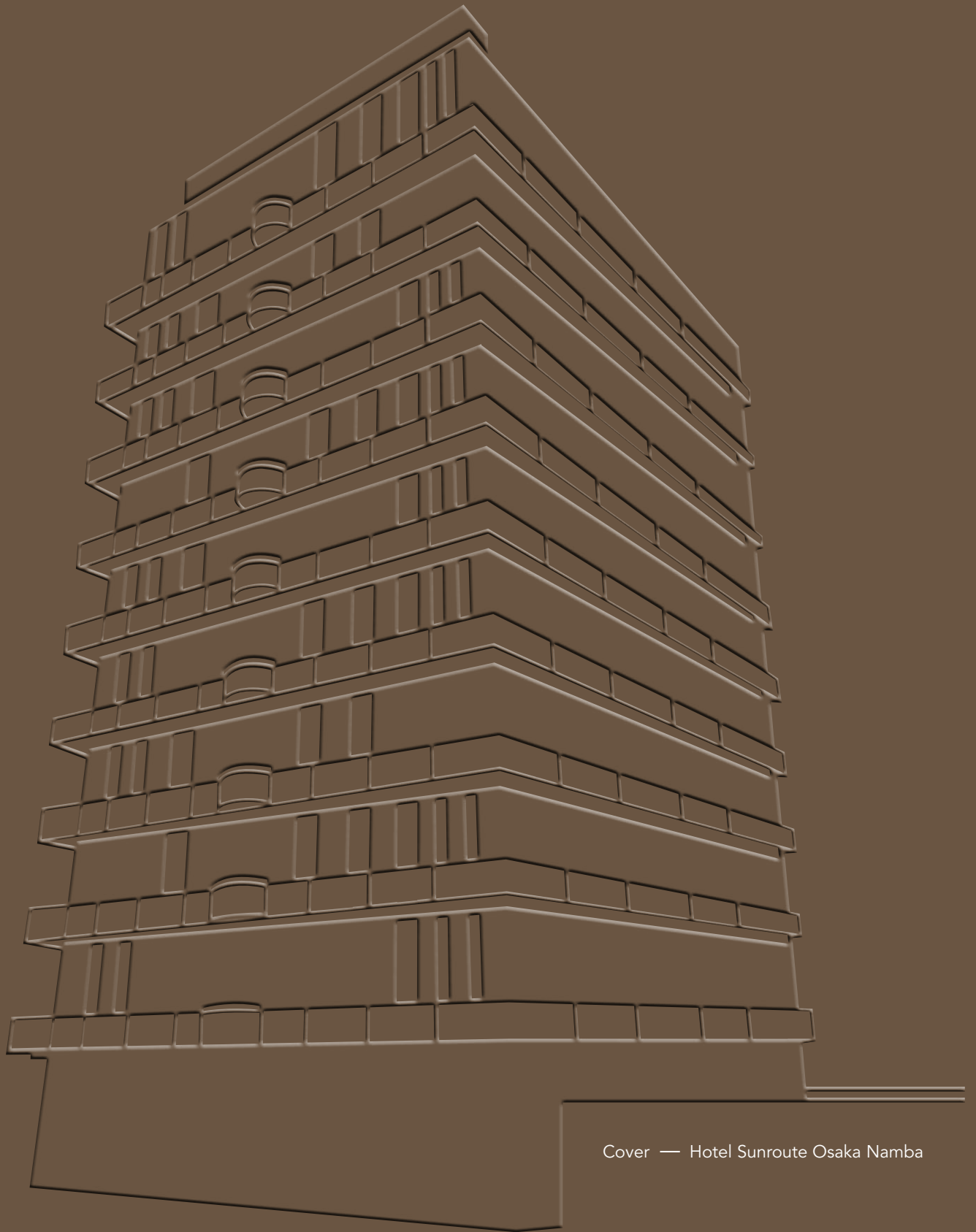




FOCUSED ON
THE FUTURE

Delivering Long Term Value



Cover — Hotel Sunroute Osaka Namba

HOTEL SUNROUTE

HOTEL SUNROUTE

HOTEL SUNROUTE



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Any discrepancies in the tables and charts between the listed figures and total thereof are due to rounding.



WE WILL CONTINUE TO STAY FOCUSED ON DELIVERING LONG TERM VALUE FOR STAPLED SECURITYHOLDERS THROUGH ACTIVE ASSET MANAGEMENT AND SEEKING VALUE ACCRETIVE ACQUISITIONS



PORTFOLIO
VALUATION

\$1,525
MILLION

ROOMS

4,351

HOTELS

11

CITIES

7

COUNTRIES

4



AUSTRALIA

Sydney

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

Melbourne

Pullman and Mercure Melbourne Albert Park
Serviced Apartments in Aurora Melbourne Central ¹

Brisbane

Pullman and Mercure Brisbane King George Square

CHINA

Beijing

Novotel Beijing Sanyuan
Ibis Beijing Sanyuan

JAPAN

Tokyo

Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo

Osaka

Hotel Sunroute Osaka Namba ²

SINGAPORE

Park Hotel Clarke Quay

¹ In December 2015, A-HTRUST entered into a forward purchase agreement to acquire the serviced apartments component of Aurora Melbourne Central, an iconic 92-storey mixed-use development scheduled to be completed by 2019.

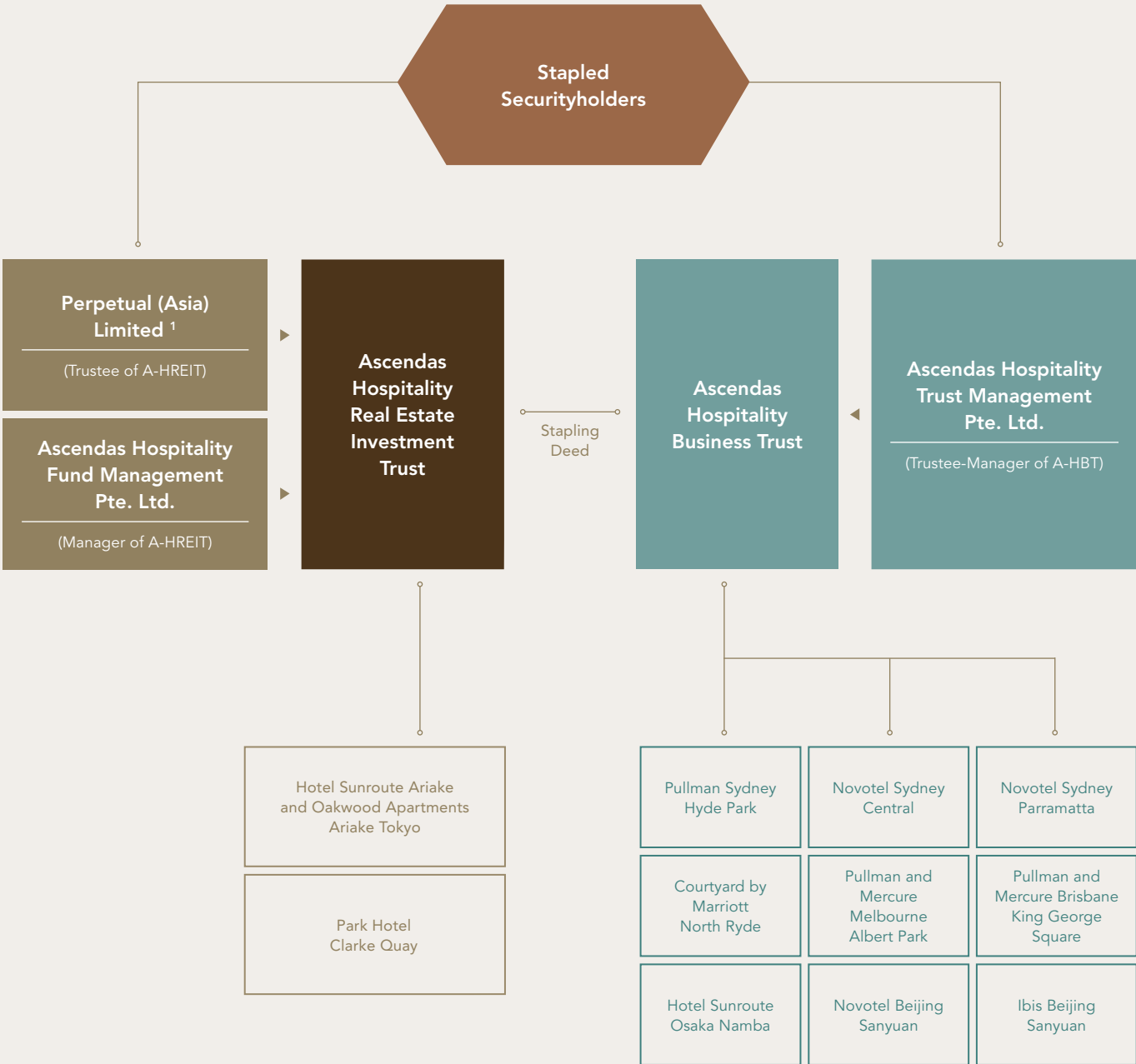
² Previously known as Osaka Namba Washington Hotel Plaza.

Ascendas Hospitality Trust (A-HTRUST) is one of the first listed hospitality trusts to focus primarily on the pan-Asia region. As at 31 March 2016, A-HTRUST owned 11 quality hotels with a portfolio valuation of \$1,524.7 million.

A-HTRUST's well-diversified portfolio is spread across seven key cities in the Asia Pacific region - Sydney, Melbourne, Brisbane, Beijing, Tokyo, Osaka and Singapore. Within these cities, the hotels are strategically located in close proximity to central business districts, business precincts, suburban centres, transportation nodes and iconic tourist landmarks. The hotels are operated under well-known brands and managed by established operators that have strong domain knowledge of the markets where the hotels are located. With a total of 4,351 rooms, these hotels cater to different segments from economy to upscale, as well as short-term to extended stay.

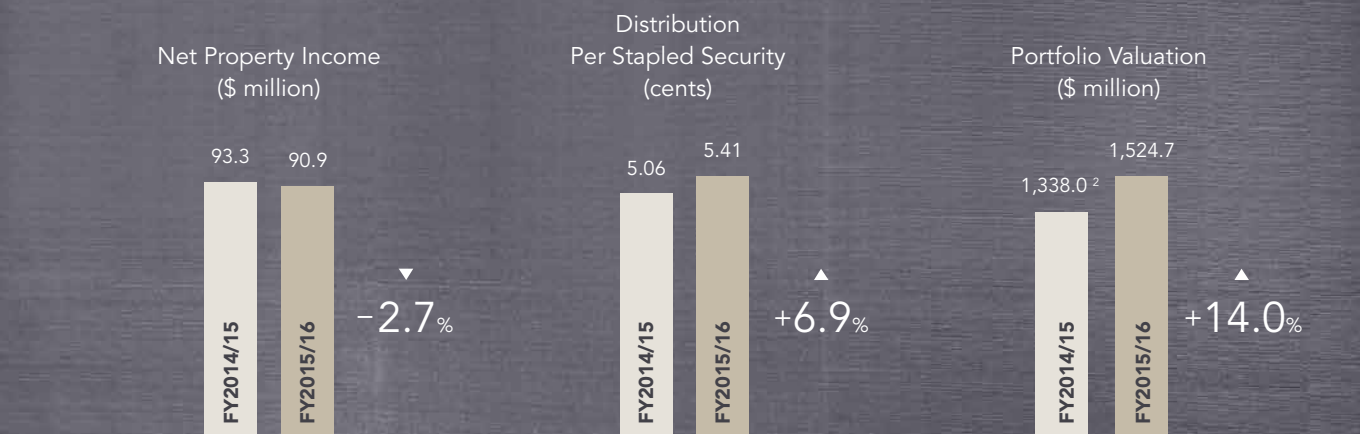
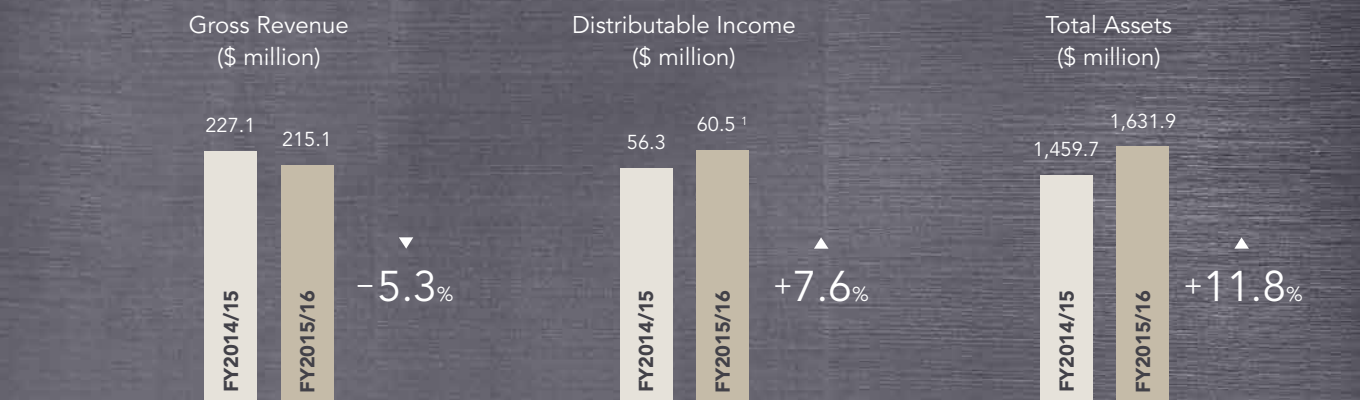
Listed on the Main Board of the Singapore Exchange Securities Trading Ltd on 27 July 2012, A-HTRUST is a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (A-HREIT) and Ascendas Hospitality Business Trust (A-HBT). A-HREIT is managed by Ascendas Hospitality Fund Management Pte. Ltd., and A-HBT is managed by Ascendas Hospitality Trust Management Pte. Ltd., both of which are wholly owned subsidiaries of the Ascendas-Singbridge Group.

TRUST STRUCTURE



¹ Previously known as The Trust Company (Asia) Limited.

FINANCIAL HIGHLIGHTS



¹ This was after retention of income. Without retention of income, distributable income for FY2015/16 was \$63.7 million, representing an increase of 13.2% over FY2014/15.

² This was excluding valuation of Pullman Cairns International which was divested in June 2015. Including the valuation of the Pullman Cairns International, portfolio valuation as at 31 March 2015 was \$1,373.4 million, and the increase in portfolio valuation as at 31 March 2016 would be 11.0%.



SIGNIFICANT EVENTS

7 APRIL 2015

Successfully issued the maiden series of 5-year stapled notes amounting to \$75.0 million, with an interest rate of 3.3% per annum. The issuance was well-received and was taken up by a good mix of institutional investors and private banks.



11 MAY 2015

Entered into a master lease agreement with Sunroute Co., Ltd. in relation to the hotel in Osaka. The new master lease agreement, effective from 1 January 2016, includes a new rent structure which allows A-HTRUST to earn rental at the higher of fixed or variable at a percentage of the hotel's gross operating revenue.

10 JUNE 2015

Merger between Ascendas Pte Ltd and Singbridge Pte Ltd to form the Ascendas-Singbridge Group was completed.

29 JUNE 2015

Completed the divestment Pullman Cairns International¹ at a price of A\$75.08 million, which represents a premium of 12.1% above its valuation as at 31 March 2015.

2 JULY 2015

The Third Annual General Meeting ("AGM") of A-HTRUST was held. The AGM saw the largest AGM turnout so far, with more than 280 Stapled Securityholders / proxies in attendance.

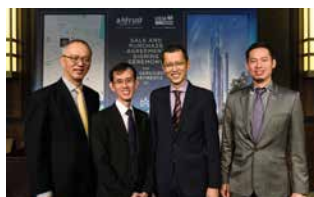


13 NOVEMBER 2015

Updated existing multicurrency stapled medium term note programme to allow A-HTRUST to issue perpetual securities. This provides A-HTRUST with a valuable alternative avenue for future funding needs.

3 DECEMBER 2015

Entered into a forward purchase agreement to acquire the serviced apartments component of Aurora Melbourne Central for A\$120.0 million. Aurora Melbourne Central is an iconic 92-storey mixed-use development scheduled to be completed by 2019.



23 DECEMBER 2015

Announced the receipt of unsolicited expression of interest relating to the possible acquisition of all Stapled Securities.

28 DECEMBER 2015

Novated the hotel management agreements related to the two hotels in Beijing to Huazhu Hotels Group Ltd ("Huazhu")². The hotels will continue to be operated under "Novotel and "Ibis" brands, while benefitting from Huazhu's expertise and loyalty program.

26 FEBRUARY 2016

Entered into a new A\$110 million facility to refinance AUD loans due in December 2016. This new loan extended the weighted average tenor of A-HTRUST's total borrowings.



1 APRIL 2016

Hotel Sunroute Osaka Namba reopened following its three-month JPY1.1 billion makeover. The hotel was repositioned to appeal to modern-day spectrum of travellers from business to leisure.

5 APRIL 2016

Announced that all discussions in relation to possible acquisition of all the Stapled Securities has ceased.

¹ A-HTRUST owned 50% of Pullman Cairns International.

² The management agreements of the hotels were novated to Yagao Meihua Hotel Management Co., Ltd., a wholly owned subsidiary of Huazhu.

OUR STRATEGY

The Managers aim to deliver sustainable and long-term growth in distributions to the Stapled Securityholders and are guided by four strategic pillars to achieve growth and development of A-HTRUST.



ACQUISITION GROWTH

Actively source for and pursue investment opportunities that can improve the overall quality of the portfolio, with a view to enhance returns to Stapled Securityholders and improve the future income and capital growth prospects of A-HTRUST.

The Managers will continue to look out for properties in growth markets that have sound fundamentals, organic growth potential, offer attractive yields and are well positioned for growth amongst business and leisure customer segments.



ACTIVE ASSET MANAGEMENT

Implement proactive measures to improve the operational performance and maximize cashflow and value of the portfolio.

The Managers will continue to work closely with the hotel operators to improve performance through operational efficiencies, develop marketing programmes as well as identify suitable asset enhancement initiatives and refurbishment works.



CAPITAL AND RISK MANAGEMENT

Employ a balanced mix of debt and equity to finance acquisitions and execute prudent interest rate and currency hedging strategies to optimise risk-adjusted returns to Stapled Securityholders.

The Managers will continue to maintain a prudent level of borrowings and strong balance sheet through various strategies and through this, optimise returns for our Stapled Securityholders.



DISCIPLINED DEVELOPMENT

Selectively undertake hospitality and hospitality –related development projects which have the potential to enhance the value of the portfolio.

The Managers will continue to seek the right development activities, including forward purchase contracts for newly constructed hotels, which can provide optimal risk-adjusted returns.

CHAIRMAN'S MESSAGE



DEAR STAPLED SECURITYHOLDERS,

A-HTRUST HAD ITS SHARE OF CHALLENGES IN THE FINANCIAL YEAR ENDED 31 MARCH 2016. SLOWER GROWTH IN CHINA AND UNCERTAINTIES IN OTHER MAJOR ECONOMIES HAVE AFFECTED BUSINESS SENTIMENTS IN GENERAL. TURBULENT FINANCIAL MARKETS AND VOLATILE CURRENCIES ALSO CONTRIBUTED TO THE UNCERTAINTIES.

ON A HAPPIER NOTE, I AM PLEASED TO REPORT THAT THE PORTFOLIO OF A-HTRUST HAS DELIVERED ENCOURAGING PERFORMANCE WITH REPORTED DPS GROWTH OF 6.9%, AND AN INCREASE IN NAV PER STAPLED SECURITY OF 16.2% YEAR-ON-YEAR TO 86 CENTS.

REVIEW OF THE FINANCIAL YEAR

FY2015/16 was a busy year for A-HTRUST. In the process, we achieved a number of firsts. In April 2015, A-HTRUST's maiden issuance of stapled notes amounting to \$75 million was well-received by investors. In June 2015, A-HTRUST completed its first divestment, with Pullman Cairns International sold at a 12% premium to its latest valuation as at 31 March 2015. And in December 2015, A-HTRUST entered into a forward purchase agreement to acquire a 252-room serviced apartment component of a mixed-use development in Melbourne, which is due for completion in 2019.

In general, our portfolio has done well in FY2015/16. For the hotels under management contracts, the overall RevPAR has improved. Driven by strong



A\$ 603M

Australia portfolio valuation
increase by 6.3% y-o-y



RMB 538M

China portfolio valuation
increase by 0.7% y-o-y

inbound tourism, A-HTRUST's hotels in Japan performed significantly better, resulting in higher revenue contribution from the portfolio of hotels under master leases. In particular, A-HTRUST received variable rent from Hotel Sunroute Ariake for the first time. However, AUD and JPY had continued to weaken against SGD, resulting in lower revenue and net property income at the trust level.

As at 31 March 2016, the portfolio valuation was \$1,524.7 million, representing a 14.0% increase from 31 March 2015¹. The increase was mainly driven by the Japan hotels and to a smaller extent, the Sydney and Melbourne hotels, reflecting the positive market conditions and the quality of our hotels. The new improved lease negotiated for Hotel Sunroute Osaka Namba was also a key factor. Overall, valuation increased in each portfolio in the four countries where our hotels are located.

STRATEGIC REVIEW

Late last year, the Managers received an unsolicited expression of interest ("EOI") for the possible acquisition of all the Stapled Securities issued by A-HTRUST ("Transaction"). Following this, the Managers undertook a strategic review of the options available to A-HTRUST, and initiated discussions with various parties to evaluate the viability of the EOI.

During the bid process, intensive due diligence was conducted on A-HTRUST by the bidders, and the Managers evaluated the proposals received with a high degree of care. In particular, the Managers ensured that they had all the relevant information required to make an informed

decision as regards the proposals received, which included commissioning an independent valuation of A-HTRUST's portfolio and appointing financial advisors, tax advisors and legal counsels to advise the Boards on the proposals received. The Boards decided not to proceed with the Transaction following their evaluation of the proposals received, and after considering fully the interests of the Stapled Securityholders.

Accordingly, on 5 April 2016, the Managers announced that they had ceased all discussions in relation to the Transaction.

We would like to assure Stapled Securityholders that the Managers remain committed to driving the performance of A-HTRUST's portfolio to deliver value to the Stapled Securityholders.

LOOKING AHEAD

The Managers expect the buoyant markets in Australia and Japan to continue to deliver returns to A-HTRUST. The timely completion of the refurbishment of Hotel Sunroute Osaka Namba has positioned it to benefit from the buoyant tourism sector in Japan and we are confident that it will contribute positively to A-HTRUST.

While the market conditions in China will remain challenging in FY2016/17, the Managers expect the novation of the management contracts of the two hotels in Beijing to Huazhu will benefit A-HTRUST, given Huazhu's strong track record in China. In Singapore, although the conditions of the hotel market is expected to remain soft in the near term, A-HTRUST is largely insulated

¹ Excluding the valuation of Pullman Cairns International, which was divested in June 2015.



JPY 39,375M

Japan portfolio valuation
increase by 47.4% y-o-y



\$316M

Singapore portfolio valuation
increase by 1.3% y-o-y

CHAIRMAN'S MESSAGE

due to the defensive rent structure for Park Hotel Clarke Quay where a high proportion of rent derived from the hotel is fixed.

Moving forward, the Managers will continue to seek out value accretive acquisition opportunities to improve the portfolio and create value to the Stapled Securityholders. The Managers will also continue to drive the performance of the existing portfolio through active asset management in order to derive optimal value for our Stapled Securityholders.

ACKNOWLEDGEMENT

Finally, I would like to thank our hotel operators and business partners for their continued support in driving the business of A-HTRUST. To my fellow directors and the team in A-HTRUST, my appreciation for your commitment and dedication to A-HTRUST. I would also like to acknowledge the contributions of Mr Chia Nam Toon, who has stepped down from the Boards on 6 May 2016, and wish him the best in his new appointment as CEO of the manager of A-REIT. Most importantly, I want to thank the Stapled Securityholders for your unwavering support. I look forward to meeting you at our upcoming Annual General Meeting.

Yours sincerely,
Lim Neo Chian



\$1,525M

Total portfolio valuation
increase by 14.0% y-o-y



86 CENTS

NAV per Stapled Security
increase by 16.2% y-o-y



CEO'S MESSAGE



DEAR STAPLED SECURITYHOLDERS,

FY2015/16 WAS AN EVENTFUL YEAR FOR A-HTRUST. WHILE THERE WERE HEADWINDS, THERE WERE ALSO POSITIVE DEVELOPMENTS. LOWER OIL PRICES HAVE MADE TRAVELLING CHEAPER AND WEAKER CURRENCIES HAVE ALSO RESULTED IN STRONGER TOURIST INTERESTS IN COUNTRIES SUCH AS AUSTRALIA AND JAPAN, RESULTING IN RECORD HIGH NUMBER OF INTERNATIONAL VISITORS IN BOTH THESE COUNTRIES.

I AM PLEASED TO REPORT THAT A-HTRUST HAS DELIVERED HIGHER DPS TO STAPLED SECURITYHOLDERS, DESPITE THE RETENTION OF 5% OF THE DISTRIBUTABLE INCOME IN FY2015/16. THIS WAS LARGELY DUE TO THE ABSENCE OF UNWINDING COSTS INCURRED IN THE PREVIOUS FINANCIAL YEAR AND ADDITIONAL CONTRIBUTION OF \$2.0 MILLION FROM THE PROCEEDS OF THE SALE OF PULLMAN CAIRNS INTERNATIONAL. ALTHOUGH UNDERLYING PERFORMANCE OF A-HTRUST'S PORTFOLIO WAS GENERALLY BETTER, THE WEAKENING OF AUD AND JPY CONTINUED TO ERODE A-HTRUST'S EARNINGS IN SGD, WHICH RESULTED IN YEAR-ON-YEAR DECLINE IN GROSS REVENUE AND NET PROPERTY INCOME OF 5.3% AND 2.7%, RESPECTIVELY.

MARKET OVERVIEW

Australia continued to experience higher inbound and buoyant domestic travels in 2015 which generally benefitted the hospitality sector in the cities where A-HTRUST's hotels are located. However, A-HTRUST's hotel in Brisbane was affected



\$215.1M

Gross revenue decline
by 5.3% y-o-y



\$90.9M

Net property income
decline by 2.7% y-o-y

by oversupply of hotel rooms and non-recurrence of large-scale events in the city in FY2015/16, unlike in the previous year when the hotel hosted delegates, media and local participants for the G20 Summit in November 2014.

In Beijing, the hotel market continued to be competitive with new hotels opening and oversupply of hotel rooms. Despite challenging conditions, the two hotels which are strategically located in the capital city, demonstrated resilience and delivered an encouraging performance, with RevPAR up by 1.2%.

Japan welcomed close to 20 million visitors in 2015, meeting its 2020 target well in advance. The strong growth in inbound visitors boosted the hospitality sector in the country which benefitted A-HTRUST's hotels. Oakwood Apartments Ariake Tokyo recorded a strong performance with a RevPAR growth of 23.3%, and Hotel Sunroute Ariake also contributed variable rent to A-HTRUST for the first time, which reflected the positive operating environment as well as the quality of the property.

The hospitality sector in Singapore was relatively subdued in 2015. While Singapore remained a key MICE destination and events such as South East Asia Games 2015 and Singapore Airshow 2016 have lifted the sector, new hotel rooms supply have increased competition and moderated the performance of the hotel market in general.

KEY DEVELOPMENTS

In FY2015/16, the Managers continued to develop and grow A-HTRUST in accordance with its key strategies.

ACQUISITION / DIVESTMENT

In December 2015, A-HTRUST entered into a forward purchase agreement with UEM Sunrise to acquire a 252-room serviced apartment component of the iconic Aurora Melbourne Central for A\$120.0 million. Expected to be completed in 2019, Aurora Melbourne Central is a 92-storey mixed-use development situated right in the heart of the Melbourne CBD. A-HTRUST also completed its first divestment with the sale of Pullman Cairns International in June 2015 for A\$75.08 million, 12% higher than its valuation as at 31 March 2015.

ACTIVE ASSET MANAGEMENT

In FY2015/16, the Managers negotiated for a new master lease with higher amount of fixed rent for Hotel Sunroute Osaka Namba, which came into effect on 1 January 2016. The rent structure under the new lease also included a variable component, which will provide A-HTRUST with potential upside. During the three months from January to March 2016, the hotel also underwent a JPY1.1 billion refurbishment and was repositioned to cater to modern-day travellers. The hotel re-opened on 1 April 2016 and welcomed guests with a higher than expected occupancy and RevPAR.

Other asset management strategies included leasing underutilised space on the ground floor in Ibis Beijing Sanyuan to a convenience store floor and a local eatery.



\$63.7M

Distributable income
before retention of income
increase by 13.2% y-o-y



\$60.5M

Distributable income
after retention of income
increase by 7.6% y-o-y

CEO'S MESSAGE

CAPITAL MANAGEMENT

To reduce reliance on borrowings to fund recurring capital expenditure, A-HTRUST started to retain up to 5% of distributable income in FY2015/16. The Managers have also refinanced \$143.3 million of borrowings in FY2015/16, thus extending the overall maturity of the borrowings of A-HTRUST. The Managers will continue to monitor the markets and carry out refinancing at the appropriate time so as to lock in the rates at right pricings.

Given the uncertainties in the financial markets where fund raising has become more challenging, the multicurrency stapled medium term note programme was updated in November 2015 to allow for issuance of perpetual securities, which would provide a useful alternative fund raising option.

As at 31 March 2016, borrowings remained at a prudent level with a blended gearing of 32.7% at A-HTRUST level. The revised gearing ceiling of 45% for REITs that came into effect from 1 January 2016 has provided A-HTRUST with greater funding flexibility. Nevertheless, the Managers will continue to be mindful of maintaining a prudent level of gearing for A-HTRUST as a whole.

CONCLUSION

For the coming year, the team will continue to drive the assets and explore options to create value. The Managers will continue to work closely with the hotel operators and explore various ways to improve performance of the hotels. At the same time, the Managers will keep a look out for value-accretive assets that can enhance the portfolio. The focus in FY2016/17 will also be on exploring and carrying out initiatives that can benefit A-HTRUST in the long term, so as to deliver sustainable growth.

