

MORE THAN

A PLACE TO STAY

2Q FY2018/19 Financial Results Presentation

31 October 2018

Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Unaudited Financial Results for the Second Quarter ended 30 September 2018 ("2Q FY2018/19"), copies of which are available on www.sgx.com or www.a-htrust.com.

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

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

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

CONTENTS

1. Financial Review
2. Portfolio Performance
3. Capital Management
4. Looking Ahead



1

Financial Review



Results Summary – 2Q FY2018/19

S\$' million	2 nd Quarter		Change ¹
	FY2017/18	FY2018/19	
Gross Revenue ²	52.7	46.4	(11.9)%
Net Property Income ²	22.1	20.5	(7.5)%
NPI Margin (%)	42.0	44.1	2.1pp
Income available for distribution	17.2	17.8	3.6%
Adjusted Income available for distribution ³	16.1	16.6	3.0%
DPS (cents) ³	1.42	1.46	2.8%

- Mainly due to performance of Australia portfolio which faced challenging market conditions
- Partially offset by contribution from Seoul hotel
- Weaker AUD against SGD

- Mainly due to savings in finance costs and partial distribution of proceeds from divestment of China portfolio

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

2. Excluded contribution from the China portfolio, which was divested on 18 May 2018.

3. Net of retention of distributable income for working capital purposes. Retention of income was 7.0% and 6.4% of distributable income for 2Q FY2018/19 and 2Q FY2017/18, respectively.

Results Summary – 1H FY2018/19

S\$' million	1 st Half		Change ¹
	FY2017/18	FY2018/19	
Gross Revenue ²	100.7	91.3	(9.3)%
Net Property Income ²	42.1	39.2	(6.9)%
NPI Margin (%)	41.8	43.0	1.2pp
Income available for distribution	33.0	34.3	3.7%
Adjusted Income available for distribution ³	30.8	31.9	3.4%
DPS (cents) ³	2.73	2.81	2.9%

- Mainly due to performance of Australia portfolio
- Partially offset by contribution from Seoul hotel and improvement from Singapore hotel
- Weaker AUD and JPY against SGD

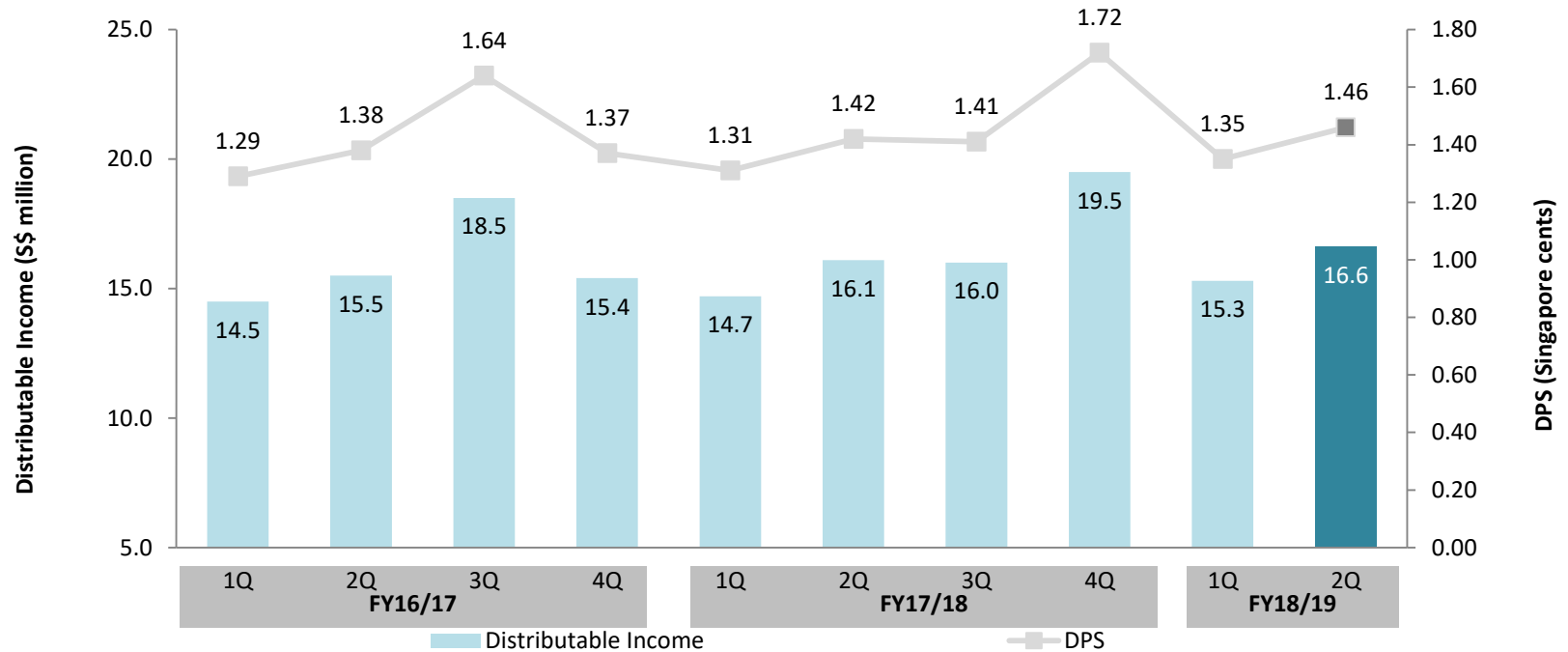
- Mainly due to partial distribution of proceeds from divestment of China portfolio and savings in finance costs

