PRESS RELEASE
For Immediate Release

A-HTRUST's net property income grows by 13.6% y-o-y in 1QFY2019 driven by positive contributions from new acquisitions

- *Hotels acquired in previous financial year contributed positively and made up for loss of income from the sale of hotels in China.*
- *Excluding the one-off distribution made in the same quarter last year, DPS in 1QFY2019 would increase by 6.7% y-o-y. Taking into account the one-off distribution, DPS was lower by 5.2% y-o-y.*

Overview of financial results

S$' million	1Q FY2019[1]	1Q FY2018/19	Change (%)[2]
Gross Revenue[3]	46.5	44.9	3.5
Net Property Income[3]	21.3	18.7	13.6
Income available for distribution	15.6	16.4	(5.1)
- Operations	*15.6*	*14.6*	*6.4*
- Proceeds from Divestment	-	*1.8*	-
Income available for distribution (less income retained for working capital)[4]	14.6	15.3	(4.8)
DPS (cents)[4]	1.28	1.35	(5.2)

1. *The current financial year end will be a nine-month period from 1 April 2019 to 31 December 2019 following the change of financial year end to 31 December.*
2. *Save for DPS, percentage changes are based on figures rounded to nearest thousands.*
3. *Gross revenue and net property income (NPI) for the corresponding period last year excluded contribution from the China portfolio, which was divested on 18 May 2018. Including contribution from the China portfolio, gross revenue and NPI for 1Q FY2018/19 were S$48.2 million and S$20.2 million, respectively.*
4. *Retention of distributable income for 1Q FY2019 and 1Q FY2018/19 was 6.7% and 7.0% respectively.*

1 August 2019, Singapore – Ascendas Hospitality Trust posted 13.6% year-on-year ("y-o-y") increase in net property income ("NPI") for the first quarter ended 30 June 2019 ("1QFY2019"), largely due to full-quarter contribution from the five hotels acquired in the previous financial year. NPI from Australia portfolio increased y-o-y in Australian Dollar ("AUD") term but was impacted by weaker AUD against Singapore Dollar ("SGD").

Distributable income and distribution per stapled security ("DPS") for 1Q FY2019 were lower y-o-y by 4.8% and 5.2%, respectively. This was mainly due to the absence of partial distribution of proceeds from the divestment of Novotel Beijing Sanyuan and ibis Beijing Sanyuan ("Proceeds from Divestment") of S$1.8 million made in the corresponding quarter last year. Excluding the Proceeds from Divestment, the DPS for 1QFY2018/19 would be 1.20 cents, and the DPS for 1QFY2019 would have increased by 6.7% y-o-y.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “We are pleased that the five hotels acquired in the previous financial year have contributed positively to the portfolio. The NPI contribution from these hotels have made up for both the loss of income from the sale of the two hotels in Beijing as well as lower contribution from Australia portfolio, which was impacted by a weaker AUD against SGD. On a full-year basis, the NPI contribution from the five hotels are expected to exceed the FY2017/18 full-year NPI contribution from the Beijing hotels.

Although market conditions remained challenging in Australia, we are heartened to see improved performances by Pullman Sydney Hyde Park and Pullman and Mercure Brisbane King George Square. We remain positive on the longer term prospects of the Australia market in general. We also continue to invest in the properties to keep the accommodation products competitive, as we ride out the challenging period. In this regard, the Mercure rooms in Melbourne has been refreshed while the refurbishment of rooms in Novotel Sydney Parramatta is expected to complete in the last quarter of 2019.

Excluding the one-off partial distribution of proceeds from the sale, DPS would have improved by 6.7% y-o-y from 1.20 cents in 1QFY2018/19 to 1.28 cents in 1Q FY2019. We believe that the rebalancing of the portfolio through the acquisitions has improved the quality of the portfolio and also strengthened its resilience through added income stability.”

Portfolio performance

<u>Portfolio of hotels under management agreements</u>

	1Q FY2019	1Q FY2018/19	Change
Australia			
Avg Occupancy Rate (%)	80.7	81.8	(1.1)pp
Avg Daily Rate (“ADR”) (AUD)	165	166	(0.6)%
Revenue per Available Room (“RevPAR”) (AUD)	133	136	(2.2)%

The performance of Pullman Sydney Hyde Park improved y-o-y due to stronger conference and events (“C&E”) business during the quarter, although the market conditions in Sydney remained generally challenging. While Pullman and Mercure Melbourne Albert Park (“Melbourne Hotel”) was also impacted by soft market conditions, the hotel posted an increase in NPI due to a one-time refund of land tax surcharge. A number of rooms in Novotel Sydney Parramatta and the Melbourne Hotel were also closed for refurbishment during the quarter. The hotel in Brisbane performed better y-o-y, driven by improvement in both occupancy rate and ADR. There were also positive contributions from C&E business and its food and beverages offering including the newly renovated restaurant.

