2018	47,000	6	–
Currency swaps	2020	32,000	1,162	(1,260)
<b>Total</b>			<b>1,415</b>	<b>(1,308)</b>
Current			188	(48)
Non-current			1,227	(1,260)
Total derivatives			1,415	(1,308)
Less: Interest rate swaps			(6)	–
Less: Currency swaps			(1,162)	1,260
Total financial assets/(liabilities) at fair value through profit or loss			247	(48)
<b>A-HBT Group</b>				
	Year of maturity	Contract/ Notional amount \$'000	Fair values Assets \$'000      Liabilities \$'000	
<b>31 March 2019</b>				
<u>Non-hedging instrument</u>				
Currency forwards (buy)	2019 – 2020	31,717	678	(9)
<u>Cash flow hedge and net investment hedge</u>				
Interest rate swaps	2020	67,172	–	(360)
Currency swaps	2020 – 2022	143,064	7,207	(1,185)
<b>Total</b>			<b>7,885</b>	<b>(1,554)</b>
Current			636	(9)
Non-current			7,249	(1,545)
Total derivatives			7,885	(1,554)
Less: Interest rate swaps			–	360
Less: Currency swaps			(7,207)	1,185
Total financial assets/(liabilities) at fair value through profit or loss			678	(9)

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 22. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	A-HBT Group			
	Year of maturity	Contract/ Notional amount \$'000	Fair values Assets \$'000	Liabilities \$'000
<b>31 March 2018</b>				
<u>Non-hedging instrument</u>				
Currency forwards (buy)	2018 – 2019	140,395	956	(736)
<u>Cash flow hedge and net investment hedge</u>				
Interest rate swaps	2018 – 2020	121,596	–	(931)
Currency swaps	2018 – 2022	141,919	6,370	(3,808)
<b>Total</b>			<u>7,326</u>	<u>(5,475)</u>
Current			1,928	(2,546)
Non-current			5,398	(2,929)
Total derivatives			<u>7,326</u>	<u>(5,475)</u>
Less: Interest rate swaps			–	931
Less: Currency swaps			<u>(6,370)</u>	<u>3,808</u>
Total financial assets/(liabilities) at fair value through profit or loss			<u>956</u>	<u>(736)</u>
<b>1 April 2017</b>				
<u>Non-hedging instrument</u>				
Currency forwards (buy)	2017 – 2018	31,765	241	(616)
<u>Cash flow hedge and net investment hedge</u>				
Interest rate swaps	2018 – 2020	128,100	–	(2,166)
Currency swaps	2020 – 2022	141,382	6,270	(1,057)
<b>Total</b>			<u>6,511</u>	<u>(3,839)</u>
Current			182	(576)
Non-current			6,329	(3,263)
Total derivatives			<u>6,511</u>	<u>(3,839)</u>
Less: Interest rate swaps			–	2,166
Less: Currency swaps			<u>(6,270)</u>	<u>1,057</u>
Total financial assets/(liabilities) at fair value through profit or loss			<u>241</u>	<u>(616)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 22. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

### A-HREIT Group

A-HREIT has entered into interest rate swaps to exchange floating rate interest on JPY loans of JPY5.1 billion, approximately \$62.1 million (2018: Nil), into fixed rate interests at rates from 0.7% to 0.767% (2018: Nil) per annum.

A-HREIT has entered into currency swaps to exchange \$49.5 million (2018: \$49.5 million) fixed rate medium term notes for fixed rate JPY obligation.

There is no hedge ineffectiveness in the financial years ended 31 March 2019 and 2018.

### A-HBT Group

A-HBT has entered into currency swaps to exchange floating rate interest on USD loan of USD6.0 million, approximately \$8.1 million (2018: USD6.0 million, approximately \$7.9 million) and \$22.0 million (2018: \$22.0 million) fixed rate medium term notes for fixed rate KRW (2018: RMB) obligation.

A-HBT has also entered into currency swaps to exchange floating rate interest on USD loan of USD30.0 million, approximately \$40.5 million (2018: USD30.0 million, approximately \$39.5 million) and \$72.5 million (2018: \$72.5 million) fixed rate medium term notes for fixed rate JPY obligation.

There is no hedge ineffectiveness in the financial years ended 31 March 2019 and 2018.

A-HBT's subsidiary, AAHF Trust, has entered into interest rate swaps to exchange floating rate interest on A\$70.0 million (2018: A\$120.0 million) into fixed rate interest at an average rate of 2.01% (2018: 2.90%) per annum.

There is no hedge ineffectiveness in the financial years ended 31 March 2019 and 2018.

During the financial year, the Group recorded a net gain on derivative financial instruments of \$267,000 (2018: \$571,000) in the profit or loss, a net gain on cash flow hedge of \$1,011,000 (2018: \$882,000) in hedging reserve and a net gain on net investment hedge in foreign operations of \$2,398,000 (2018: \$4,415,000) in foreign currency translation reserve.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 23. STAPLED SECURITIES IN ISSUE

2019	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 2018	1,129,839	976,963	1,129,839	417,098	1,129,839	559,865
Management fees paid in Stapled Securities	5,166	4,152	5,166	1,466	5,166	2,686
Balance at 31 March 2019	1,135,005	981,115	1,135,005	418,564	1,135,005	562,551
Stapled Securities to be issued: Management fees payable in Stapled Securities	1,742	1,527	1,742	856	1,742	671
Total issued and to be issued Stapled Securities	1,136,747	982,642	1,136,747	419,420	1,136,747	563,222
2018	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 2017	1,124,481	972,627	1,124,481	415,679	1,124,481	556,948
Management fees paid in Stapled Securities	5,358	4,336	5,358	1,419	5,358	2,917
Balance at 31 March 2018	1,129,839	976,963	1,129,839	417,098	1,129,839	559,865
Stapled Securities to be issued: Management fees payable in Stapled Securities	1,731	1,446	1,731	751	1,731	695
Total issued and to be issued Stapled Securities	1,131,570	978,409	1,131,570	417,849	1,131,570	560,560

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 the Stapled Securities are entitled to receive distributions as and when declared by A-HTRUST.

All issued Stapled Securities are fully paid.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 23. STAPLED SECURITIES IN ISSUE (CONT'D)

5,165,655 (2018: 5,358,131) Stapled Securities were issued as settlement of management fees during the financial year. The performance fee component of management fee of the A-HREIT Manager will be crystallised and paid out on an annual basis in accordance with the A-HREIT Trust Deed.

## 24. ISSUE COSTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning and end of the financial year	15,761	15,761	5,994	5,994	9,767	9,767

Apart from the issuance of Stapled Securities as settlement of management fees (refer to Note 23), there is no other issuance of Stapled Securities in the financial years ended 31 March 2019 and 2018.

## 25. RESERVES

### (a) Foreign currency translation reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of the financial year, as previously reported	(87,258)	(96,143)	(18,599)	(48,339)	(67,884)	(47,196)
Effect of adoption of SFRS(I) 1 (Note 2.2)	72,405	96,143	20,157	48,339	51,640	47,196
Balance at beginning of the financial year, restated	(14,853)	-	1,558	-	(16,244)	-
Reclassification to profit or loss upon capital reduction in subsidiaries (Note 10)	273	4,608	158	4,582	115	26
Net currency translation differences during the year	(29,397)	(18,552)	(4,541)	(3,024)	(24,684)	(15,361)
Attributable to discontinued operations (Note 12)	-	(909)	-	-	-	(909)
Balance at end of the financial year	(43,977)	(14,853)	(2,825)	1,558	(40,813)	(16,244)

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 net investment hedge in foreign operations.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 25. RESERVES (CONT'D)

### (b) Asset revaluation reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of the financial year	173,985	155,955	-	-	172,006	154,324
Fair value (loss)/gain, net of tax	(14,360)	30,215	-	-	(14,190)	29,867
Attributable to discontinued operations (Note 12)	-	(12,185)	-	-	-	(12,185)
Balance at end of the financial year	159,625	173,985	-	-	157,816	172,006

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.