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

2. Excluded contribution from the China portfolio, which was divested on 18 May 2018.

3. Net of retention of distributable income for working capital purposes. Retention of income was 7.0% and 6.7% of distributable income for 1H FY2018/19 and 1H FY2017/18, respectively.

Distribution History



Distribution Details

Distribution for the period 1 April 2018 to 30 September 2018: **2.81** Singapore cents per stapled security

**31 October
2018**

Notice of Books Closure Date

**7 November
2018, 9.00 am**

Ex-Distribution Date

**9 November
2018, 5.00 pm**

Books Closure Date

**7 December
2018**

Date of Distribution

October 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 2018						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

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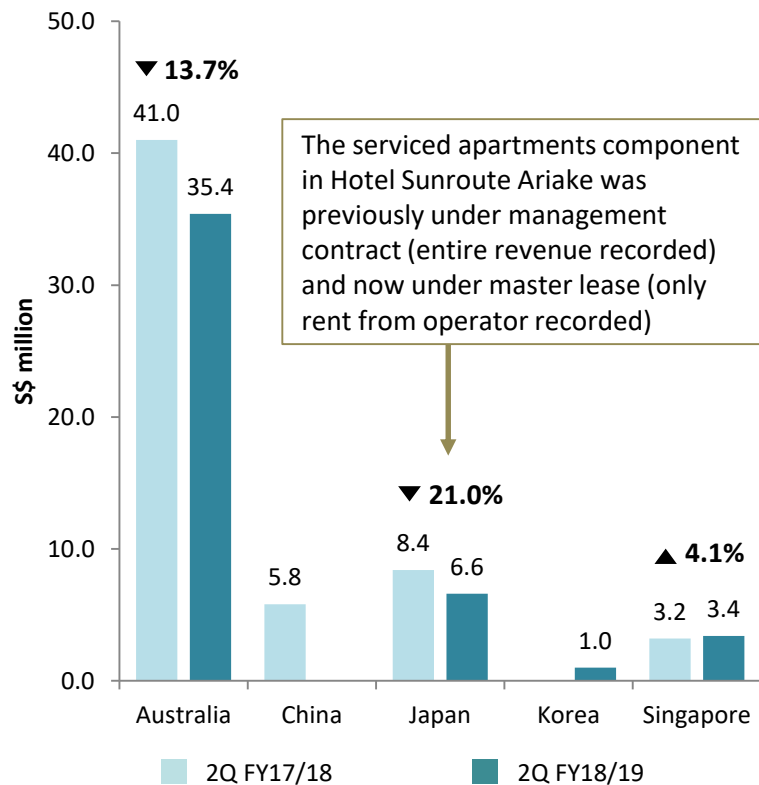
Portfolio Performance



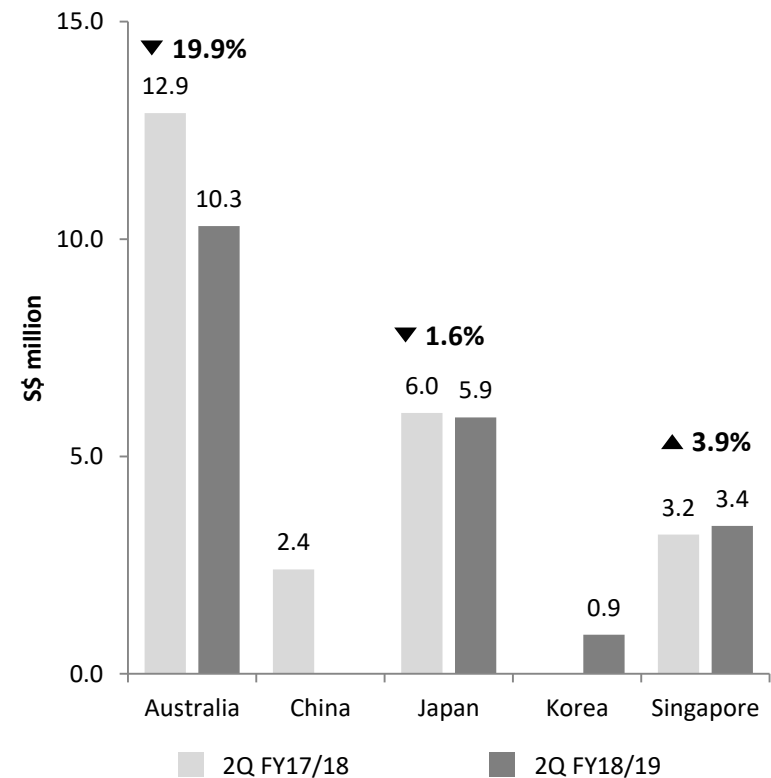
Performance by Country

- ✦ Hotel in Seoul contributed for a full quarter and Singapore hotel posted higher contribution although Australia portfolio was affected by challenging market conditions, and AUD also depreciated against SGD