In closing, I would like to thank the Boards for their guidance and thank my team for their effort and commitment. I would also like to thank the Stapled Securityholders for your support. As we embark on the new financial year, we will continue to stay focused on driving long term value for Stapled Securityholders.

Yours sincerely,
Tan Juay Hiang



5.41CENTS

Distributable per Stapled Security increase by 6.9% y-o-y



32.7%

Blended gearing lower by 4.5 percentage points y-o-y



BOARDS OF DIRECTORS



Mr Lim Neo Chian

Chairman & Independent Director

Date of appointment as Director:

- 10 May 2012

Date of appointment as Chairman of the Boards:

- 10 May 2012¹

Length of service as Director:

- 4 years and 1 month
(as at 30 May 2016)

Board Committees served on:

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

Academic & Professional Qualifications:

- Bachelor of Engineering degree, Sheffield University
- Certificate in Computer Science from Nanyang University
- Diploma in Business Administration, National University of Singapore
- Management Development Program, Harvard Business School
- Advanced Management Program, Harvard Business School
- Honorary Doctorate in Engineering, Sheffield University
- Honorary Doctor of the University, James Cook University

Present Directorships:

Listed

- Nil

Others

- Innospring Development Pte. Ltd.
- Zhi*Lim Pte. Ltd.
- Singapore Cruise Centre Pte Ltd
- Home Nursing Foundation
- Supreme Wealth Development Sdn Bhd
- Gardens by the Bay
- Majulah Holdings Pte Ltd

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

- Nil

Major Appointments:

Present

- Chairman, Agri-food and Veterinary Authority of Singapore
- Deputy Chairman, Gardens by the Bay

Past

- Deputy Chairman and CEO of Singapore Tourism Board
- Chairman and CEO of Jurong Town Corporation
- CEO of China-Singapore Suzhou Industrial Park Development Co Ltd
- Chairman of Bangalore IT Park Board's EXCO
- Deputy Chairman of Singapore Economic Development Board
- Deputy Chairman and CEO of ST Engineering
- CEO of Singbridge International Pte Ltd
- Chairman of SCP Consultants Pte Ltd
- Chief of Army, Singapore Armed Forces
- Vice Chairman, Singapore Red Cross Society
- Director, Economic Development Innovations Singapore Pte Ltd

Awards:

- Public Administration Medal (Gold) (Military)
- Public Administration Medal (Gold)

¹ Mr Lim was appointed as Chairman of AHFM on 10 May 2012. Subsequently he was appointed as Chairman of AHTM on 11 June 2012.



Dr Choo Kian Koon, Steven

Independent Director

Date of appointment as Director:

- 10 May 2012

Length of service as Director:

- 4 years and 1 month
(as at 30 May 2016)

Board Committees served on:

- Investment Committee (Chairman)
- Audit Committee (Member)

Academic & Professional Qualifications:

- Bachelor of Science degree in Estate Management, University of Singapore
- Master of Philosophy in Environmental Planning, University of Nottingham
- Doctorate in Urban Planning, University of Washington
- Fellow of the Singapore Institute of Surveyors and Valuers
- Affiliate Member of the Singapore Institute of Planners

Present Directorships:

Listed

- Pan Hong Property Group Limited

Others

- VestAsia Group Pte Ltd

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

- Nil

Major Appointments:

Present

- Chairman, VestAsia Group Pte Ltd
- Adjunct Associate Professor at the Department of Real Estate, National University of Singapore

Past

- CEO, Real Estate Developers' Association of Singapore



Dr Ho Kim Wai

Independent Director

Date of appointment as Director:

- 10 May 2012

Length of service as Director:

- 4 years and 1 month
(as at 30 May 2016)

Board Committees served on:

- Audit Committee (Chairman)

Academic & Professional Qualifications:

- Bachelor of Science (Honours) degree in Mechanical Engineering, Imperial College London
- Master of Finance, RMIT University
- Doctorate in Philosophy in Finance, Nanyang Technological University
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Institute of Chartered Accountants in England and Wales

Present Directorships:

Listed

- Nil

Others

- Nil

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

- Nil

Major Appointments:

Present

- Associate Professor of Banking and Finance at Nanyang Business School, Nanyang Technological University

Awards:

- Public Service Medal Award (PBM)
- Long Service Medal (National Day Honours)

BOARDS OF DIRECTORS



Mr Michael Issenberg

Non-Executive Director

Date of appointment as Director:

- 10 May 2012

Length of service as Director:

- 4 years and 1 month
(as at 30 May 2016)

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:

Present

- Chairman and CEO, AccorHotels Asia Pacific



Mr Manohar Khatani

Non-Executive Director

Date of appointment as Director:

- 10 June 2013

Length of service as Director:

- 3 years (as at 30 May 2016)

Board Committees served on:

- Remuneration Committee (Member)
- Nominating Committee (Member)

Academic & Professional

Qualifications:

- Master's Degree (Naval Architecture), the University of Hamburg
- 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 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
- Directorships in other Ascendas-Singbridge Group companies

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

- Nil

Major Appointments:

Present

- Deputy Group CEO, Ascendas-Singbridge Group

Past

- CEO, JTC Corporation
- Deputy Managing Director, Singapore Economic Development Board



Mr Benson Puah Tuan Soon

Independent Director

Date of appointment as Director:

- 10 May 2012

Length of service as Director:

- 4 years and 1 month
(as at 30 May 2016)

Board Committees served on:

- Board Risk Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Academic & Professional

Qualifications:

- Bachelor of Science (Honours) degree in Hotel, Catering and Tourism Administration, University of Surrey

Present Directorships:

Listed

- Parkway Trust Management Limited
(as Manager of ParkwayLife REIT)

Others

- The Esplanade Co Ltd
- National Gallery Singapore
- Rakan Riang Pte Ltd

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

- Nil

Major Appointments:

Present

- CEO, The Esplanade Co Ltd

Past

- Director, SISTIC.com Pte Ltd
- CEO, National Arts Council
- CEO, Temasia Health Pte Ltd
- Chief Executive, Sentosa Development Corporation
- General Manager, Shangri-la Hotels and Resorts (Sentosa & Surabaya)
- Group General Manager, Eaton Hotels International Ltd (Hong Kong)
- Chair, International Society for the Performing Arts
- Chairman, Association of Asia Pacific Performing Arts Centres

Awards:

- Chevalier of the Ordre des Arts et des Lettres



Mr Tan Chong Huat

Independent Director

Date of appointment as Director:

- 10 May 2012

Length of service as Director:

- 4 years and 1 month
(as at 30 May 2016)

Board Committees served on:

- Audit Committee (Member)
- Board Risk Committee (Member)

Academic & Professional

Qualifications:

- Bachelor of Laws (Honours) degree, the National University of Singapore
- Master of Laws, University of London
- Graduate Certificate in International Arbitration, National University of Singapore
- Advocate and Solicitor of the Supreme Court of Singapore
- Advocate and Solicitor of the Supreme Court of England and Wales
- Advocate and Solicitor of the Supreme Court of New South Wales
- Fellow of Singapore Institute of Arbitration
- Fellow of Singapore Institute of Directors

Present Directorships:

Listed

- Ramba Energy Limited

- SIIC Environment Holdings Ltd
- P99 Holdings Limited

Others

- RHT Capital Pte Ltd
- RHT Digital & Media Pte Ltd
- RHT Holdings Pte Ltd
- RHT Governance Risk AML Compliance Ethics Pte Ltd
- RHT Lex Ultra Pte Ltd
- RHT Rajan Menon Foundation Ltd
- RHT Tax Pte Ltd
- RHT Wealth Services Holdings Pte Ltd
- RHT Relations & Media Holdings Pte Ltd
- Crowdwise Pte Ltd

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

- Nil

Major Appointments:

Present

- Managing Partner, RHTLaw Taylor Wessing LLP
- Board Member, International Management Board of Taylor Wessing

BOARDS OF DIRECTORS



Mr Tan Juay Hiang
Chief Executive Officer

Date of appointment as Director:

- 23 November 2011 ¹

Length of service as Director:

- 4 years and 6 months
(as at 30 May 2016)

Board Committees served on:

- Nil ²

Academic & Professional

Qualifications:

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

Present Directorships:

Listed

- Nil

Others

- Dr Fresh Health Care Private Ltd
- Notron No. 346 Pty Limited
- Armenian Office Pte Ltd
- Directorships in other Ascendas-SingBridge Group Companies

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

- Nil

Awards:

- Gold Medal from the National Science & Technology Board (now known as Agency for Science, Technology and Research)

¹ Mr Tan was appointed a director of AHFM on 23 November 2011. Subsequently, he was appointed a director of AHTM on 13 December 2011.

² Mr Tan attended Board Committees meetings in his capacity as CEO.



PARK HOTEL

THE MANAGERS



Standing from left to right: Cass Yong, Valerie Oh, Hon Wei Seng, Mary Judith de Souza, Jocelyn Tay, Tan Ee Lin, Chee Kum Tin, Akiyoshi Hakama
Sitting from left to right: Chua Sock Wah, Dina Goh, Susanna Lim San San, Tan Juay Hiang, Pang Hui Siang, Ng Kok Keong, Chan Hui Yee

Mr Tan Juay Hiang

Chief Executive Officer

Please refer to page 22 for Mr Tan's profile.

Ms Lim San San, Susanna

Chief Financial Officer

Ms Lim 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, Ms Lim was Assistant Vice President of the Finance department of Ascendas Pte Ltd. From August 2007 to October 2011, Ms Lim was Assistant Vice-President in the Finance department of Singapore Press Holdings Ltd. In that position, she was responsible for financial and management reporting as well as accounting operations for one of its business groups. Prior to that, Ms Lim spent 9 years at Singapore Telecommunications Ltd, first with its Strategic Investments unit where she

was involved in mergers, acquisitions and joint venture management, before moving on to a business controllership role for the consumer mobile business.

Ms Lim holds a Bachelor of Accountancy degree from National University of Singapore and an MBA from Nanyang Technological University. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Ms Pang Hui Siang¹

Head, Investments

Ms Pang was Head of Investments at A-HTRUST, where she was responsible for identifying and evaluating potential acquisitions and related investments or divestments, where applicable. She has over 10 years of experience in the real estate industry.

Prior to her current appointment, Ms Pang was Vice President of the Real Estate Funds department of Ascendas Pte Ltd, responsible for the acquisition and management of hospitality real estate assets in the Asia-Pacific region.

From September 2002 to July 2010, Ms Pang was Vice President (Investments) of Mapletree Investments Pte Ltd where she successfully completed real estate acquisitions worth over \$2 billion in Singapore, Malaysia, Japan and Vietnam, and explored potential deals in Australia, China, Hong Kong, India and Thailand. Ms Pang also held previously held positions at DBS Bank, where she managed the banking facilities of a portfolio of some 30 companies in the real estate and construction sectors, and at the Urban Redevelopment Authority where she executed property acquisitions.

Ms Pang holds a Bachelor of Science (Honours) in Estate Management from National University of Singapore, and an MBA from Indiana University (Bloomington), United States.

Mr Bernard Teo

Head, Asset Management

Mr Teo is Head of Asset Management at A-HTRUST, where he is responsible for formulating the business plans in relation to A-HTRUST's properties

¹ Ms Pang has transferred to a business unit of Ascendas-Singbridge Group on 1 May 2016.



Standing from left to right: Nicholas Tsia, Marina Luo, Pang Lay Hoon, Donne Salcombe
Sitting from left to right: Giorgio Leung, Bernard Teo

with short, medium and long-term objectives. He has more than 20 years of experience in the hospitality industry. Prior to his current appointment, he was Head of the Hospitality division for a private developer opening hotels in Malaysia, China and Australia.

From January 2008 to June 2012, Mr Teo was with Frasers Hospitality Pte Ltd where he successfully opened two hotels in Beijing and Perth. Prior to that, Mr Teo spent several years in hotel groups – Shangri-La Hotels and Resorts, Hilton International and Gloria Hotels and Resorts (COFCO) – where he was involved in hotel refurbishments, hotel relaunch activities and new hotel openings.

Ms Mary Judith de Souza

Joint Company Secretary

Ms de Souza is Joint Company Secretary at A-HTRUST, where she attends to corporate secretarial administration matters. She has more than 20 years of practice as a corporate and commercial lawyer.

Ms de Souza concurrently heads Ascendas Group's Legal and Corporate Secretarial Department. Ms de Souza joined Ascendas in 2005 and has experience as legal counsel with a government-linked technology group and thereafter, while in practice in a local law firm based in Singapore with several branches in the region.

Ms de Souza has worked with both local and foreign companies and has a broad-based understanding of the concerns and needs of investors in Southeast Asia. As a result of her regional exposure while in legal practice, she has been able to acquire first-hand knowledge of the commercial, business, cultural and operational issues encountered in doing business outside Singapore.

Ms de Souza 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

Joint Company Secretary

Mr Hon is Joint Company Secretary at A-HTRUST, where he attends to corporate secretarial administration matters. He has more than 15 years of experience as corporate counsel.

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

Mr Hon holds LL.B. (Hons) and LL.M degrees from the National University of Singapore, and a MTM degree from the University of Queensland, Australia. He is also admitted as an Advocate & Solicitor of the Supreme Court of Singapore.

PORTFOLIO SUMMARY



A-HTRUST'S WELL-DIVERSIFIED PORTFOLIO OF 11 QUALITY HOTELS IS SITUATED IN STRATEGIC LOCATIONS ACROSS 7 KEY CITIES IN ASIA PACIFIC

KEY PROPERTY DETAILS

	NO. OF ROOMS	TITLE
AUSTRALIA		
Pullman Sydney Hyde Park	241	Freehold
Novotel Sydney Central	255	Freehold
Novotel Sydney Parramatta	194	Freehold
Courtyard by Marriott North Ryde	196	Freehold
Pullman and Mercure Melbourne Albert Park	378	Freehold
Pullman and Mercure Brisbane King George Square	438	Freehold
CHINA		
Novotel Beijing Sanyuan	306	Land use term due to expire in August 2044
Ibis Beijing Sanyuan	397	Land use term due to expire in August 2044
JAPAN		
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo	912	Freehold
Hotel Sunroute Osaka Namba	698	Freehold
SINGAPORE		
Park Hotel Clarke Quay	336	Leasehold for a term of 99 years due to expire in November 2105

A-HTRUST'S hotels are managed by established operators being Accor, Huazhu, Marriot, Oakwood, Park Hotel and Sunroute, which have strong domain knowledge of the markets where the hotels are located in. These hotels are also operated under well-known brands including Courtyard by Marriot, Ibis, Mercure, Novotel, Oakwood, Park Hotel, Pullman as well as Sunroute, catering to different customer segments from economy to upscale and short-term to long-term stay.

With its well-diversified portfolio, A-HTRUST is expected to be less affected by both the macroeconomic and microeconomic conditions of any single area and is thus likely to demonstrate resilience across economic cycles. A-HTRUST's hotels are strategically located in the heart of or within close proximity to prime business and tourism centres and close to major transportation

nodes, thereby allowing them to attract a stable base of both business and leisure travellers.

The hotels are under two main rent structures, being master lease and management contract arrangements. Since its listing, A-HTRUST have acquired two hotels under master lease arrangements, Park Hotel Clarke Quay and Hotel Sunroute Osaka Namba ¹, where fixed rent account for a high proportion of the total rent structure. Where viable, space in certain hotels have also been leased to derived fixed income. A-HTRUST's portfolio now provides a substantial base of fixed rents through the hotels under master lease arrangements thereby providing stability of income, while allowing A-HTRUST to benefit from any upside through hotels under the management contract arrangements.

¹ Previously known as Osaka Namba Washington Hotel Plaza.

DATE OF ACQUISITION	VALUATION \$ MILLION ²	PURCHASE PRICE \$ MILLION	VENDOR
27 July 2012	140.1	396.2 ³	Ascendas Hospitality Australia Investment Fund No.1
27 July 2012	130.3		
27 July 2012	54.3		Ascendas Hospitality Australia Investment Fund No.2, and AHDF Pte. Ltd.
27 July 2012	49.1		
27 July 2012	130.8		
27 July 2012	118.9		
27 July 2012	51.6	41.6	AAPC Hong Kong Limited
19 December 2012	61.2	43.2	Ibis China Investment Limited
27 July 2012	261.5	248.8	Ariake Property Tokutei Mokuteki Kaisha
15 April 2014	210.8	110.8	Ainodake Godo Kaisha
28 June 2013	316.0	300.0	Parking Property Pte. Limited

² All the properties were valued as at 31 March 2016. The property valuations as at 31 March 2016 include the revaluation of land use rights of the China properties. The \$ equivalent of the valuation figures are arrived at based on the exchange rate as at 31 March 2016 of A\$ 1.00 : \$1.034, JPY 1.00 : \$0.0120 and RMB1.00 : \$0.208.

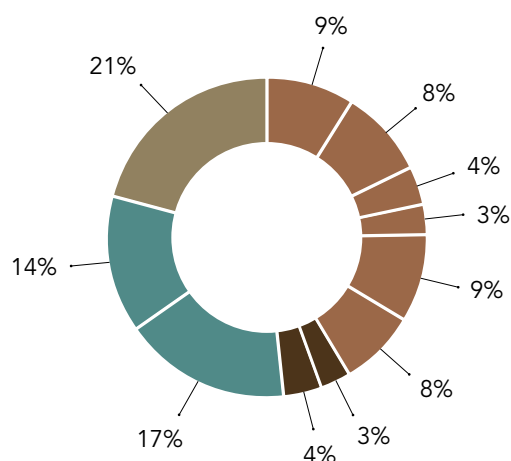
³ Total purchase price for 100% equity in Ascendas Australia Hotel Fund ("AAHF") is \$396.2 million. AAHF comprises Pullman Sydney Hyde Park, Novotel Sydney Central, Novotel Sydney Parramatta, Courtyard by Marriott North Ryde, Pullman and Mercure Melbourne Albert Park, Pullman and Mercure Brisbane King George Square and Pullman Cairns International. Pullman Cairns International was divested in June 2015.

PORTFOLIO SUMMARY

VALUATION BY PROPERTY

As at 31 March 2016

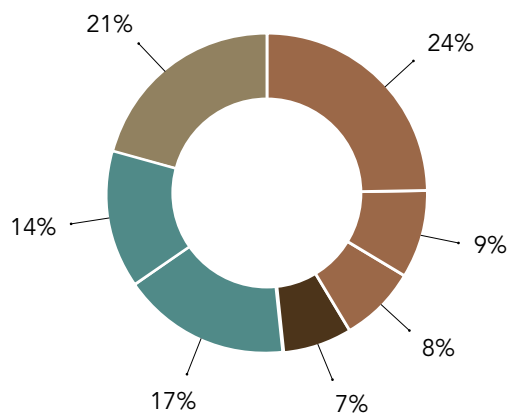
AUSTRALIA	
Pullman Sydney Hyde Park	9%
Novotel Sydney Central	8%
Novotel Sydney Parramatta	4%
Courtyard by Marriot North Ryde	3%
Pullman and Mercure Melbourne Albert Park	9%
Pullman and Mercure Brisbane King George Square	8%
CHINA	
Novotel Beijing Sanyuan	3%
Ibis Beijing Sanyuan	4%
JAPAN	
Hotel Sunroute Ariake & Oakwood Apartments Ariake Tokyo	17%
Osaka Namba Washington Hotel Plaza	14%
SINGAPORE	
Park Hotel Clarke Quay	21%



VALUATION BY CITIES / COUNTRIES

As at 31 March 2016

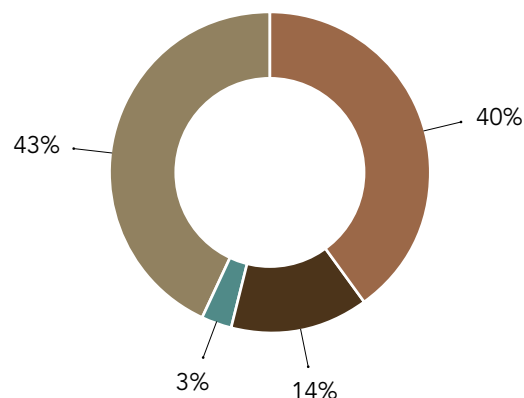
AUSTRALIA	
Sydney	24%
Melbourne	9%
Brisbane	8%
CHINA	
Beijing	7%
JAPAN	
Tokyo	17%
Osaka	14%
SINGAPORE	
Singapore	21%



NUMBER OF ROOMS BY SEGMENT

As at 31 March 2016

ECONOMY ¹	43%
MIDSCALE ²	40%
UPSCALE ³	14%
EXTENDED STAY ⁴	3%



¹ Economy refers to the Ibis and Sunroute brands.

² Midscale refers to the Novotel, Mercure Park Hotel and Courtyard by Marriott brands.

³ Upscale refers to the Pullman brand.

⁴ Extended Stay refers to the Oakwood brand.

Management Contracts	GROSS REVENUE		REVPAR	
	FY2015/16	FY2014/15	FY2015/16	FY2014/15
AUSTRALIA	A\$ million	A\$ million	A\$	A\$
Pullman Sydney Hyde Park	26.4	24.3	204	191
Novotel Sydney Central	25.2	23.5	165	156
Novotel Sydney Parramatta	15.4	14.2	141	134
Courtyard by Marriott North Ryde	14.0	13.4	156	145
Pullman and Mercure Melbourne Albert Park	34.9	33.4	118	116
Pullman and Mercure Brisbane King George Square	28.8	33.1	121	143
Pullman Cairns International ⁵	1.0	3.2		
CHINA	RMB million	RMB million	RMB	RMB
Novotel Beijing Sanyuan	57.6	56.1	420	407
Ibis Beijing Sanyuan	41.2	40.9	268	270
Master Leases				
JAPAN	JPY million	JPY million		
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo ⁶	1,796.9	1,591.4		
Hotel Sunroute Osaka Namba ⁷	660.9	629.4		
SINGAPORE	\$ million	\$ million		
Park Hotel Clarke Quay	14.7	15.5		

⁵ Pullman Cairns International was divested in June 2015.

⁶ Included contribution from Oakwood Apartments Ariake Tokyo which is under management contract.

⁷ Renamed as at 1 January 2016. Previously known as Osaka Namba Washington Hotel Plaza.

PORTFOLIO SUMMARY

TENANCY

As at 31 March 2016, A-HTRUST has 15 tenants leasing hotels on master lease agreements, office space in Pullman Sydney Hyde Park, a restaurant in Ibis Beijing Sanyuan as well as leaseable space in certain hotels ("Leased Premises").

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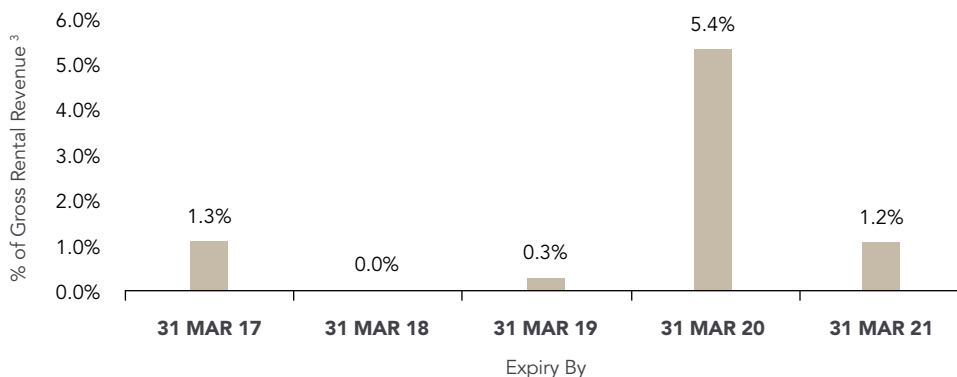
TOP TEN TENANTS ¹

TENANT	INDUSTRY	PERCENTAGE OF GROSS RENTAL REVENUE ¹
Park Hotel CQ Pte Ltd	Hotel	38.6
Sunroute Hotels Co., Ltd.	Hotel	38.2
Washington K.K. ²	Hotel	14.9
Fuji Xerox Businessforce Pty Ltd	Information Technology	2.6
Rainleigh Pty Ltd	Medical	1.3
Communications Design & Management Pty Ltd	Information Technology	1.0
Vinindex Pty Ltd	Construction	1.0
CLA Trading Pty Ltd	Car Rental	0.7
Beijing Yao Xiang Poly Catering Management Company Ltd	F&B	0.6
Lawson (Beijing) Co.,Ltd	Retail	0.3

¹ Based on gross rental revenue derived from the Leased Premises for FY2015/16.

² From 1 April 2015 to 31 December 2015.

LEASE EXPIRY PROFILE FOR NEXT 5 YEARS



As at 31 March 2016, the weighted average lease expiry of the Leased Premises, based on gross rental revenue derived from Leased Premises for FY2015/16 is approximately 7.4 years.

³ Based on gross rental revenue derived from Leased Premises for FY2015/16, excluding rental revenue derived from Washington K.K., which ceased to be a tenant as at 31 December 2015.



OUR HOTELS

PULLMAN SYDNEY HYDE PARK

36 College Street, Sydney,
New South Wales, Australia

Tel: +61 2 9361 8400

Fax: +61 2 9361 8599

E-mail: H8763-RE@accor.com

pullman
HOTELS AND RESORTS

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\$ 135.5 million

(\$140.1 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 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, and a rooftop recreation deck. The recreation deck, which comprises a gymnasium, a swimming pool and jacuzzi, a spa and a sauna, offers a picturesque view of Sydney's skyline.

Business facilities include a business centre and 588 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

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

Tel: +61 2 9281 6888

Fax: +61 2 9281 6688

Email: H8781-RE@accor.com



NUMBER OF ROOMS

255

F&B FACILITIES

1 Restaurant

1 Bar

MEETING FACILITIES

14 Meeting Rooms

CAR PARKING

600 Lots

LAND AREA

4,272 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

A\$ 126.0 million
(\$130.3 million)





SYDNEY

Novotel Sydney Central is a midscale business hotel located in the southern part of the Sydney CBD. Situated next to the Sydney Darling Harbour, the hotel is in close proximity to Chinatown, the University of Technology Sydney, Haymarket and Paddy's Market. The Sydney Exhibition & Convention Centre which is scheduled to reopen in late 2016 following major redevelopment is also nearby.

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 which has direct underground access to the hotel.

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. It has a generous allotment of 600 parking lots spread over eight levels which is managed by Wilson Parking.

OUR HOTELS

NOVOTEL SYDNEY PARRAMATTA

350 Church Street, Parramatta,
New South Wales, Australia

Tel: +61 2 9630 4999
Fax: +61 2 9630 0757
Email: H8787-RE@accor.com



NUMBER OF ROOMS

194

F&B FACILITIES

1 Restaurant
1 Bar

MEETING FACILITIES

9 Meeting Rooms
2 Boardrooms

CAR PARKING

198 Lots

LAND AREA

2,674 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

A\$ 52.5 million
(\$54.3 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 appeals to business travellers as one of the leading hotels and event venues in Western Sydney. It offers 194 guest rooms and facilities such as a restaurant, a bar, an outdoor heated swimming pool, a spa, a sauna and a gymnasium. Its three-level basement parking facility provides 198 parking lots.

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 columnless hotel ballrooms in the Parramatta region.

OUR HOTELS

COURTYARD BY MARRIOTT NORTH RYDE

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

Tel: +61 2 9491 9500

Fax: +61 2 9491 9555

Email: [cy.sydry.reservations@
courtyard.com](mailto:cy.sydry.reservations@courtyard.com)



NUMBER OF ROOMS

196

F&B FACILITIES

1 Restaurant

1 Bar

MEETING FACILITIES

7 Meeting Rooms

CAR PARKING

94 Lots

LAND AREA

6,227 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

A\$ 47.5 million
(\$49.1 million)





SYDNEY

Courtyard by Marriott North Ryde is a midscale business hotel centrally located in Macquarie Business Park in the heart of the North Ryde business district. It is approximately 15 km northwest of the Sydney CBD and 28 km from Sydney Airport.

It is close to several commercial buildings popular with multinational corporations, providing the hotel with a steady stream of business travellers. It is

also close to Macquarie Shopping Centre, the ANZ Stadium and the Sydney Olympic Park. It is served by the nearby Macquarie Park station.

The 9-storey hotel offers 196 guest rooms and facilities such as a restaurant, a bar, a fitness centre, a business centre, 223 sqm of meeting space and a parking facility with 94 parking lots.

OUR HOTELS

PULLMAN AND MERCURE MELBOURNE ALBERT PARK

65 Queens Road, Melbourne,
Victoria, Australia

Tel: +61 3 9529 4300

Fax: +61 3 9521 3111

Email: H8788-RE@accor.com



NUMBER OF ROOMS

169 (Pullman)

209 (Mercure)

F&B FACILITIES

1 Restaurant

1 Cafe

1 Bar

1 Executive Lounge

MEETING FACILITIES

28 Meeting Rooms

CAR PARKING

510 Lots

LAND AREA

10,300 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

A\$ 126.5 million

(\$130.8 million)





Pullman and Mercure Melbourne Albert Park is a unique dual-branded, upscale and midscale full service hotel catering to business and leisure travellers. Located close to Melbourne's CBD, the hotel overlooks scenic Albert Park, the venue for the annual Australian Formula One Grand Prix. 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 routes services.

One of the largest and most comprehensive hotel event venues in Melbourne, the hotel offers a wide range of flexible space configurations to

accommodate various events. Its strategic location, comprehensive service offerings and 2,305 sqm convention centre, which can accommodate up to 1,600 participants, make it attractive 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. The hotel also has two levels of basement parking offering a generous 510 parking lots.