### (c) Hedging reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of the financial year	(1,199)	(2,574)	-	5	(1,188)	(2,554)
Net fair value (loss)/gain of cash flow hedges	(102)	823	(341)	(64)	240	873
Reclassification to profit or loss upon settlement	620	59	-	59	614	-
Attributable to discontinued operations (Note 12)	-	493	-	-	-	493
Balance at end of the financial year	(681)	(1,199)	(341)	-	(334)	(1,188)

Hedging reserve represents the cumulative fair value changes, net of tax, of derivative financial instruments until they are disposed of.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 26. INVESTMENT IN SUBSIDIARIES

The subsidiaries of A-HTRUST, A-HREIT Group and A-HBT Group are as follows:

Name of subsidiary	Country of constitution	Principal activities/ place of business	Effective equity held by A-HTRUST		
			31 March 2019 %	31 March 2018 %	1 April 2017 %
<b>Held by A-HREIT</b>					
Ascendas Hospitality Japan 1 Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Hospitality MTN Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
<b>Held through A-HREIT subsidiaries</b>					
Ascendas Hospitality Japan 2 Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Hospitality Japan 3 Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Hospitality Tokutei Mokuteki Kaisha <sup>2</sup>	Japan	Hotel investment Japan	100	100	100
Ascendas Hospitality Honmachi Tokutei Mokuteki Kaisha <sup>2,3</sup>	Japan	Hotel investment Japan	100	–	–
<b>Held by A-HBT</b>					
Ascendas Hospitality Australia Investments Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Hospitality China Pte. Ltd. <sup>5</sup>	Singapore	Investment holding Singapore	–	100	100
Ascendas Hospitality Operations Pty Ltd <sup>2</sup>	Australia	Investment holding Australia	100	100	100
Ascendas Hospitality Australia Investment Fund No.1 <sup>2</sup>	Australia	Investment holding Australia	100	100	100
Ascendas China Hotel Investment Limited <sup>5</sup>	Hong Kong	Investment holding Hong Kong	–	100	100
Ascendas Ariake Godo Kaisha <sup>2</sup>	Japan	Hotel operations Japan	100	100	100
Ascendas Namba 1 Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Namba Godo Kaisha <sup>2</sup>	Japan	Hotel operations Japan	100	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of constitution	Principal activities/ place of business	Effective equity held by A-HTRUST		
			31 March 2019 %	31 March 2018 %	1 April 2017 %
<b>Held by A-HBT (cont'd)</b>					
Ascendas Korea Hospitality No 1 Professional Investors Private Real Estate Investment, LLC <sup>2,3</sup>	Korea	Hotel investment Korea	99	-	-
Ascendas Korea Hospitality Qualified Investors Private Real Estate Investment Trust No. 2 <sup>2,4</sup>	Korea	Hotel investment Korea	99	-	-
<b>Held through A-HBT subsidiaries</b>					
Ascendas Hospitality Australia Investment Fund No.2 <sup>2</sup>	Australia	Investment holding Australia	100	100	100
Ascendas Australia Hotel Trust <sup>2</sup>	Australia	Hotel investment Australia	100	100	100
Ascendas Hotel Investment Company Pty Limited <sup>2</sup>	Australia	Hotel operations Australia	100	100	100
Ascendas (Beijing) Hotel Co., Ltd. <sup>5</sup>	PRC	Hotel operations PRC	-	100	100
Ascendas 2 (Beijing) Hotel Co., Ltd. <sup>5</sup>	PRC	Hotel operations PRC	-	100	100
Ascendas Namba 2 Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Namba 3 Pte. Ltd. <sup>1</sup>	Singapore	Investment holding Singapore	100	100	100
Ascendas Japan Namba Tokutei Mokuteki Kaisha <sup>2</sup>	Japan	Hotel investment Japan	100	100	100

<sup>1</sup> Audited by Ernst & Young LLP, Singapore

<sup>2</sup> Audited by member firms of Ernst & Young Global in the respective countries

<sup>3</sup> Newly incorporated during the financial year

<sup>4</sup> Newly acquired during the financial year

<sup>5</sup> The subsidiaries were disposed on 18 May 2018 (Note 12)

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. INVESTMENT IN SUBSIDIARIES (CONT'D)

### Disposal of subsidiaries

The Group has completed the disposal on 18 May 2018, on which date control of the China Group was passed to the acquirer. The disposal consideration was fully settled in cash.

The values of assets and liabilities of the China Group as at 18 May 2018 and the effects of the disposal were:

	<b>A-HTRUST and A-HBT Group 2019 \$'000</b>
<b>Carrying amounts of assets and liabilities disposed of</b>	
Prepaid land lease	32,729
Property, plant and equipment	61,411
Inventories	44
Trade and other receivables	1,067
Prepayments	134
Cash and cash equivalents	26,642
Other current assets	107
Total assets	<u>122,134</u>
Trade and other payables	2,186
Income tax payable	312
Rental and other deposits	116
Deferred tax liabilities	6,513
Total liabilities	<u>9,127</u>
Net assets disposed of	<u>113,007</u>
<b>The aggregate cash inflow arising from the disposal of China Group was:</b>	
Net assets disposed of	113,007
Transfer from asset revaluation reserve	(12,250)
Transfer from foreign currency translation reserve	(1,516)
Transfer from other reserves	(1,212)
	<u>98,029</u>
Gain on disposal	<u>148,756</u>
Total sale consideration, net of transaction costs including divestment fee paid to Trustee-Manager of \$1,344,000	246,785
Less: cash and cash equivalents in subsidiaries disposed of	(26,642)
Less: deposit received in prior year	(19,460)
Add: professional fees	48
Net cash inflow on disposal of China Group	<u>200,731</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence or control. Related parties may be individuals or entities. The REIT Manager and the Trustee Manager are related entities of a substantial Stapled Securityholder of A-HTRUST.

In relation to the management of the Trust, management fees have been paid or are payable to the Managers and entities related to the Managers and trustee fees have been paid or are payable to the Trustee-Manager. In addition, hotel management fees have been paid to a related entity, Oakwood Property Management Services (Tokyo) Co., Ltd for managing the operations of the Oakwood Ariake serviced apartments.

During the financial year, in addition to the transactions disclosed in Notes 8(a), 8(b) and 10 in the financial statements, the following were significant related party transactions which were carried out in the normal course of business on arm's length commercial terms:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Acquisition / Divestment fees paid/payable to:						
- REIT Manager	622	-	622	-	-	-
- Trustee-Manager	2,259	-	-	-	2,259	-
- Related entities of the Managers	1,548	-	622	-	926	-
Hotel management fees paid/payable to a related entity of the Group	2	231	-	-	2	231
Marketing and trademark licence fees paid/payable to a related entity of the Group	-	113	-	-	-	113

Details of the fee arrangements are set out on pages 127 to 129.

## 28. 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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## 28. 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:

31 March 2019 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	
<b>Recurring fair value measurements:</b>			
<b>Assets</b>			
<b>Financial assets</b>			
<u>Derivatives</u>			
<i>Currency forwards</i>	813	–	813
<i>Currency swaps</i>	8,703	–	8,703
Total derivatives	9,516	–	9,516
Financial assets as at 31 March 2019	9,516	–	9,516
<b>Non-financial assets</b>			
<u>Property, plant and equipment</u>			
<i>Freehold land</i>	–	195,867	195,867
<i>Buildings</i>	–	359,831	359,831
Total property, plant and equipment	–	555,698	555,698
Investment properties	–	1,212,681	1,212,681
Non-financial assets as at 31 March 2019	–	1,768,379	1,768,379
<b>Liabilities</b>			
<b>Financial liabilities</b>			
<u>Derivatives</u>			
<i>Currency forwards</i>	15	–	15
<i>Interest rate swaps</i>	702	–	702
<i>Currency swaps</i>	2,579	–	2,579
Total derivatives	3,296	–	3,296
Financial liabilities as at 31 March 2019	3,296	–	3,296



# NOTES TO THE FINANCIAL STATEMENTS

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## 28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) Assets and liabilities measured at fair value (cont'd)

31 March 2018 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	
<b>Recurring fair value measurements:</b>			
<b>Assets</b>			
<b>Financial assets</b>			
<u>Derivatives</u>			
<i>Currency forwards</i>	1,130	–	1,130
<i>Currency swaps</i>	7,791	–	7,791
Total derivatives	8,921	–	8,921
Financial assets as at 31 March 2018	8,921	–	8,921
<b>Non-financial assets</b>			
<u>Property, plant and equipment</u>			
<i>Freehold land</i>	–	185,954	185,954
<i>Buildings</i>	–	415,710	415,710
Total property, plant and equipment	–	601,664	601,664
Investment properties	–	843,258	843,258
<u>Disposal group classified as held for sale</u>			
<u>Property, plant and equipment</u>			
<i>Buildings</i>	–	53,412	53,412
Non-financial assets as at 31 March 2018	–	1,498,334	1,498,334
<b>Liabilities</b>			
<b>Financial liabilities</b>			
<u>Derivatives</u>			
<i>Currency forwards</i>	834	–	834
<i>Interest rate swaps</i>	931	–	931
<i>Currency swaps</i>	5,419	–	5,419
Total derivatives	7,184	–	7,184
Financial liabilities as at 31 March 2018	7,184	–	7,184

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) Assets and liabilities measured at fair value (cont'd)

1 April 2017 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	
<b>Recurring fair value measurements:</b>			
<b>Assets</b>			
<b>Financial assets</b>			
<u>Derivatives</u>			
<i>Currency forwards</i>	488	-	488
<i>Interest rate swaps</i>	6	-	6
<i>Currency swaps</i>	7,432	-	7,432
Total derivatives	7,926	-	7,926
Financial assets as at 1 April 2017	7,926	-	7,926
<b>Non-financial assets</b>			
<u>Property, plant and equipment</u>			
<i>Freehold land</i>	-	171,751	171,751
<i>Buildings</i>	-	493,860	493,860
Total property, plant and equipment	-	665,611	665,611
Investment properties	-	824,129	824,129
Non-financial assets as at 1 April 2017	-	1,489,740	1,489,740
<b>Liabilities</b>			
<b>Financial liabilities</b>			
<u>Derivatives</u>			
<i>Currency forwards</i>	664	-	664
<i>Interest rate swaps</i>	2,166	-	2,166
<i>Currency swaps</i>	2,317	-	2,317
Total derivatives	5,147	-	5,147
Financial liabilities as at 1 April 2017	5,147	-	5,147

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (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.