<u>Portfolio of hotels under master leases</u>

The performance of the Japan portfolio was lifted by full-quarter contribution from the three WBF-branded hotels in 1QFY2019, resulting in NPI growth of approximately 22% y-o-y in JPY term. During the quarter, Hotel Sunroute Osaka Namba was rebranded as Sotetsu Grand Fresa Osaka-Namba, with no change to the terms of master lease, as the operator seeks to market the hotel as a premium product.

NPI from the South Korea portfolio also improved y-o-y due to full-quarter contribution from both hotels in Seoul in 1QFY2019 compared to a one-month contribution from The Splaisir Seoul Dongdaemun in 1QFY2018/19.

The performance of Park Hotel Clarke Quay was relatively stable compared to the corresponding quarter last year. Weaker transient and corporate demand experienced during the quarter was mitigated by the master lease arrangement for the hotel.

Capital management

Overall gearing ratio remained prudent at 34.1% as at 30 June 2019. A high proportion of the borrowings (82.5%) were on fixed rates, with a weighted average debt maturity of 3.5 years. There is no significant refinancing requirement until April 2020.

Outlook

Demand for hotel accommodation in Sydney is expected to remain robust in the near term although increase in supply may place downward pressure on room rates. Looking ahead, the Melbourne hotel market conditions are expected to remain soft over the medium term as new supply of hotel rooms enters the market. Comparatively limited upcoming supply of rooms over the near term can help to lift the performance of the hotel market in Brisbane, which is further supported by the new runway in Brisbane Airport, scheduled to open in 2020.

The hotel sector in the cities of Tokyo and Osaka are expected to benefit from the Rugby World Cup 2019, which is expected to draw both international and domestic travellers. In addition, the hotel market in Tokyo will be supported by the 2020 Olympics while a new attraction in Universal Studios Japan, slated to open in 2020, provides further boost to the hotels in Osaka. However, the Osaka hotel market is facing more supply of rooms in the medium term.

Recovering demand from China and steady growth from other source markets have resulted in strong y-o-y growth of 16.9% in foreign arrivals into South Korea for the period year-to-date ("YTD") June 2019[1]. With moderate upcoming supply in Seoul, increase in inbound travellers is expected to continue driving the performance of the hotel market.

International arrivals into Singapore remained healthy with YTD May 2019 figures posting a 1.5% y-o-y growth to 7.8 million [2], and greater connectivity to Singapore via new air routes is expected to continue driving inbound arrivals. Amidst relatively modest supply, the growth in inbound travellers bodes well for the hotel sector in the near term but weaker corporate demand will pose headwinds for the sector.

Proposed Combination

On 3 July 2019, A-HTRUST and Ascott Residence Trust jointly announced a proposed combination, which will result in the combined entity becoming the largest hospitality trust in Asia Pacific and amongst the largest globally ("Combination"). The Combination will be effected by way of a trust scheme of arrangement. Indicatively, the scheme meeting to obtain A-HTRUST stapled securityholders' approval on the scheme is expected to be held in October 2019, and the Combination is expected to complete by December 2019.

Please refer to the joint announcement dated 3 July 2019 for further information on the Combination.

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

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[1] Source: Korea Tourism Organization.
[2] Source: Singapore Tourism Board.

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About Ascendas Hospitality Trust (www.a-htrust.com)

Ascendas Hospitality Trust (A-HTRUST) was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in July 2012 as a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (A-HREIT) and Ascendas Hospitality Business Trust (A-HBT). It was established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes, as well as real estate related assets in connection with the foregoing. A-HTRUST's well-diversified portfolio is valued at approximately S$1.8 billion as at 31 March 2019.

A-HTRUST's portfolio comprises 14 quality hotels, with more than 4,700 rooms, geographically diversified across key cities in Australia, Japan, South Korea and Singapore. The hotels are located in close proximity to central business districts, business precincts, suburban centres, transportation nodes and iconic tourist landmarks.

A-HTRUST is managed by Ascendas Hospitality Fund Management Pte. Ltd., the manager of A-HREIT, and Ascendas Hospitality Trust Management Pte. Ltd., the trustee-manager of A-HBT. The manager and trustee-manager are wholly owned subsidiaries of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S$103 billion[3] as at 31 March 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages eight listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust, CapitaLand Malaysia Mall Trust and Ascendas Hospitality Trust.

[3] CapitaLand's assets under management is over S$123 billion with the completion of its acquisition of Ascendas-Singbridge by end June 2019.

Important Notice

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

The value of securities in A-HTRUST ("Securities") and the income derived from them, if any, may fall as well as rise. Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its affiliates. An investment in Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Managers to redeem or purchase their Securities for so long as the Securities are listed on the SGX-ST. It is intended that stapled securityholders of A-HTRUST may only deal in their Securities through trading on the SGXST. Listing of the Securities on the SGX-ST does not guarantee a liquid market for the Securities. The past performance of A-HTRUST is not necessarily indicative of the future performance of A-HTRUST. Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.