Gross Revenue



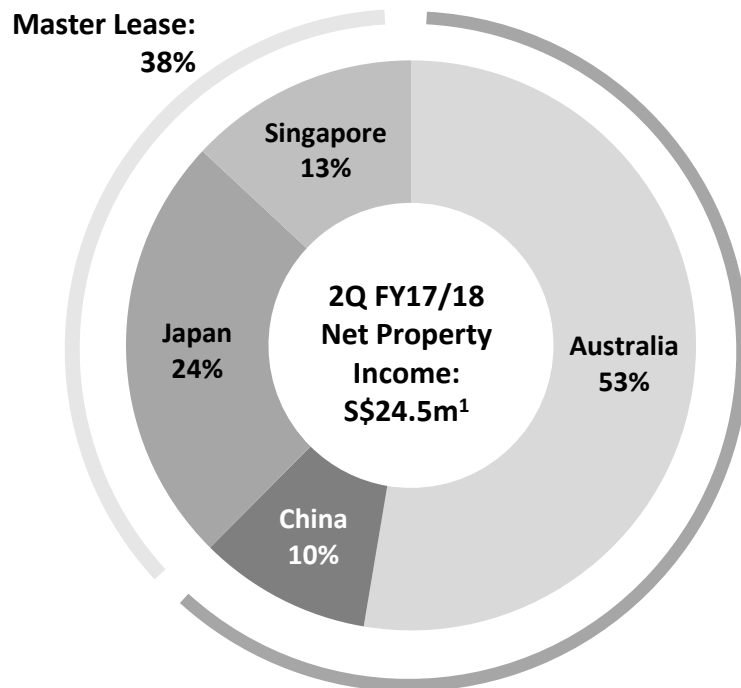
Net Property Income



Good mix of income from different rent structure

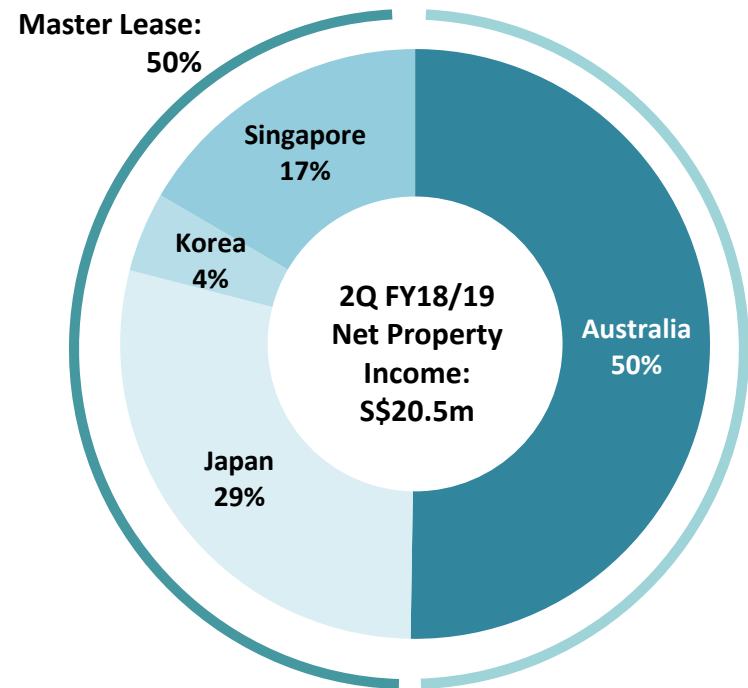
- ✦ Proportion of income derived from hotels under master lease increased with contribution from hotel in Seoul (under master lease) and the China portfolio (under management contract) divested