### (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):

31 March 2019				
Group	Fair value at 31 March 2019 \$'000	Valuation methodologies	Unobservable inputs	Range
<b>Recurring fair value measurements:</b>				
<b>Property, plant and equipment</b>				
Freehold land	195,867	Discounted cash flow	Discount rate Terminal yield	7.75% to 9.25% 6.00% to 7.25%
		Capitalisation approach	Capitalisation rate	6.00% to 7.25%
Buildings	359,831	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	7.75% to 9.25% 6.00% to 7.25% 80% to 95% \$108 to \$255
		Capitalisation approach	Capitalisation rate	6.00% to 7.25%
<b>Investment properties</b>				
Hotels	1,212,681	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	3.80% to 6.50% 4.10% to 4.75% 77% to 97% \$76 to \$257
		Capitalisation approach	Capitalisation rate	4.00% to 4.50%

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) Level 3 fair value measurements (cont'd)

Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

31 March 2018				
Group	Fair value at 31 March 2018	Valuation methodologies	Unobservable inputs	Range
Description	\$'000			
<b>Recurring fair value measurements:</b>				
<b>Property, plant and equipment</b>				
Freehold land	185,954	Discounted cash flow	Discount rate Terminal yield	8.00% to 9.50% 6.25% to 7.50%
		Capitalisation approach	Capitalisation rate	6.25% to 7.50%
Buildings	415,710	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	8.00% to 9.50% 6.25% to 7.50% 77% to 95% \$110 to \$290
		Capitalisation approach	Capitalisation rate	6.25% to 7.50%
<b>Investment properties</b>				
Hotels and serviced apartments	843,258	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	4.20% to 6.50% 4.50% to 5.00% 81% to 97% \$109 to \$253
		Capitalisation approach	Capitalisation rate	4.00%
<b>Disposal group classified as held for sale</b>				
<b>Property, plant and equipment</b>				
Buildings	53,412	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	8.50% to 8.75% 5.75% to 6.00% 85% to 93% \$60 to \$126
		Capitalisation approach	Capitalisation rate	5.25% to 5.50%



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) Level 3 fair value measurements (cont'd)

Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

1 April 2017 Group	Fair value at 1 April 2017 \$'000	Valuation methodologies	Unobservable inputs	Range
<b>Recurring fair value measurements:</b>				
<b>Property, plant and equipment</b>				
Freehold land	171,751	Discounted cash flow	Discount rate Terminal yield	9.50% to 10.75% 7.00% to 8.50%
Buildings	493,860	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	9.00% to 10.75% 5.00% to 8.50% 76% to 95% \$59 to \$274
<b>Investment properties</b>				
Hotels and serviced apartments	824,129	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	4.40% to 6.75% 4.40% to 5.20% 80% to 93% \$114 to \$224

The fair value varies inversely against the discount rate, terminal yield and capitalisation rate and increases with higher occupancy rates and revenue per available room ("RevPAR").

### (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 2019, 31 March 2018 and 1 April 2017 but for which fair value is disclosed:

31 March 2019 Group	Fair value using significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
<b>Liabilities</b>		
Rental and other deposits (non-current)	17,078	16,914
Borrowings (non-current)		
- Fixed rate TMK bonds	173,572	170,436
- Fixed rate medium term notes	146,023	145,000
- Fixed rate unsecured bank loan	39,267	38,272

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (e) Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

31 March 2018 Group	Fair value using significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
<b>Liabilities</b>		
Rental and other deposits (non-current)	12,437	12,362
Borrowings (non-current)		
– Fixed rate TMK bonds	101,832	100,096
– Fixed rate medium term notes	149,387	145,000
<hr/>		
1 April 2017 Group	Fair value using significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
<b>Liabilities</b>		
Rental and other deposits (non-current)	12,298	11,944
Borrowings (non-current)		
– Fixed rate medium term notes	153,989	145,000

#### 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.

## 29. 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' organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Boards of the Managers, assisted by the Audit and Risk Committee and Internal Audit, oversee how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee. The Audit and Risk Committee then reports to the Boards of Directors on any inadequacies, deficiencies or matters of concern of which Internal Audit becomes aware or that it suspects, arising from its review of the Group's risk management policies and procedures.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk

#### (i) Foreign currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents, receivables and payables that are denominated in a currency other than the functional currency of A-HTRUST, A-HREIT Group and A-HBT Group. The currencies giving rise to this risk are primarily KRW, JPY, AUD and USD.

The Group's exposures to foreign currencies (excluding functional currency) as at 31 March 2019, 31 March 2018 and 1 April 2017 are as follows:

<b>31 March 2019</b>				
<b>Group</b>	<b>KRW \$'000</b>	<b>JPY \$'000</b>	<b>AUD \$'000</b>	<b>USD \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	1	7,600	369	1,052
Related party receivables (current)	128	5,184	61,013	-
Trade and other receivables (current)	377	1,161	-	236
Related party receivables (non-current)	-	77,587	105,747	-
	506	91,532	167,129	1,288
<b>Financial liabilities</b>				
Related party payables (current)	-	(5,184)	-	-
Trade and other payables (current)	(305)	(171)	(343)	(236)
Related party payables (non-current)	-	(77,587)	(19,192)	-
	(305)	(82,942)	(19,535)	(236)
Net financial assets	201	8,590	147,594	1,052

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (i) Foreign currency risk (cont'd)

31 March 2018					
Group	RMB \$'000	JPY \$'000	AUD \$'000	USD \$'000	
<b>Financial assets</b>					
Cash and cash equivalents	897	6,616	136	133	
Related party receivables (current)	-	4,057	2,507	9,220	
Trade and other receivables (current)	-	1,363	-	150	
Related party receivables (non-current)	-	62,388	111,666	-	
	897	74,424	114,309	9,503	
<b>Financial liabilities</b>					
Related party payables (current)	-	(4,057)	-	(9,220)	
Trade and other payables (current)	(589)	(217)	(288)	(155)	
Related party payables (non-current)	-	(62,388)	(20,266)	-	
	(589)	(66,662)	(20,554)	(9,375)	
Net financial assets	308	7,762	93,755	128	
1 April 2017					
Group	RMB \$'000	JPY \$'000	AUD \$'000	USD \$'000	HKD \$'000
<b>Financial assets</b>					
Cash and cash equivalents	2,507	5,905	500	56	7
Related party receivables (current)	-	4,176	2,647	9,797	-
Trade and other receivables (current)	-	1,233	-	118	-
Related party receivables (non-current)	-	105,263	117,638	-	-
	2,507	116,577	120,785	9,971	7
<b>Financial liabilities</b>					
Related party payables (current)	-	(4,176)	-	(9,797)	-
Trade and other payables (current)	(584)	(283)	(265)	-	-
Related party payables (non-current)	-	(105,263)	(21,350)	-	-
	(584)	(109,722)	(21,615)	(9,797)	-
Net financial assets	1,923	6,855	99,170	174	7

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (i) Foreign currency risk (cont'd)

If SGD changes against AUD, JPY and KRW by 5%, 3% and 2% (2018: AUD, JPY and RMB by 5%, 1% and 2%) respectively with all other variables being held constant, the effects from the net financial asset position will be as follows:

Group	Profit before tax	
	2019 \$'000	2018 \$'000
SGD against AUD		
– strengthened	(7,380)	(4,688)
– weakened	7,380	4,688
SGD against JPY		
– strengthened	(258)	(78)
– weakened	258	78
SGD against KRW		
– strengthened	(4)	–
– weakened	4	–
SGD against RMB		
– strengthened	–	(6)
– weakened	–	6

In addition, the Group's foreign operations expose it to foreign currency risk in relation to its net investment. 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 denominated in currencies that are different from the underlying assets, the Group entered into currency swaps to convert a portion of the borrowings 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, JPY and KRW cash flows receivable from the subsidiary companies of A-HBT are effected through forward sale of the AUD, JPY and KRW and purchase of SGD.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (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, USD, JPY, 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 50 basis points (2018: 60 basis points) with all other variables including tax rate being held constant, the Group's profit after tax will be lower/higher by \$404,000 (2018: \$499,000) as a result of higher/lower interest expense on these borrowings.