OUR HOTELS

PULLMAN AND MERCURE BRISBANE KING GEORGE SQUARE

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

Tel: +61 7 3229 9111

Fax: +61 7 3229 9618

Email: H8784-RE@accor.com



NUMBER OF ROOMS

210 (Pullman)

228 (Mercure)

F&B FACILITIES

1 Restaurant

1 Cafe

1 Bar

1 Executive Lounge

MEETING FACILITIES

11 Meeting Rooms

CAR PARKING

105 Lots

LAND AREA

3,722 sqm

LAND TITLE

Freehold

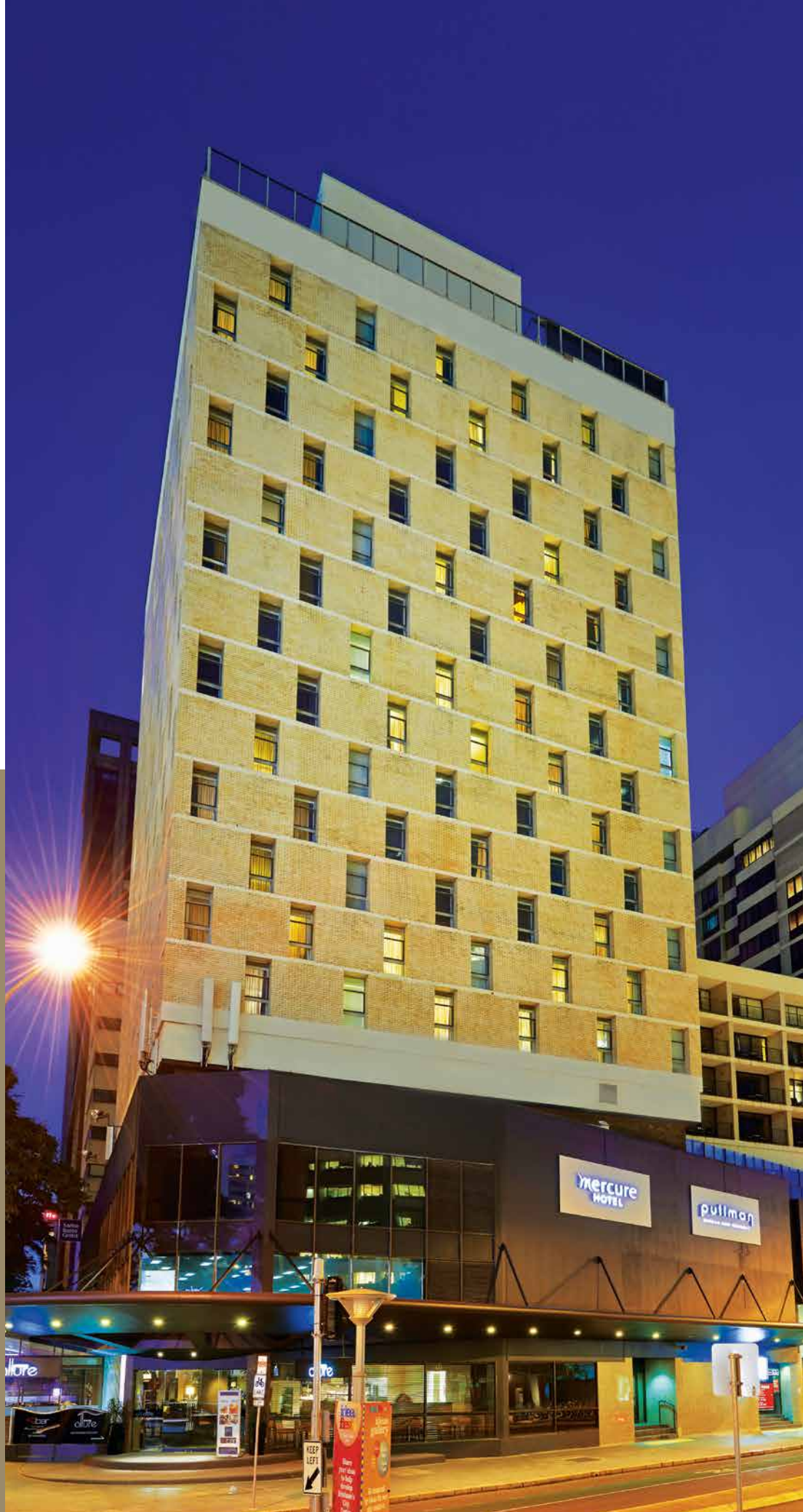
OWNERSHIP

100%

VALUATION

A\$ 115.0 million

(\$118.9 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 close to the corporate and financial districts, and visitor attractions such as Eagle Street Pier. It is within walking distance to the Brisbane Convention & Exhibition Centre, Suncorp Stadium, the Queen Street Mall retail precinct and Brisbane Transit Centre. The Brisbane International Airport, approximately 19 km away, is easily accessible from the hotel. Two railway stations, Central Station and Roma Street Station, are a short walk away.

The centrally located hotel also has one of the largest conference and convention hotels in the city with 2,990 sqm of meeting and conference spaces.

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, a bar and an executive lounge. There are recreational facilities on the rooftop of the Mercure Tower such as a gym, sauna and outdoor heated swimming pool which enjoy scenic views of the city. The hotel also has a three-level basement parking facility with 105 parking lots.

OUR HOTELS

NOVOTEL BEIJING SANYUAN

Tower 18, A5 Shuguang Xili,
Chaoyang District, Beijing, China

Tel: +86 10 5829 6666

Fax: +86 10 5866 7000

Email: H6280-RE@accor.com



NUMBER OF ROOMS

306

F&B FACILITIES

1 Restaurant

1 Bar

1 Executive Lounge

MEETING FACILITIES

5 Meeting Rooms

LAND AREA

3,073 sqm

LAND TITLE

Leasehold expiring
in August 2044

OWNERSHIP

100%

VALUATION

RMB 246.0 million
(\$51.6 million)





Novotel Beijing Sanyuan is a midscale business and leisure hotel located in the heart of Beijing in the Chaoyang District, adjoining Sanyuan Bridge of the East Third Ring Road and the Airport Expressway.

The hotel is strategically located within the Lufthansa Commercial Area and close to three exhibition centres and major embassies. In addition, the Beijing International Capital Airport is only approximately 20 km away from the hotel. Besides enjoying convenient access to roadways, the hotel is

just in front of the Sanyuanqiao Station which serves the Airport Express Train and Metro Line 10.

The 17-storey hotel offers 306 guest rooms and houses a signature restaurant called The Square and a lobby bar. Other facilities include an exclusive premier lounge, a fitness centre and an indoor heated swimming pool. It also has a total meeting space of 340 sqm with four meeting rooms and a function room.

OUR HOTELS

IBIS BEIJING SANYUAN

Tower 17, A5 Shuguang Xili,
Chaoyang District, Beijing, China

Tel: +86 10 5829 6999

Fax: +86 10 5866 8800

Email: H6281-GM@accor.com



NUMBER OF ROOMS

397

F&B FACILITIES

1 Restaurant

LAND AREA

2,044 sqm

LAND TITLE

Leasehold expiring
in August 2044

OWNERSHIP

100%

VALUATION

RMB 292.0 million
(\$61.2 million)





Ibis Beijing Sanyuan is an economy business hotel adjacent to Novotel Beijing Sanyuan. It is popular with business and leisure travellers due to its central location, convenient access to a variety of attractions and amenities at affordable rates.

The 14-storey hotel has 397 guest rooms and a halal restaurant which serves daily breakfast. There is also a 24-hour convenience store located in the hotel that can cater to guests' needs any time of the day.

OUR HOTELS

HOTEL SUNROUTE ARIAKE AND OAKWOOD APARTMENTS ARIAKE TOKYO

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

Tel: +81 3 5530 3610

Fax: +81 3 5530 3611

Email: ariake_otoiawase@sunroute.jp

Tel: +81 3 3527 5821

Fax: +81 3 3527 5824

Email: csr.ariake@oakwoodasia.com



HOTEL SUNROUTE ARIAKE

Oakwood
Apartments
ARIAKE
TOKYO

NUMBER OF ROOMS

790 (Hotel Sunroute Ariake)

122 (Oakwood Apartments
Ariake Tokyo)

F&B FACILITIES

2 Restaurants

3 Banquet Halls

MEETING FACILITIES

2 Meeting Rooms

CAR PARKING

113 Lots

LAND AREA

6,188 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

JPY 21,800 million
(\$261.5 million)





Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo are dual-brand accommodations in a 20-storey building. Hotel Sunroute Ariake is in the economy segment with 790 guest rooms while Oakwood Apartments Ariake Tokyo is an extended-stay hotel with 122 cosy apartments catering to long-staying guests.

The complex is located in the Ariake prefecture within the Tokyo Waterfront Secondary City Centre which includes the Odaiba and Aomi districts. It is in close proximity to a major international convention center - Tokyo Big Sight, Ariake Colosseum

and retail hubs such as Odaiba and Ginza. The property 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 area of Odaiba and business district of Ginza. Hotel Sunroute Ariake is also a 'Tokyo Disney Resort Good Neighbor Hotel' and offers free shuttle bus services to and from the world famous Tokyo Disney Resort.

Facilities include two restaurants, a business centre, 418 sqm of meeting and conference spaces and an underground parking facility with 113 parking lots.

OUR HOTELS

HOTEL SUNROUTE OSAKA NAMBA

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

Tel: +81 6 6211 3610

Fax: +81 6 6211 3620

Email: osaka-namba@sunroute.jp



HOTEL SUNROUTE
OSAKA NAMBA

NUMBER OF ROOMS

698

F&B FACILITIES

2 Restaurants

LAND AREA

2,496 sqm

LAND TITLE

Freehold

OWNERSHIP

100%

VALUATION

JPY 17,575 million
(\$210.8 million)





Hotel Sunroute Osaka Namba is an economy 14-storey 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 a minute walk from 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. The hotel is a mere 15-minute train ride to the famed Osaka Castle. The hotel offers 698 guest rooms and has two restaurants.

The 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.

The hotel reopened on 1 April 2016 following its JPY1.1 billion makeover, where the hotel was repositioned to appeal to modern-day spectrum of travellers from business to leisure. During the 3-month refurbishment, major renovation was carried out in all the guest rooms while substantial changes were also made to the lobby, restaurant and façade to create a contemporary look.

OUR HOTELS

PARK HOTEL CLARKE QUAY

1 Unity Street, Singapore

Tel: +65 6593 8888

Fax: +65 6593 8899

Email: rsvn.phcq@parkhotelgroup.com



PARK HOTEL CLARKE QUAY

NUMBER OF ROOMS

336

F&B FACILITIES

1 Restaurant

1 Bar

MEETING FACILITIES

3 Meeting Rooms

CAR PARKING

50 Lots

LAND AREA

3,949 sqm

LAND TITLE

99-year leasehold expiring
in November 2105

OWNERSHIP

100%

VALUATION

\$316 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, scheduled to open in 2017.

Opened in 2009, 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 a fitness centre. Business travelers have access to a well-equipped business centre. A ground floor parking facility is also conveniently available for guests.

FINANCIAL REVIEW

\$ MILLION	FY2015/16	FY2014/15	CHANGE
Gross Revenue	215.1	227.1	(5.3)%
Net Property Income	90.9	93.3	(2.7)%
Income available for distribution	63.7	56.3	13.2%
Income available for distribution (less 5% income retained for working capital)	60.5	56.3	7.6%
DPS (cents)	5.41	5.06	6.9%

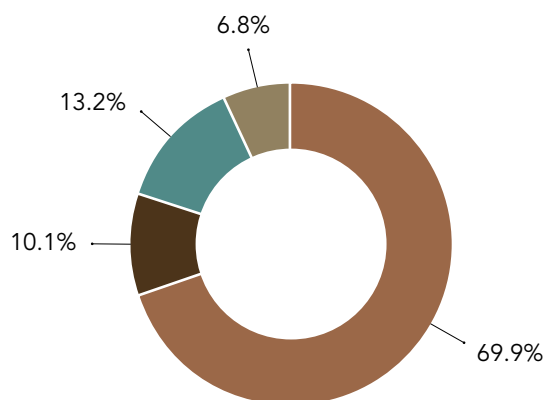
A-HTRUST's revenue for the financial year ended 31 March 2016 ("FY2015/16") comprised \$150.3 million from Australia, \$21.7 million from China, \$28.5 million from Japan and \$14.7 million from Singapore.

Revenue for FY2015/16 was a decline of \$12.0 million or 5.3% over the previous financial year ended 31 March 2015 ("FY2014/15"). Overall, the underlying performance of the hotels was \$3.0 million higher than last year. Apart from the Brisbane and Singapore hotels, all other hotels in the portfolio recorded higher revenue in local currencies. However this increase was more than offset by the impact of adverse currency movements as AUD and JPY have weakened against the SGD by 9.4% and 1.8%, respectively as compared to FY2014/15.

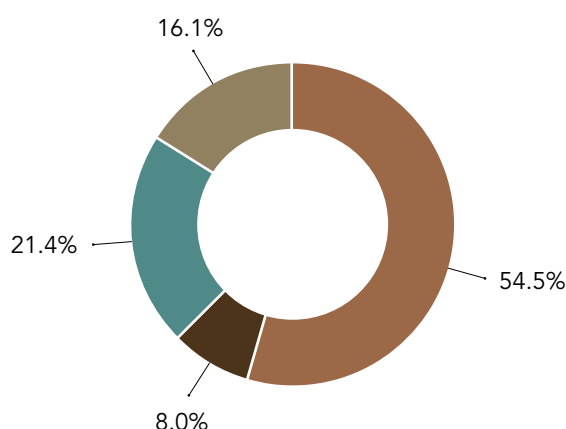
In line with the drop in revenue, net property income for FY2015/16 declined by \$2.5 million or 2.7% over FY2014/15 to \$90.9 million. The decline was of a lesser magnitude compared to revenue due to a higher proportion of revenue derived from hotels under master lease arrangements in FY2015/16, which had relatively lower associated costs to A-HTRUST. This was mainly attributed to the Japan portfolio in FY2015/16, which is anchored primarily by hotels under master lease arrangements. In addition, profitability of the Australia and China portfolios also improved, contributing to better overall net profit margin.

Income available for distribution for FY2015/16 was \$63.7 million, an increase of \$7.4 million or 13.2% over FY2014/15. The increase was primarily due to absence of unwinding costs incurred in the previous financial year for certain AUDSGD cross currency swaps.

REVENUE BY GEOGRAPHY



NET PROPERTY INCOME BY GEOGRAPHY



The income available for distribution for FY2015/16 also included \$2.0 million from the proceeds of the sale of Pullman Cairns International, which was distributed to Stapled Securityholders. After 5% retention on income, income available for distribution for FY2015/16 was \$60.5 million, an increase of \$4.3 million or 7.6% over FY2014/15.

Despite the retention of income, the distribution per Stapled Security in FY2015/16 of 5.41 cents was 6.9% higher compared to 5.06 cents in FY2014/15.

A-HTRUST's portfolio of properties was revalued at \$1,524.7 million as at 31 March 2016, and a net change in fair value of \$160.2 million (net of tax) was recorded.

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.

As at 31 March 2016, A-HTRUST's total borrowings was \$533.3 million with a blended gearing ratio of 32.7%. With effect from 1 January 2016, the aggregate leverage limit for REITs has been revised to 45%. This will provide A-HREIT, and A-HTRUST as a whole, greater flexibility in terms of funding mix.

In April 2015, A-HTRUST successfully tapped on the capital market to raise \$75.0 million of stapled notes on a five-year tenor, with an interest rate of 3.3% per annum. The proceeds were mainly used for refinancing purposes. On 13 November 2015, A-HTRUST updated its \$1.0 billion multicurrency stapled medium term note programme to a multicurrency stapled debt issuance programme. The updated programme allows A-HTRUST to issue perpetual securities, which provides A-HTRUST with an additional funding option which is useful especially given the volatility of the financial markets.

During the financial year, A-HTRUST also refinanced \$143.3 million of borrowings, which extended the weighted average maturity of the aggregate borrowings of A-HTRUST to 2.6 years as at 31 March 2016.

To manage interest rate exposure, A-HTRUST maintains a significant proportion of its borrowings on fixed interest rates. As at 31 March 2016, 91.2% of A-HTRUST's borrowings were on fixed interest rates.

To hedge A-HTRUST's distributions against fluctuations in foreign currency, A-HTRUST adopts a policy that systematically hedges the expected distributions from overseas using foreign currency forward contracts. As at 31 March 2016, 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.

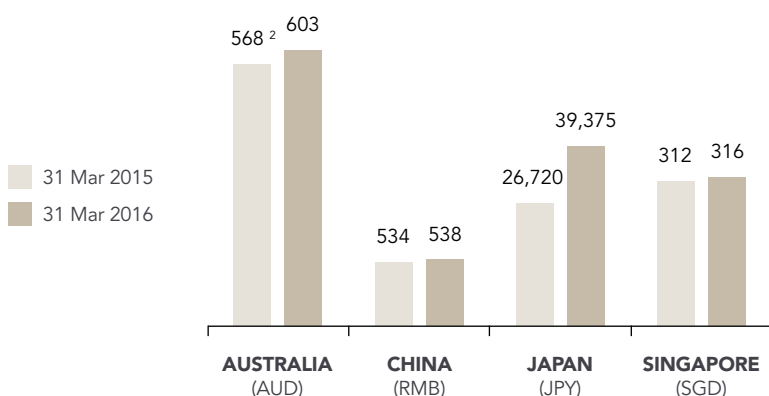
OPERATIONS REVIEW

A-HTRUST has a portfolio 11 hotels with a total of 4,351 rooms located in Australia, China, Japan and Singapore. As at 31 March 2016, the value of the portfolio was \$1,524.7 million, 14.0% higher than the portfolio valuation as at 31 March 2015, on a same store basis¹. The increase was driven mainly by the increase in valuation of the Japan portfolio which increased by 47.4% y-o-y in JPY (54.2% in SGD). This was a reflection of the vibrant hospitality scene in the country and also due to the improved

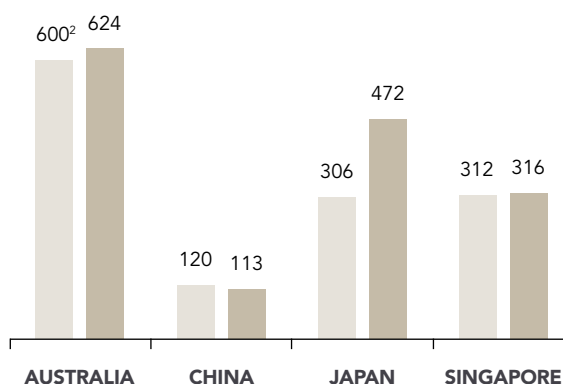
rent structure for Hotel Sunroute Osaka Namba. In addition, the valuation of Pullman Sydney Hyde Park and Novotel Sydney Central as at 31 March 2016 also increased substantially at 16.3% and 22.9%, respectively in AUD, compared to 31 March 2015.

In terms of local currencies, valuation of all the portfolios in each of the four countries improved. However, the valuation of the China portfolio in SGD terms was lower, affected by the depreciation of RMB against SGD.

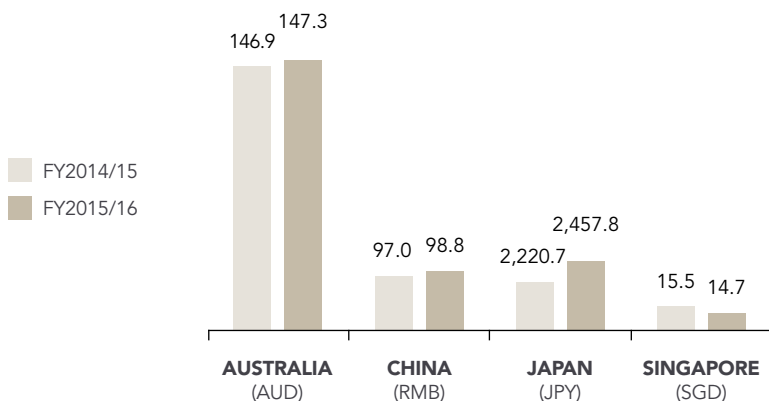
**VALUATION
LOCAL CURRENCIES (MILLIONS)**



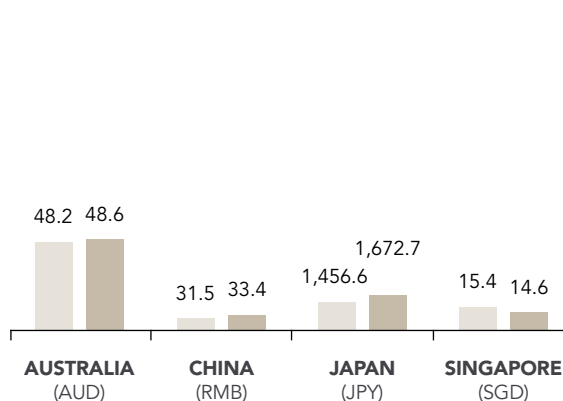
**VALUATION
\$ MILLIONS**



**GROSS REVENUE
LOCAL CURRENCIES (MILLIONS)**



**NET PROPERTY INCOME
LOCAL CURRENCIES (MILLIONS)**



^{1,2} Excluded valuation of Pullman Cairns International which was divested in June 2015.

- **Australia**

In 2015, the Australian economy continued to languish from the mining downturn and the high unemployment rate. However, the hospitality sector remained buoyant with increasing inbound tourism, driven mainly by the weaker AUD. Domestic travelling also remained healthy. A-HTRUST'S hotels in Sydney continued to benefit from the vibrant sector and experienced strong demand from corporate, public and leisure segments, while the Melbourne hotel achieved better performance with the addition of another airline crew. Pullman & Mercure Brisbane King George Square's performance, however, was affected by the continued new supply of hotel rooms in the city and lack of major events held in the city, having hosted delegates, media and local participants for the G20 Summit in November 2014.

As a result of the market condition in Brisbane, the overall occupancy for the Australia portfolio in FY2015/16 declined by 0.7 percentage points to 83.3% while ADR improved marginally by 0.6% to A\$174. As a result, RevPAR remained stable at A\$145 compared to FY2014/15. Excluding Australia Pullman & Mercure Brisbane King George Square, which was the only hotel in the Australia portfolio to post a y-o-y decline in RevPAR, the Australia portfolio RevPAR improved by 4.8% y-o-y. Overall, the Australia portfolio gross revenue and net property income in AUD improved marginally in FY2015/16.

- **China**

China's economic growth rate slowed to a 25-year low of 6.9% in 2015 as the country rebalances its economy to shift away from the manufacturing sector. The hotel industry was also adversely impacted by the government's austerity measures on entertainment spending as well as the increase in hotel supply. However, despite the challenges faced, the China portfolio recorded an improved performance. While the average occupancy of the China portfolio dropped marginally, ADR registered a y-o-y growth of 1.5% to RM408, and as a result, RevPAR improved by 1.2% to RMB334.

In FY2015/16, gross revenue of the China portfolio recorded a marginal increase of 1.9% to RMB 98.8 million, while net property income improved by 6.1% to RMB 33.4 million, in part due to rental of spaces which has little associated cost and contributed directly to the profitability of the portfolio.

- **Japan**

Japan's economic expansion was hindered in 2015 by a slowdown in China's economy and other Asian countries as well as sluggish private consumption. However, a record 19.7 million people visited Japan in 2015, an increase of 47.3% y-o-y, marking the first time in 45 years that the number of incoming travelers surpassed the outbound figure, according to the tourism ministry. Against this backdrop, Oakwood Apartments Ariake Tokyo continued to record a strong performance as RevPAR increased by 23.3% y-o-y.

In FY2015/16, the Japan portfolio recorded gross revenue increase of 10.7% to JPY 2,457.8 million and the portfolio net property income also improved by 14.8% to JPY 1,672.7 million. The improvement was mainly attributed to the higher contribution from Hotel Sunroute Ariake, which also benefitted from the buoyant hospitality sector to deliver variable rent to A-HTRUST for the first time.

- **Singapore**

In 2015, the number of visitors to Singapore was up 0.9% y-o-y to 15.2 million. However, their overall spending fell 6.5% to \$22 billion ¹, the lowest since 2010. The slump in tourism receipts was mainly due to companies cutting back on travel budgets which led to fewer business travellers and lower spending per person. The landscape has also become increasingly competitive due to the new supply of hotel rooms that have entered the market.

In FY2015/16, Park Hotel Clarke Quay's performance was impacted by companies' reduced travel budgets. Both gross revenue and net property income declined by 5.3% compare to FY2014/15.

¹ Source: Singapore Tourism Board.

OPERATIONS REVIEW

DRIVING GROWTH, ENHANCING VALUE



Divestment of Pullman Cairns International

In June 2015, A-HTRUST divested Pullman Cairns International ¹ for a consideration of A\$75.08 million. The consideration represents a premium of 12.1% above the valuation of Pullman Cairns International as at 31 March 2015.

Given its location in one of the smaller cities in Australia, which is predominantly a vacation destination, Pullman Cairns International did not fit into the profile of A-HTRUST's portfolio. The hotel was also the only one that was not wholly-owned by A-HTRUST.

The divestment allowed A-HTRUST to free up capital and provided A-HTRUST with greater flexibility in terms of fund deployment



Forward Purchase of 252-unit Serviced Apartments Component of Aurora Melbourne Central

In December 2015, A-HTRUST entered into a forward purchase agreement with UEM Sunrise to acquire the 252-units serviced apartment component of Aurora Melbourne Central for A\$120.0 million. Aurora Melbourne Central is a 92-storey mixed-use development situated right in the heart of the Melbourne CBD.

Expected to be completed in 2019, the iconic landmark will be the tallest building in Melbourne CBD and will enjoy great accessibility given its direct access to the Melbourne Central Railway Station. The development is also located within close proximity to renowned attractions such as Queen Victoria Market, State Library of Victoria, Royal Exhibition Building and the Melbourne Museum.

A-HTRUST will be provided with income support for up to A\$3.0 million during the first two years of operations. This provides certain extent of downside protection of income stream to A-HTRUST during the first two years of operation, which is the estimated time required for operation of the serviced apartments to be stabilised. A-HTRUST will not bear any development risk, having paid a deposit of A\$5.0 million, as the balance will be paid only when the property is completed. Interest of 5.5% per annum on the deposit will also be paid to A-HTRUST up to the time the asset is delivered to A-HTRUST.

¹ A-HTRUST owns 50% of Pullman Cairns International.



Leasing of Space in Ibis Beijing Sanyuan

During the financial year, under or unutilised space at Ibis Beijing Sanyuan (“Ibis Beijing”) was converted to rentable space. This was leased to a convenience store and a local eatery which provided a new steady stream of income to the hotel. This helped to improve the profitability of the hotel.

These initiatives are part of the active asset management strategy employed by the Managers to optimise the use of space to derive income and create value to Ibis Beijing.



Novation of Hotel Management Agreements Relating to Hotels in Beijing

With effect from 1 January 2016, the hotel management agreements relating to Novotel Beijing Sanyuan and Ibis Beijing Sanyuan (collectively “Beijing Hotels”) have been novated to Huazhu Hotels Group Ltd (“Huazhu”) (also known as China Lodging Group, Limited).¹

The novation is expected to benefit the Beijing Hotels as A-HTRUST can leverage on Huazhu’s experience and knowledge of the China market in managing the Beijing Hotels. Huazhu is a leading hotel management company in China, managing and operating more than 2,700 hotels across 352 cities in China ².

Following the novation, the Beijing Hotels can continue to leverage on the existing Accor’s loyalty program and also benefit from Huazhu’s loyalty program which has over 40 million members ³. Going forward, bookings of hotel rooms in the Beijing Hotels can be done through both the existing Accor’s booking network as well as the Huazhu’s booking channel. In 2015, approximately 90% of the room nights under Huazhu’s hotels were sold through Huazhu’s sales platform, including its mobile applications ⁴.

¹ The management agreements of the Beijing Hotels were novated to Yagao Meihua Hotel Management Co, Ltd., a wholly owned subsidiary of Huazhu.

^{2,3,4} Based on disclosure in Huazhu’s Annual Report (2015).

OPERATIONS REVIEW



Refurbishment of Hotel Sunroute Osaka Namba

Following a three-month refurbishment, Hotel Sunroute Osaka Namba ("Osaka Hotel") reopened its door on 1 April 2016. The JPY1.1 billion facelift gave the hotel a fresh contemporary look and the hotel was repositioned to appeal to modern-day spectrum of travellers from business to leisure.

The refurbishment involved major renovation to the guest rooms to create a cheerful and trendy look and feel, where emphasis was placed on ensuring that the revamped rooms provided enhanced comfort and experience for guests. Substantial changes were also made to the façade, lobby and restaurant to give the Osaka Hotel a fresh, hip and fashionable look.

Following the refurbishment, the Osaka hotel also offers more guest rooms which can accommodate twin and double beds, so as to cater to families and guests travelling in pairs or in small groups.

With effect from 1 January 2016, the Osaka Hotel operated under a new master lease with an improved rent structure. The revised rent structure provided a higher amount of fixed rent to A-HTRUST, and also included a variable component, which will provide A-HTRUST with potential upside.

Through a combination of the asset management strategy executed and the positive hospitality sector in Japan, the valuation of Osaka Hotel increased by almost 90% to JPY 17,575 million compared to JPY 9,320 million a year ago.



MARKET REVIEW

SYDNEY

TOURISM MARKET OVERVIEW

Famous for its harbour, Sydney offers extensive shopping, entertainment and dining experiences as well as countless 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, Sydney City recorded a marginal decline in total visitor nights of 0.5% in 2015 when compared to 2014. International visitor nights which comprise 75.0% of all visitor nights in the city experienced a 0.5% decline year-on-year, whilst domestic visitor nights documented a 2.5% increase. The growth in domestic visitor nights was on the back of a 7.4% increase in travel for the purposes of holiday/pleasure which can be attributed to the Australian Dollar weakening throughout 2015.

EXISTING SUPPLY

According to the Australian Bureau of Statistics, there were approximately 130 establishments containing 21,962 rooms in Sydney at year end 2014. Hotel openings in 2015 accounted for an estimated 713 rooms, representing a 3.1% y-o-y increase in stock. Hotel openings in the second half of 2015 included the 281-room Tank Stream - St Giles Premier Hotel, the 172-room Primus Hotel Sydney, the 62-room Old Clare Hotel, the 64-room Megaboom City Hotel, and a 24-room extension of the Holiday Inn Darling Harbour.

FUTURE SUPPLY

There are three short term accommodation developments currently under construction and due for completion between 2016 and 2018 which comprise an extension of the 231-room Four Points by Sheraton Darling Harbour, the 590-room Sofitel Sydney Darling Harbour and the 86-room Sydney by Crown Suites.

Supply increases in Sydney City are expected to average 4.0% per annum over the four years to the end of 2019.

HOTEL MARKET PERFORMANCE

STR Global showed marketwide occupancy levels in Sydney increased by 1.2 percentage points to 88% in 2015. ADR improved by 6.6% to A\$243, resulting in RevPAR growth of 7.9% to A\$214.