2Q FY17/18 Net Property Income



Management Contract:
62%

2Q FY18/19 Net Property Income

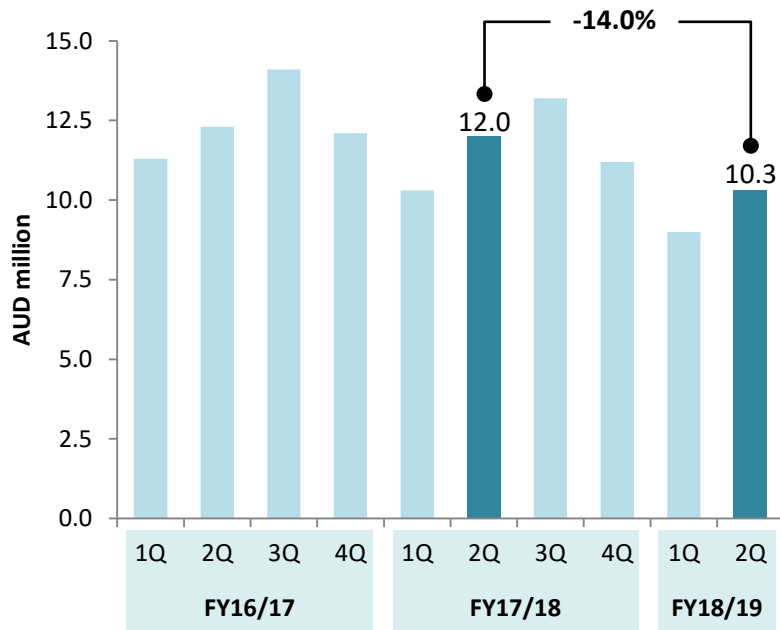


Management Contract:
50%

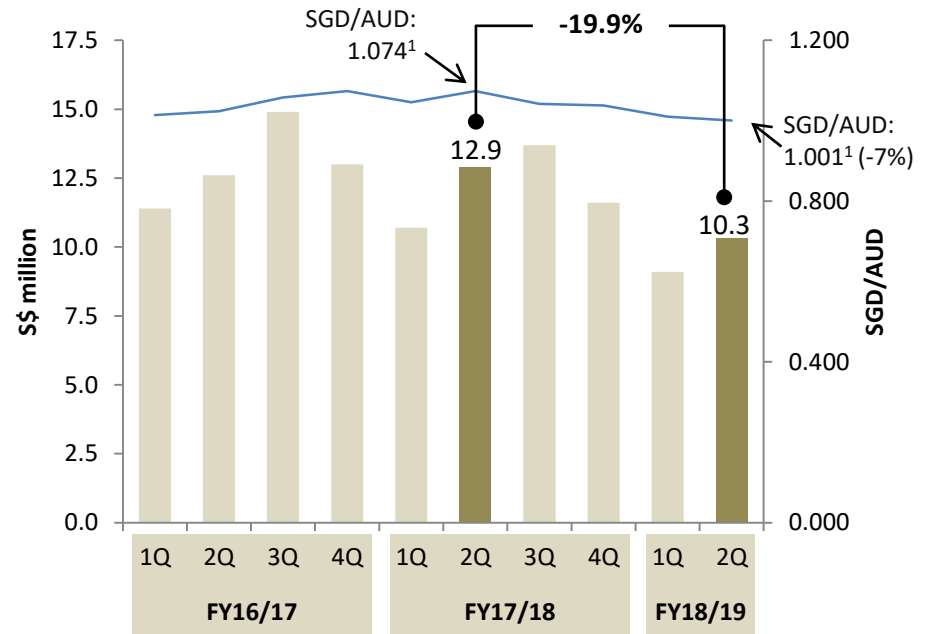
1. Included the contribution from the China portfolio, which was divested on 18 May 2018.

Australia portfolio affected by challenging market

Net Property Income in AUD



Net Property Income in S\$

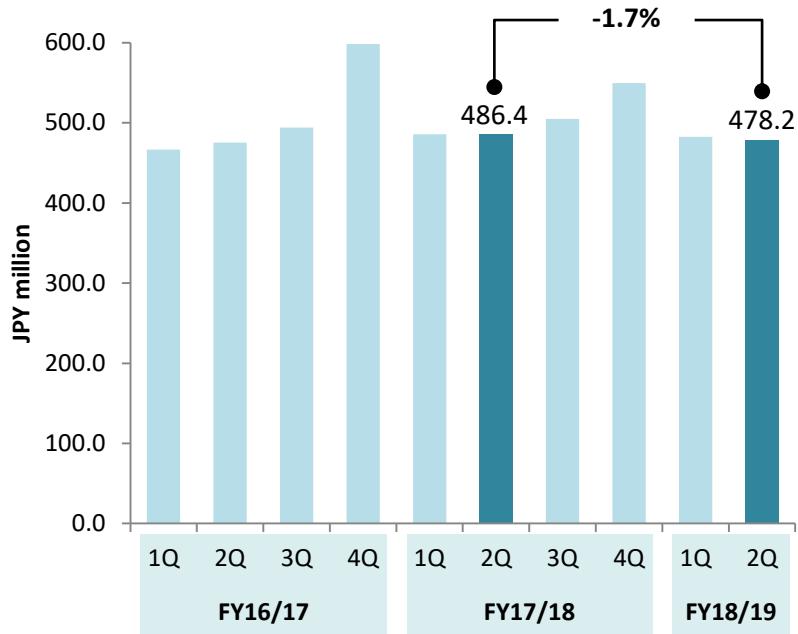


- Amidst new supply of rooms in Sydney, Pullman Sydney Hyde Park and Novotel Sydney Central managed to maintain a high average occupancy at close to 90% but were affected by lower room rates.
- The hotels in Melbourne and Brisbane also had healthy occupancy at around mid-80%, but lower room rates and loss of C&E business affected the performance of these hotels.
- Overall RevPAR for Australia portfolio in 2Q FY2018/19 declined by 4.7% y-o-y.