### (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.

Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

The Group considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event of a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payment which are past due or there is significant difficulty of the counterparty.

To minimize credit risk, credit review and approval processes, as well as monitoring mechanisms are applied.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) Credit risk (cont'd)

The group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or another financial reorganization.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

For all trade receivables, the Group provides for lifetime expected credit losses and is estimated based on historical credit loss experience based on past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Summarised below is the information about the credit risk exposure on the Group trade receivables, grouped by geographical region:

31 March 2019 Group	Australia \$'000	Japan \$'000	Korea \$'000	Total \$'000
<b>Gross carrying amount</b>				
Current	4,258	2,920	1,136	8,314
Past due 0 to 30 days	55	-	-	55
Past due 31 to 60 days	2	-	-	2
Past due more than 60 days	19	-	-	19
	4,334	2,920	1,136	8,390
<b>Loss allowance provision</b>				
Current	(4)	-	-	(4)
Past due 0 to 30 days	-	-	-	-
Past due 31 to 60 days	-	-	-	-
Past due more than 60 days	-	-	-	-
	(4)	-	-	(4)

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) Credit risk (cont'd)

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 are placed with banks which are regulated. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group. The Group's trade receivables that are neither past due nor impaired include amounts of \$8,310,000 (2018: \$7,683,000).

#### (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 Group has trade receivables amounting to \$76,000 (2018: \$655,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Past due 0 to									
30 days	55	640	696	-	-	-	55	640	696
Past due 31 to									
60 days	2	15	31	-	-	-	2	15	31
Past due more									
than 60 days	19	-	168	-	-	-	19	-	168
	76	655	895	-	-	-	76	655	895



# NOTES TO THE FINANCIAL STATEMENTS

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## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) Credit risk (cont'd)

#### (ii) Financial assets that are past due and/or impaired

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		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Allowance for expected credit losses</b>									
Balance at beginning of financial year	-	(11)	(23)	-	-	-	-	(11)	(23)
Allowance made	(4)	(67)	(4)	-	-	-	(4)	(67)	(4)
Allowance written off	-	75	-	-	-	-	-	75	-
Allowance written back	-	-	16	-	-	-	-	-	16
Translation differences	-	3	-	-	-	-	-	3	-
Balance at end of financial year	(4)	-	(11)	-	-	-	(4)	-	(11)

The Group establishes an allowance for expected credit losses that represents its estimate of expected credit 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) Credit risk (cont'd)

#### (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		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
By country:									
Australia	4,330	4,626	5,062	-	-	-	4,330	4,626	5,062
China	-	-	425	-	-	-	-	-	425
Korea	1,136	-	-	-	-	-	1,136	-	-
Japan	2,920	3,712	4,079	1,051	1,353	1,811	1,869	2,359	2,268
	<u>8,386</u>	<u>8,338</u>	<u>9,566</u>	<u>1,051</u>	<u>1,353</u>	<u>1,811</u>	<u>7,335</u>	<u>6,985</u>	<u>7,755</u>
By segment:									
Master leases	4,056	3,712	4,079	1,051	1,353	1,811	3,005	2,359	2,268
Hotels under management	4,330	4,626	5,487	-	-	-	4,330	4,626	5,487
	<u>8,386</u>	<u>8,338</u>	<u>9,566</u>	<u>1,051</u>	<u>1,353</u>	<u>1,811</u>	<u>7,335</u>	<u>6,985</u>	<u>7,755</u>

### (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 monitor and observe the bank covenants imposed by the banks on the various borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 29. FINANCIAL RISK MANAGEMENT (CONT'D)

### (c) Liquidity risk (cont'd)

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
<b>A-HTRUST</b>			
<b>As at 31 March 2019</b>			
Net-settled interest rate swaps	1,189	456	-
Gross-settled currency forwards			
– Receipts	(37,559)	(5,428)	-
– Payments	36,781	5,349	-
Gross-settled currency swaps			
– Receipts	(4,926)	(202,866)	-
– Payments	1,668	200,014	-
Trade and other payables (current and non-current)	27,015	378	-
Borrowings (including interest)	20,799	681,868	-
Rental and deposits (non-current)	-	6,666	12,912
	44,967	686,437	12,912
<b>As at 31 March 2018</b>			
Net-settled interest rate swaps	851	(126)	-
Gross-settled currency forwards			
– Receipts	(143,297)	(6,206)	-
– Payments	143,012	6,199	-
Gross-settled currency swaps			
– Receipts	(6,196)	(208,657)	-
– Payments	3,161	209,603	-
Trade and other payables (current and non-current)	26,326	529	-
Borrowings (including interest)	169,423	401,603	-
Rental and deposits (non-current)	-	-	13,957
	193,280	402,945	13,957
<b>As at 1 April 2017</b>			
Net-settled interest rate swaps	1,419	671	-
Gross-settled currency forwards			
– Receipts	(35,751)	(6,898)	-
– Payments	35,764	6,582	-
Gross-settled currency swaps			
– Receipts	(5,205)	(121,436)	(70,125)
– Payments	3,060	113,426	69,369
Trade and other payables (current and non-current)	28,931	466	-
Borrowings (including interest)	80,498	537,381	72,383
Rental and deposits (non-current)	-	-	13,746
	108,716	530,192	85,373

# NOTES TO THE FINANCIAL STATEMENTS

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## 29. 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
<b>A-HREIT Group</b>			
<b>As at 31 March 2019</b>			
Net-settled interest rate swaps	81	328	-
Gross-settled currency forwards			
– Receipts	(9,700)	(1,570)	-
– Payments	9,591	1,538	-
Gross-settled currency swaps			
– Receipts	(846)	(50,319)	-
– Payments	314	50,745	-
Trade and other payables (current and non-current)	7,981	-	-
Borrowings (including interest)	8,227	287,153	-
Rental and deposits (non-current)	-	6,666	2,042
	15,648	294,541	2,042
<b>As at 31 March 2018</b>			
Gross-settled currency forwards			
– Receipts	(7,363)	(1,765)	-
– Payments	7,232	1,815	-
Gross-settled currency swaps			
– Receipts	(1,448)	(51,944)	-
– Payments	529	52,773	-
Trade and other payables (current and non-current)	7,587	-	-
Borrowings (including interest)	6,162	154,172	-
Rental and deposits (non-current)	-	-	6,472
	12,699	155,051	6,472
<b>As at 1 April 2017</b>			
Net-settled interest rate swaps	131	31	-
Gross-settled currency forwards			
– Receipts	(8,713)	(2,171)	-
– Payments	8,849	2,040	-
Gross-settled currency swaps			
– Receipts	(1,056)	(34,135)	-
– Payments	360	32,726	-
Trade and other payables (current and non-current)	6,794	-	-
Borrowings (including interest)	67,458	100,068	284
Rental and deposits (non-current)	-	-	6,283
	73,823	98,559	6,567

# NOTES TO THE FINANCIAL STATEMENTS

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## 29. 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
<b>A-HBT Group</b>			
<b>As at 31 March 2019</b>			
Net-settled interest rate swaps	1,108	128	-
Gross-settled currency forwards			
– Receipts	(27,859)	(3,858)	-
– Payments	27,190	3,811	-
Gross-settled currency swaps			
– Receipts	(4,080)	(152,547)	-
– Payments	1,354	149,269	-
Trade and other payables (current and non-current)	23,419	378	-
Borrowings (including interest)	12,572	394,715	-
Rental and deposits (non-current)	-	-	10,870
	33,704	391,896	10,870
<b>As at 31 March 2018</b>			
Net-settled interest rate swaps	851	(126)	-
Gross-settled currency forwards			
– Receipts	(135,934)	(4,441)	-
– Payments	135,780	4,384	-
Gross-settled currency swaps			
– Receipts	(4,748)	(156,713)	-
– Payments	2,632	156,830	-
Trade and other payables (current and non-current)	23,673	529	-
Borrowings (including interest)	163,261	247,431	-
Rental and deposits (non-current)	-	-	7,485
	185,515	247,894	7,485
<b>As at 1 April 2017</b>			
Net-settled interest rate swaps	1,288	640	-
Gross-settled currency forwards			
– Receipts	(27,038)	(4,727)	-
– Payments	26,915	4,542	-
Gross-settled currency swaps			
– Receipts	(4,149)	(87,301)	(70,125)
– Payments	2,700	80,700	69,369
Trade and other payables (current and non-current)	26,793	466	-
Borrowings (including interest)	13,040	437,313	72,099
Rental and deposits (non-current)	-	-	7,463
	39,549	431,633	78,806

A-HTRUST, A-HREIT Group and 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

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## 29. 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 stapled securities 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%, which is in line with the revised guideline for aggregate leverage set out in Appendix 6: Investment Property Funds under the CIS (effective from 1 January 2016).