Sydney benefitted from a strong events calendar throughout the year which included major fixtures as part of global sporting events such as the Cricket World Cup and Asian Football Cup, as well as the continued robust corporate environment.

HOTEL MARKET OUTLOOK

The outlook for Sydney's accommodation market remains strong with market occupancy at a high level and ADR further strengthening in line with the consistent supply outlook and more stable demand environment with growth across a variety of segments including corporate, cruise and inbound.

Major infrastructure projects such as the Barangaroo urban renewal project and the development of the Sydney International Convention Centre Precinct will provide an added boost to the market over the medium to long term.

HOTEL INVESTMENT MARKET

Sydney sustained its position in 2015 as Australia's premier hotel investment market with a number of landmark properties acquired throughout the city and wider metropolitan region. There were 14 transactions totaling A\$1.5 billion within Sydney, with major transactions comprising the 416-room Westin Sydney, the 579-room Hilton Sydney, the 190-room Vibe Sydney, the 209-room Crowne Plaza Coogee and the 288-room Holiday Inn Potts Point.

MARKET REVIEW

MELBOURNE

TOURISM MARKET OVERVIEW

Melbourne is Australia's second most populous city and a major corporate centre. The Victorian Government has invested significantly in tourism infrastructure over the past decade which has underpinned growth in international and domestic visitation.

According to Tourism Research Australia, Melbourne's tourism region recorded an increase in demand over the twelve months to December 2015, with total visitor nights increasing by 12.7% y-o-y to 74.5 million. Domestic visitor nights rose 3.5% with travel for the purposes of convention, visiting friends and family and holiday/pleasure recording the largest increases y-o-y.

International visitors accounted for 68.8% of total visitor nights in Melbourne during 2015, increasing 17.5% compared to the previous year. Mainland China, United Kingdom and New Zealand were the primary inbound markets.

EXISTING SUPPLY

According to JLL's research, there were 155 establishments with 22,248 accommodation rooms in Melbourne City at the end of 2014. There were no major hotel openings in 2015.

FUTURE SUPPLY

There are seven properties which are currently under construction in Melbourne City which once complete will result in a net increase of 1,311 rooms. Supply increases in Melbourne City are expected to average 4.3% per annum over the four years to the end of 2019.

HOTEL MARKET PERFORMANCE

STR Global showed marketwide occupancy levels in Melbourne have increased 0.9 percentage points for the year ending December 2015 to 86.5%. ADR improved by 4.1% to A\$205 resulting in RevPAR growth of 5.2% to A\$178 y-o-y. Melbourne's calendar of major global events and international conference program is a draw card for visitors to the city and has contributed to the growth in the accommodation market. In 2015, Melbourne also benefitted from major one-off events including the ICC Cricket World final, as well as the inaugural International Champions Cup in Australia.

HOTEL MARKET OUTLOOK

Melbourne's accommodation market has experienced a robust level of growth over the last five years capitalising on the city's extensive calendar of events and the closure of the Sydney Convention and Exhibition Centre between 2014 and 2016. Melbourne City also has a long history of investment in tourism and transportation infrastructure as well as successfully marketing of the city nationally and globally. Notwithstanding this, the underlying market buoyancy of recent years is anticipated to moderate slightly over the medium 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 five major hotel transactions in 2015, being the sale of the 385-room Crowne Plaza Melbourne, the 253-room InterContinental Melbourne, the 114-room Pensione Hotel, the 224-room The Olsen and the 119-room The Cullen Art Series Hotels.

BRISBANE

TOURISM MARKET OVERVIEW

Brisbane is the third most populous city in Australia and the gateway to Queensland. With a current population of over 2.0 million, Brisbane has experienced strong economic growth in recent years, underpinned by the resources sector. Other major industries within the metropolitan area include information technology, financial services and public sector administration. Tourism is also an important part of the Brisbane economy.

According to Tourism Research Australia, Brisbane recorded an increase in tourism demand over the twelve months to December 2015, with total visitor nights increasing by 12.8% y-o-y. Domestic visitor nights rose 3.4% with travel for the purposes of education, convention and business recording the largest increases y-o-y.

International visitors accounted for 58.6% of total visitor nights in Brisbane during 2015, increasing 20.6% compared to the previous year. Mainland China, United Kingdom and Korea were the primary inbound markets.

EXISTING SUPPLY

As at end-2014, there were approximately 107 establishments with 11,222 accommodation rooms in Brisbane City, according to JLL's research. Some of the key openings in 2015 include the 114-room Mantra on Edward and the 239-room Capri by Fraser Hotel. JLL's research indicates an additional 593 rooms in 2015, representing a 5.3% y-o-y increase in room inventory.

FUTURE SUPPLY

There are seven properties which are currently under construction in Brisbane City which once complete will result in a net increase of 1,033 rooms. Supply increases in Brisbane City are expected to average 6.0% per annum over the four years to the end of 2019.

HOTEL MARKET PERFORMANCE

STR Global indicated a softening in the Brisbane market during the twelve months to December 2015, with marketwide occupancy declining by 2.2 percentage points y-o-y to 76.3%. An ADR of A\$179 was achieved and resulted in a RevPAR decrease of 10.0% to A\$137. While demand from the government and resources sector remains subdued, leisure demand in Brisbane City has improved. However, any improvements in demand at present is quickly absorbed by the new hotel room supply.

HOTEL MARKET OUTLOOK

Brisbane's accommodation market has softened since mid-2012 in line with moderating government, corporate and convention related demand. Notwithstanding, trading performance showed some signs of stabilising in 2014, boosted by the G20 summit in November. However, the subsequent demand growth evident during 2015 was outpaced by a significant increase in hotel room supply resulting in softer trading conditions overall. JLL anticipate this characteristic of the market to continue for the short to medium term.

HOTEL INVESTMENT OUTLOOK

There were three major hotel transactions in 2015, being the sale of the 304-room Next Hotel Brisbane, the 162-room Adina Apartment Hotel Brisbane and the 99-room Rendezvous Hotel Brisbane on George. Investor appetite for hotel investment opportunities in Brisbane remains strong with the city ranked as one of the key investment destinations in Australia.

MARKET REVIEW

BEIJING

TOURISM MARKET OVERVIEW

Based on statistics from the Beijing Tourism Bureau, international visitor arrivals decreased by 1.8% y-o-y to 4.2 million in 2015. This is mainly due to the uncertainties in the global economy as well as concerns over the air pollution in Beijing, which has resulted in the downward trend in international visitors in recent years.

Domestic tourism to Beijing remained healthy, increasing by 4.4% y-o-y to 269 million in 2015 due to the improvements in transportation infrastructure and connectivity between cities, as well as enhancements in leisure and entertainment facilities. The government has implemented many initiatives to drive tourism across the country, in line with Mainland China's transition to service-oriented industries.

EXISTING SUPPLY

In 2015, Beijing had over 36,000 internationally-branded hotel rooms. Most of the existing supply is in the economy segment, with 2-star and 3-star hotels comprising 27% and 36% of all hotels, respectively. Comparatively, 4-star and 5-star hotels totaled 37% of all hotel supply in Beijing.

Majority of the new hotels in 2015 were in the midscale and upscale sectors, adding 1,371 rooms to the market. Key hotel openings include the 306-room Kempinski Sunrise Hotel, the 439-room Hotel Nuo, the 362-room Orient MGM Beijing and the 264-room Tangram hotel.

FUTURE SUPPLY

Due to the slowdown in the global economy and the large base of existing hotel rooms in Beijing, the upcoming hotel supply in the city is expected to be tepid in the next few years. Investors have become increasingly cautious about hotel investment and development, as reflected by the moderate hotel supply which entered in 2015 and less than 1,400 rooms expected to come online in 2016. Planned openings in 2016 include the 320-room InterContinental Beijing City Center, the 382-room Hualuxe Beijing Xinan and the 460-room CTS Tower Metropark. Hotel room supply is expected to grow at an average of 2.2% per annum over the four years to the end of 2019.

HOTEL MARKET PERFORMANCE

In 2015, Beijing's marketwide hotel trading performance remained stable. Occupancy levels increased by 0.7 percentage points to 57.6% while ADR remained unchanged at RMB513, according to China National Tourism Administration. Consequently, RevPAR increased marginally by 0.7% y-o-y to RMB295. The upscale and luxury sectors showed improvements in trading performance as these sectors have become less dependent on the government segment and target leisure and corporate visitors instead.

HOTEL MARKET OUTLOOK

Corporate demand from various sectors including science, service, cultural, commercial, financial, healthcare, information technology and creative industries are expected to increase with the growth in investment in these industries. Majority of the heavy-industry corporations and factories will be moved to Hebei and Tianjin, in line with the transition of Beijing towards service-oriented industries. Hence, higher yielding corporate demand is expected to increase gradually which is anticipated to lead to improvements in ADR.

Domestic tourism is expected to remain robust. With the enhancement of tourist infrastructures and improvements in air quality in Beijing, leisure demand from domestic tourists is likely to remain strong. New tourist attractions include the Universal Studios Beijing which is scheduled to open in 2020 while existing infrastructure such as ski resorts are being upgraded. The 2022 Winter Olympics, which will be held in Beijing and Zhangjiakou will prompt the development of intercity transportation infrastructure. This includes a railway line connecting Beijing and Zhangjiakou which will commence construction in 2017.

The city's second international airport, Beijing Daxing International Airport, is scheduled to open in October 2019 and a second airport economic zone will be formed in south Beijing, in the Daxing area. Growth in arrivals is expected with the opening of the new airport, which is anticipated to generate more accommodation demand.

HOTEL INVESTMENT OUTLOOK

Hotel investors continue to adopt a cautious approach to Mainland Chinese hotel assets in light of the limited improvements in trading performance and profits due to the slowing macro economy. Nevertheless, investors are likely to be more upbeat on the Beijing hotel market when taking a longer term view. The Beijing Municipal Government has imposed restrictions on new hotel development in central areas and future developments are likely to be located in the outer suburbs of the city.

MARKET REVIEW

TOKYO

TOURISM MARKET OVERVIEW

In 2015, Tokyo's tourism market recorded an increase of inbound tourists due to several factors including the depreciation of the Japanese Yen, the new tax-free system in Japan which now extends to all items, as well as the easing of visa regulations for countries in Southeast Asia.

According to statistics from the Japan National Tourism Organization, international visitors to Japan achieved a record number of 19.7 million visitors in 2015, registering a significant increase of 47.1% from 2014.

Visitors from Mainland China showed a significant improvement of 107.3% y-o-y in 2015, and is the top source market to Japan. The second largest source market was South Korea, followed by Taiwan and Hong Kong. The top three source markets comprise approximately 64.2% of total international arrivals to Japan. Visitors from all regions, including the Americas, Europe, and the others, recorded a double digit growth on a year-on-year basis.

In 2015, Japan Tourism Agency data recorded 53.4 million accommodation guests in Tokyo, achieving a healthy growth at 7.2% from the previous year. While domestic accommodation guests remained stable at approximately 37 million, international accommodation guests registered a 30.8 % y-o-y growth to reach 16.4 million.

EXISTING SUPPLY

Based on statistics from the Japan Ministry of Health, Labour and Welfare, Tokyo had 675 hotels with 98,644 guestrooms as at end-March 2015. As compared to March 2014, the number of hotel establishments declined by five properties, while the number of guestrooms showed a marginal increment of 0.8%. This is due to the closure of older and smaller hotels which were replaced by newer and larger hotels in Tokyo.

In 2015, there were no major four or five-star hotel openings in Tokyo. The majority of new hotels were in the limited-service segment and are managed by domestic hotel operators, namely APA hotels, Sotetsu Fresa Inn, and Super Hotel.

FUTURE SUPPLY

In 2016, there are two luxury hotel openings in the pipeline, namely the 84-room ryokan-style hotel Hoshinoya Tokyo, and the 250-room Prince Gallery Tokyo Koicho, a Luxury Collection Hotel. Both hotels are scheduled to open in July 2016. Overall, Tokyo's full-service hotel supply is likely to gradually increase in the next few years. While details have not been released yet, most of the future hotels are likely to be part of a large-scale mixed-use development and are expected to be positioned as luxury and upscale hotels, considering the scale and location of the mixed-use developments in several areas in central Tokyo.

While the total future supply of limited service hotels in Tokyo is publicly unavailable, additions to supply is likely to be moderate in the next few years.

HOTEL MARKET PERFORMANCE

According to STR Global, Tokyo's marketwide hotel RevPAR improved by 12.5% y-o-y to JPY15,688 in 2015. This was the highest RevPAR recorded since the global financial crisis. While occupancy levels decreased slightly by 0.2 percentage points to 86.9%, ADR recorded a double-digit growth at 12.7% y-o-y to achieve JPY18,053 in 2015. Improvements in hotel trading performances were mainly due to an increase in inbound tourists and an improved Japanese economy.

HOTEL MARKET OUTLOOK

Tokyo will host the Olympic and Paralympic Games in 2020. This is likely to have a positive impact on the hotel and tourism market prior to and during the Olympic and Paralympic Games. The economic impact of the Games is estimated at JPY 2.96 trillion, which will benefit the travel, advertising, services, construction and commercial industries, according to the Tokyo Metropolitan Government.

Moving forward, international arrivals are expected to continue on the upward trend. Accommodation demand from the international segment is expected to grow at a faster pace than the domestic segment, given its significant y-o-y growth of 30.8% in 2015 as compared to the 0.7% decrease in the domestic segment.

In terms of hotel trading performance, RevPAR growth in 2016 is likely to be driven by an increase in ADR. Occupancy is expected to remain at its current levels while hoteliers are likely to aim for higher ADRs.

HOTEL INVESTMENT OUTLOOK

In 2015, there were 22 hotel transactions in Tokyo. Majority of the hotel assets which were sold recently were limited-service hotels. Buyers include Japanese real estate companies, domestic Real Estate Investment Trusts ("REITs") and investment funds.

Full-service hotels in Tokyo are tightly held and rarely offered for sale. However, in December 2015, the Hong Kong and Shanghai Hotels acquired the building portion of the 314-room The Peninsula Hotel Tokyo which was developed by Mitsubishi Estate and operated by the Hong Kong and Shanghai Hotels under a 50 year lease agreement. Upon the acquisition of the hotel building, the land lease agreement was extended to 70 years.

Due to the favourable overall market environment and low interest rates, investor interest in hotel assets remains strong in the short to medium term.

MARKET REVIEW

OSAKA

TOURISM MARKET OVERVIEW

In 2015, Osaka's tourism market recorded an increase in inbound tourists owing to the depreciation of the Japanese Yen, the new tax-free system in Japan which now extends to all items, as well as the easing of visa regulations for countries in Southeast Asia.

Universal Studios Japan is one of the major demand generators in Osaka. For two consecutive years in 2014 and 2015, the theme park achieved record visitor numbers due to the opening of a new Harry Potter themed attraction in 2014.

Japan Tourism Agency statistics showed that international accommodation guests in Osaka Prefecture recorded a significant y-o-y increase of 50.1% to 8.9 million in 2015 while domestic accommodation guests remained stable at around 20 million during the year.

EXISTING SUPPLY

Based on the latest statistics from the Japan Ministry of Health, Labour and Welfare, Osaka City had 297 hotels with 48,481 guestrooms as at end-March 2015. In comparison to March 2014, there was one additional establishment which resulted in a 0.5% growth in room inventory.

The only full-service hotel opening in 2015 was the 598-room The Park Front Hotel at Universal Studios Japan, which opened in August 2015. The other new hotels are in the limited-service sector including two Toyoko Inns.

FUTURE SUPPLY

In 2016, there are few hotel openings expected in Osaka and all of the known hotel projects are in the limited-service sector. Osaka's overall hotel room inventory is likely to increase in the next few years given that there are a number of hotels in the pipeline from 2017 onwards. A total of 19 limited service hotels and two full service hotels, including the Conrad Osaka in Nakanoshima, are scheduled to open by 2017.

HOTEL MARKET PERFORMANCE

According to STR Global and JLL's research, Osaka's marketwide hotel RevPAR improved by 30.0% y-o-y to JPY16,176 in 2015. This was the highest RevPAR recorded since the global financial crisis. Occupancy levels improved by 4.1 percentage points to 89.5% and ADR also recorded a y-o-y growth of 24.1% to achieve JPY18,074. Improvements in hotel trading performance are mainly due to an increase in inbound international tourists.

HOTEL MARKET OUTLOOK

In Osaka, both domestic and international visitor arrivals are expected to increase within the next few years. A third terminal for the exclusive use of international low cost carriers will be added to Kansai International Airport in March 2017. Kansai International Airport aims to double the annual airport capacity to 8 million people upon the completion of Terminal 3, which will be able to accommodate more international travellers.



The new Harry Potter attraction in Universal Studios Japan benefitted Osaka's tourism market in 2015, attracting many tourists to Osaka. As the theme park continues to enhance its attractions with an additional roller coaster ride, The Flying Dinosaur, added in March 2016, this is likely to have a positive impact on the tourism market.

In terms of hotel trading performance, RevPAR growth in the short term is expected to be driven by an increase in ADR. Occupancy is likely to remain at a high level while hoteliers are anticipated to increase room rates in 2016. Trading performances are expected to improve, driven by strong accommodation demand from both the international and domestic leisure segments.

HOTEL INVESTMENT OUTLOOK

Osaka is expected to remain of keen interest to investors given that the city is the key business gateway in western Japan and trading performance is robust, leading to a strong demand for hotels.

In 2015, JLL recorded 10 hotel transactions in Osaka, most of which are in the limited-service sector. The buyer profile includes investment funds, domestic REITs and real estate companies.

MARKET REVIEW

SINGAPORE

TOURISM MARKET OVERVIEW

In 2015, international visitor arrivals to Singapore were recorded at 15.2 million, an increase of 0.9% y-o-y as compared to 2014 and in line with the forecasts set by the Singapore Tourism Board (STB), which targeted between 15.1 and 15.5 million arrivals. However, tourism receipts declined by 6.8% y-o-y to \$22 billion in 2015, which can mainly be attributed to fewer corporate and Meetings, Incentives, Conventions and Exhibitions (MICE) travellers as well as lower expenditure per person, according to STB.

The top three source markets to Singapore were Indonesia, Malaysia and Mainland China, comprising approximately 39.5% of total visitor arrivals. Healthy growth was observed in key source markets such as Mainland China, Taiwan and India which showed y-o-y increases of 22.3%, 12.0% and 7.5% respectively, due to increased marketing initiatives by the STB and the addition of new direct flights from mid-tier Chinese and Indian cities. The positive growth helped offset the decline in tourist arrivals from some of Singapore's largest source markets including Indonesia, Malaysia and Japan which experienced y-o-y decreases of 9.7%, 5.0% and 4.3% respectively, where currency depreciation and weak economic sentiments have impacted travel demand.

The STB remains committed to develop quality tourism growth ahead by focusing on developing unique visitor experiences and increasing tourism receipts, as well as targeted marketing efforts in different source markets. In 2015, Singapore Airlines, Changi Airport Group and STB have jointly agreed to invest \$20 million collectively to promote inbound travel to Singapore. Under this two-year partnership, they will aim to intensify marketing efforts directly to consumers and through trade partnerships.

EXISTING HOTEL SUPPLY

At end-2015, Singapore's hotel inventory comprised a total of 60,908 licensed rooms according to STB. Approximately 3,736 rooms opened last year, a 6.5% increment over 2014, based on statistics provided by STB. Majority of the hotel openings were in the city fringe and suburban areas and were predominantly budget and midscale hotels including the 557-room Genting Hotel Jurong, the 442-room Park Hotel Alexandra and the 387-room D'Resort @ Downtown East.

FUTURE HOTEL SUPPLY

Singapore's hotel room supply is likely to grow by an average of 4.6% per annum to 69,794, with an addition of approximately 8,886 rooms over the three years to end-2018. This excludes any proposed Government Land Sales sites for hotels. The upcoming pipeline is predominantly in the budget and upscale sectors and comprises new international brands such as Andaz, Courtyard by Marriott, Indigo, Patina and Yotel.

In 2016, approximately 5,346 rooms are expected to open. Some of the new openings include the 131-room Hotel Indigo Singapore Katong, the 157-room The Patina Capitol Singapore, the 293-room M Social, the 395-room Mercure Bugis and the 222-room Sofitel Singapore City Centre. The remaining 1,400 rooms at Hotel Boss and 454-rooms at South Beach Hotel & Club are also expected to open in 2016.

HOTEL MARKET PERFORMANCE

According to STB statistics, marketwide hotel trading performances declined in 2015. Occupancy showed a marginal 0.5 percentage point decrease to 85.0% while ADR decreased by 4.8% y-o-y to \$246, resulting in a 5.4% y-o-y decline in RevPAR to SGD 209. This can be attributed to the cutbacks in corporate budgets and a slowdown in visitation from many major source markets. In particular, the oil and gas industry has been significantly impacted by the fall in oil and gas prices, resulting in contraction of their corporate budgets and cutbacks in oil exploration activities. The new hotel supply in the market has also given corporates more options in selecting where they place their business. Collectively, the slowdown in tourist demand and rising hotel supply is likely to limit significant rate growth in the overall market.

HOTEL MARKET OUTLOOK

In 2016, STB forecasts moderate growth in visitor arrivals and tourism receipts, targeting a 0 – 3% increase in visitor arrivals to 15.2 - 15.7 million and a 0 – 2% increment in tourism receipts ranging between \$22.0 and 22.4 billion.

Corporate demand is anticipated to remain stable in the short to medium term as Singapore is one of the key commercial hubs in Asia Pacific. Singapore continues to be a popular MICE destination, being Asia Pacific's Top Convention City for the 13th consecutive year in 2014, according to the latest global rankings by the International Congress and Convention Association (ICCA). Leisure demand remains strong with investments in future tourist attractions such as the large-scale nature project in the Mandai precinct, which will cost approximately \$1 billion.

Tourism demand from key regional markets such as Indonesia, Australia and Malaysia are likely to remain subdued in the short term due to the currency depreciation in these markets. However, given their proximity to Singapore and the presence of low cost carriers, JLL expect demand from those source markets to rebound once the global economic situation and their respective currencies recover.

JLL anticipate hotel trading performance in Singapore to moderate over the next two years, in view of increasing competition from the new hotel supply. Resistance to rate growth from corporate suppliers and continued uncertainty around the global economy recovery will have a dampening effect on demand growth in the short term.

HOTEL INVESTMENT OUTLOOK

In 2015, the Singapore market experienced limited transaction activity with only two major hotels transacting during the year, namely the 328-room Hotel Grand Chancellor Singapore and the 308-room BIG Hotel Singapore. This was due to a dearth of available stock on the market and evident gaps between buyer and seller pricing expectations.

INVESTOR RELATIONS

OVERVIEW

The Managers are committed to maintaining 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 as well A-HTRUST's corporate website (www.a-htrust.com) so as to keep investors updated of the material developments of A-HTRUST in a timely manner. 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 also ensure that price sensitive information is disseminated to investors at the same time via SGXNet as well as on A-HTRUST's corporate website, and care is exercised to ensure that there is no selective disclosure of material information. The corporate website is updated regularly to provide up-to-date information on A-HTRUST. Information relating to the portfolio, financial results and annual reports are also available on the corporate website.

KEY INVESTOR RELATIONS EVENTS

FY2015/16	COUNTRY	DATE
4Q FY2014/15 Analysts Teleconference	Singapore	May 2015
Asia Pacific Hotel Investment Conference	Thailand	May 2015
3rd Annual General Meeting	Singapore	July 2015
1Q FY2015/16 Analysts Teleconference	Singapore	August 2015
Maybank Kim Eng Non-Deal Roadshow	Hong Kong	August 2015
Macquarie ASEAN Conference	Singapore	August 2015
Citi-REITAS Singapore REITs & Sponsors Forum	Singapore	September 2015
2Q FY2015/16 Analysts Teleconference	Singapore	October 2015
Signing Ceremony and Press Conference in relation to the acquisition of the serviced apartments component of Aurora Melbourne Central	Australia	December 2015
3Q FY2015/16 Analysts Teleconference	Singapore	January 2016

INVESTOR OUTREACH

The Managers regularly engage the investment community through participation in one-on-one meetings, investor conferences and non-deal roadshows. During such discussions, the Managers provide updates on A-HTRUST's development and financial performance as well as insights on its strategies and market outlook, leading to better understanding of A-HTRUST by the investment community. Through these meetings, the Managers are also able to promote the profile of A-HTRUST.

The Managers also conduct analyst teleconferences every quarter following the release of A-HTRUST's financial results. These events allow the senior Management of the Managers to provide analyses of A-HTRUST's financial results, and provide a forum for active discussion with analysts.

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 allow 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. A-HTRUST's Third Annual General Meeting on 2 July 2015 was attended by a record high turnout of more than 280 Stapled Securityholders and proxies. Stapled Securityholders can also submit any queries or feedback through email (info-aht@ascendas-singbridge.com) to the Managers.

FINANCIAL CALENDAR

FY2015/16	
6 August 2015	1Q FY2015/16 results announcement
28 October 2015	2Q FY2015/16 results announcement
4 December 2015	Payment of distribution for the period from 1 April 2015 to 30 September 2015
28 January 2016	3Q FY2015/16 results announcement
12 May 2016	4Q FY2015/16 results announcement
17 June 2016	Payment of distribution for the period from 1 October 2015 to 31 March 2016
27 June 2016	Fourth Annual General Meeting
FY2016/17	
August 2016 *	1Q FY2016/17 results announcement
November 2016 *	2Q FY2016/17 results announcement
January 2017 *	3Q FY2016/17 results announcement
May 2017 *	4Q FY2016/17 results announcement

* Subject to change.

INVESTOR RELATIONS

STAPLED SECURITY TRADING PERFORMANCE



STAPLED SECURITY PRICE PERFORMANCE		\$
Closing Price as at 31 March 2015		0.680
Closing Price as at 31 March 2016		0.750
Highest Price		0.810
Lowest Price		0.570

VOLUME	NUMBER OF STAPLED SECURITIES ('000)
Total Trading Volume	509,482
Average Daily Traded Volume	2,054

Source: Bloomberg

Assuming the dividends paid during FY2015/16 are reinvested into A-HTRUST, the total return for an investor in FY2015/16 would be 19.1%.



CORPORATE SOCIAL RESPONSIBILITY

While A-HTRUST is committed to growing and developing its assets and business, it is also cognizant of its role as a corporate citizen to build a sustainable environment, through various energy preservation initiatives and activities. Beyond active sustainability practices, the Managers also recognise the importance of corporate social responsibility and advocate contributing to the community to help those in need. Recognising employees are the cornerstone of the organisation, the Managers are also committed to looking after the welfare and development of its employees. The Managers and the hotels take part in various activities and undertake initiatives in a continuous effort to be socially responsible corporates. Through corporate social responsibility initiatives, A-HTRUST and the hotels in its portfolio strive to continue their role as responsible and considerate corporate citizens that can contribute to the communities and environment.

GIVING TO COMMUNITIES

As part of the Ascendas-Singbridge Group, the Managers participate in activities organised by the Ascendas-Singbridge Gives Foundation, a non-profit charity foundation set up to give back and support the communities. The Foundation advocates the spirit of caring and sharing with the communities by giving them the space to grow and excel through programmes that reach out to the Arts, Community and the Environment. In September 2015, the Managers participated in "Walk for Our Children" which is a charity event organised to raise funds for supporting services provided to children, youth and families in need.



In Singapore, Park Hotel Clarke Quay also supported local charity events organised by the Association for Persons with Special Needs (APSN) through participation in fundraising activities and contribution of prizes for charity events such as the APSN Walkaton.

A-HTRUST's hotels in Australia took part in various charity activities to show their support for the needy. These included participating in charity events to help the homeless and children in need, providing support to seriously ill children and their families, as well as providing food to the homeless during winter and at Christmas. Some of the hotels also participated in fund raising activities by various organisations in support of cancer research, prevention and support services. In addition, certain hotels took part in "Soap Aid" initiative which collect soaps from hotels and recycle them before sending it to areas in need so as to improve the lives of children in disadvantaged communities through the facilitation of improved hygiene practices.

In China, Ibis Beijing Sanyuan and Novotel Beijing Sanyuan participated in activities such as fundraisings for Orbis, an international non-profit organization dedicated to prevention



and treatment of blindness. The hotels also supported Chi Heng Foundation in prevention of HIV / AIDS in China. A-HTRUST's hotels in Japan also support various local charities and participated in fundraising activities and deliver toys to children during Christmas.

CONSERVING THE ENVIRONMENT

A-HTRUST is committed to practices that contribute towards preserving the environment. These practices vary and can include ways to minimise waste, improve operational efficiencies and even community outreach.

The Managers of A-HTRUST continued to work closely with the hotel operators to achieve sustainability of the environment in operations of the hotels. Among these efforts was the concerted drive to ensure that the hotels managed by Accor achieved the standards set out in its Planet 21 program, which defines the Accor's objectives in terms of sustainable development premised on 7 pillars, comprising health, nature, carbon, innovation, local development, employment, and dialogue. In particular, Pullman Sydney Hyde Park, Ibis Beijing Sanyuan and Novotel Beijing Sanyuan attained Planet 21 gold status.

Hotels in Australia adopted energy or water saving initiatives such as using energy saving globes, upgrading to LED lightings in the hotels or converting to low-flush toilets for staff. Some of the hotels also took part in Earth hour and actively promote awareness on energy conservation among guests.



In Park Hotel Clarke Quay, certain equipment such as chill water pumps, condenser pumps cooling tower fan motors are installed energy-saving devices. The hotel also has in place a set of Park Hotel technical guide that included a long term Energy Conservation solution for reduction of all unnecessary wastage. Due to the concerted drive to reduce energy usage, electricity per room in 2015 was the lowest in the past 5 years. The two Beijing hotels continued their participation in "Plant for the Planet" program in which guests are invited to reuse their towels for more than one night and a portion of laundry savings are used to fund reforestation projects.

CARING FOR EMPLOYEES

People are valuable resources of the Managers and are key in driving the success of A-HTRUST. Therefore, the Managers recognised the importance of retaining and developing our people. Upon joining the Managers, the employees will undergo an induction and orientation programme. The new employee will also be assigned a "buddy" who will help him or her settle into the new working environment.

The Managers also organise team bonding activities once a year to foster stronger unity amongst the employees. The employees also participate in events organised by Ascendas-Singbridge Group such as employee forums which are held twice a year and sport day which help to promote teamwork.