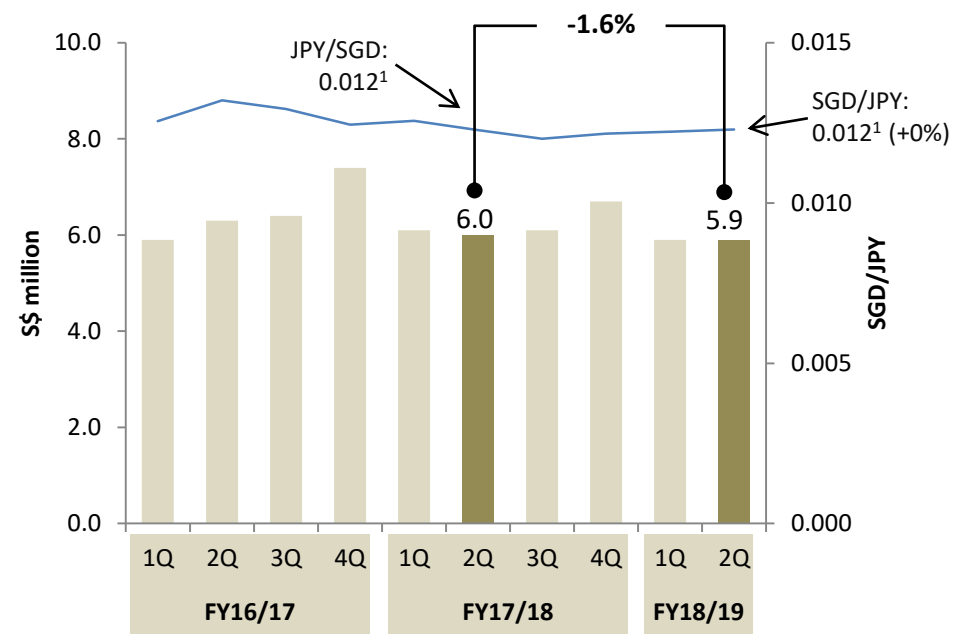
1. Based on average rate used for the respective quarter

Japan portfolio demonstrated resilience

Net Property Income in JPY



Net Property Income in S\$

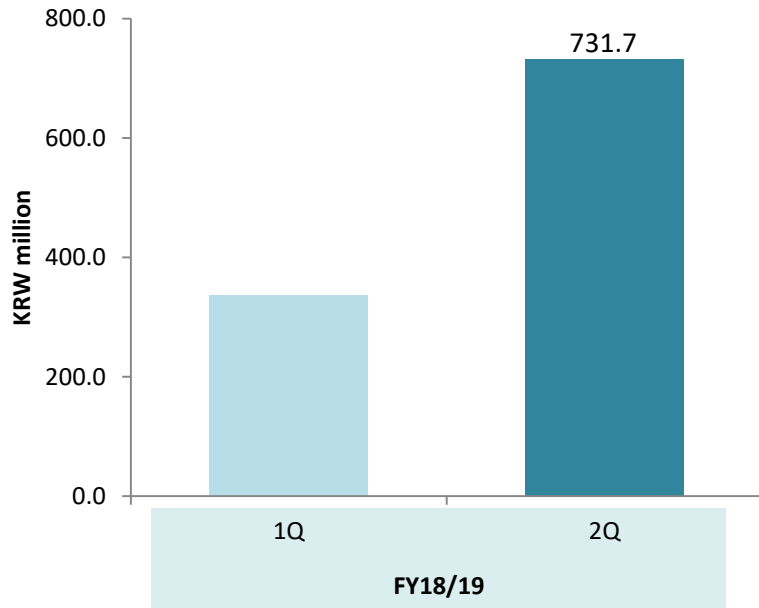


- RevPAR for Japan portfolio² was down by 5.0% y-o-y in 2Q FY2018/19 mainly due to the earthquake and strong typhoon which affected Osaka.
- Despite the occurrences of earthquake and typhoon, the Japan portfolio demonstrated resilience as NPI was only marginally lower by 1.6% y-o-y in SGD term.