The gearing ratio is calculated as total borrowings divided by total assets.

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total borrowings	643,574	535,166	286,052	152,993	357,522	382,173
Total assets	1,938,365	1,739,271	818,457	634,887	1,127,144	1,112,375
Gearing ratio	33%	31%	35%	24%	32%	34%

A-HTRUST, A-HREIT Group and 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 years ended 31 March 2019 and 2018.

## 30. SEGMENT REPORTING

The Boards of the Managers decide on strategic resource allocation and assess 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. This forms the basis of identifying the geographical segments of the Group.

There are four reportable geographical segments, as described below:

- Australia – the six hotels in Sydney, Melbourne and Brisbane that are being operated under management contracts
- China – the two hotels in Beijing that are being operated under management contracts, and classified as discontinued operations (Note 12). The sale transaction was completed on 18 May 2018.
- Japan – the investment properties in Tokyo and Osaka that are being leased and operated as hotels
- Korea – the investment properties in Seoul that are being leased and operated as hotels
- Singapore – the investment property that is being leased and operated as a hotel



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 30. 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

31 March 2019 Group	Australia \$'000	Japan \$'000	Korea \$'000	Singapore \$'000	Total for continuing operations \$'000	Discontinued operations \$'000
Segment revenue	141,868	30,516	4,755	13,317	190,456	3,317
Segment net property income	40,472	27,080	4,379	13,284	85,215	1,502
Depreciation					(23,672)	–
Net change in fair value of derivative financial instruments					267	–
Net change in fair value of investment properties					65,717	–
Finance costs					(11,624)	–
Finance income					800	14
Foreign exchange (loss)/gain, net					(7,166)	128
Gain on disposal of China Group					–	148,756
Others					(10,906)	–
<b>Profit before tax</b>					<b>98,631</b>	<b>150,400</b>
Income tax expense					(14,584)	(262)
<b>Profit after tax</b>					<b>84,047</b>	<b>150,138</b>
Non-current assets <sup>1</sup>	612,225	694,527	193,154	325,000	1,824,906	–
<b>Segment assets</b>	<b>644,137</b>	<b>732,100</b>	<b>203,295</b>	<b>358,833</b>	<b>1,938,365</b>	–
<b>Segment liabilities</b>	<b>224,000</b>	<b>241,153</b>	<b>43,415</b>	<b>274,142</b>	<b>782,710</b>	–

<sup>1</sup> Non-current assets information presented above consist of investment properties and property, plant and equipment as presented in the consolidated balance sheet.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 30. SEGMENT REPORTING (CONT'D)

### (a) Segmental information by geographical segment (cont'd)

31 March 2018 Restated Group	Australia \$'000	Japan \$'000	Singapore \$'000	Total for continuing operations \$'000	Discontinued operations \$'000
Segment revenue	155,736	34,030	13,493	203,259	21,471
Segment net property income	48,946	24,833	13,446	87,225	8,491
Depreciation and amortisation				(23,933)	(4,014)
Net change in fair value of derivative financial instruments				571	-
Net change in fair value of investment properties				21,957	-
Finance costs				(15,338)	-
Finance income				630	289
Foreign exchange (loss)/gain, net				(8,677)	222
Others				(7,218)	(10)
<b>Profit before tax</b>				55,217	4,978
Income tax expense				(9,807)	(954)
<b>Profit after tax</b>				45,410	4,024
Non-current assets <sup>1</sup>	671,514	529,258	314,000	1,514,772	-
<b>Segment assets</b>	712,767	557,131	348,947	1,618,845	120,426
<b>Segment liabilities</b>	272,500	161,631	255,846	689,977	9,887

<sup>1</sup> Non-current assets information presented above consist of investment properties and property, plant and equipment as presented in the consolidated balance sheet.

1 April 2017 Group	Australia \$'000	China \$'000	Japan \$'000	Singapore \$'000	Total for continuing operations \$'000
Non-current assets <sup>1</sup>	683,200	93,858	512,129	312,000	1,601,187
<b>Segment assets</b>	732,775	116,737	537,718	338,678	1,725,908
<b>Segment liabilities</b>	283,845	10,447	57,032	341,355	692,679

<sup>1</sup> Non-current assets information presented above consist of investment properties, prepaid land lease and property, plant and equipment as presented in the consolidated balance sheet.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 30. SEGMENT REPORTING (CONT'D)

### (b) Segmental information by business segment

31 March 2019 Group	Master leases \$'000	Hotels under management \$'000	Total for continuing operations \$'000	Discontinued operations \$'000
Segment revenue	48,588	141,868	190,456	3,317
Segment net property income	44,743	40,472	85,215	1,502
Depreciation			(23,672)	-
Net change in fair value of derivative financial instruments			267	-
Net change in fair value of investment properties			65,717	-
Finance costs			(11,624)	-
Finance income			800	14
Foreign exchange (loss)/gain, net			(7,166)	128
Gain on disposal of China Group			-	148,756
Others			(10,906)	-
<b>Profit before tax</b>			98,631	150,400
Income tax expense			(14,584)	(262)
<b>Profit after tax</b>			<b>84,047</b>	<b>150,138</b>
Additions to non-current assets <sup>1</sup>	322,729	17,119	339,848	-
<b>Segment assets</b>	1,267,639	670,726	1,938,365	-
<b>Segment liabilities</b>	412,100	370,610	782,710	-

<sup>1</sup> Additions to non-current assets consist of additions to investment properties and property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 30. SEGMENT REPORTING (CONT'D)

### (b) Segmental information by business segment (cont'd)

31 March 2018 Restated Group	Master leases \$'000	Hotels under management \$'000	Elimination \$'000	Total for continuing operations \$'000	Discontinued operations \$'000
Segment revenue	43,695	176,274	(16,710)	203,259	21,471
Segment net property income	38,260	48,965	-	87,225	8,491
Depreciation and amortisation				(23,933)	(4,014)
Net change in fair value of derivative financial instruments				571	-
Net change in fair value of investment properties				21,957	-
Finance costs				(15,338)	-
Finance income				630	289
Foreign exchange (loss)/gain, net				(8,677)	222
Others				(7,218)	(10)
<b>Profit before tax</b>				55,217	4,978
Income tax expense				(9,807)	(954)
<b>Profit after tax</b>				45,410	4,024
Additions to non-current assets <sup>1</sup>	780	12,377	-	13,157	630
<b>Segment assets</b>	877,054	746,656	(4,865)	1,618,845	120,426
<b>Segment liabilities</b>	203,611	491,231	(4,865)	689,977	9,887

<sup>1</sup> Additions to non-current assets consist of additions to investment properties and property, plant and equipment.

1 April 2017 Group	Master leases \$'000	Hotels under management \$'000	Elimination \$'000	Total for continuing operations \$'000
Additions to non-current assets <sup>1</sup>	1,127	10,354	-	11,481
<b>Segment assets</b>	862,975	867,521	(4,588)	1,725,908
<b>Segment liabilities</b>	206,330	490,937	(4,588)	692,679

<sup>1</sup> Additions to non-current assets consist of additions to investment properties, prepaid land lease and property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

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## 31. COMMITMENTS

### (a) Operating lease commitments

The investment properties and certain property, plant and equipment are under non-cancellable operating lease agreements. The future minimum lease payments receivable/payable under non-cancellable operating leases contracted for but not recognised as receivables/payables are as follows:

	A-HTRUST			A-HREIT Group			A-HBT Group		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivable									
- Within 1 year	53,507	39,554	37,089	34,003	27,877	25,242	33,747	26,316	24,237
- After 1 year but within 5 years	199,198	154,706	157,295	128,508	115,600	104,939	127,664	97,663	101,913
- After 5 years	294,135	175,479	48,508	214,450	150,017	39,174	207,877	171,852	29,983
	<u>546,840</u>	<u>369,739</u>	<u>242,892</u>	<u>376,961</u>	<u>293,494</u>	<u>169,355</u>	<u>369,288</u>	<u>295,831</u>	<u>156,133</u>
Payable									
- Within 1 year	-	-	-	-	-	-	14,243	14,639	12,390
- After 1 year but within 5 years	-	-	-	-	-	-	56,974	58,557	49,557
- After 5 years	-	-	-	-	-	-	128,192	146,390	20,649
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,409</u>	<u>219,586</u>	<u>82,596</u>

### (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		
	31 March	31 March	1 April	31 March	31 March	1 April	31 March	31 March	1 April
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital commitments									
- Amount approved and contracted for <sup>1</sup>	123,251	124,117	135,023	-	-	-	123,251	124,117	135,023
- Amount approved but not contracted for	5,305	760	801	-	-	-	5,305	760	801
	<u>128,556</u>	<u>124,877</u>	<u>135,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,556</u>	<u>124,877</u>	<u>135,824</u>

<sup>1</sup> Included in the amount of capital commitments approved and contracted for is the purchase consideration of A\$115.0 million for the acquisition of the serviced apartment component of Shama Luxe Melbourne Central, which is currently under construction. A deposit of A\$5.0 million has been paid in December 2015 and the remaining balance is expected to be paid in the second half of 2019 upon completion of the construction of the property.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 32. GUARANTEES

A-HREIT has provided corporate guarantees to banks for \$170.4 million (2018: \$100.1 million) TMK bonds (Note 21) taken by subsidiaries in Japan.