Various training programs are available to the employees throughout the year to help hone their skills and deepen their industry knowledge or pick up new skill sets to help in their development.

AWARDS AND ACCOLADES

In FY2015/16, Park Hotel Clarke Quay was awarded several awards including Green Hotel Award by Singapore Hotel Association in recognition of its effort in embracing eco-friendly practices. Other awards included Excellence Service Award by Spring Singapore.



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 A-HREIT (“REIT Manager”) and Ascendas Hospitality Trust Management Pte. Ltd., as the Trustee-Manager of A-HBT (“Trustee-Manager”), believe that effective corporate governance is critical to its 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 (“relevant regulations”), including the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore (“Code”) in Singapore.

This section sets out the existing corporate governance practices of A-HTRUST with reference to the Code and 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. 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 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;
2. approving 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”) 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, 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;
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; and
5. monitoring and updating a framework of prudent and effective controls which enable financial, operational and compliance risks, to be assessed and managed.

CORPORATE GOVERNANCE

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, and the operation of bank accounts.

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 being greater 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 of Directors of the Managers 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 further delegated to the Management, to facilitate operational efficiency.

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:

- all acquisitions and divestments;
- major asset enhancement initiatives;
- all funding transactions;
- corporate and financial transactions that are not budgeted or 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 to the Managers’ shareholders for approval;
- the division of responsibilities and terms of reference of the Boards and Committees;

CORPORATE GOVERNANCE

- 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. When necessary, additional Board meetings are held to approve transactions or resolve issues.

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 Committee (“AC”);
- Investment Committee (“IC”);
- Remuneration Committee (“RC”);
- Nominating Committee (“NC”); and
- Board Risk Committee (“BRC”).

In addition, an Independent Evaluation Committee (“IEC”) was established in FY2015/16 as part of a strategic review exercise of A-HTRUST, following receipt of an unsolicited expression of interest in November 2015 relating to the possible acquisition of all the stapled securities issued by A-HTRUST (the “Transaction”). The IEC which comprised three (3) Directors, all of whom are independent, met twice during FY2015/16. The IEC members were Mr Benson Puah Tuan Soon (Chairman), Dr Ho Kim Wai and Mr Tan Chong Huat. The Managers announced on 5 April 2016 that the Managers had decided not to proceed with, and had ceased all discussions in relation to, the Transaction. The IEC has since been dissolved.

Board composition and members of the respective Board Committees in FY2015/16 are:

Board members	Audit Committee	Investment Committee	Remuneration Committee	Nominating Committee	Board Risk Committee
Mr Lim Neo Chian		M	C	C	
Mr Chia Nam Toon*		M			M
Dr Choo Kian Koon, Steven	M	C			
Dr Ho Kim Wai	C				
Mr Michael Issenberg		M			
Mr Manohar Khatani			M	M	
Mr Benson Puah Tuan Soon			M	M	C
Mr Tan Chong Huat	M				M
Mr Tan Juay Hiang**					

C – denotes Chairman; M – denotes Member

CORPORATE GOVERNANCE

Members and their respective attendance at the Board, AC, IC, RC, NC and BRC meetings for FY2015/16 are set out below:

	Board	Audit Committee	Investment Committee	Remuneration Committee	Nominating Committee	Board Risk Committee
No of meetings held	10 ⁱ	6 ⁱⁱ	3	2	1	3
Mr Lim Neo Chian	9	1 ⁱⁱⁱ	3	2	1	
Mr Chia Nam Toon*	10		3			3
Dr Choo Kian Koon, Steven	10	6	3			
Dr Ho Kim Wai	10	6				
Mr Michael Issenberg	6		2			
Mr Manohar Khiatani	10			2	1	
Mr Benson Puah Tuan Soon	10	1 ⁱⁱⁱ		2	1	3
Mr Tan Chong Huat	9	6				3
Mr Tan Juay Hiang**	10	6	3	2	1	3

ⁱ This included 4 additional Board meetings as part of A-HTRUST strategic review exercise following receipt of an unsolicited expression of interest in November 2015 relating to the possible acquisition of all the stapled securities issued by A-HTRUST.

ⁱⁱ This included 1 additional AC meeting as part of A-HTRUST strategic review exercise following receipt of an unsolicited expression of interest in November 2015 relating to the possible acquisition of all the stapled securities issued by A-HTRUST.

ⁱⁱⁱ Board members were invited by the AC to attend the additional AC meeting to provide their opinion in relation to A-HTRUST strategic review exercise following receipt of an unsolicited expression of interest in November 2015 relating to the possible acquisition of all the stapled securities issued by A-HTRUST.

* Mr Chia Nam Toon has resigned as a non-executive Director with effect from 6 May 2016.

** Mr Tan Juay Hiang attended the AC, IC, RC, NC, BRC and IEC meetings in his capacity as the CEO of the Managers.

Principle 2: Board Composition and Guidance

Following the resignation of Mr Chia Nam Toon as a non-executive Director with effect from 6 May 2016, the Boards presently consist of eight (8) members, five (5) of whom are independent Directors. The composition of the Boards therefore complies with the Code, which requires at least one-third of the Board be independent, as well as the REIT Regulations which require at least half the Boards to be independent. The Chairman of the Boards is Mr Lim Neo Chian.

The current composition of the Directors as a group provides an appropriate balance and diversity of skills, experience, talent and knowledge relevant to A-HTRUST. The NC annually examines the composition of the Boards to ensure that the Boards have the appropriate mix of expertise and experience. The NC also examines the size of the Boards annually to determine the effectiveness of varying numbers of Board Member and makes recommendations to the Boards on what it considers an appropriate size.

The Boards consider that its present size, composition and balance between non-independent and independent Directors are appropriate and allow for a balanced exchange of views, deliberations and debates among members and effective oversight of management.

The NC has conducted an annual review of the Directors' independence and has made recommendations to the Boards on the independence of the current Boards. Based on the NC's recommendations and subsequent review by the Boards, the Boards are of the view that the following Directors presently on the Boards are independent:

- Mr Lim Neo Chian (Chairman)
- Dr Choo Kian Koon, Steven
- Dr Ho Kim Wai
- Mr Benson Puah Tuan Soon
- Mr Tan Chong Huat

CORPORATE GOVERNANCE

Mr Manohar Khiatani, Mr Chia Nam Toon, Mr Michael Issenberg and Mr Tan Juay Hiang are non-independent Directors. Mr Khiatani took on his current role as Deputy Group CEO of the Ascendas-Singbridge Group ("ASB") in January 2016 following the merger of the Ascendas Group and the Singbridge Group. He was previously the President and Group CEO of Ascendas Pte Ltd ("APL"). ASB, through its subsidiaries, is a substantial Stapled Securityholder of A-HTRUST. Mr Chia was appointed CEO of the manager of Ascendas Real Estate Investment Trust with effect from 1 April 2016. He was previously the Group Chief Financial Officer of ASB. Mr Chia resigned as a non-executive Director with effect from 6 May 2016. Mr Tan Juay Hiang is the CEO of the Managers.

A-HTRUST has a strategic collaboration agreement with AccorHotels Asia Pacific (AAPC Singapore Pte Ltd) ("Accor"), which allows A-HTRUST to benefit from Accor's technical expertise in hotel management. A-HTRUST may acquire assets from any vendor and is required to grant Accor a right of first offer to manage such newly acquired hotels if such hotels do not have any existing operator. 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 collaboration 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, business, hospitality and management. The Directors actively participate in developing and setting strategies and goals for the Management. 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. Independent Directors meet at least once a year without the presence of the Management.

The profiles of the Directors are set out on pages 18 to 22 of the Annual Report.

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 not immediate family members.

The Chairman ensures that the members of the Boards work together with 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 NC which comprises three (3) Directors, the majority of whom, including the Chairman, are independent.

The NC 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 NC 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.

CORPORATE GOVERNANCE

The NC 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 duties and responsibilities effectively.

New Directors are appointed by way of a Board resolution. The search for candidates to be appointed as new Directors is conducted through contacts and recommendations. Suitable candidates are evaluated by the NC so that recommendations made on proposed candidates are objective and well supported. In recommending the appointment of new Directors, the NC takes into consideration the current Board size and composition, including diversity of skills, experience, gender 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.

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.

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 Directors who receive 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 18 to 22 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 the contribution by each Director to the effectiveness of the Boards. 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 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 NC and the Boards. The NC 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 FY2015/16.

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.

CORPORATE GOVERNANCE

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.

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 organized annually for the Boards and the Management to discuss strategic issues and formulate plans pertaining to A-HTRUST and the Managers. However, for FY2015/16, the board strategy meeting was not held due to the strategic review exercise in November 2015. The board strategy meeting will be held in FY2016/17.

In addition, the Boards have separate and independent access to Management, the Company Secretary of the Managers (the "Company Secretary"), 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 to discharge his duties.

The Company Secretary prepares the minutes of Board meetings and proceedings of the AC, RC, NC and BRC. The Managers prepare the minutes of the IC meetings. The Company Secretary assists 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 Company Secretary is responsible for ensuring information flow within and among the Boards, the Committees and the Management. The Company Secretary also works with the Management to ensure that Board and Committee papers are provided to each Director ahead of meetings. In the year under review, the Company Secretary has attended all Board meetings and proceedings of the AC, RC, NC and BRC.

The CEO and the Company Secretary are the primary channels of communication between the Manager 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 Managers have established the RC which comprises three (3) Directors, the majority of whom, including the Chairman, are independent. The RC has clear terms of reference and its primary duty and responsibility is to recommend to the Boards a framework of remuneration for the Boards and key executive officers, and the specific remuneration packages for each Director as well as for key executive officers including the CEO. The RC is also responsible for recommending the annual targets which are measurable to drive the performance of A-HTRUST and the Managers.

CORPORATE GOVERNANCE

The RC has access to expert advice from external consultants where required. In FY2015/16, the RC made reference to the Korn Ferry Hay Group Report on Board Remuneration and Practice in Singapore. In relation to the CEO's and key executive officers' remuneration, the Managers appointed Korn Ferry Hay Group as external remuneration consultant. The RC undertook a review of the independence and objectivity of the external remuneration consultant and has confirmed that the external remuneration consultant had no relationships with the Managers which would affect its independence.

Directors' Remuneration

The structure of Directors' 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' 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.

Key Executive Officers' Remuneration

The Managers advocate a performance-based remuneration system for key executive officers of the Managers. The remuneration structure is designed with the objectives of rewarding, motivating and retaining the individual to stay competitive and relevant. The principles governing the Managers' remuneration policy for its key executive officers are as follows:

- a. Reward and motivate employees to work towards achieving the strategic goals and business results of A-HTRUST and the Managers;
- b. Enhance retention of key talents to build strong organizational capabilities and ensure competitive remuneration relative to the appropriate external talent markets.

For FY2015/16, the total remuneration mix of key executive officers comprises a fixed annual salary, performance incentives and benefits-in-kind:

- a. The fixed annual salary includes a base salary, fixed allowances and compulsory employer's CPF contribution.
- b. The Performance Incentive is essentially tied to the performance of A-HTRUST and that of the individual employee. Key indicators include Distribution Per Stapled Security (DPS), Net Property Income (NPI) and Total Stapled Securityholder Return (TSR), which are aligned to the interest of Stapled Securityholders.
- c. The Retention Incentive Plan is tied to the Ascendas-Singbridge Group performance. As the Managers are subsidiaries of the Ascendas-Singbridge Group, employees of the Managers are part of the larger group which allow the Managers increased flexibility and effectiveness to reward and motivate them with better career growth and exposure. The Managers will be in an advantageous position to attract and retain qualified key executive officers and employees. This will also provide continual development of talent and renewal of leadership for sustaining the long term business growth of A-HTRUST. The rationale for granting the Retention Incentive Plan is aligned with Stapled Securityholders' interest in ensuring the sustainable long term business growth of A-HTRUST.

CORPORATE GOVERNANCE

The RC is of the view that remuneration is aligned to performance during FY2015/16 and that all of the performance conditions used to determine the remuneration of key executive officers 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 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 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.

After much deliberation, the Boards are of the view that full disclosure of (a) the specific remuneration of the CEO (on a named basis) and the remuneration of the top five key executive officers (in bands of \$250,000), with a breakdown (in percentage or dollar terms) of the CEO's and 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 (b) the aggregate total remuneration paid to the top five key executives (who are neither Directors nor the CEO) will not be in the best interests of the Managers, A-HTRUST or its Stapled Securityholders.

In arriving at its decision, the Boards have taken into consideration the following:

- the commercial sensitivity and confidential nature of remuneration matters;
- the competitive nature of the REIT management industry;
- the competitive business environment in which the Managers operate ;
- the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place; and
- the negative impact which such disclosure may have on the Managers in attracting and retaining talent for the Managers on a long-term basis.

The Boards are of the view that the non-disclosure of (a) and (b) above will not be prejudicial to the interests of the Stapled Securityholders as sufficient information is provided on the Managers' remuneration framework to enable Stapled Securityholders to understand the link between the remuneration paid to the CEO, Directors and key executives, and performance as set out in this section. Furthermore, all fees and remuneration payable to the CEO and key executive officers are paid out of the Managers' funds and not from A-HTRUST.

Remuneration of Directors and key executive officers of the Managers is paid in cash only. There were no employees of the Managers who were immediate family members of a Director or the CEO during FY2015/16. "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.

CORPORATE GOVERNANCE

The fees paid to the Directors of the Managers for FY2015/16 are as follows:

Directors' Fees¹

Board Members	FY 2015/16
Mr Lim Neo Chian	\$128,219
Mr Chia Nam Toon ²	\$63,511
Dr Choo Kian Koon, Steven	\$85,500
Dr Ho Kim Wai	\$86,100
Mr Michael Issenberg ³	\$50,000
Mr Manohar Khatani ²	\$58,100
Mr Benson Puah Tuan Soon	\$80,123
Mr Tan Chong Huat	\$77,514
Mr Tan Juay Hiang	N.A.

N.A.: Not Applicable.

¹ 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.

² The Directors' fees for Mr Manohar Khatani and Mr Chia Nam Toon (payable to Ascendas Investment Pte Ltd ("A IPL"), a wholly owned subsidiary of APL were: (i) paid to A IPL, in respect of the period 1 April 2015 to 10 June 2015; and (ii) waived, in respect of the period 11 June 2015 to 31 March 2016.

³ 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..

(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 on a quarterly basis and as the Boards may require from time to time to enable the Boards to make a balanced and informed assessment of the performance, position and prospects of A-HTRUST.

Principle 11: Risk Management and Internal Controls

Risk Management

The Boards recognise its 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. BRC assists the Boards in identifying the nature and extent of key risks which the Group may take in achieving its strategic objectives within the Group's levels of risk tolerance and risk policies.

CORPORATE GOVERNANCE

Ownership of risks lies with the Management. The Management maintains a structured Enterprise Risk Management (“ERM”) framework for the Group 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 Boards are assisted by the AC, BRC 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 the results of such reviews to the AC including any inadequacies, deficiencies or matters of concern of which Internal Audit becomes aware of or that it suspects, arising from its review of the risk management policies and procedures put in place by Management.

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 ERM system. The Managers have documented procedures and policies that cover financial reporting, new investments, divestments, valuation of properties, bank borrowings, compliance and other risk management issues, as well as comprehensive insurance coverage and a business continuity plan.

The Managers have rolled out a control self-assessment programme to selected 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 Managers intend to progressively implement the control self-assessment programme to all the hotels under management contracts.

The AC 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 AC. The AC 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 risk 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 to be followed when making such decisions and ensure that comprehensive due diligence is carried out on each proposed investment. The Boards, assisted by the Management and IC, review and approve all 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 AC is kept informed of all concerns raised in whistleblowing channels.

CORPORATE GOVERNANCE

Directors' Opinion on Internal Controls

The CEO and Chief Financial Officer 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 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 AC.

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.

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 Chief Financial Officer of the Managers, the Boards concur with the AC 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 2016 in addressing material risks.

Principle 12: Audit Committee

The Boards appoint the AC from among the Directors of the Boards, all of whom (including the Chairman of the AC) are independent Directors. The members of the AC are Dr Ho Kim Wai (Chairman), Dr Choo Kian Koon, Steven and Mr Tan Chong Huat.

The Boards are of the view that the members of the AC 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. The Chairman of the AC, Dr Ho Kim Wai, and Dr Choo Kian Koon, Steven, have extensive accounting, property industry and financial management expertise and experience, while Mr Tan Chong Huat is a qualified lawyer with considerable experience and expertise.

The core functions and responsibilities of the AC are set out in the AC'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, re-appointment of the external auditor and the remuneration of the external auditor. The AC also reviews the quality and reliability of information prepared for inclusion in financial reports. The AC is responsible for the nomination of external auditors and reviewing the adequacy of existing audits in respect of cost, scope and performance. The AC also reviews the quarterly and annual financial statements before submission to the Boards for approval, including any Interested Party Transactions ("IPTs").

CORPORATE GOVERNANCE

For the financial year under review, the AC 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 AC has also met with the external and internal auditors without the presence of Management. The aggregate amount of the audit fees paid and payable by A-HTRUST and its subsidiaries to the external auditors for FY2015/16 was \$842,000, of which audit and non-audit fees amounted to \$542,000 and \$300,000, respectively. In recommending the appointment of the audit firm for A-HTRUST, the AC is satisfied that A-HTRUST has complied with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST.

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

The AC 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.

External Audit

Ernst & Young LLP ("EY") was re-appointed as the external auditor for A-HTRUST for FY2015/16. The AC has assessed the performance of the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor. EY has also provided confirmation of its independence to the AC. Based on the aforesaid, the AC is of the view that EY is suitable to continue being appointed as external auditor of A-HTRUST.

Principle 13: Internal Audit

A-HTRUST's internal audit function is outsourced to KPMG LLP, an international auditing firm. Staffed by qualified executives, KPMG LLP has unrestricted access to the AC. KPMG LLP reports to the Chairman of the AC and is guided by the Standards for the Professional Practice of Internal Auditing. These standards cover attributes as well as performance and implementation standards.

(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 at 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.

CORPORATE GOVERNANCE

During the year under review, the Managers met with institutional investors in Singapore and Hong Kong. The Annual General Meeting of Stapled Securityholders was also held for the Managers to engage with investors, particularly retail investors, allowing them direct access to the Managers to obtain responses to 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 Board of Directors together with the external auditors will be in attendance at these meetings to address questions from Stapled Securityholders.

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' 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 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 Company Secretary prepares 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.

(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 email 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.

CORPORATE GOVERNANCE

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 AC. The review procedures for IPT are set out below;
4. in respect of matters in which Temasek, JTC and/or their subsidiaries (which includes the Ascendas-Singbridge Group) has a direct or indirect interest, any nominees appointed by Temasek, JTC or any of their subsidiaries to the Board 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.

CORPORATE GOVERNANCE

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 AC, 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.

All IPTs will be subject to regular review by the AC 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 (based on the latest audited accounts) will be subject to review by the AC 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 or \$15.0 million (whichever is the lower) but below 5.0% of A-HREIT's or A-HBT's net tangible assets (based on the latest audited accounts) will be subject to the review and approval of the AC; 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 (based on the latest audited accounts) will be reviewed and approved by the AC 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 AC 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.

CORPORATE GOVERNANCE

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.

Fees Payable to the Managers

Pursuant to the revised CIS which came into effect on 1 January 2016, the methodology and justifications for each type of fees payable should be disclosed, where such fees are payable out of the deposited property of a property fund.

- Base Fee

The Managers are entitled to a base fee ("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)

The Base Fee enables the Managers to cover operational and administrative overheads incurred in the management of the portfolio. The Base Fee is calculated at a fixed percentage of the total asset value of A-HTRUST, which provides an appropriate metric to determine the resources for managing the assets. As the portfolio grows, the degree and complexity of the Managers' responsibilities will correspondingly increase. Therefore, the amount of Base Fee paid to the Managers commensurate with the size of the portfolio.

- Performance Fee

The Managers are entitled to a performance fee ("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

The Performance Fee is based on the Net Property Income of A-HTRUST, which is an objective benchmark that is aligned with the interests of the Stapled Securityholders as a whole. This provides the Managers with, the incentive to enhance Net Property Income on a long-term and sustainable basis through active asset management and effective cost control. This will be achieved by the Managers implementing proactive organic and external growth strategies such as asset enhancement initiatives, acquisitions, developments and divestments so as to continually refresh the portfolio and sustain income accretions. The Performance Fee incentivizes the Managers to take a holistic and balanced approach towards growth opportunities and encourage the Managers to act in the interests of the Stapled Securityholders to enhance the Net Property Income of A-HTRUST and consequently the long-term value of the assets.

Since the listing of A-HTRUST, the Managers have received 50% of the Base Fee and Performance Fee in Stapled Securities. As at 12 May 2016, the Trustee-Manager and the REIT Manager hold 11,218,727 and 5,053,749 Stapled Securities respectively, placing each of the Managers in the list of Twenty Largest Stapled Securityholders set out under the section of this Annual Report on "Statistics of Stapled Securityholdings". This further augments the alignment of interest of the Managers with that of the Stapled Securityholder. From FY2016/17, the Performance Fee in relation to A-HREIT will be crystallised and paid once a year after the end of the applicable financial year.

CORPORATE GOVERNANCE

The Managers are also paid an Acquisition Fee or a Divestment Fee upon the successful completion of an acquisition or divestment respectively. Further details on the Acquisition Fee and the Divestment Fee are provided below:

- Acquisition Fee

The Managers are entitled to an acquisition fee ("Acquisition Fee") amounting to 1.0% 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 A-THRUST, whether directly or indirectly through a special purpose vehicle ("SPV"), or 1.0% of the acquisition price of any authorised investment acquired by the Managers on behalf of A-HTRUST.

The Acquisition Fee is earned by the Managers upon the successful completion of an acquisition. This fee seeks to motivate and compensate the Managers for their efforts expended to continually seek out and acquire accretive assets to enhance the existing portfolio and increase longer term returns for the Stapled Securityholders. In addition, the Acquisition Fee allows the Managers to recover the additional costs and resources incurred by the Managers in the course of seeking out attractive acquisition opportunities, including but not limited to, due diligence efforts and man hours spent in evaluating the transaction.

In accordance with the Property Funds Appendix, where the Acquisition Fee is to be paid to the Managers for the acquisition of assets from an Interested Party, the Acquisition Fee is to be paid in the form of Stapled Securities at the prevailing market price, which should not be sold for a period of one year from their date of issuance. As the Managers' interest is closely tied to the performance of A-HTRUST in this regard, this helps to ensure that any acquisitions from Interested Parties must perform and contribute to Stapled Securityholders' returns.

- Divestment Fee

The Managers are entitled to a divestment fee ("Divestment Fee") amounting to 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 A-HTRUST, whether directly or indirectly through an SPV, or 0.5% of the sale price of any authorised investment sold or divested by the Managers on behalf of A-HTRUST

The Divestment Fee is earned by the Managers upon the successful completion of a divestment. This fee seeks to motivate and compensate the Managers for the efforts expended to continually rebalance the portfolio, unlocking value of existing properties and maximise value received by A-HTRUST in the divestment.

In addition, the Divestment Fee allows the Managers to recover the additional costs and resources incurred by the Managers for the divestment, including but not limited to due diligence and preparation efforts and time spent in marketing and maximising the divestment price.

In accordance with the Property Funds Appendix, where the Divestment Fee is to be paid to the Managers for the divestment of assets to an Interested Party, the Divestment Fee is to be paid in the form of Stapled Securities at the prevailing market price, which should not be sold for a period of one year from their date of issuance.

The Acquisition Fee is higher than the Divestment Fee due to the additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence (including legal, technical and environmental due diligence) for an acquisition, as compared to divestment.

Further details on the methodology for computing the fees are disclosed under the section of the Annual Report on "Statement on Policies and Practices in relation to the Management and Governance of the Trust".

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
General	<p>(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.</p> <p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?</p>	<p>Yes, save in respect of the guidelines on disclosure of remuneration where the Managers have disclosed the information under Remuneration Matters on pages 87 to 90 of the Corporate Governance Report even though the remuneration of the Directors and employees of the Managers are paid by the Managers and not by A-HTRUST.</p> <p>The information under Remuneration Matters on pages 87 to 90 of the Corporate Governance Report enables investors to understand the link between remuneration paid to Directors and key executives, and performance.</p>
Board Responsibility 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.
Members of the Board Guideline 2.6	<p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p> <p>(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.</p> <p>(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?</p>	<p>Please refer to Principle 4 on Board Membership.</p> <p>Please refer to Principle 2 on Board Composition and Guidance.</p> <p>Please refer to Principle 2 on Board Composition and Guidance and Principle 4 on Board Membership.</p>

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
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. (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Yes. Please refer to Principle 4 on Board Membership. 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? (b) If a maximum number has not been determined, what are the reasons? (c) What are the specific considerations in deciding on the capacity of directors?	As a guide, Directors should not have more than six listed company board representations. Please refer to Principle 4 on Board Membership. Not applicable. Please refer to the response to Guideline 4.4(a) above. Please refer to Principle 4 on Board Membership and Principle 5 on Board Performance.
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year? (b) Has the Board met its performance objectives?	Please refer to Principle 5 on Board Performance. Based on the Board assessment exercise, the Boards are satisfied that the Boards have achieved its performance objectives for FY2015/16 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.

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Independence of Directors		
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.	No.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
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.
Disclosure on Remuneration		
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 (B) Remuneration Matters - 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	<p>(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?</p> <p>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).</p>	<p>Please refer to the response to Guideline 9.2 above.</p> <p>Please refer to the response to Guideline 9.2 above.</p>
Guideline 9.4	<p>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.</p>	<p>There were no employees of the Managers who were immediate family members of a Director or the CEO during FY2015/16.</p>
Guideline 9.6	<p>(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.</p> <p>(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?</p> <p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>Please refer to pages 87 to 90 of the Corporate Governance Report on Remuneration Matters.</p> <p>Please refer to the response to Guideline 9.6(a) above.</p> <p>Please refer to the response to Guideline 9.6(a) above.</p>

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
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	<p>(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.</p> <p>(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?</p>	<p>Please refer to Principle 11 on Risk Management and Internal Controls.</p> <p>Please refer to the response to Guideline 11.3(a) above.</p>
Guideline 12.6	<p>(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.</p> <p>(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.</p>	<p>Please refer to Principle 12 on Audit Committee.</p> <p>Please refer to page 93 on External Audit.</p>

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Communication with Shareholders 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? (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role? (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the annual report?	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. Yes. Please refer to the response to Guideline 15.4(a) above.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	This is not applicable. Please refer to the Distribution Statement on page 123 of the Annual Report.

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REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 2016.

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 121 to 219 are drawn up so as to give a true and fair view of the financial position of A-HTRUST and of A-HBT Group as at 31 March 2016, 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 2016 in accordance with the provisions of the Business Trusts Act of Singapore (Chapter 31A) (the "Act") and Singapore Financial Reporting Standards; 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 Lim Neo Chian (Chairman)
Dr Choo Kian Koon, Steven
Dr Ho Kim Wai
Mr Michael Issenberg
Mr Manohar Khiatani
Mr Benson Puah Tuan Soon
Mr Tan Chong Huat
Mr Tan Juay Hiang (Chief Executive Officer)

REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 objective 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 At 1 April 2015	Deemed At 1 April 2015	Direct At 31 March 2016	Deemed At 31 March 2016	Direct At 21 April 2016	Deemed At 21 April 2016
Mr Lim Neo Chian	350,000	–	350,000	–	450,000	–
Mr Chia Nam Toon ¹	115,000	–	115,000	–	115,000	–
Dr Choo Kian Koon, Steven	200,000	–	200,000	–	200,000	–
Dr Ho Kim Wai	110,000	–	110,000	–	110,000	–
Mr Michael Issenberg	–	–	–	–	–	–
Mr Manohar Khiatani	52,000	–	52,000	–	52,000	–
Mr Benson Puah Tuan Soon	300,000	–	300,000	–	300,000	–
Mr Tan Chong Huat	–	–	–	–	–	–
Mr Tan Juay Hiang	125,000	–	125,000	–	125,000	–

¹ Mr Chia resigned as a non-executive Director with effect from 6 May 2016.

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 2016

AUDIT COMMITTEE

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

Dr Ho Kim Wai (Chairman)
Dr Choo Kian Koon, Steven
Mr Tan Chong Huat

The Audit 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 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 Committee becomes aware or that it suspects.
- Report to the Monetary Authority of Singapore if the Audit 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 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.
- Nominate the appointment, re-appointment or removal of the external auditors to the Board.
- Ensure the adequacy of the internal audit function.

REPORT OF THE TRUSTEE-MANAGER OF ASCENDAS HOSPITALITY BUSINESS TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

AUDIT COMMITTEE (CONT'D)

- Investigate any matters within the Audit Committee's terms of reference, whenever it deems necessary.
- Undertake such other functions as may be agreed to by the Audit Committee and the Board of Directors of the Trustee-Manager.

The Audit 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 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.,

Lim Neo Chian
Chairman

Tan Juay Hiang
Chief Executive Officer

Singapore
25 May 2016

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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
25 May 2016

REPORT OF THE TRUSTEE OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Perpetual (Asia) Limited (formerly known as The Trust Company (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 which shall contain the matters prescribed by the laws and regulations as well as recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

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 121 to 219, 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
25 May 2016

REPORT OF THE MANAGER OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 121 to 219, comprising the Balance Sheet, 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 position of the A-HREIT Group as at 31 March 2016, the total returns, movements in stapled securityholders’ funds, distributable income and cash flows of the A-HREIT Group for the financial year ended 31 March 2016, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants 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”). At the date of this statement, there are reasonable grounds to believe that the A-HREIT Group will be able to meet their respective financial obligations as and when they materialise.

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

Lim Neo Chian
Chairman

Tan Juay Hiang
Chief Executive Officer

Singapore
25 May 2016

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 2016, 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 its power and carrying out its 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 Ltd 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 in Asia, Australia and New Zealand (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 of the Managers (“IC”) 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 2016

POTENTIAL CONFLICTS OF INTEREST

As the Managers are related companies of Temasek, JTC and/or their subsidiaries (which includes the Ascendas-Singbridge Group) ("Temasek/JTC") of the Trust, 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 strict 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 the 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;
- 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 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 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.