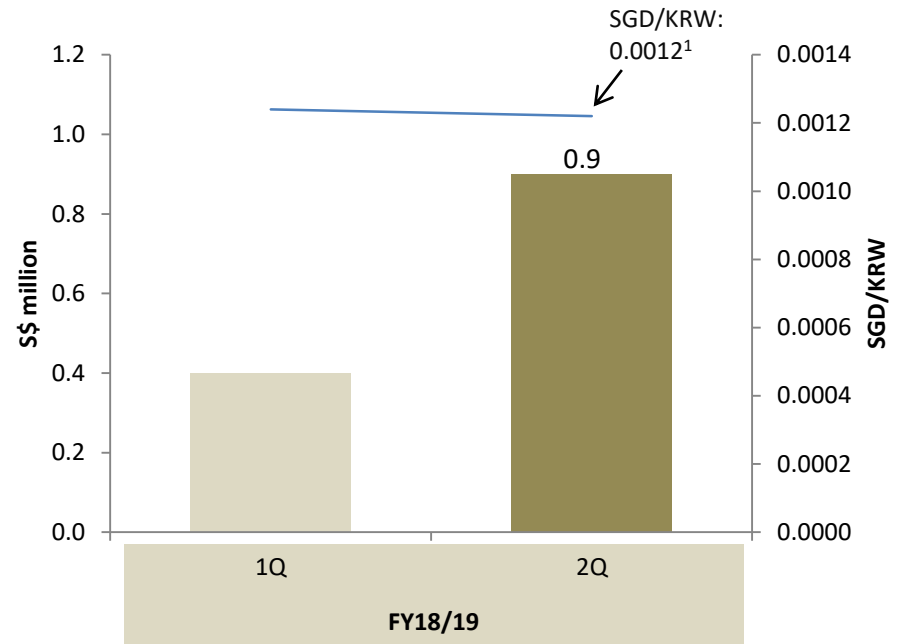
1. Based on average rate used for the respective quarter.
 2. Excluding Hotel WBF Kitasemba East and Hotel WBF Kitasemba West.

Korea hotel underlying performance improved

Net Property Income in KRW



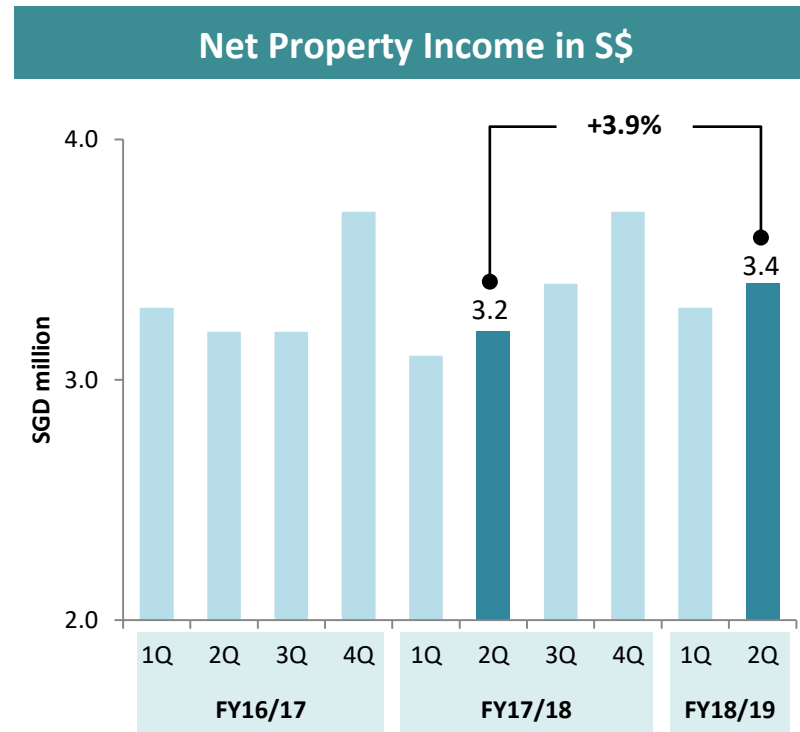
Net Property Income in S\$



- The Splaisir Seoul Dongdaemun contributed a full quarter of rent in 2Q FY2018/19 following the completion of its acquisition in May 2018.
- While the hotel has not started contributing variable rent, the underlying performance continued to improve with RevPAR growth of 8.9% y-o-y this quarter.

1. Based on average rate used for the respective quarter.

Higher income contribution from Singapore hotel



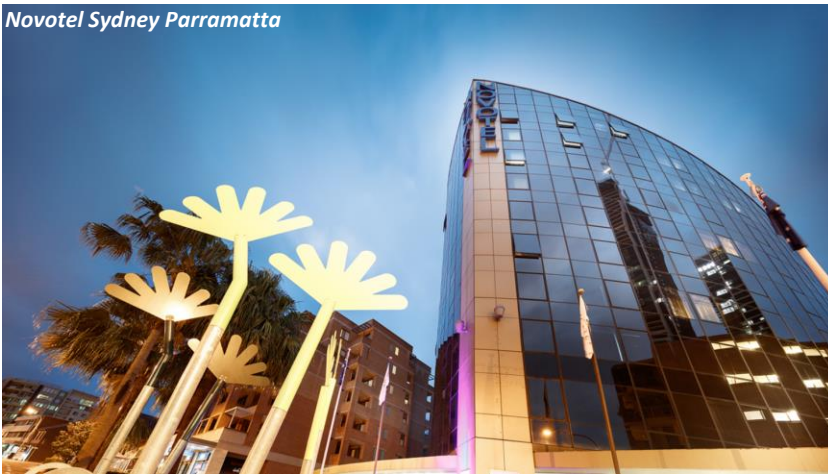
- The performance of Park Hotel Clarke Quay is consistent with the general recovery of the hotel market in Singapore, and benefitted from the higher yielding transient segment.
- RevPAR for the quarter improved by 2.5% y-o-y.