A-HBT has provided corporate guarantees to banks for \$213.9 million (2018: Nil) unsecured bank loans (Note 21) taken by subsidiaries in Australia and Korea.

## 33. DISTRIBUTIONS TO STAPLED SECURITYHOLDERS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Distribution declared and paid during the financial year:</u>						
<i>Paid on 16 June 2017:</i>						
Capital distribution of 0.69 cents per Stapled Security	-	7,772	-	7,772	-	-
Exempt distribution of 2.01 cents per Stapled Security	-	22,641	-	-	-	22,641
Taxable income distribution of 0.31 cents per Stapled Security	-	3,492	-	3,492	-	-
<i>Paid on 12 December 2017:</i>						
Capital distribution of 0.47 cents per Stapled Security	-	5,305	-	5,305	-	-
Exempt distribution of 1.86 cents per Stapled Security	-	20,994	-	-	-	20,994
Taxable income distribution of 0.40 cents per Stapled Security	-	4,515	-	4,515	-	-
<i>Paid on 19 June 2018:</i>						
Capital distribution of 0.62 cents per Stapled Security	7,016	-	7,016	-	-	-
Exempt distribution of 2.10 cents per Stapled Security	23,763	-	-	-	23,763	-
Taxable income distribution of 0.41 cents per Stapled Security	4,639	-	4,639	-	-	-
<i>Paid on 7 December 2018:</i>						
Capital distribution of 0.42 cents per Stapled Security	4,762	-	4,762	-	-	-
Exempt distribution of 1.92 cents per Stapled Security	21,769	-	-	-	21,769	-
Taxable income distribution of 0.47 cents per Stapled Security	5,329	-	5,329	-	-	-
<b>Total</b>	<b>67,278</b>	<b>64,719</b>	<b>21,746</b>	<b>21,084</b>	<b>45,532</b>	<b>43,635</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 33. DISTRIBUTIONS TO STAPLED SECURITYHOLDERS (CONT'D)

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Proposed but not recognised as liability as at end of the financial year:</u>						
<i>Paid on 19 June 2018:</i>						
Capital distribution of 0.62 cents per Stapled Security	-	7,016	-	7,016	-	-
Exempt distribution of 2.10 cents per Stapled Security	-	23,763	-	-	-	23,763
Taxable income distribution of 0.41 cents per Stapled Security	-	4,639	-	4,639	-	-
<i>Payable on 18 June 2019:</i>						
Capital distribution of 0.76 cents per Stapled Security	8,639	-	8,639	-	-	-
Exempt distribution of 2.14 cents per Stapled Security	24,326	-	-	-	24,326	-
Taxable income distribution of 0.32 cents per Stapled Security	3,638	-	3,638	-	-	-
Total	36,603	35,418	12,277	11,655	24,326	23,763

## 34. FINANCIAL RATIOS

	A-HREIT Group 2019	A-HREIT Group 2018
Expenses to weighted average net assets <sup>1</sup>		
- including performance component of REIT Manager's management fees	0.01	0.01
- excluding performance component of REIT Manager's management fees	0.01	0.01
Total operating expenses <sup>2</sup> to net asset value <sup>2</sup>	0.01	0.02
Taxation (\$'000) <sup>2</sup>	8,213	4,706
Turnover ratio <sup>3</sup>	-	-

<sup>1</sup> The annualised ratio is computed in accordance with the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The 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, interest expense, distribution paid out to the Stapled Securityholders, foreign exchange gains/losses and taxes incurred.

<sup>2</sup> Total operating expenses of A-HREIT Group include property expenses, all fees and charges paid to the Manager and interested parties for the financial year. The total operating expenses to net asset value ratio is based on total operating expenses as a percentage of net asset value as at the end of the financial year. Taxation refers to taxes incurred by A-HREIT Group for the financial year.

<sup>3</sup> The annualised ratio is calculated in accordance with the formula stated in the Code on Collective Investment Scheme. The calculation is based on the lesser of purchases or sales of underlying investment properties of the A-HREIT Group expressed as a percentage of weighted average net asset value.

# NOTES TO THE **FINANCIAL STATEMENTS**

31 MARCH 2019

## **35. AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue in accordance with resolutions of the Boards of Directors of the Managers on 29 May 2019.

# STATISTICS OF STAPLED SECURITYHOLDINGS

AS AT 21 MAY 2019

## DISTRIBUTION OF STAPLED SECURITYHOLDINGS

Number of Stapled Securities issued: 1,136,746,931

Voting Rights: One (1) vote per Stapled Security

## DISTRIBUTION OF STAPLED SECURITYHOLDINGS

Size of Stapled Securityholdings	No. of Stapled Securityholders	%	No. of Stapled Securities	%
1 – 99	28	0.22	1,337	0.00
100 – 1,000	1,799	13.97	1,730,087	0.15
1,001 – 10,000	6,327	49.15	33,745,858	2.97
10,001 – 1,000,000	4,689	36.43	209,789,964	18.46
1,000,001 AND ABOVE	30	0.23	891,479,685	78.42
<b>TOTAL</b>	<b>12,873</b>	<b>100.00</b>	<b>1,136,746,931</b>	<b>100.00</b>

## TWENTY LARGEST STAPLED SECURITYHOLDERS

No.	Name	No. of Stapled Securities	%
1	ASCENDAS LAND INTERNATIONAL PTE LTD	318,783,878	28.04
2	DBS NOMINEES (PRIVATE) LIMITED	180,542,150	15.88
3	CITIBANK NOMINEES SINGAPORE PTE LTD	106,924,212	9.41
4	RAFFLES NOMINEES (PTE.) LIMITED	92,874,901	8.17
5	AHDF PTE LTD	46,160,000	4.06
6	HSBC (SINGAPORE) NOMINEES PTE LTD	25,629,120	2.25
7	DBSN SERVICES PTE. LTD.	19,230,309	1.69
8	NTUC FAIRPRICE CO-OPERATIVE LTD	14,395,000	1.27
9	PHILLIP SECURITIES PTE LTD	13,275,460	1.17
10	HENG SIEW ENG	6,563,200	0.58
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,482,690	0.57
12	DB NOMINEES (SINGAPORE) PTE LTD	5,513,200	0.48
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	5,043,413	0.44
14	NOMURA SINGAPORE LIMITED	5,016,600	0.44
15	YIM CHEE CHONG	4,420,700	0.39
16	OCBC SECURITIES PRIVATE LIMITED	4,370,300	0.38
17	SNG KAY BOON TERENCE	4,080,800	0.36
18	UOB KAY HIAN PRIVATE LIMITED	4,039,000	0.36
19	ABN AMRO CLEARING BANK N.V.	3,926,900	0.35
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,855,222	0.34
	<b>TOTAL</b>	<b>871,127,055</b>	<b>76.63</b>

# STATISTICS OF STAPLED SECURITYHOLDINGS

AS AT 21 MAY 2019

## STATISTICS OF SUBSTANTIAL STAPLED SECURITYHOLDINGS

Name of Substantial Stapled Securityholders	Direct Interest		Indirect Interest		Total No. of Stapled Securities	
	No. of Stapled Securities	%	No. of Stapled Securities	%		%
Temasek Holdings (Private) Limited <sup>1</sup>	-	-	333,348,378	29.32	333,348,378	29.32
Tembusu Capital Pte. Ltd. <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
Bartley Investments Pte. Ltd. <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
Mawson Peak Holdings Pte. Ltd. <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
Glenville Investments Pte. Ltd. <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
TJ Holdings (III) Pte. Ltd. <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
Ascendas-Singbridge Pte. Ltd. <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
JTC Corporation <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
Ascendas Pte Ltd <sup>1</sup>	-	-	318,783,878	28.04	318,783,878	28.04
Ascendas Land International Pte Ltd	318,783,878	28.04	-	-	318,783,878	28.04
Tang Gordon @ Tang Yigang @ Tang Gordon	86,998,900	7.65	-	-	86,998,900	7.65

<sup>1</sup> Temasek Holdings (Private) Limited ("Temasek"), Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Mawson Peak Holdings Pte. Ltd., Glenville Investments Pte. Ltd., TJ Holdings (III) Pte. Ltd., Ascendas-Singbridge Pte. Ltd., JTC Corporation and Ascendas Pte Ltd are deemed to have an interest in the Stapled Securities held by Ascendas Land International Pte Ltd. Temasek is also deemed to have an interest in the Stapled Securities in which other subsidiaries and associated companies of Temasek hold or have deemed interests.