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.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS (CONT'D)

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 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 2016

The interested person transactions for the financial year ended 31 March 2016 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*	
Base fee	1,273
Performance fee	1,301
Trustee fee	162
REIT Manager's fees paid/payable*	
Base fee	1,412
Performance fee	966
Ascendas Hospitality Australia Fund Management Pty Ltd	
Manager's fees paid/payable*	
Management fee	2,297
Divestment fee	195
Ascendas Japan Kabushiki Kaisha	
Manager's fees paid/payable*	
Management fee	366
Perpetual (Asia) Limited	
Trustee fee paid/payable to REIT Trustee	162
The Trust Company (Australia) Limited	
Trustee fee paid/payable to Trustee	160
Oakwood Property Management Services (Tokyo) Co., Ltd ¹	
Hotel management fee paid/payable	186

* Refer to "Exempted Agreements" in paragraph (i) above.

¹ Oakwood Property Management Services (Tokyo) Co., Ltd is a company in which Temasek Holdings (Private) Limited, and/or its subsidiaries when taken together (directly or indirectly) have an interest of 30% or more.

Fees and expenses charged to the Trust are appropriate and in accordance with the Trust Deeds.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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).

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 and Oakwood Apartments Ariake Tokyo and Hotel Sunroute Osaka Namba 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 Fund ("AAHF") properties are provided by Ascendas Hospitality Australia Fund Management Pty Ltd ("AHAFM"), a related entity of the Managers.

A-HREIT and A-HBT pay a portion of the Management Fee directly to AJKK and AHAFM. The Managers will reimburse the Trust for that portion of the Management Fees paid by the Trust to AJKK and AHAFM.

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 base fee and the performance fee 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 2016.

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 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 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 respective Trust Deeds, when the Trust 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, and, if received in the form of Stapled Securities by the Managers, such Stapled Securities shall not be sold within one year from the date of issuance.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 disposal 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 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 a special 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 2016:

	REIT Manager \$'000	REIT Trustee \$'000	Trustee-Manager \$'000
Base Fee	1,412	–	1,273
Performance Fee	966	–	1,301
Trustee Fee	–	162	162
Total	2,378	162	2,736

The expenses charged to the Trust for the financial year ended 31 March 2016 are set out below:

	REIT Manager \$'000	Trustee-Manager \$'000
Travel related expenses	15	32

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 Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

STATEMENT ON COMPOSITION OF THE BOARDS OF DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 Lim Neo Chian (Chairman)
Dr Choo Kian Koon, Steven
Dr Ho Kim Wai
Mr Benson Puah Tuan Soon
Mr Tan Chong Huat

Mr Manohar Khiatani, Mr Chia Nam Toon, Mr Michael Issenberg and Mr Tan Juay Hiang are considered non-independent Directors. Mr Khiatani took on his current role as the Deputy Group Chief Executive Officer ("CEO") of Ascendas-Singbridge Group ("ASB") in January 2016 following the merger between Ascendas Pte Ltd ("APL") and Singbridge Pte Ltd on 10 June 2015 to form ASB. He was previously the President and Group CEO of APL. ASB, through its subsidiaries, is a substantial Stapled Securityholder of A-HTRUST. Mr Chia was appointed CEO of the Manager of Ascendas Real Estate Investment Trust with effect from 1 April 2016. He was previously the Group Chief Financial Officer of ASB. Mr Chia has resigned as a non-executive Director with effect from 6 May 2016. Mr Tan is the CEO of the Managers.

Mr Michael Issenberg is considered a non-independent Director. He is the Chairman and CEO of AccorHotels Asia Pacific (AAPC Singapore Pte Ltd)("Accor") and is responsible for overseeing Accor's overall development and management activities in the Asia-Pacific region. A-HTRUST has a strategic collaboration agreement with Accor, which allows A-HTRUST to benefit from Accor's technical expertise in hotel management.

INDEPENDENT AUDITOR'S REPORT TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST ASCENDAS HOSPITALITY BUSINESS TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

REPORT ON THE FINANCIAL STATEMENTS

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 2016, the 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 2016, and a summary of significant accounting policies and other explanatory information;
- (ii) the financial statements of Ascendas Hospitality Business Trust ("A-HBT"), which comprise the Balance Sheet as at 31 March 2016, 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 2016, and a summary of significant accounting policies and other explanatory information; and
- (iii) the consolidated financial statements of Ascendas Hospitality Trust ("A-HTRUST"), which comprise the Balance Sheet as at 31 March 2016, 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 2016, and a summary of significant accounting policies and other explanatory information.

A-HTRUST, which comprises A-HBT and A-HREIT, is hereinafter referred to as the "Stapled Group".

A-HREIT Manager's responsibilities for the financial statements

Ascendas Hospitality Fund Management Pte. Ltd., 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 the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, 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

Ascendas Hospitality Trust Management Pte. Ltd., 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 Business Trusts Act, Chapter 31A of Singapore (the "Act") and Singapore Financial Reporting Standards, 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 accounts and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT TO THE STAPLED SECURITYHOLDERS OF ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST ASCENDAS HOSPITALITY BUSINESS TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the REIT Manager and the Trustee-Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

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 2016 and the total return, changes in Stapled Securityholders' funds, distributable income and cash flows of A-HREIT for the year ended 31 March 2016 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the A-HREIT Trust Deed; and
- (b) the financial statements of A-HBT and the Stapled Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of A-HBT and the Stapled Group as at 31 March 2016 and of the financial performance, changes in stapled securityholders' funds and cash flows of A-HBT and the Stapled Group for the year ended 31 March 2016.

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.

ERNST & YOUNG LLP
Public Accountants and Chartered Accountants

Singapore
25 May 2016

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gross revenue		215,109	227,113	32,324	31,240	199,097	211,634
Gross rental revenue	4	152,694	161,874	30,849	30,885	137,912	146,531
Food and beverage revenue		45,073	49,357	–	–	45,073	49,357
Other income	5	17,342	15,882	1,475	355	16,112	15,746
Property expenses		(124,239)	(133,764)	(4,432)	(4,570)	(135,875)	(144,737)
Operations and maintenance expenses	6	(23,013)	(23,459)	(105)	(240)	(22,908)	(23,220)
Hotel management fee		(6,982)	(7,556)	–	–	(6,982)	(7,556)
Property taxes and insurance		(3,601)	(3,716)	(1,437)	(1,490)	(2,164)	(2,226)
Service and other taxes		(5,539)	(6,161)	–	–	(5,539)	(6,161)
Administrative and general expenses		(8,232)	(9,447)	(93)	(281)	(8,139)	(9,166)
Sales and marketing expenses		(8,371)	(8,850)	(3)	(1)	(8,368)	(8,849)
Staff costs		(51,758)	(55,056)	–	–	(51,758)	(55,056)
Energy and utilities expenses		(8,443)	(9,415)	(2,545)	(2,556)	(5,898)	(6,859)
Other expenses		(8,300)	(10,104)	(249)	(2)	(24,119)	(25,644)
Net property income		90,870	93,349	27,892	26,670	63,222	66,897
Depreciation	16	(24,493)	(25,737)	–	–	(24,493)	(25,737)
Amortisation of prepaid land leases	15	(1,285)	(1,227)	–	–	(1,285)	(1,227)
Finance income	7	1,279	721	52	33	1,227	688
Finance costs	8	(19,192)	(17,951)	(3,504)	(2,807)	(15,688)	(15,144)
Fund management fees	9(a)	(7,810)	(7,810)	(2,621)	(2,536)	(5,189)	(5,274)
Trustees' fees	9(b)	(615)	(578)	(165)	(163)	(450)	(415)
Unrealised exchange loss, net		(2,260)	(10,374)	(233)	(224)	(2,027)	(10,150)
Other operating expenses	10	(414)	(515)	(38)	202	(376)	(717)
Net change in fair value of derivative financial instruments	25	(1,762)	(5,930)	(389)	(202)	(1,373)	(5,728)
Net change in fair value of investment properties	14	145,514	10,181	56,321	6,582	89,193	3,599
Write-back of non-capitalisable business acquisition related expenses		88	1,344	–	–	88	1,344
Profit before share of results of joint venture		179,920	35,473	77,315	27,555	102,849	8,136
Share of results of joint venture (net of tax)		4,049	3,119	–	–	4,049	3,119
Profit before tax	11	183,969	38,592	77,315	27,555	106,898	11,255
Income tax expense	12	(37,378)	(9,946)	(12,335)	(2,020)	(25,043)	(7,926)
Profit after tax		146,591	28,646	64,980	25,535	81,855	3,329
Profit attributable to:							
Stapled Securityholders of the Trust		146,591	28,646	64,980	25,535	81,771	3,255
Non-controlling interests		–	–	–	–	84	74
		146,591	28,646	64,980	25,535	81,855	3,329
Earnings per Stapled Security attributable to Stapled Securityholders of the Trust, expressed in cents per Stapled Security – Basic and diluted (cents)	13	13.13	2.58	5.82	2.30	7.32	0.29

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 2016

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Profit for the year		146,591	28,646	64,980	25,535	81,855	3,329
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges – fair value gain/(loss)		3,189	(5,970)	(613)	578	3,802	(6,548)
Cash flow hedges – reclassification to profit or loss upon settlement		(524)	6,810	(342)	–	(182)	6,810
Foreign currency translation (loss)/gain, net		(3,699)	(28,622)	4,981	(9,015)	(8,680)	(19,608)
		(1,034)	(27,782)	4,026	(8,437)	(5,060)	(19,346)
Item that may not be reclassified to profit or loss:							
Revaluation surplus on freehold land and building (net of tax)		45,956	33,962	–	–	45,956	33,962
Other comprehensive income for the year, net of tax		44,922	6,180	4,026	(8,437)	40,896	14,616
Total comprehensive income for the year, net of tax		191,513	34,826	69,006	17,098	122,751	17,945
Total comprehensive income for the year attributable to:							
Stapled Securityholders of the Trust		191,513	34,826	69,006	17,098	122,203	17,817
Non-controlling interests		–	–	–	–	548	128
		191,513	34,826	69,006	17,098	122,751	17,945

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income available for distribution to Stapled Securityholders of Stapled Securities at the beginning of the year		-	-	-	-	-	-
Profit for the year		146,591	28,646	64,980	25,535	81,855	3,329
Add/(less):							
REIT Manager's Management fees payable in Stapled Securities		1,311	1,268	1,311	1,268	-	-
Trustee-Manager's Management fees payable in Stapled Securities		2,497	2,637	-	-	2,497	2,637
Depreciation		24,493	25,737	-	-	24,493	25,737
Amortisation of prepaid land leases		1,285	1,227	-	-	1,285	1,227
Write-back of non-capitalisable business acquisition related expenses		(88)	(1,344)	-	-	(88)	(1,344)
Unrealised exchange loss, net		2,260	10,374	233	224	2,027	10,150
Net change in fair value of derivative financial instruments		1,947	(948)	487	202	1,460	(1,150)
Share of results of/distribution from joint venture (net of tax)		(3,026)	(1,500)	-	-	(3,026)	(1,500)
Loss on disposal of property, plant and equipment		718	150	-	-	718	150
Proceeds from sale of Cairns hotel		2,000	-	-	-	2,000	-
Change in fair value gain of investment properties (net of tax) ¹		(114,268)	(6,522)	(45,076)	(4,978)	(69,192)	(1,544)
Exchange adjustments arising from settlement of currency forwards		(673)	(1,216)	(57)	(685)	(616)	(531)
Others ¹		(1,341)	(2,220)	(892)	(1,254)	(449)	(967)
Income available for distribution at end of year (before deducting income retained for working capital)		63,706	56,289	20,986	20,312	42,964	36,194
Less:							
Income retained for working capital		(3,161)	-	-	-	(3,161)	-
Income available for distribution at end of year (after deducting income retained for working capital)		60,545	56,289	20,986	20,312	39,803	36,194

¹ This is shown net of provision for deferred tax arising from the fair value changes of investment properties. Prior year figures (where such provision for deferred tax was reported under "Others") have been restated for comparison purposes.

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 2016

	Note	A-HREIT Group	
		2016 \$'000	2015 \$'000
Income			
Rental income	4	30,849	30,885
Other income	5	1,475	355
		32,324	31,240
Property expenses			
		(4,432)	(4,570)
Less: Expenses			
Finance income	7	52	33
Finance costs	8	(3,504)	(2,807)
Management fees	9(a)	(2,621)	(2,536)
Trustees' fees	9(b)	(165)	(163)
Unrealised exchange loss, net		(233)	(224)
Other operating expenses	10	(38)	202
		(6,509)	(5,495)
Net income			
		21,383	21,175
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of investment properties	14	56,321	6,582
Net change in fair value of derivative financial instruments		(389)	(202)
Total return for the year before income tax			
		77,315	27,555
Income tax expense	12	(12,335)	(2,020)
Total return for the year			
		64,980	25,535

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

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS							
Non-current assets							
Investment properties	14	788,303	618,158	577,491	511,369	210,812	106,789
Prepaid land lease	15	34,922	38,290	–	–	34,922	38,290
Property, plant and equipment	16	684,016	664,349	–	–	684,016	664,349
Investment in joint venture	17	26	18,818	–	–	26	18,818
Available-for-sale securities	18	–	–	3,058	3,058	–	–
Trade and other receivables	19	–	508	–	–	–	508
Derivative financial instruments	25	2,079	4,414	231	847	1,848	3,567
Deferred tax assets	12	6,485	7,054	–	–	6,485	7,054
Other non-current assets	19	5,235	70	22	25	5,213	46
		1,521,066	1,351,661	580,802	515,299	943,322	839,421
Current assets							
Properties held for sale	20	–	3,365	–	–	–	3,365
Inventories		369	489	–	–	369	489
Trade and other receivables	19	10,853	9,667	4,745	2,726	9,729	9,516
Prepayments		4,594	4,526	1,132	1,100	3,462	3,426
Cash and cash equivalents	21	94,589	88,107	22,931	19,944	71,658	68,163
Derivative financial instruments	25	154	1,846	47	645	107	1,201
Other current assets	19	258	29	–	–	258	29
		110,817	108,029	28,855	24,415	85,583	86,189
Total assets		1,631,883	1,459,690	609,657	539,714	1,028,905	925,610

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

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES							
Current liabilities							
Trade and other payables	22	44,744	31,527	5,778	4,344	42,588	29,758
Income received in advance		2,902	2,765	2,127	2,032	775	733
Deferred income	23	1,863	1,884	130	127	1,733	1,757
Borrowings	24	57,979	72,031	–	46,932	57,979	25,099
Derivative financial instruments	25	3,100	44	242	26	2,858	18
Income tax payable		1,311	1,226	704	489	607	737
		111,899	109,477	8,981	53,950	106,540	58,102
Net current (liabilities)/assets		(1,082)	(1,448)	19,874	(29,535)	(20,957)	28,087
Non-current liabilities							
Other payables	22	683	–	–	–	683	–
Rental and other deposits	22	11,248	7,478	5,130	4,858	6,118	2,620
Deferred income	23	10,801	11,946	811	917	9,990	11,029
Loan from joint venture	22	–	3,979	–	–	–	3,979
Borrowings	24	400,452	471,665	107,960	105,091	292,492	366,574
Deferred tax liabilities	12	54,901	18,656	15,852	4,354	39,049	14,303
Derivative financial instruments	25	3,748	10,363	917	13	2,831	10,350
Medium term notes	24	74,897	–	49,432	–	25,465	–
		556,730	524,087	180,102	115,233	376,628	408,855
Total liabilities		668,629	633,564	189,083	169,183	483,168	466,957
Net assets attributable to Stapled Securityholders		963,254	826,126	420,574	370,531	545,737	458,653

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

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	A-HTRUST		A-HREIT Group		A-HBT Group	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Stapled Securityholders' funds							
Stapled Securities in issue	26	968,827	965,035	414,653	413,379	554,174	551,656
Issue costs	27	(15,761)	(15,761)	(5,994)	(5,994)	(9,767)	(9,767)
Managers' fees payable in Stapled Securities	26	960	944	353	316	607	628
Revenue reserve		29,298	(59,087)	78,516	33,810	(48,743)	(92,582)
Asset revaluation reserve	28(a)	106,310	60,354	–	–	105,213	59,737
Foreign currency translation reserve	28(b)	(124,015)	(120,316)	(67,166)	(72,147)	(56,155)	(47,527)
Hedging reserve	28(c)	(2,977)	(5,642)	212	1,167	(3,153)	(6,737)
Other reserves	28(d)	612	599	–	–	612	599
		963,254	826,126	420,574	370,531	542,788	456,007
Non-controlling interests		–	–	–	–	2,949	2,646
		963,254	826,126	420,574	370,531	545,737	458,653
Number of Stapled Securities in issue ('000)		1,119,142	1,113,581	1,119,142	1,113,581	1,119,142	1,113,581
Net asset value per Stapled Security (\$)		0.86	0.74	0.38	0.33	0.49	0.41

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 2016

2016 A-HTRUST	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000
Balance at 1 April 2015	965,035	(15,761)	944
Profit for the year	–	–	–
<u>Other comprehensive income</u>			
Net fair value loss of cash flow hedges	–	–	–
Cash flow hedges – reclassification to profit or loss upon settlement	–	–	–
Revaluation surplus on freehold land and building (net of tax)	–	–	–
Foreign currency translation loss, net	–	–	–
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	3,792	–	(3,792)
Managers' fees payable in Stapled Securities	–	–	3,808
Distributions to Stapled Securityholders (Note 36)	–	–	–
Total contributions by and distributions to Stapled Securityholders	3,792	–	16
<u>Others</u>			
Transfer from revenue reserve to other reserves	–	–	–
Balance at 31 March 2016	968,827	(15,761)	960

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

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	Total \$'000
(59,087)	(120,316)	60,354	(5,642)	599	826,126
146,591	-	-	-	-	146,591
-	-	-	3,189	-	3,189
-	-	-	(524)	-	(524)
-	-	45,956	-	-	45,956
-	(3,699)	-	-	-	(3,699)
-	(3,699)	45,956	2,665	-	44,922
146,591	(3,699)	45,956	2,665	-	191,513
-	-	-	-	-	-
-	-	-	-	-	3,808
(58,193)	-	-	-	-	(58,193)
(58,193)	-	-	-	-	(54,385)
(13)	-	-	-	13	-
29,298	(124,015)	106,310	(2,977)	612	963,254

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2015 A-HTRUST	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000
Balance at 1 April 2014	911,190	(14,920)	884
Profit for the year	–	–	–
<u>Other comprehensive income</u>			
Net fair value loss of cash flow hedges	–	–	–
Cash flow hedges – reclassification to profit or loss upon settlement	–	–	–
Revaluation surplus on freehold land and building (net of tax)	–	–	–
Foreign currency translation loss, net	–	–	–
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>			
Issue of new Stapled Securities (Note 26)	50,000	–	–
Issue costs (Note 27)	–	(841)	–
Managers' fees paid in Stapled Securities	3,845	–	(3,845)
Managers' fees payable in Stapled Securities	–	–	3,905
Distributions to Stapled Securityholders (Note 36)	–	–	–
Total contributions by and distributions to Stapled Securityholders	53,845	(841)	60
<u>Others</u>			
Transfer from revenue reserve to other reserves	–	–	–
Balance at 31 March 2015	965,035	(15,761)	944

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

Attributable to Stapled Securityholders of the Trust

Revenue reserve	Foreign currency translation reserve	Asset revaluation reserve	Hedging reserve	Other reserves	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(30,395)	(91,694)	26,392	(6,482)	194	795,169
28,646	-	-	-	-	28,646
-	-	-	(5,970)	-	(5,970)
-	-	-	6,810	-	6,810
-	-	33,962	-	-	33,962
-	(28,622)	-	-	-	(28,622)
-	(28,622)	33,962	840	-	6,180
28,646	(28,622)	33,962	840	-	34,826
-	-	-	-	-	50,000
-	-	-	-	-	(841)
-	-	-	-	-	-
-	-	-	-	-	3,905
(56,933)	-	-	-	-	(56,933)
(56,933)	-	-	-	-	(3,869)
(405)	-	-	-	405	-
(59,087)	(120,316)	60,354	(5,642)	599	826,126

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2016 A-HREIT	Stapled Securities in issue \$'000	Issue costs \$'000
Balance at 1 April 2015	413,379	(5,994)
Profit for the year	-	-
<u>Other comprehensive income</u>		
Net fair value gain of cash flow hedges	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-
Foreign currency translation loss, net	-	-
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	1,274	-
Managers' fees payable in Stapled Securities	-	-
Distributions to Stapled Securityholders (Note 36)	-	-
Total contributions by and distributions to Stapled Securityholders	1,274	-
Balance at 31 March 2016	414,653	(5,994)

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

Attributable to Stapled Securityholders of the Trust

Managers' fees payable in Stapled Securities	Revenue reserve	Foreign currency translation reserve	Hedging reserve	Total
\$'000	\$'000	\$'000	\$'000	\$'000
316	33,810	(72,147)	1,167	370,531
-	64,980	-	-	64,980
-	-	-	(613)	(613)
-	-	-	(342)	(342)
-	-	4,981	-	4,981
-	-	4,981	(955)	4,026
-	64,980	4,981	(955)	69,006
(1,274)	-	-	-	-
1,311	-	-	-	1,311
-	(20,274)	-	-	(20,274)
37	(20,274)	-	-	(18,963)
353	78,516	(67,166)	212	420,574

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2015 A-HREIT	Stapled Securities in issue \$'000	Issue costs \$'000
Balance at 1 April 2014	412,115	(5,994)
Profit for the year	-	-
<u>Other comprehensive income</u>		
Net fair value gain of cash flow hedges	-	-
Foreign currency translation loss, net	-	-
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	1,264	-
Managers' fees payable in Stapled Securities	-	-
Distributions to Stapled Securityholders (Note 36)	-	-
Total contributions by and distributions to Stapled Securityholders	1,264	-
Balance at 31 March 2015	413,379	(5,994)

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

Attributable to Stapled Securityholders of the Trust

Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Total \$'000
312	34,855	(63,132)	589	378,745
-	25,535	-	-	25,535
-	-	-	578	578
-	-	(9,015)	-	(9,015)
-	-	(9,015)	578	(8,437)
-	25,535	(9,015)	578	17,098
(1,264)	-	-	-	-
1,268	-	-	-	1,268
-	(26,580)	-	-	(26,580)
4	(26,580)	-	-	(25,312)
316	33,810	(72,147)	1,167	370,531

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2016 A-HBT	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000
Balance at 1 April 2015	551,656	(9,767)	628	(92,582)
Profit for the year	–	–	–	81,771
<u>Other comprehensive income</u>				
Net fair value loss of cash flow hedges	–	–	–	–
Cash flow hedges – reclassification to profit or loss upon settlement	–	–	–	–
Revaluation surplus on freehold land and building (net of tax)	–	–	–	–
Foreign currency translation loss, net	–	–	–	–
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year, net of tax	–	–	–	81,771
<u>Contributions by and distributions to Stapled Securityholders and non-controlling interests</u>				
Managers' fees paid in Stapled Securities	2,518	–	(2,518)	–
Managers' fees payable in Stapled Securities	–	–	2,497	–
Distributions to Stapled Securityholders (Note 36)	–	–	–	(37,919)
Dividend paid to non-controlling interests	–	–	–	–
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	2,518	–	(21)	(37,919)
<u>Others</u>				
Transfer from revenue reserve to other reserves	–	–	–	(13)
Balance at 31 March 2016	554,174	(9,767)	607	(48,743)

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

Attributable to Stapled Securityholders of the Trust

Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Total \$'000	Non- controlling interests \$'000	Equity, Total \$'000
(47,527)	59,737	(6,737)	599	456,007	2,646	458,653
-	-	-	-	81,771	84	81,855
-	-	3,766	-	3,766	36	3,802
-	-	(182)	-	(182)	-	(182)
-	45,476	-	-	45,476	480	45,956
(8,628)	-	-	-	(8,628)	(52)	(8,680)
(8,628)	45,476	3,584	-	40,432	464	40,896
(8,628)	45,476	3,584	-	122,203	548	122,751
-	-	-	-	-	-	-
-	-	-	-	2,497	-	2,497
-	-	-	-	(37,919)	-	(37,919)
-	-	-	-	-	(245)	(245)
-	-	-	-	(35,422)	(245)	(35,667)
-	-	-	13	-	-	-
(56,155)	105,213	(3,153)	612	542,788	2,949	545,737

STATEMENTS OF CHANGES IN STAPLED SECURITYHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2015 A-HBT	Stapled Securities in issue \$'000	Issue costs \$'000	Managers' fees payable in Stapled Securities \$'000	Revenue reserve \$'000
Balance at 1 April 2014	499,075	(8,926)	572	(65,079)
Profit for the year	-	-	-	3,255
<u>Other comprehensive income</u>				
Net fair value loss of cash flow hedges	-	-	-	-
Cash flow hedges – reclassification to profit or loss upon settlement	-	-	-	-
Revaluation surplus on freehold land and building (net of tax)	-	-	-	-
Foreign currency translation loss, net	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year, net of tax	-	-	-	3,255
<u>Contributions by and distributions to Stapled Securityholders and non-controlling interests</u>				
Issue of new Stapled Securities (Note 26)	50,000	-	-	-
Issue costs (Note 27)	-	(841)	-	-
Managers' fees paid in Stapled Securities	2,581	-	(2,581)	-
Managers' fees payable in Stapled Securities	-	-	2,637	-
Capital contribution by non-controlling interests	-	-	-	-
Distributions to Stapled Securityholders (Note 36)	-	-	-	(30,353)
Dividend paid to non-controlling interests	-	-	-	-
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	52,581	(841)	56	(30,353)
<u>Others</u>				
Transfer from revenue reserve to other reserves	-	-	-	(405)
Balance at 31 March 2015	551,656	(9,767)	628	(92,582)

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

Attributable to Stapled Securityholders of the Trust

Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Total \$'000	Non- controlling interests \$'000	Equity, Total \$'000
(28,156)	26,130	(7,063)	194	416,747	2,406	419,153
-	-	-	-	3,255	74	3,329
-	-	(6,484)	-	(6,484)	(64)	(6,548)
-	-	6,810	-	6,810	-	6,810
-	33,607	-	-	33,607	355	33,962
(19,371)	-	-	-	(19,371)	(237)	(19,608)
(19,371)	33,607	326	-	14,562	54	14,616
(19,371)	33,607	326	-	17,817	128	17,945
-	-	-	-	50,000	-	50,000
-	-	-	-	(841)	-	(841)
-	-	-	-	-	-	-
-	-	-	-	2,637	-	2,637
-	-	-	-	-	330	330
-	-	-	-	(30,353)	-	(30,353)
-	-	-	-	-	(218)	(218)
-	-	-	-	21,443	112	21,555
-	-	-	405	-	-	-
(47,527)	59,737	(6,737)	599	456,007	2,646	458,653

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Profit before tax	183,969	38,592	77,315	27,555	106,898	11,255
Adjustments for:						
Depreciation and amortisation	25,778	26,964	–	–	25,778	26,964
Managers' fees paid/payable in Stapled Securities	3,808	3,905	1,311	1,268	2,497	2,637
Currency realignment	(4,507)	(6,704)	(239)	(1,265)	(4,268)	(5,440)
Unrealised exchange loss, net	2,260	10,374	233	224	2,027	10,150
Effects of recognising rental income on a straight-line basis over lease term	(1,281)	(1,415)	(1,098)	(1,415)	(183)	–
Net change in fair value of investment properties	(145,514)	(10,181)	(56,321)	(6,582)	(89,193)	(3,599)
Net change in fair value of derivative financial instruments	1,947	(948)	487	202	1,460	(1,150)
Share of results of joint venture, net of tax	(4,049)	(3,119)	–	–	(4,049)	(3,119)
Dividend from available-for-sale securities	–	–	(245)	(218)	–	–
Finance costs	19,192	17,951	3,504	2,807	15,688	15,144
Finance income	(1,279)	(721)	(52)	(33)	(1,227)	(688)
Amortisation of deferred income	(1,824)	(1,976)	(129)	(126)	(1,695)	(1,850)
Loss on disposal of property, plant and equipment	718	150	–	–	718	150
Non-capitalisable business acquisition related expenses	(88)	(1,344)	–	–	(88)	(1,344)
Operating cash flows before working capital changes	79,130	71,528	24,766	22,417	54,363	49,110
Changes in working capital:						
Inventories	107	129	–	–	107	129
Trade and other receivables	(3,467)	(6,366)	(1,868)	(2,173)	(619)	(3,397)
Prepayments	(61)	(833)	18	–	(79)	(833)
Other non-current assets	(5,216)	1,909	–	–	(5,216)	1,909
Trade and other payables	14,273	10,215	193	1,938	13,101	7,482
Income received in advance and deferred income	118	111	118	111	–	–
Rental and other deposits	3,438	2,099	178	173	3,260	1,926
Cash generated from operations	88,322	78,792	23,405	22,466	64,917	56,326
Income tax paid	(3,057)	(6,825)	(533)	(184)	(2,524)	(6,641)
Interest received	1,050	705	56	39	994	666
Interest paid	(16,852)	(17,061)	(2,500)	(2,637)	(14,352)	(14,424)
Net cash generated from operating activities	69,463	55,611	20,428	19,684	49,035	35,927

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 2016

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities						
Acquisition of property, plant and equipment	(10,377)	(10,324)	–	–	(10,377)	(10,324)
Acquisition of investment property	–	(110,270)	–	–	–	(110,270)
Proceeds from disposal of property, plant and equipment	67	27	–	–	67	27
Proceeds from disposal of properties held for sale	2,957	–	–	–	2,957	–
Return of capital (partial) from joint venture	26,581	–	–	–	26,581	–
Subsequent capital expenditures incurred on investment property	(11,515)	(6)	(161)	(6)	(11,354)	–
Subsequent expenditures incurred on properties held for sale	(36)	–	–	–	(36)	–
Purchase of available-for-sale securities	–	–	–	(330)	–	–
Dividend income received from available-for-sale securities	–	–	245	218	–	–
Dividend income received from joint venture	1,019	1,329	–	–	1,019	1,329
Repayment of loan to joint venture	502	337	–	–	502	337
Repayment of loan from joint venture	(3,935)	–	–	–	(3,935)	–
Net cash generated from/(used in) investing activities	5,263	(118,907)	84	(118)	5,424	(118,901)
Cash flows from financing activities						
Proceeds from issue of new Stapled Securities (net of issue costs)	–	49,159	–	–	–	49,159
Capital contribution by non-controlling interests	–	–	–	–	–	330
Distribution to Stapled Securityholders	(58,193)	(56,933)	(20,274)	(26,580)	(37,919)	(30,353)
Dividends paid to non-controlling interests	–	–	–	–	(245)	(218)
Proceeds from issue of medium term notes (net of transaction costs)	74,873	–	49,416	–	25,457	–
Proceeds from borrowings	–	85,691	–	–	–	85,691
Payment of transaction costs related to bank loans	(715)	–	–	–	(715)	–
Repayment of borrowings	(82,978)	–	(47,000)	–	(35,978)	–
Net cash (used in)/generated from financing activities	(67,013)	77,917	(17,858)	(26,580)	(49,400)	104,609
Net increase/(decrease) in cash and cash equivalents	7,713	14,621	2,654	(7,014)	5,059	21,635
Cash and cash equivalents at beginning of year	88,107	72,351	19,944	26,427	68,163	45,924
Effect of exchange rate changes on cash and cash equivalents	(1,231)	1,135	333	531	(1,564)	604
Cash and cash equivalents at end of year (Note 21)	94,589	88,107	22,931	19,944	71,658	68,163

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 2016

Property	Acquisition date	Tenure of land	Term of lease	Remaining term of lease
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo ("Sunroute and Oakwood Ariake")	27 July 2012	Freehold	–	–
Park Hotel Clarke Quay	28 June 2013	Leasehold	99 years from 27 November 2006	89 years

Portfolio of investments

Other assets and liabilities (net)

Net assets

Independent valuation of the investment properties was undertaken by Jones Lang LaSalle K.K. and DTZ Cushman & Wakefield Limited based on the discounted cash flow method. The independent valuers have the appropriate professional qualifications and experience in the location and category of the property 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.