Improving assets to drive performance

- ✦ Ongoing refurbishment of the café at Pullman and Mercure Brisbane King George Square
- ✦ The interior of the café will be refreshed and it will also feature a more open concept to attract passers-by



Novotel Sydney Parramatta



- ✦ Proposed refurbishment of rooms in Novotel Sydney Parramatta to commence in early 2019
- ✦ To refresh the product offering and improve the competitiveness of the hotel

Effective capital recycling and growth through acquisitions

- ✦ Effective recycling of capital to further diversify the portfolio and improve income stability for A-HTRUST



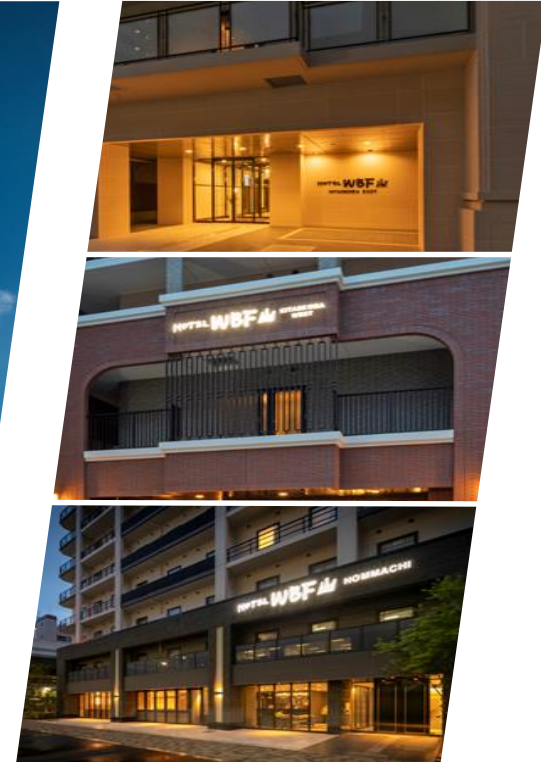
18 May 2018

Substantial value realised for A-HTRUST from the sale of Novotel Beijing Sanyuan & Ibis Beijing Sanyuan for double their latest valuation



21 May 2018

Maiden entry into Seoul, a growth market, through acquisition of The Splaisir Seoul Dongdaemun under master lease



28 Sep 2018

Further improve income stability to A-HTRUST through the acquisition of 3 WBF hotels under master leases in Osaka¹

1. The acquisitions of Hotel WBF Kitasemba East and Hotel WBF Kitasemba West were completed on 28 September 2018, while the acquisition of Hotel WBF Honmachi is expected to be completed by January 2019.

3

Capital Management



Healthy balance sheet

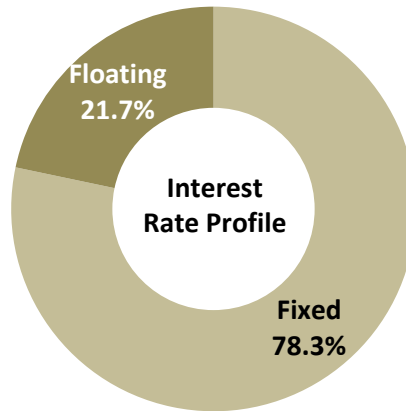
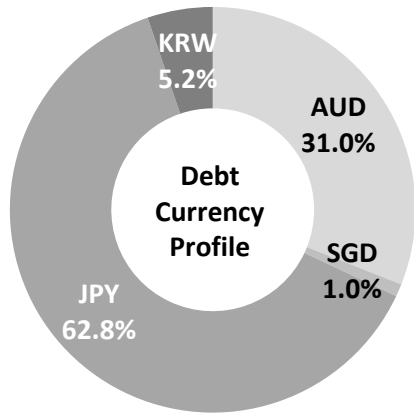
	As at 30 June 2018	As at 30 September 2018
Borrowings (S\$ m)	400.7	574.7
Total Assets (S\$ m)	1,694.5	1,864.3
A-HTRUST Gearing (%)¹	23.7	30.8
- A-HREIT Gearing (%)	26.1	34.5
- A-HBT Gearing (%)	22.0	28.3
A-HTRUST Interest Cover (times)²	5.3	5.5
- A-HREIT Interest Cover (times)	3.0	3.3
- A-HBT Interest Cover (times)	5.7	5.8
Weighted average interest rate (%)	2.4	1.9
Weighted average debt to maturity (years)	3.1	4.0
Net asset value per stapled security (S\$)	1.01	1.00