## PUBLIC STAPLED SECURITYHOLDERS

Pursuant to Rule 1207(9) of the SGX-ST Listing Manual, based on the information available to the Managers as at 21 May 2019, approximately 62.8% of the total number of Stapled Securities is held by public. Therefore, Rule 723 of the SGX-ST Listing Manual has been complied with.

# GLOSSARY

<b>A-HBT</b>	Ascendas Hospitality Business Trust
<b>A-HREIT</b>	Ascendas Hospitality Real Estate Investment Trust
<b>A-HTRUST</b>	Ascendas Hospitality Trust
<b>ADR</b>	Average daily rate, which is the room revenue divided by the total number of rooms occupied
<b>AUD, A\$</b>	Australian Dollar
<b>Boards / Directors</b>	The directors of the REIT Manager and the directors of the Trustee-Manager
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CBD</b>	Central Business District
<b>Distributable Income</b>	The distributable income of A-HTRUST, A-HREIT or A-HBT, as the case may be, in relation to a distribution period
<b>DPS</b>	Distribution per Stapled Security
<b>FY</b>	The financial year ended or (as the case may be) ending 31 March
<b>F&amp;B</b>	Food and beverage
<b>Gearing</b>	Ratio of total debt over total assets
<b>Gross Revenue</b>	Comprises hotel room revenue, rental income, F&B revenue and other income
<b>JLL</b>	Jones Lang LaSalle Property Consultants Pte Ltd / Jones Lang LaSalle Hotels & Hospitality Group
<b>JPY</b>	Japanese Yen
<b>KRW</b>	Korean Won
<b>Managers / Management</b>	The REIT Manager and the Trustee-Manager
<b>MICE</b>	Meetings, incentives, conventions and exhibitions
<b>NPI</b>	Net Property Income: Gross Revenue less property expenses
<b>REIT Manager, AHFM</b>	Ascendas Hospitality Fund Management Pte. Ltd., as manager of A-HREIT
<b>REIT Trustee</b>	Perpetual (Asia) Limited, as trustee of A-HREIT
<b>RevPAR</b>	Revenue per available room
<b>RMB, Renminbi</b>	China Renminbi
<b>SGD, \$</b>	Singapore Dollar
<b>Stapled Securityholder</b>	The holder of a Stapled Security
<b>Stapled Securities</b>	Stapled securities 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
<b>Stapling Deed</b>	The stapling deed dated 13 March 2012 and subsequently amended and entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager
<b>Substantial Stapled Securityholders</b>	Any Stapled Securityholder with an interest of not less than 5.0% of all the Stapled Securities in issue
<b>Trustee-Manager, AHTM</b>	Ascendas Hospitality Trust Management Pte. Ltd., as Trustee-Manager of A-HBT
<b>y-o-y</b>	year-on-year

# NOTICE OF ANNUAL GENERAL MEETING



## ASCENDAS HOSPITALITY TRUST

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 Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Wednesday, 10 July 2019 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 Perpetual (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 A-HTRUST for the financial year ended 31 March 2019 and the Auditors’ Report thereon. **(Ordinary Resolution 1)**
  
2. To re-appoint Ernst & Young LLP as Independent Auditors of A-HTRUST, comprising A-HBT and A-HREIT, to hold office until the conclusion of the next AGM 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 resolution as an Ordinary Resolution:

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, 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 subparagraph (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);
- (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 AGM of A-HTRUST or (ii) the date by which the next AGM of A-HTRUST is required by law to be held, whichever is earlier;



# NOTICE OF ANNUAL GENERAL MEETING

- (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-HTRUST, A-HREIT and A-HBT to give effect to the authority conferred by this Resolution.

To consider and, if thought fit, to pass with or without any modifications, the following resolutions as Extraordinary Resolutions:

- 4. That **(Extraordinary Resolution 4)**
  - (a) in accordance with Section 31 of the Business Trusts Act, Chapter 31A of Singapore, approval be and is hereby given to amend the A-HBT Trust Deed to (i) facilitate the application of the multiple proxies regime to A-HBT; (ii) provide that voting at meetings of Stapled Securityholders will be carried out by way of poll pursuant to changes to the Listing Manual of the SGX-ST; (iii) reflect the change to the financial year end of A-HBT from 31 March to 31 December; and (iv) allow the management fee payable to the Trustee-Manager to be paid within 60 days (instead of 30 days) of the last day of every calendar quarter, in the manner set out in Annex A of the appendix to the Notice of Annual General Meeting (the “**Appendix**”) dated 17 June 2019 (the “**Proposed A-HBT Trust Deed Supplement**”); and
  - (b) the Trustee-Manager and any Director of the Trustee-Manager be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interests of A-HBT to give effect to the Proposed A-HBT Trust Deed Supplement.
- 5. That **(Extraordinary Resolution 5)**
  - (a) approval be and is hereby given to amend the A-HREIT Trust Deed to (i) facilitate the application of the multiple proxies regime to A-HREIT; (ii) provide that voting at meetings of Stapled Securityholders will be carried out by way of poll pursuant to changes to the Listing Manual of the SGX-ST; (iii) reflect the change to the financial year end of A-HREIT from 31 March to 31 December; and (iv) allow the management fee payable to the REIT Manager to be paid within 60 days (instead of 30 days) of the last day of every calendar quarter, in the manner set out in Annex B of the Appendix dated 17 June 2019 (the “**Proposed A-HREIT Trust Deed Supplement**”); and

# NOTICE OF ANNUAL GENERAL MEETING

- (b) the REIT Manager and any Director of the REIT Manager be and is 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 may consider expedient or necessary or in the interests of A-HREIT to give effect to the Proposed A-HREIT Trust Deed Supplement.

6. That

**(Extraordinary  
Resolution 6)**

- (a) approval be and is hereby given to amend the A-HREIT Trust Deed to include provisions regarding electronic communications of notices and documents to holders of A-HREIT Units in the manner set out in Annex C of the Appendix dated 17 June 2019 (the **"Proposed A-HREIT Trust Deed Communications Supplement"**);
- (b) approval be and is hereby given to amend the A-HBT Trust Deed to include provisions regarding electronic communications of notices and documents to holders of A-HBT Units in the manner set out in Annex C of the Appendix dated 17 June 2019 (the **"Proposed A-HBT Trust Deed Communications Supplement"**);
- (c) approval be and is hereby given to amend the Stapling Deed to include provisions regarding electronic communications of notices and documents to Stapled Securityholders in the manner set out in Annex C of the Appendix dated 17 June 2019 (the **"Proposed Stapling Deed Communications Supplement"**); and
- (d) 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 the Trustee-Manager may consider expedient or necessary or in the interests of A-HTRUST to give effect to the Proposed A-HREIT Trust Deed Communications Supplement, the Proposed A-HBT Trust Deed Communications Supplement and the Proposed Stapling Deed Communications Supplement.

(Please see Explanatory Notes)

*By Order of the Board*

**Mary Judith de Souza**  
Company Secretary

**Mary Judith de Souza**  
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

17 June 2019

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTICE:

1. A Stapled Securityholder of A-HTRUST entitled to attend and vote at the AGM is entitled to appoint not more than two (2) 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 (2) proxies, the appointment 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.
3. The proxy form must be lodged at the Stapled Security 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 set for holding the AGM.

## 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 this AGM until the date of the next AGM 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 Stapled Securityholders.

The Ordinary Resolution 3 above, if passed, will also empower the REIT Manager and the Trustee-Manager from the date of this AGM until the date of the next AGM 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 total number of 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, the A-HREIT Trust Deed and the A-HBT 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.

# NOTICE OF ANNUAL GENERAL MEETING

## Extraordinary Resolution 4

The Extraordinary Resolution 4 above, if passed, will approve the Proposed A-HBT Trust Deed Supplement. The Proposed A-HBT Trust Deed Supplement is intended to:

- (a) provide for the appointment of more than two proxies by Stapled Securityholders who are Relevant Intermediaries<sup>1</sup>, consistent with the multiple proxies regime under The Companies (Amendment) Act 2014;
- (b) update the A-HBT Trust Deed for consistency with the Listing Manual of the SGX-ST to provide that voting at meetings will be carried out by way of poll;
- (c) reflect the change to the financial year end of A-HBT from 31 March to 31 December; and
- (d) allow the management fee payable to the Trustee-Manager to be paid within 60 days (instead of 30 days) of the last day of every calendar quarter.