Location	Existing use	Latest valuation \$'000	Valuation date	2016		2015	
				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	261,491	31 March 2016	261,491	62	199,369	54
1 Unity Street, Park Hotel Clarke Quay Singapore 237983	Hotel	316,000	31 March 2016	316,000	75	312,000	84
				577,491	137	511,369	138
				(156,917)	(37)	(140,838)	(38)
				420,574	100	370,531	100

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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 Singapore Exchange Securities Trading Limited ("SGX-ST"), for a listed REIT. Perpetual (Asia) Limited (formerly known as The Trust Company (Asia) Limited) replaced Ascendas Hospitality Trustee Pte. Ltd. as trustee of A-HREIT on 9 July 2012.

A-HBT is a Singapore-domiciled 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 immediate holding company is Ascendas Investment Pte Ltd, and its ultimate holding entity was JTC Corporation, a body incorporated by statute in Singapore, up to 10 June 2015. On 10 June 2015, following the merger between Ascendas Pte Ltd and Singbridge Pte Ltd to form the Ascendas-Singbridge Group, Temasek Holdings (Private) Limited became the ultimate holding company. 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 located across Asia, Australia and New Zealand, 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 29.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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 ("FRS").

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 the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes ("CIS") issued by the MAS and the provisions of the A-HREIT Trust Deed.

RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under FRS.

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.

The accounting policies set out below have been applied consistently by A-HTRUST, A-HREIT and A-HBT.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

FRSs 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:

Description	Effective for annual periods beginning on or after
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014):	
– FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
– FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
– FRS 19 <i>Employee Benefits</i>	1 January 2016
Amendments to FRS 1: <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 7: <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12: <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined ^a

^a The mandatory effective date of this Amendment will be revised from 1 January 2016 to a date to be determined by the Accounting Standards Council.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.1 Basis of preparation (cont'd)

FRSs that have been issued but not yet effective (cont'd)

Except for FRS 109 and FRS 115, the REIT Manager and Trustee-Manager expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 115 are described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.2 Change in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group adopted the following new and revised standards that are relevant and effective for financial years beginning on or after 1 April 2015:

Amendments to FRS 19 *Defined Benefit Plans: Employee Contribution*
Amendments to FRS 102 *Share Based Payments*
Amendments to FRS 103 *Business Combinations*
Amendments to FRS 108 *Operating Segments*
Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*
Amendments to FRS 24 *Related Party Disclosures*
Amendments to FRS 113 *Fair Value Measurement*
Amendments to FRS 40 *Investment Property*

The adoption of these standards did not have any effect on the financial statements of the Group.

2.3 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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.3 Currency translation (cont'd)

- (c) Translation of Group entities' financial statements (cont'd)
- (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.

2.4 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.

- (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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.4 Basis of consolidation and business combinations (cont'd)

(c) Consolidation (cont'd)

- 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.

(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 in accordance with FRS 39 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 2.3.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.4 Basis of consolidation and business combinations (cont'd)

(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.

2.5 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

(i) *Joint operation*

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.5 Joint arrangements (cont'd)

(ii) Joint venture

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture.

On acquisition of the joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the joint venture is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the joint venture is acquired.

Under the equity method, the investment in joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint venture are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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 directly to equity under the heading of asset revaluation reserve. 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 2016

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	Remaining lease period from 26 to 31 years
Computers, furniture and fittings	2 to 15 years
Motor vehicles	8 years
Plant and equipment	5 to 30 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 Properties held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Prepaid land lease
Property, plant and equipment
Investment in joint venture

Prepaid land lease, property, plant and equipment and investment in joint venture 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.10 Impairment of non-financial assets (cont'd)

- (b) Prepaid land lease
Property, plant and equipment
Investment in joint venture (cont'd)

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.

2.11 Financial assets

- (a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as cash and cash equivalents and trade and other receivables on the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.11 Financial assets (cont'd)

(b) Recognition and de-recognition

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised where the contractual rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of the assets.

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 is recognised in profit or loss.

(c) Initial measurement

Loans and receivables and available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

Available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gain and loss on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(e) Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.11 Financial assets (cont'd)

(f) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. Subsequent recovery of amounts previously written off is recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Available-for-sale financial assets

A significant or prolonged decline in the fair value of the investment below its cost are considered as indicators of impairment. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of available-for-sale financial assets carried at cost, if there is objective evidence that an impairment loss on the financial assets has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

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 subjected 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 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.

2.15 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 2016

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

2.16 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 directly attributable transaction costs.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate 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 expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.17 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 designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.17 Derivative financial instruments and hedging activities (cont'd)

Hedges of a net investment

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.

2.18 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.20 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.

2.21 Distribution policy

Distributions from A-HTRUST comprise distributions from A-HREIT and A-HBT.

A-HREIT's distribution policy is to distribute at least 90% of its distributable income to the Stapled Securityholders.

A-HBT's distribution policy is to distribute at least 90% of its distributable income to the Stapled Securityholders.

In the previous financial year ended 31 March 2015, A-HTRUST distributed 100% of its distributable income to the Stapled Securityholders. For the financial year ended 31 March 2016, A-HTRUST retained 5% of its distributable income.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.22 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 room revenue and food & beverage ("F&B") revenue

Hotel room revenue and F&B revenue are recognised when the relevant rooms and 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.

2.23 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.23 Expenses (cont'd)

(e) Borrowing costs

Borrowing costs comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

2.24 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

2.24 Taxation (cont'd)

(b) Deferred income tax (cont'd)

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 available-for-sale financial assets 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.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements requires the Managers to make judgments, 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 judgments 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 judgments in the following key areas:

- i. The fair valuations of investment properties, property, plant and equipment and derivative financial instruments (Note 14, 16 and 25);
- ii. The assessment of the adequacy of provision for current and deferred taxation (Note 12);
- iii. The assessment of impairment of financial and non-financial assets (Note 33); and
- iv. The determination of joint control and classification of joint arrangements.

Determination of joint control and classification of joint arrangements

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
 - The legal form of the separate vehicle
 - The terms of the contractual arrangement
 - Other facts and circumstances (when relevant)

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

A-HBT has two joint arrangements, namely (i) Notron No.346 Trust (“NNT”) and (ii) Ascendas Cairns International Pty Limited and Polaris Developments Pty Limited (“Co-Tenancy”). NNT previously owned the land and building of Pullman Cairns International (“Hotel”) and Co-Tenancy previously owned certain plant and equipment and operated the Hotel, prior to the Hotel being disposed during the current financial year.

In FY 2014/15, with the adoption of FRS 111 *Joint Arrangements*, the Group had assessed that the arrangement for NNT was a joint venture taking into account that NNT is a separate trust vehicle and the Group’s interest in NNT only gives the Group rights to the net assets of the trust. On the other hand, the Group assessed that Co-Tenancy was a joint operation considering that Co-Tenancy, being the hotel operator, had rights to the assets and obligations for the liabilities of the Hotel.

Refer Note 17 and Note 30 for more information.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

4. GROSS RENTAL REVENUE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Hotel room revenue	116,094	123,026	–	–	116,094	123,026
Rental income	36,600	38,848	30,849	30,885	21,818	23,505
	152,694	161,874	30,849	30,885	137,912	146,531

5. OTHER INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Car park revenue	6,837	7,877	–	–	6,837	7,877
Utilities income	2,513	2,507	–	–	2,513	2,507
Other miscellaneous income	7,992	5,498	1,475	355	6,762	5,362
	17,342	15,882	1,475	355	16,112	15,746

6. OPERATIONS AND MAINTENANCE EXPENSES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Costs of food and beverage and other supplies	13,814	13,923	–	–	13,814	13,923
Repair and maintenance expenses	8,094	8,563	28	160	8,066	8,404
Management fees	595	384	77	80	518	304
Other expenses	510	589	–	–	510	589
	23,013	23,459	105	240	22,908	23,220

7. FINANCE INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income from:						
– Financial institutions	1,187	720	51	32	1,136	688
– Others	92	1	1	1	91	–
	1,279	721	52	33	1,227	688

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

8. FINANCE COSTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest expense on:						
– Borrowings	18,077	16,919	3,137	2,512	14,940	14,407
– Amortisation of capitalised transaction costs	890	687	215	171	675	516
– Others	225	345	152	124	73	221
	19,192	17,951	3,504	2,807	15,688	15,144

9 (a). FUND MANAGEMENT FEES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REIT Manager's fees						
– Base fee ¹	1,412	1,420	1,412	1,420	–	–
– Performance fee ¹	966	940	966	940	–	–
Trustee-Manager's fees						
– Base fee ¹	1,273	1,305	–	–	1,273	1,305
– Performance fee ¹	1,301	1,350	–	–	1,301	1,350
Others						
– Management fees paid to related entities of the Managers ²	2,663	2,795	243	176	2,420	2,619
– Divestment fees paid to a related entity of the Managers	195	–	–	–	195	–
	7,810	7,810	2,621	2,536	5,189	5,274

¹ For the financial year ended 31 March 2016, the REIT Manager and the Trustee-Manger have agreed to receive 50% of their management fees in Stapled Securities. An aggregate of 5,454,988 Stapled Securities (2015: 5,532,954 Stapled Securities) were issued or are issuable to the managers as satisfaction of the management fees incurred during the financial year.

² This relates to management fee paid/payable to Ascendas Japan Kabushiki Kaisha and Ascendas Hospitality Australia Fund Management Pty Ltd for asset management services for the Japan and Australia portfolios respectively.

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9(b). TRUSTEES' FEES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REIT Trustee's fees	162	162	162	162	-	-
Trustee-Manager's fees	162	162	-	-	162	162
Other trustee fees	291	254	3	1	288	253
	615	578	165	163	450	415

10. OTHER OPERATING EXPENSES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Stamp duties	-	2	-	-	-	2
Loss on disposal of property, plant and equipment	718	150	-	-	718	150
Regular trust expenses	1,250	1,842	539	613	711	1,229
Realised foreign exchange gain	(1,554)	(1,479)	(501)	(815)	(1,053)	(664)
	414	515	38	(202)	376	717

11. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees paid/accrued to A-HTRUST auditors	542	478	128	122	414	356
Non-audit fees paid/accrued to A-HTRUST auditors and other auditors	310	823	50	186	260	637
Valuation fees	161	90	48	30	113	60
Rental expenses paid to A-HREIT	-	-	-	-	16,067	15,542

NOTES TO THE FINANCIAL STATEMENTS

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12. INCOME TAX EXPENSE

The income tax expense is in respect of taxes applicable to A-HTRUST's operations in Australia, China and Japan.

For Singapore income tax purposes, A-HTRUST is not a taxable entity on its own. Instead, A-HREIT and A-HBT are subject to tax separately based on their own characteristics as a REIT and a registered business trust respectively.

A-HREIT and A-HBT have been granted tax exemption under Section 13(12) of the Singapore Income Tax Act in respect of certain foreign-sourced income derived from their respective overseas subsidiaries, subject to meeting certain conditions.

Income tax expense

The major components of income tax expense for the year ended 31 March 2016 and 2015 are:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Consolidated income statements:

Current income tax expense:

– Current income tax	(3,121)	(2,996)	(726)	(511)	(2,395)	(2,485)
– Under provision in respect of previous years	(21)	(284)	(21)	(125)	–	(159)

Deferred income tax expense:

– Origination and reversal of temporary differences	(32,635)	(4,316)	(11,294)	(1,604)	(21,341)	(2,712)
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Withholding tax (expense)/credit	(1,601)	(2,350)	(294)	220	(1,307)	(2,570)
	<u>(37,378)</u>	<u>(9,946)</u>	<u>(12,335)</u>	<u>(2,020)</u>	<u>(25,043)</u>	<u>(7,926)</u>

Consolidated statements of comprehensive income:

Deferred tax expense related to other comprehensive income:

– Net surplus on revaluation of freehold land and buildings	(4,245)	(5,326)	–	–	(4,245)	(5,326)
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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

12. 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 year ended 31 March 2016 and 2015 is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit before tax	183,969	38,592	77,315	27,555	106,898	11,255
Tax at the Singapore income tax rate of 17% (2015: 17%)	31,275	6,561	13,143	4,684	18,173	1,913
Adjustments:						
Expenses not deductible for tax purpose ¹	4,555	6,802	2,166	1,843	2,389	4,959
Tax on share of results of joint venture	1,271	936	–	–	1,271	936
Income not subject to tax ²	(7,660)	(8,159)	(4,262)	(3,482)	(3,398)	(4,677)
Effect of different tax rates arising from foreign jurisdiction	9,369	3,797	2,448	389	6,921	3,408
Under provision in respect of previous years	21	284	21	125	–	159
Effect of previously unrecognised tax losses	(402)	(135)	–	–	(402)	(135)
Effect of tax losses not allowed to carry forward	113	10	111	9	2	2
Withholding tax expense/(credit)	1,601	2,350	294	(220)	1,307	2,570
Group relief claimed/transferred	(14)	(12)	–	–	(14)	(12)
Others	(2,751)	(2,488)	(1,586)	(1,328)	(1,206)	(1,197)
	37,378	9,946	12,335	2,020	25,043	7,926

¹ The nature of expenses that are not deductible for income tax purposes is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation	1,300	1,536	–	–	1,300	1,536
Fair value loss on derivative financial instruments	316	1,305	83	240	233	1,065
Exchange loss arising from revaluation of non-trade balances	1,660	2,740	1,002	588	658	2,152
Disposal of property, plant and equipment	122	29	–	–	122	29
Others	1,157	1,192	1,081	1,015	76	177
	4,555	6,802	2,166	1,843	2,389	4,959

NOTES TO THE FINANCIAL STATEMENTS

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12. INCOME TAX EXPENSE (CONT'D)

² The nature of income that are not subject to tax is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value (gain)/loss on derivative financial instruments	(17)	(91)	(17)	–	–	(91)
Exchange gain arising from revaluation of non-trade balances	(1,463)	(1,275)	(1,149)	(848)	(314)	(427)
Fair value gain on investment property	(493)	–	(493)	–	–	–
Write-back of non-capitalisable business acquisition related expenses	(15)	(229)	–	–	(15)	(229)
Tax transparency	(2,603)	(2,634)	(2,603)	(2,634)	–	–
Income from tax exempted entities	(2,694)	(2,191)	–	–	(2,694)	(2,191)
Others	(375)	(1,739)	–	–	(375)	(1,739)
	(7,660)	(8,159)	(4,262)	(3,482)	(3,398)	(4,677)

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

Deferred tax assets/(liabilities)

Deferred tax as at 31 March 2016 and 2015 are shown on the balance sheets as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets (non-current):						
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
Origination of temporary differences	1,824	2,281	–	–	1,824	2,281
Translation differences	(1,511)	(1,399)	–	–	(1,511)	(1,399)
	6,485	7,054	–	–	6,485	7,054
Deferred tax liabilities (non-current):						
Fair value adjustments on acquisition of subsidiaries	(5,351)	(5,351)	(1,288)	(1,288)	(4,063)	(4,063)
Fair value gain on an investment property	(32,782)	(4,315)	(14,839)	(3,594)	(17,943)	(721)
Revaluation to fair value of freehold land and buildings	(17,357)	(10,332)	–	–	(17,357)	(10,332)
Translation differences	1,753	1,470	324	528	1,429	941
Others	(1,164)	(128)	(49)	–	(1,115)	(128)
	(54,901)	(18,656)	(15,852)	(4,354)	(39,049)	(14,303)
	(48,416)	(11,602)	(15,852)	(4,354)	(32,564)	(7,249)

NOTES TO THE FINANCIAL STATEMENTS

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12. INCOME TAX EXPENSE (CONT'D)

The movements in the deferred tax assets/(liabilities) are as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of the financial year	(11,602)	(2,087)	(4,354)	(2,933)	(7,249)	846
Tax charged to profit or loss	(32,635)	(4,316)	(11,294)	(1,604)	(21,341)	(2,712)
Tax charged to asset revaluation reserve	(4,245)	(5,326)	-	-	(4,245)	(5,326)
Arising from disposal of property	(104)	-	-	-	(104)	-
Translation differences	170	127	(204)	183	375	(57)
At the end of the financial year	(48,416)	(11,602)	(15,852)	(4,354)	(32,564)	(7,249)

Unrecognised tax losses

At 31 March 2016, the Group has tax losses of approximately \$7,940,000 (2015: \$12,590,000) in a China subsidiary that are available for offset against future taxable profits of this subsidiary in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The tax losses can be carried forward for five consecutive years. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of China.

13. EARNINGS PER STAPLED SECURITY

The calculation of basic earnings per Stapled Security is based on:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total profit attributable to						
Stapled Securityholders	146,591	28,646	64,980	25,535	81,771	3,255
Weighted average number of						
Stapled Securities outstanding						
during the year ('000)	1,116,493	1,108,954	1,116,493	1,108,954	1,116,493	1,108,954
Earnings per Stapled Security (cents)	13.13	2.58	5.82	2.30	7.32	0.29

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.

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14. INVESTMENT PROPERTIES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated balance sheets:						
At beginning of financial year	618,158	516,107	511,369	516,107	106,789	–
Acquisition of investment property	–	110,270	–	–	–	110,270
Subsequent capital expenditures incurred on investment property	11,515	6	161	6	11,354	–
Fair value gain on revaluation	146,612	11,596	57,419	7,997	89,193	3,599
Translation differences	12,018	(19,821)	8,542	(12,741)	3,476	(7,080)
At end of financial year	788,303	618,158	577,491	511,369	210,812	106,789
Consolidated income statements:						
Gross rental revenue from investment properties:						
– Minimum lease payments	31,131	32,203	28,181	28,718	7,582	7,385
– Contingent rent based on tenant's turnover	2,668	2,167	2,668	2,167	–	–
	33,799	34,370	30,849	30,885	7,582	7,385
Fair value gain on revaluation	146,612	11,596	57,419	7,997	89,193	3,599
Effect of recognising rental income on a straight-line basis over lease term	(1,098)	(1,415)	(1,098)	(1,415)	–	–
Net change in fair value of investment properties	145,514	10,181	56,321	6,582	89,193	3,599

Total property expenses, recognised in the consolidated profit or loss, represent direct operating expenses arising from investment properties that generated rental income.

NOTES TO THE FINANCIAL STATEMENTS

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14. INVESTMENT PROPERTIES (CONT'D)

The investment properties held by A-HTRUST at 31 March 2016 is as follows:

Description of property	Held by	Title	Location	Existing use	Carrying value as at 31.3.2016 \$'000	Date of valuation
Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo	A-HREIT	Freehold	3-6-6 Ariake Koto-ku, Tokyo	Hotel	261,491	31.3.2016
Hotel Sunroute Osaka Namba	A-HBT	Freehold	1-1-13 Nipponbashi Chuo-ku Osaka	Hotel	210,812	31.3.2016
Park Hotel Clarke Quay	A-HREIT	99-year leasehold expiring in November 2105	1 Unity Street Park Hotel Clarke Quay Singapore 237983	Hotel	316,000	31.3.2016

Investment properties are carried at fair value, with change in fair values being recognised in consolidated profit or loss.

The Group has no restrictions on the realisability of its investment properties.

Investment properties are valued at balance sheet date by independent professional valuers, Jones Lang LaSalle K.K. and DTZ Cushman & Wakefield Limited, having appropriate recognised professional qualification and experience in the location and category of property being valued. Details of valuation techniques and inputs used are disclosed in Note 32(d).

NOTES TO THE FINANCIAL STATEMENTS

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15. PREPAID LAND LEASE

This relates to prepayment for the land use rights of the land on which Novotel Beijing Sanyuan and Ibis Beijing Sanyuan were erected. The land use rights have a remaining period of 28 years (2015: 29 years) and will expire on 29 August 2044.

	A-HTRUST \$'000	A-HREIT Group \$'000	A-HBT Group \$'000			
Cost:						
At 1 April 2014	38,185	–	38,185			
Translation differences	3,304	–	3,304			
At 31 March 2015	41,489	–	41,489			
Translation differences	(2,615)	–	(2,615)			
At 31 March 2016	38,874	–	38,874			
Accumulated amortisation:						
At 1 April 2014	(1,785)	–	(1,785)			
Charge for the year	(1,227)	–	(1,227)			
Translation differences	(187)	–	(187)			
At 31 March 2015	(3,199)	–	(3,199)			
Charge for the year	(1,285)	–	(1,285)			
Translation differences	532	–	532			
At 31 March 2016	(3,952)	–	(3,952)			
Net carrying amount						
At 31 March 2015	38,290	–	38,290			
At 31 March 2016	34,922	–	34,922			
	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amount to be amortised:						
– Not later than one year	1,229	1,321	–	–	1,229	1,321
– Later than one year but not later than five years	4,916	5,284	–	–	4,916	5,284
– Later than five years	28,777	31,685	–	–	28,777	31,685

NOTES TO THE FINANCIAL STATEMENTS

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16. PROPERTY, PLANT AND EQUIPMENT

2016 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	
Cost or valuation:							
At 1 April 2015	144,990	434,623	36,182	24	68,892	1,760	686,471
Additions	–	1,822	2,785	–	3,824	1,946	10,377
Disposals/write-off	–	(4)	(1,140)	–	(2,226)	–	(3,370)
Revaluation surplus	8,048	42,277	–	–	–	–	50,325
Translation differences	(3,037)	(10,871)	(2,400)	(4)	(2,290)	(6)	(18,608)
Elimination of accumulated depreciation on revaluation	–	(14,497)	–	–	–	–	(14,497)
At 31 March 2016	150,001	453,350	35,427	20	68,200	3,700	710,698
Accumulated depreciation:							
At 1 April 2015	–	–	(7,951)	(23)	(14,148)	–	(22,122)
Charge for the year	–	(14,405)	(4,710)	(3)	(5,375)	–	(24,493)
Disposals/write-off	–	3	1,029	–	1,937	–	2,969
Translation differences	–	(95)	1,492	6	1,064	–	2,467
Elimination of accumulated depreciation on revaluation	–	14,497	–	–	–	–	14,497
At 31 March 2016	–	–	(10,140)	(20)	(16,522)	–	(26,682)
Net carrying amount							
At 31 March 2016	150,001	453,350	25,287	–	51,678	3,700	684,016

NOTES TO THE FINANCIAL STATEMENTS

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16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2015 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	
Cost or valuation:							
At 1 April 2014							
– as previously stated	157,153	441,432	35,943	25	72,535	–	707,088
– share of property, plant and equipment of a joint operation accounted for under FRS 111							
<i>Joint Arrangements</i>	–	–	4,775	–	67	–	4,842
– as restated	157,153	441,432	40,718	25	72,602	–	711,930
Additions	–	2,643	2,800	–	2,640	2,241	10,324
Disposals/write-off	–	–	(1,587)	–	(286)	–	(1,873)
Revaluation surplus	2,352	36,936	–	–	–	–	39,288
Transferred to properties held for sale (Note 20)	–	–	(4,370)	–	(61)	–	(4,431)
Translation differences	(14,515)	(32,530)	(1,379)	(1)	(6,003)	(481)	(54,909)
Elimination of accumulated depreciation on revaluation	–	(13,858)	–	–	–	–	(13,858)
At 31 March 2015	144,990	434,623	36,182	24	68,892	1,760	686,471
Accumulated depreciation:							
At 1 April 2014							
– as previously stated	–	–	(4,437)	(19)	(9,010)	–	(13,466)
– share of property, plant and equipment of a joint operation accounted for under FRS 111							
<i>Joint Arrangements</i>	–	–	(873)	–	(5)	–	(878)
– as restated	–	–	(5,310)	(19)	(9,015)	–	(14,344)
Charge for the year	–	(14,538)	(5,346)	(4)	(5,849)	–	(25,737)
Disposals/write-off	–	–	1,472	–	224	–	1,696
Transferred to properties held for sale (Note 20)	–	–	1,033	–	8	–	1,041
Translation differences	–	680	200	–	484	–	1,364
Elimination of accumulated depreciation on revaluation	–	13,858	–	–	–	–	13,858
At 31 March 2015	–	–	(7,951)	(23)	(14,148)	–	(22,122)
Net carrying amount							
At 31 March 2015	144,990	434,623	28,231	1	54,744	1,760	664,349

NOTES TO THE FINANCIAL STATEMENTS

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16. 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, Jones Lang LaSalle Advisory Services Pty Limited and DTZ Cushman & Wakefield Limited to determine the fair value of the freehold land and buildings. The valuers have the appropriate professional qualification and recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 32(d).

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	A-HTRUST	
	2016	2015
	\$'000	\$'000
Freehold land at 31 March		
Cost and net carrying amount	120,359	122,977
Buildings at 31 March		
Cost	415,785	425,319
Accumulated depreciation	(47,498)	(34,608)
Net carrying amount	368,287	390,711

Asset pledged as security

Property, plant and equipment with a carrying amount of \$623,623,000 (2015: \$599,677,000) are mortgaged as security for the bank facilities obtained from financial institutions (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN JOINT VENTURE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment in joint venture, at cost	12,610	12,610	–	–	12,610	12,610
Share of post-acquisition reserves	16,234	12,185	–	–	16,234	12,185
Return of partial capital from joint venture	(26,581)	–	–	–	(26,581)	–
Distribution from joint venture	(3,497)	(2,478)	–	–	(3,497)	(2,479)
Translation differences	1,260	(3,499)	–	–	1,260	(3,498)
	26	18,818	–	–	26	18,818

The joint venture held by A-HTRUST and the A-HBT Group is as follows:

Name of joint venture	Held by	Country of constitution	Principal activities/ Place of business	Effective equity interest held by A-HTRUST	
				2016	2015
				%	%
Notron No. 346 Trust ("NNT")	A-HBT	Australia	Hotel investment/Australia	50	50

NNT was the owner of Pullman Cairns International hotel. The Group jointly controls the venture with the other partner under the contractual agreement and all major decisions over operational matters requires unanimous consent from the joint venture partners. It is a strategic venture in the hospitality business.

During the financial year, NNT and Co-Tenancy (a joint operation between Ascendas Cairns International Pty Limited and Polaris Developments Pty Limited) entered into put and call option deed in relation to the sale of Pullman Cairns International hotel and its plant and equipment at a cash consideration of A\$75,080,000 based on terms set out in a sale and purchase agreement that has been agreed with the purchaser. The transaction was completed on 29 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN JOINT VENTURE (CONT'D)

Summarised financial information in respect of NNT based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the financial statements of A-HTRUST and A-HBT are as follows:

Summarised balance sheet:

	2016 \$'000	2015 \$'000
Non-current assets		
Trade and other receivables	–	7,796
	–	7,796
Current assets		
Properties held for sale	–	64,070
Trade and other receivables	3	482
Prepayments	–	40
Cash and cash equivalents	59	1,252
	62	65,844
Total assets	62	73,640
Current liabilities		
Trade and other payables	11	1,590
Non-current liabilities		
Borrowings	–	33,786
Derivative financial instruments	–	628
	–	34,414
Total liabilities	11	36,004
Net assets	51	37,636
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing carrying amount of the investment	26	18,818

Summarised statement of comprehensive income:

	2016 \$'000	2015 \$'000
Gross revenue	1,301	5,646
Property income/(expenses)	15	(520)
Net property income	1,316	5,126
Finance costs	(957)	(2,358)
Fair value gain on investment property	–	2,358
Other income, net ¹	7,739	1,112
Net profit before tax	8,098	6,238
Income tax expense	–	–
Net profit after tax, representing total comprehensive income	8,098	6,238

During the financial year, dividends of \$1,019,000 (2015: \$1,329,000) were received from NNT.

¹ Included gain on disposal of Pullman Cairns International hotel of \$3,400,000 (2015: Nil).

NOTES TO THE FINANCIAL STATEMENTS

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18. AVAILABLE-FOR-SALE 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% (2015: 100%) equity interest in Ascendas Australia Hotel Trust, which owns the hotel properties in Australia.

Investment in available-for-sale securities whose fair value cannot be reliably measured are measured at cost less impairment loss. As at 31 March 2016, the carrying amount of A-HREIT Group's 1% (2015: 1%) interest in AHAIF1 is \$3,058,000 (2015: \$3,058,000).

19. TRADE AND OTHER RECEIVABLES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current						
Trade receivables	6,977	7,017	1,509	66	5,468	6,951
Sundry debtors	2,888	2,510	3,184	2,604	3,325	2,481
GST/VAT receivables	988	140	52	56	936	84
Total trade and other receivables	10,853	9,667	4,745	2,726	9,729	9,516
Cash and cash equivalents (Note 21)	94,589	88,107	22,931	19,944	71,658	68,163
Other current assets	258	29	–	–	258	29
Non-current						
Amount due from joint venture	–	508	–	–	–	508
Other non-current assets	5,235	70	22	25	5,213	46
Less:						
– Deferred expenditure	(302)	(70)	(22)	(25)	(280)	(46)
– Non-refundable deposit	(5,171)	–	–	–	(5,171)	–
Total loans and receivables	105,462	98,311	27,676	22,670	81,407	78,216

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.