1. Computed based on total debt over total assets.

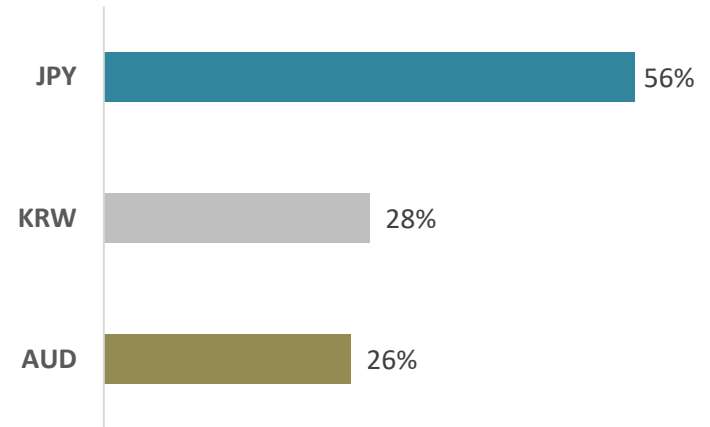
2. Computed based on earnings before interest, tax, depreciation and amortisation over interest expenses.

Balanced debt profile and prudent capital management

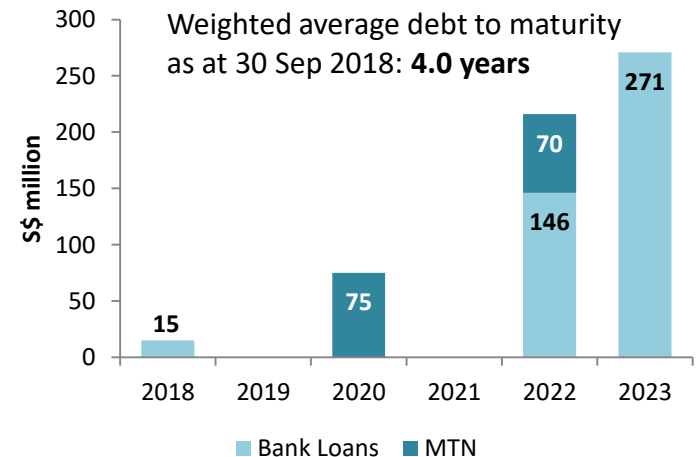
Debt Profile



Balance Sheet Hedging



Debt Maturity Profile



- During 2Q FY2018/19, secured AUD borrowings were refinanced entirely with new unsecured bank loans.
- As a result, none of the properties in the portfolio are encumbered as at 30 September 2018.
- No significant refinancing requirements until 2020.

4

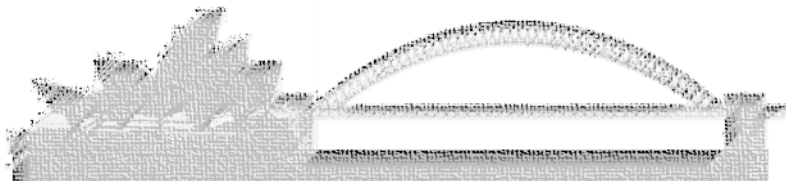
Looking Ahead



Australia



- The soft market conditions in Sydney are expected to persist in the near term and this will continue to exert pressure on the hotel market in the city.
- The hotel market in Melbourne is faced with large supply of new rooms over the next few years and the city also continues to experience strong competition from Sydney for C&E business.
- While supply of new hotel rooms in Brisbane is expected to moderate, the hotel market remains challenging in the near term due to the recent increase in room inventory.



Japan



- Over the past few months, Japan was affected by strong earthquakes and typhoons. As a result, travelling sentiments into the country have turned cautious.
- The hotel markets in Tokyo and Osaka are also faced with increasing supply of rooms although stricter regulations for “minpaku” (private lodging) may provide some respite.

South Korea



- South Korea continued to post strong recovery in inbound arrivals with a growth of 12.1% y-o-y for YTD September 2018¹ amidst improving ties with its neighbouring countries.
- Inbound from China, its top source market, posted its seventh consecutive month of y-o-y growth in August resulting in an improvement of 9.4% y-o-y for YTD September 2018¹.
- The country also saw healthy growth from its other key source markets as well as the South East Asia region. Majority of the inbound arrivals into South Korea are to Seoul and as inbound arrivals continue to improve, they will benefit the hotel market in the city.

1. Source: Korea Tourism Organization

Singapore



- Inbound arrivals to Singapore posted an increase of 7.5% y-o-y for YTD August 2018¹. The encouraging trend for inbound arrivals will improve the performance of the hotel market in Singapore as it continues to recover, with a market-wide RevPAR growth of 3.5% y-o-y for YTD August 2018¹.
- As supply of new hotel rooms tapers, the growth in inbound arrivals will continue to drive the recovery of the hotel market.



1. Source: Singapore Tourism Board



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