(See the Appendix dated 17 June 2019 in relation to the Proposed A-HBT Trust Deed Supplement for further details.)

## Extraordinary Resolution 5

The Extraordinary Resolution 5 above, if passed, will approve the Proposed A-HREIT Trust Deed Supplement. The Proposed A-HREIT Trust Deed Supplement is intended to:

- (a) provide for the appointment of more than two proxies by Stapled Securityholders who are Relevant Intermediaries<sup>2</sup>, consistent with the multiple proxies regime under The Companies (Amendment) Act 2014;
- (b) update the A-HREIT Trust Deed for consistency with the Listing Manual of the SGX-ST to provide that voting at meetings will be carried out by way of poll; and
- (c) reflect the change to the financial year end of A-HREIT from 31 March to 31 December; and
- (d) allow the management fee payable to the REIT Manager to be paid within 60 days (instead of 30 days) of the last day of every calendar quarter.

(See the Appendix dated 17 June 2019 in relation to the Proposed A-HREIT Trust Deed Supplement for further details.)

1 "Relevant Intermediary" in the context of the A-HBT Trust Deed shall have the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore (the "Companies Act") and apply with such modifications and qualifications as may be necessary, to the units of A-HBT (or the Stapled Securities).

Section 181(6) of the Companies Act defines "relevant intermediary" to mean:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board (the "CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund ("CPF"), if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2 "Relevant Intermediary" in the context of the A-HREIT Trust Deed shall have the meaning ascribed to it in the Companies Act and apply with such modifications and qualifications as may be necessary, to the units of A-HREIT (or the Stapled Securities).

Section 181(6) of the Companies Act defines "relevant intermediary" to mean:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
- (c) the CPF Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.



# NOTICE OF ANNUAL GENERAL MEETING

## Extraordinary Resolution 6

Pursuant to the Companies (Amendments) Act 2014, companies are allowed to send notices and documents electronically to their shareholders with the express consent, deemed consent (the “**Deemed Consent Regime**”), or implied consent (the “**Implied Consent Regime**”) of the shareholders if the constitution of the company provides for it and the specified modes of electronic communications are set out in the constitution of the company (the “**Companies Act Electronic Communications Amendments**”). The SGX-ST has amended the listing rules of the SGX-ST (the “**Listing Rules**”) to align the Listing Rules with the Companies Act Electronic Communications Amendments, with issuers allowed to transmit certain types of notices and documents to shareholders (or stapled securityholders, in the case of a listed stapled group such as A-HTRUST) electronically with the express, deemed or implied consent of shareholders.

Although A-HTRUST is not bound by the Companies Act, it is nonetheless bound by the Listing Rules as a stapled group listed on the SGX-ST. Accordingly, the REIT Manager and the Trustee-Manager propose to amend the A-HREIT Trust Deed, the A-HBT Trust Deed and the Stapling Deed to adopt certain provisions of the Listing Rules to implement the Implied Consent Regime and the Deemed Consent Regime and to allow for such electronic transmission of notices and documents in relation to A-HTRUST.

(See the Appendix dated 17 June 2019 in relation to the Proposed A-HREIT Trust Deed Communications Supplement, the Proposed A-HBT Trust Deed Communications Supplement and the Proposed Stapling Deed Communications Supplement for further details.)

## PERSONAL DATA PRIVACY:

By either (1) attending the AGM or (2) submitting an instrument to appoint 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**



Total number of Stapled Securities held

1. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

2. **PLEASE READ THE NOTES TO THE PROXY FORM**

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 17 June 2019.

**ASCENDAS HOSPITALITY TRUST**

<p><b>ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST</b> (a real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore) managed by <b>Ascendas Hospitality Fund Management Pte. Ltd.</b></p>	<p><b>ASCENDAS HOSPITALITY BUSINESS TRUST</b> (a business trust constituted on 13 March 2012 under the laws of the Republic of Singapore) managed by <b>Ascendas Hospitality Trust Management Pte. Ltd.</b></p>
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I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration No.)  
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, at the Annual General Meeting of A-HTRUST to be held on 10 July 2019, Wednesday at 2.30 p.m. at Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 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.

	Resolution	No. of Votes For *	No. of Votes Against *
1.	To receive and adopt the Report of the Trustee-Manager, the Statement by the Chief Executive Officer of the Trustee-Manager, the Report of the REIT Trustee, the Report of the REIT Manager; and the Audited Financial Statements of A-HBT, A-HREIT and A-HTRUST for the financial year ended 31 March 2019 and the Auditors' Report thereon (Ordinary Resolution)		
2.	To re-appoint Ernst & Young LLP as Independent Auditors of A-HTRUST, comprising A-HBT and A-HREIT, to hold office until the conclusion of the next Annual General Meeting of A-HTRUST and to authorise the Trustee-Manager and the REIT Manager to fix their remuneration (Ordinary Resolution)		
3.	To authorise the Trustee-Manager and the REIT Manager to issue Stapled Securities and to make or grant convertible instruments (Ordinary Resolution)		
4.	To approve the Proposed A-HBT Trust Deed Supplement (Extraordinary Resolution)		
5.	To approve the Proposed A-HREIT Trust Deed Supplement (Extraordinary Resolution)		
6.	To approve the Proposed A-HREIT Trust Deed Communications Supplement, Proposed A-HBT Trust Deed Communications Supplement and Proposed Stapling Deed Communications Supplement (Extraordinary Resolution)		

\* 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 \_\_\_\_\_ 2019.

\_\_\_\_\_  
Signature(s) of Stapled Securityholder(s)/Common Seal





**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: **Stapled Security Registrar**  
**Boardroom Corporate & Advisory Services Pte. Ltd.**  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623



Glue all sides firmly. Stapling and spot sealing are disallowed.

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Notes:

1. Please insert at the top 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 Securityholder 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 Stapled Security 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.
10. Agent banks acting on the request of CPF/SRS Investors who wish to attend the meeting as observers are required to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and numbers of Stapled Securities held. The list, signed by an authorised signatory of the agent bank, should reach the Stapled Security Registrar's office not less than 48 hours before the time appointed for holding the meeting.

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# CORPORATE INFORMATION

## MANAGER OF A-HREIT

### **Ascendas Hospitality Fund Management Pte. Ltd.**

(Co. Reg. No. 201133966D)

Registered Address:

1 Fusionopolis Place

#10-10 Galaxis

Singapore 138522

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:

1 Fusionopolis Place

#10-10 Galaxis

Singapore 138522

Tel : (65) 6774 1033

Fax : (65) 6778 0985

## DIRECTORS OF THE MANAGERS

Mr Miguel Ko, Chairman and Non-Executive Director

Mr Chia Kim Huat, Lead Independent Director

Mr Manohar Khiatani, Non-Executive Director

Mr Tan Juay Hiang, Chief Executive Officer

Mr Robert Hecker, Independent Director

Mr Michael Issenberg, Non-Executive Director

Ms Deborah Lee Siew Yin, Independent Director

Mr Patrick Lee Fook Yau, Independent Director

Mr Willy Shee Ping Yah, Independent Director

## AUDIT AND RISK COMMITTEE

Ms Deborah Lee Siew Yin (Chairman)

Mr Chia Kim Huat

Mr Robert Hecker

Mr Patrick Lee Fook Yau

## INVESTMENT COMMITTEE

Mr Miguel Ko (Chairman)

Mr Manohar Khiatani

Mr Michael Issenberg

Mr Robert Hecker

Mr Willy Shee Ping Yah

## NOMINATING AND REMUNERATION COMMITTEE

Mr Willy Shee Ping Yah (Chairman)

Mr Chia Kim Huat

Mr Manohar Khiatani

Ms Deborah Lee Siew Yin

Mr Patrick Lee Fook Yau

## TRUSTEE OF A-HREIT

### **Perpetual (Asia) Limited**

8 Marina Boulevard #05-02

Marina Bay Financial Centre

Singapore 018981

## AUDITORS

### **Ernst & Young LLP**

Public Accountants and Certified Public Accountants

One Raffles Quay

North Tower, Level 18

Singapore 048583

Audit Partner-in-charge:

Mr Lee Wei Hock

Appointed with effect from the financial period ended 31 March 2018

## STAPLED SECURITY REGISTRAR AND STAPLED SECURITY 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 Hon Wei Seng





**ASCENDAS HOSPITALITY TRUST**

1 Fusionopolis Place #10-10  
Galaxis, Singapore 138522

[www.a-htrust.com](http://www.a-htrust.com)

**ASCENDAS HOSPITALITY TRUST ANNUAL REPORT 2018/2019**