Amount due from joint venture was an unsecured and interest-free loan and had been fully repaid in the current financial year.

Information regarding financial assets that are impaired is disclosed in Note 33 (b).

NOTES TO THE FINANCIAL STATEMENTS

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20. PROPERTIES HELD FOR SALE

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of financial year	3,365	-	-	-	3,365	-
Transferred from property, plant and equipment (Note 16)	-	3,390	-	-	-	3,390
Additions	36	-	-	-	36	-
Disposal	(3,341)	-	-	-	(3,341)	-
Translation differences	(60)	(25)	-	-	(60)	(25)
At end of financial year	-	3,365	-	-	-	3,365

In the previous financial year, the REIT Manager and the Trustee-Manager announced plans for the potential sale of Pullman Cairns International hotel and its plant and equipment. Accordingly, the Group's 50% interest in the plant and equipment held by Co-Tenancy had been reclassified to "Properties held for sale" as at 31 March 2015.

During the current financial year, the properties held for sale were disposed at a cash consideration of A\$75,080,000. The Group recorded an aggregated gain on disposal, net of transaction costs, of approximately \$3.4 million (which represented 50% the Group's share of gain from the disposal).

21. CASH AND CASH EQUIVALENTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	64,154	64,720	12,331	14,444	51,823	50,276
Fixed deposits	30,435	23,387	10,600	5,500	19,835	17,887
	94,589	88,107	22,931	19,944	71,658	68,163

Fixed deposits are placed for varying periods of between 1 month and 6 months (2015: 2 months and 6 months) at interest rates ranging from 1.00% to 2.65% (2015: 0.52% to 3.06%) per annum.

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22. TRADE AND OTHER PAYABLES

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade payables	2,761	4,637	–	–	2,761	4,637
Sundry creditors	258	219	16	35	242	184
Amounts due to related companies	1,064	1,192	1,632	1,133	3,054	2,634
GST/VAT payables	1,134	1,193	594	471	540	722
Other payables	3,861	3,817	345	519	3,516	3,298
Accrued employee benefits	3,870	3,932	–	–	3,870	3,932
Accrued operating expenses	26,488	11,247	2,955	1,912	23,533	9,335
Accrued management fees	250	287	236	274	14	13
Rental and other deposits	5,058	5,003	–	–	5,058	5,003
Total trade and other payables (current)	44,744	31,527	5,778	4,344	42,588	29,758
Add:						
Other payables (non-current)	683	–	–	–	683	–
Current borrowings (Note 24)	57,979	72,031	–	46,932	57,979	25,099
Rental and other deposits (non-current)	11,248	7,478	5,130	4,858	6,118	2,620
Loan from joint venture	–	3,979	–	–	–	3,979
Non-current borrowings (Note 24)	475,349	471,665	157,392	105,091	317,957	366,574
Less: GST/VAT payables	(1,134)	(1,193)	(594)	(471)	(540)	(722)
Total financial liabilities at amortised cost	588,869	585,487	167,706	160,754	424,785	427,308

Trade and other payables are non-interest bearing. Trade payables are normally settled on 30 days' term.

Amounts due to related companies are unsecured, interest-free and have no fixed term of repayment. These amounts are to be settled in cash.

Loan from joint venture was unsecured, interest-free and had been fully repaid in the current financial year.

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23. DEFERRED INCOME

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of financial year	13,830	17,148	1,044	1,139	12,786	16,009
Additions during the financial year	908	97	26	31	882	66
Amount amortised during the financial year	(1,824)	(1,976)	(129)	(126)	(1,695)	(1,850)
Translation differences	(250)	(1,439)	–	–	(250)	(1,439)
At end of financial year	12,664	13,830	941	1,044	11,723	12,786
This comprises:						
Non-current	10,801	11,946	811	917	9,990	11,029
Current	1,863	1,884	130	127	1,733	1,757
At end of financial year	12,664	13,830	941	1,044	11,723	12,786

Deferred income mainly relates to the cash reimbursement received from Accor for its 50% share of the A\$30.0 million capital expenditure incurred by the six properties 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.

NOTES TO THE FINANCIAL STATEMENTS

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24. BORROWINGS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current:						
Unsecured bank loan	58,000	72,200	–	47,000	58,000	25,200
Less: Transaction costs capitalised	(21)	(169)	–	(68)	(21)	(101)
Total current	57,979	72,031	–	46,932	57,979	25,099
Non-current:						
TMK Bonds	2,398	2,292	1,199	1,146	1,199	1,146
Secured bank loans	227,524	243,041	–	–	227,524	243,041
Less: Transaction costs capitalised	(1,165)	(888)	–	–	(1,165)	(888)
	226,359	242,153	–	–	226,359	242,153
Medium term notes	75,000	–	49,500	–	25,500	–
Less: Transaction costs capitalised	(103)	–	(68)	–	(35)	–
	74,897	–	49,432	–	25,465	–
Unsecured bank loans	171,975	227,790	106,975	104,290	65,000	123,500
Less: Transaction costs capitalised	(280)	(570)	(214)	(345)	(66)	(225)
	171,695	227,220	106,761	103,945	64,934	123,275
Total non-current	475,349	471,665	157,392	105,091	317,957	366,574
Total borrowings	533,328	543,696	157,392	152,023	375,936	391,673

(i) TMK Bonds

JPY100 million Japanese yen denominated bonds was issued by Ascendas Hospitality Tokutei Mokuteki Kaisha ("Ascendas Hospitality TMK") in November 2013. Proceeds from the bond issuance were used to fully repay the JPY100 million bonds which matured in November 2013. The bonds carry a fixed interest rate of 1.333% per annum and mature on 15 November 2017.

JPY100 million Japanese yen denominated bonds was issued by Ascendas Japan Namba Tokutei Mokuteki Kaisha ("Ascendas Japan Namba TMK") in June 2014. The bonds carry a floating interest rate of 3M JPY LIBOR + 1% per annum and mature on 7 April 2017.

A-HTRUST's interests in the Sunroute and Oakwood Ariake and Osaka Namba 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.

NOTES TO THE FINANCIAL STATEMENTS

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24. BORROWINGS (CONT'D)

(ii) Secured bank loans

On 29 February 2016, A-HBT Group's subsidiaries, Ascendas Australia Hotel Trust ("AAHF Trust") and Ascendas Hotel Investment Company Pty Limited ("AAHF Company") refinanced A\$100 million facility under the existing A\$250 million variable rate secured term loan facility with a new secured variable rate term loan and revolving credit facility of A\$110 million ("AAHF Facility I"). The other A\$150 million facility remains fully drawn ("AAHF Facility II")(AAHF Facility I and AAHF Facility II collectively "AAHF Facility").

The securities for the AAHF Facility include (i) first registered mortgage over each property in the Ascendas Australia Hotel Fund portfolio, (ii) General Security Agreement granted over The Trust Company (RE Services) Limited as the trustee for the AAHF Trust, AAHF Company and The Trust Company Limited (in its capacity as custodian of the AAHF Trust), (iii) first registered mortgage over leases between AAHF Company and AAHF Trust over each hotel lease, and (iv) General Security Agreement granted by Lodging Logistics Pty Ltd (a company associated with the Courtyard by Marriott North Ryde). Under the facility, The Trust Company (RE Services) Limited as the trustee for the AAHF Trust and AAHF Company shall be subject to certain financial covenants including the loan to value ratio not exceeding 50%.

Following the refinancing, the AAHF Facility comprises A\$260 million variable rate term loan and revolving credit facility, of which A\$220 million remains outstanding as at 31 March 2016. The AAHF Facility comprises A\$150 million tranche due in December 2018 and A\$110 million tranche due in August 2020, and the outstanding loans under this facility bear interest at the relevant BBSY rate plus an average margin of 1.44% (2015: 1.36%) per annum.

(iii) Unsecured bank loans and medium term notes

During the financial year, A-HREIT, through its wholly owned subsidiary, Ascendas Hospitality MTN Pte. Ltd., and A-HBT respectively issued \$49.5 million and \$25.5 million 3.3% notes due 2020 pursuant to A-HTRUST's \$1.0 billion multicurrency stapled debt issuance programme. Proceeds from the notes issuance were used to prepay \$47.0 million bank loans of A-HREIT and \$25.2 million bank loans of A-HBT due in June 2016 and July 2016 respectively.

As at 31 March 2016, A-HREIT and A-HBT have outstanding bank loans of \$107.0 million (2015: \$151.3 million) and \$123.0 million (2015: \$148.7 million) respectively, of which \$58.0 million of A-HBT's bank loans will be due for repayment within the next 12 months. Discussions with banks for the refinancing of these loans are ongoing and refinancing of these bank loans is expected to be completed before the end of 2016.

A-HBT has in place a \$60 million (2015: \$60 million) revolving credit facility, of which \$25.3 million (2015: \$35.2 million) was unutilised as at 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

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24. BORROWINGS (CONT'D)

Terms and debt repayment schedule

2016	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
A-HREIT Group				
TMK fixed rate bond	JPY	1.333%	2017	1,199
Unsecured fixed rate term loan	JPY	1.099%	2017	59,975
Unsecured variable rate term loans	SGD	1.20% + SOR	2018	47,000
Medium term notes	SGD	3.30%	2020	49,500
A-HBT Group				
TMK variable rate bond	JPY	1.00% + LIBOR	2017	1,199
Unsecured variable rate term loans	SGD	1.15% + SOR	2016 – 2017	123,000
Secured variable rate term loans	AUD	1.44% + BBSY	2018 – 2020	227,524
Medium term notes	SGD	3.30%	2020	25,500
Gross borrowings				534,897
Less: Transaction costs capitalised				(1,569)
				533,328

2015	Currency	Nominal interest rate %	Year of maturity	Carrying value \$'000
A-HREIT Group				
TMK fixed rate bond	JPY	1.333%	2017	1,146
Unsecured fixed rate term loan	JPY	1.099%	2017	57,290
Unsecured variable rate term loans	SGD	1.05% + SOR	2016 – 2018	94,000
A-HBT Group				
TMK variable rate bond	JPY	1.00% + LIBOR	2017	1,146
Unsecured variable rate term loans	SGD	1.16% + SOR	2016 – 2017	148,700
Secured variable rate term loans	AUD	1.36% + BBSY	2016 – 2018	243,041
Gross borrowings				545,323
Less: Transaction costs capitalised				(1,627)
				543,696

A-HREIT Group

Included in the borrowings as at 31 March 2016 were bank borrowing of JPY5 billion (approximately \$59,975,000) (2015: JPY5 billion, approximately \$57,290,000) and medium term notes of \$12 million, which together with a cross currency swap, have been designated as hedge of the net investment in a subsidiary in Japan, Ascendas Hospitality TMK. These borrowings are being used to hedge the Group's exposure to foreign exchange risk on this investment.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

24. BORROWINGS (CONT'D)

A-HBT Group

Included in the borrowings at 31 March 2016 were borrowings of \$110.3 million (2015: \$88.3 million), which together with certain cross currency swaps have been designated as hedge of the net investment in the subsidiaries in China, and Japan, namely, Ascendas (Beijing) Hotel Co., Ltd. and Ascendas 2 (Beijing) Hotel Co., Ltd., and Ascendas Japan Namba TMK (Note 25).

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.

25. DERIVATIVE FINANCIAL INSTRUMENTS

2016	Year of maturity	A-HREIT Group		
		Contract/ Notional amount \$'000	Fair values Assets Liabilities \$'000	
<i>Non-hedging instrument</i>				
Currency forward (buy)	2016 – 2017	9,306	66	(268)
<i>Cash flow hedge</i>				
Interest rate swaps	2018	47,000	212	–
Currency swaps	2020	12,000	–	(891)
Total			278	(1,159)
Current			47	(242)
Non-current			231	(917)
Total			278	(1,159)

2015	Year of maturity	A-HREIT Group		
		Contract/ Notional amount \$'000	Fair values Assets Liabilities \$'000	
<i>Non-hedging instrument</i>				
Currency forward (buy)	2015 – 2016	8,763	325	(39)
<i>Cash flow hedge</i>				
Interest rate swaps	2016 – 2018	94,000	1,167	–
Total			1,492	(39)
Current			645	(26)
Non-current			847	(13)
Total			1,492	(39)

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25. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

2016	Year of maturity	A-HBT Group		
		Contract/ Notional amount \$'000	Fair values Assets Liabilities \$'000	
<i>Non-hedging instrument</i>				
Currency forward (buy)	2016 – 2017	28,246	119	(477)
<i>Cash flow hedge and net investment hedge</i>				
Interest rate swaps	2016 – 2018	215,114	–	(3,912)
Currency swaps	2016 – 2020	110,300	1,836	(1,300)
Total			1,955	(5,689)
Current			107	(2,858)
Non-current			1,848	(2,831)
Total			1,955	(5,689)

2015	Year of maturity	A-HBT Group		
		Contract/ Notional amount \$'000	Fair values Assets Liabilities \$'000	
<i>Non-hedging instrument</i>				
Currency forward (buy)	2015 – 2016	27,969	1,076	(26)
<i>Cash flow hedge and net investment hedge</i>				
Interest rate swaps	2016 – 2018	243,094	182	(7,713)
Currency swaps	2015 – 2017	88,300	3,510	(2,629)
Total			4,768	(10,368)
Current			1,201	(18)
Non-current			3,567	(10,350)
Total			4,768	(10,368)

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25. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

A-HREIT Group

A-HREIT has entered into interest rate swaps to exchange floating rate interest on SGD loan of \$47 million (2015: \$94 million), into fixed rate interest at rate of 1.16% (2015: 0.92%) per annum. During the financial year, A-HREIT entered into a cross currency swap to exchange \$12 million fixed rate medium term notes into fixed rate JPY obligation.

There is no ineffectiveness in the financial years ended 31 March 2016 and 2015.

A-HBT Group

A-HBT has entered into cross currency swaps to exchange floating-rate SGD loans of \$23.3 million for fixed rate RMB obligations. During the financial year, A-HBT entered into a cross currency swap to exchange \$22 million fixed rate medium term notes into fixed rate RMB obligation.

A-HBT has also entered into a cross currency swap to exchange floating rate SGD loan of \$65 million for fixed rate JPY obligation.

There is no ineffectiveness in the financial years ended 31 March 2016 and 2015.

A-HBT's subsidiary, AAHF Trust, has entered into interest rate swaps to exchange floating rate interest on A\$208 million into fixed rate interest at an average rate of 3.45% per annum. The interest rate hedge ineffectiveness of A\$413,000 (2015: Nil) was recognized as an expense in the income statements when AAHF Facility 1 was refinanced on 29 February 2016 (refer to Note 24 (ii)).

During the financial year, the Group recorded a net loss on derivative financial instruments of \$1,762,000 (2015: \$5,930,000) in the profit or loss, a net gain on cash flow hedge of \$2,665,000 (2015: \$840,000) in hedging reserve and a net loss on net investment hedge in foreign operations of \$621,000 (2015: net gain of \$754,000) in foreign currency translation reserve.

26. STAPLED SECURITIES IN ISSUE

2016	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 2015	1,113,581	965,035	1,113,581	413,379	1,113,581	551,656
Managers' fees paid in Stapled Securities	5,561	3,792	5,561	1,274	5,561	2,518
Balance at 31 March 2016	1,119,142	968,827	1,119,142	414,653	1,119,142	554,174
Stapled Securities to be issued: Managers' fees payable in Stapled Securities	1,272	960	1,272	353	1,272	607
Total issued and to be issued Stapled Securities	1,120,414	969,787	1,120,414	415,006	1,120,414	554,781

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26. STAPLED SECURITIES IN ISSUE (CONT'D)

2015	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 2014	1,034,675	911,190	1,034,675	412,115	1,034,675	499,075
Issue of new Stapled Securities						
Private placement	73,530	50,000	73,530	–	73,530	50,000
Managers' fees paid in Stapled Securities	5,376	3,845	5,376	1,264	5,376	2,581
Balance at 31 March 2015	1,113,581	965,035	1,113,581	413,379	1,113,581	551,656
Stapled Securities to be issued:						
Managers' fees payable in Stapled Securities	1,378	944	1,378	316	1,378	628
Total issued and to be issued						
Stapled Securities	1,114,959	965,979	1,114,959	413,695	1,114,959	552,284

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 units of the Stapled Securities are entitled to receive distributions as and when declared by A-HTRUST.

All issued Stapled Securities are fully paid.

In the previous financial year, A-HTRUST issued 73,530,000 new Stapled Securities by way of a private placement at a unit price of \$0.68. The proceeds were used mainly for the acquisition of the Osaka Namba property.

A further 5,561,309 (2015: 5,376,006) Stapled Securities were issued as settlement of management fees during the financial year.

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27. ISSUE COSTS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of financial year	15,761	14,920	5,994	5,994	9,767	8,926
Issue costs (excluding goods and services tax) comprise the following:						
– Professional and other fees ¹	–	189	–	–	–	189
– Financial advisory fee and underwriting and selling commission	–	600	–	–	–	600
– Miscellaneous issue expenses ²	–	52	–	–	–	52
Balance at end of the financial year	15,761	15,761	5,994	5,994	9,767	9,767

¹ Included solicitors' fees and fees for the reporting accountants, tax adviser and independent valuers and other professionals in connection with the equity fund raising exercise.

² Included cost of production and other expenses in connection with the equity fund raising exercise.

Issue costs have been deducted directly against the proceeds from the issuance of the Stapled Securities.

28. RESERVES

(a) Asset revaluation reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	60,354	26,392	–	–	59,737	26,130
Fair value gain, net of tax	45,956	33,962			45,476	33,607
Balance at end of the financial year	106,310	60,354	–	–	105,213	59,737

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.

NOTES TO THE FINANCIAL STATEMENTS

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28. RESERVES (CONT'D)

(b) Foreign currency translation reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	(120,316)	(91,694)	(72,147)	(63,132)	(47,527)	(28,156)
Net currency translation differences arising from translation from functional currency to presentation currency and effect of net investment hedge in foreign operations	(3,699)	(28,622)	4,981	(9,015)	(8,628)	(19,371)
Balance at end of the financial year	(124,015)	(120,316)	(67,166)	(72,147)	(56,155)	(47,527)

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.

(c) Hedging reserve

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	(5,642)	(6,482)	1,167	589	(6,737)	(7,063)
Net fair value (loss)/gain of cash flow hedges	3,189	(5,970)	(613)	578	3,766	(6,484)
Reclassification to profit or loss upon settlement	(524)	6,810	(342)	–	(182)	6,810
Balance at end of the financial year	(2,977)	(5,642)	212	1,167	(3,153)	(6,737)

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

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28. RESERVES (CONT'D)

(d) Other reserves

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	599	194	–	–	599	194
Transfer from revenue reserve	13	405	–	–	13	405
Balance at end of the financial year	612	599	–	–	612	599

Other reserves comprise mainly the statutory reserve fund in the People's Republic of China ("PRC"). In accordance with the Foreign Enterprise Law applicable to an A-HBT's subsidiary in the PRC, the subsidiary is required to make appropriation to a statutory reserve fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to Stapled Securityholders.

29. INVESTMENT IN SUBSIDIARIES

The subsidiaries of A-HTRUST, the A-HREIT Group and the A-HBT Group are as follows:

Name of subsidiary	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2016	2015
			%	%
Held by A-HREIT				
Ascendas Hospitality Japan 1 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality MTN Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Held through A-HREIT subsidiaries				
Ascendas Hospitality Japan 2 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality Japan 3 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality Tokutei Mokuteki Kaisha ²	Japan	Hotel investment Japan	100	100

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29. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2016 %	2015 %
Held by A-HBT				
Ascendas Hospitality Australia Investments Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality China Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Hospitality Operations Pty Ltd ²	Australia	Investment holding Australia	100	100
Ascendas Hospitality Australia Investment Fund No.1 ²	Australia	Investment holding Australia	100	100
Ascendas China Hotel Investment Limited ²	Hong Kong	Investment holding Hong Kong	100	100
Ascendas Ariake Godo Kaisha ²	Japan	Hotel operations Japan	100	100
Ascendas Namba 1 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Namba Godo Kaisha ²	Japan	Hotel operations Japan	100	100
Held through A-HBT subsidiaries				
Ascendas Hospitality Australia Investment Fund No.2 ²	Australia	Investment holding Australia	100	100
Ascendas Australia Hotel Trust ²	Australia	Hotel investment Australia	100	100
Ascendas Hotel Investment Company Pty Limited ²	Australia	Hotel operations Australia	100	100
Ascendas (Beijing) Hotel Co., Ltd. ²	PRC	Hotel operations PRC	100	100
Ascendas 2 (Beijing) Hotel Co., Ltd. ²	PRC	Hotel operations PRC	100	100

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29. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2016 %	2015 %
Held through A-HBT subsidiaries (cont'd)				
Ascendas Namba 2 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Namba 3 Pte. Ltd. ¹	Singapore	Investment holding Singapore	100	100
Ascendas Japan Namba Tokutei Mokuteki Kaisha ²	Japan	Hotel investment Japan	100	100

¹ Audited by Ernst & Young LLP, Singapore

² Audited by member firms of Ernst & Young Global in the respective countries

30. INVESTMENT IN JOINT OPERATION

The joint operation held by A-HTRUST and A-HBT Group is as follow:

Name of joint operation	Country of constitution	Principal activities / place of business	Effective equity held by A-HTRUST	
			2016 %	2015 %
Ascendas Cairns International Pty Limited and Polaris Developments Pty Limited ("Co-Tenancy")	Australia	Hotel investment Australia	50	50

The Group has an agreement with Polaris Developments Pty Limited to jointly operate the Pullman Cairns International hotel. During the financial year, Co-Tenancy disposed of its rights to the assets and obligations for the liabilities of the hotel in a sale transaction which was completed on 29 June 2015 (refer to Note 17 for more information).

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31. 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 or are payable 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 elsewhere 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Management fees paid/payable to:						
– REIT Manager	2,378	2,360	2,378	2,360	–	–
– Trustee-Manager	2,574	2,655	–	–	2,574	2,655
– Related entities of the Managers	2,663	2,795	243	176	2,420	2,619
Trustee fees paid/payable to:						
– Trustee-Manager	162	162	–	–	162	162
Acquisition fees paid to Trustee-Manager	–	1,094	–	–	–	1,094
Divestment fees paid to a related entity of the Managers	195	–	–	–	195	–
Hotel management fees paid to a related entity of the Group	186	–	–	–	186	–

Details of the fee arrangements are set out on pages 116 to 117.

32. 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,

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32. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value hierarchy (cont'd)

- 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.

(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:

2016 Group	Fair value measurements at the end of the reporting year using Significant		Total \$'000
	observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
Recurring fair value measurements:			
Assets			
Financial assets			
<u>Derivatives</u>			
Currency forwards	185	–	185
Currency swaps	1,836	–	1,836
Interest rate swaps	212	–	212
Total derivatives	2,233	–	2,233
Financial assets as at 31 March 2016	2,233	–	2,233
Non-financial assets			
<u>Property, plant and equipment</u>			
Freehold land	–	150,001	150,001
Buildings	–	453,350	453,350
Total property, plant and equipment	–	603,351	603,351
Investment properties	–	788,303	788,303
Non-financial assets as at 31 March 2016	–	1,391,654	1,391,654
Liabilities			
Financial liabilities			
<u>Derivatives</u>			
Currency forwards	745	–	745
Currency swaps	2,191	–	2,191
Interest rate swaps	3,912	–	3,912
Total derivatives	6,848	–	6,848
Financial liabilities as at 31 March 2016	6,848	–	6,848

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32. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value (cont'd)

2015 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	
Recurring fair value measurements:			
Assets			
Financial assets			
<i>Derivatives</i>			
<i>Currency forwards</i>	1,401	–	1,401
<i>Currency swaps</i>	3,510	–	3,510
<i>Interest rate swaps</i>	1,349	–	1,349
Total derivatives	6,260	–	6,260
Financial assets as at 31 March 2015	6,260	–	6,260
Non-financial assets			
<i>Property, plant and equipment</i>			
<i>Freehold land</i>	–	144,990	144,990
<i>Buildings</i>	–	434,623	434,623
Total property, plant and equipment	–	579,613	579,613
Investment properties	–	618,158	618,158
Non-financial assets as at 31 March 2015	–	1,197,771	1,197,771
Liabilities			
Financial liabilities			
<i>Derivatives</i>			
<i>Currency forwards</i>	65	–	65
<i>Currency swaps</i>	2,629	–	2,629
<i>Interest rate swaps</i>	7,713	–	7,713
Total derivatives	10,407	–	10,407
Financial liabilities as at 31 March 2015	10,407	–	10,407

(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.

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32. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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):

2016				
Group	Fair value at 31 March 2016	Valuation technique	Unobservable inputs	Range
Description	\$'000			
Recurring fair value measurements:				
Property, plant and equipment				
Freehold land	150,001	Discounted cash flow	Discount Rate Capitalisation Rate	10.25% to 11.00% 7.25% to 9.25%
Buildings	453,350	Discounted cash flow	Discount Rate Capitalisation Rate Occupancy Rate RevPAR	9.00% to 11.00% 5.00% to 9.25% 75% to 90% \$61 to \$249
Investment properties				
Hotels and serviced apartments	788,303	Discounted cash flow	Discount Rate Capitalisation Rate Occupancy Rate RevPAR	4.70% to 6.75% 4.30% to 5.70% 85% to 92% \$103 to \$235
2015				
Group	Fair value at 31 March 2015	Valuation technique	Unobservable inputs	Range
Description	\$'000			
Recurring fair value measurements:				
Property, plant and equipment				
Freehold land	144,990	Discounted cash flow	Discount Rate Capitalisation Rate	9.75% to 10.75% 7.25% to 8.25%
Buildings	434,623	Discounted cash flow	Discount Rate Capitalisation Rate Occupancy Rate RevPAR	9.00% to 10.75% 6.00% to 8.25% 77% to 85% \$63 to \$228
Investment properties				
Hotels and serviced apartments	618,158	Discounted cash flow	Discount Rate Capitalisation Rate Occupancy Rate RevPAR	4.90% to 7.00% 4.75% to 5.90% 78% to 89% \$67 to \$249

The fair value varies inversely against the discount rate and capitalisation rate and increases with higher occupancy rates and revenue per available room ("RevPAR").

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32. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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 2016 and 2015 but for which fair value is disclosed:

2016 Group	Fair value using significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
Assets		
Other non-current assets		
– Non-refundable deposit	5,752	5,171
Liabilities		
Rental and other deposits	11,757	11,248
Borrowings (non-current)		
– Fixed rate bank loans and bonds	61,482	61,174
– Fixed rate medium term notes	77,494	75,000
2015		
Group	Fair value using significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
Assets		
Trade and other receivables (non-current)		
– Amount due from joint venture	503	508
Liabilities		
Rental and other deposits	7,633	7,478
Borrowings (non-current)		
– Fixed rate bank loans and bonds	58,806	58,436

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 year.

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33. 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' organizational and reporting structure, operating manuals and delegation of authority guidelines.

The Boards of the Managers, assisted by the Audit Committee, Board 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 Committee. The Audit 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.

(a) Market risk

(i) *Foreign currency risk*

The Group is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency of A-HTRUST, the A-HREIT Group and the A-HBT Group. The currencies giving rise to this risk are primarily JPY and AUD.

The Group's borrowings are mainly denominated in AUD, JPY and SGD. 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 supported by assets denominated in RMB and JPY, the Group entered into currency swaps to convert a portion of the SGD borrowings into RMB and JPY 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 and JPY cash flows receivable from the subsidiary companies of A-HBT are effected through forward sale of the JPY and AUD and purchase of SGD.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

The Group's main currency exposure is as follows:

2016	SGD \$'000	RMB \$'000	JPY \$'000	AUD \$'000	HKD \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	14,380	27,241	28,330	24,630	8	94,589
Trade and other receivables (current)	899	522	3,866	5,566	–	10,853
Other current assets	–	–	–	19	–	19
Interest rate swaps	212	–	–	–	–	212
	15,491	27,763	32,196	30,215	8	105,673
Financial liabilities						
Trade and other payables	(3,212)	(3,262)	(15,745)	(23,208)	–	(45,427)
Borrowings	(169,698)	–	(62,374)	(226,359)	–	(458,431)
Medium term notes	(74,897)	–	–	–	–	(74,897)
Interest rate swaps	–	–	–	(3,912)	–	(3,912)
Rental and other deposits	(5,129)	(116)	(6,003)	–	–	(11,248)
	(252,936)	(3,378)	(84,122)	(253,479)	–	(593,915)
Net financial (liabilities)/assets	(237,445)	24,385	(51,926)	(223,264)	8	(488,242)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	237,445	(23,353)	(2,433)	319,204	–	530,863
Currency forwards	–	–	(14,891)	(22,661)	–	(37,552)
Currency swaps	–	(45,300)	(77,000)	–	–	(122,300)
Loan and currency swaps designated as net investment hedges	–	45,300	136,975	–	–	182,275
Net currency exposure	–	1,032	(9,275)	73,279	8	65,044

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

	SGD \$'000	RMB \$'000	JPY \$'000	AUD \$'000	HKD \$'000	Total \$'000
2015						
Financial assets						
Cash and cash equivalents	12,706	22,252	25,863	27,276	10	88,107
Trade and other receivables (current)	791	704	1,180	6,992	–	9,667
Trade and other receivables (non-current)	–	–	–	508	–	508
Other current assets	8	1	–	20	–	29
Interest rate swaps	1,349	–	–	–	–	1,349
	14,854	22,957	27,043	34,796	10	99,660
Financial liabilities						
Trade and other payables	(2,934)	(2,818)	(3,384)	(22,391)	–	(31,527)
Borrowings	(242,128)	–	(59,415)	(242,153)	–	(543,696)
Interest rate swaps	–	–	–	(7,713)	–	(7,713)
Rental and other deposits	(4,858)	–	(2,620)	–	–	(7,478)
Loan from joint venture	–	–	–	(3,979)	–	(3,979)
	(249,920)	(2,818)	(65,419)	(276,236)	–	(594,393)
Net financial (liabilities)/assets	(235,066)	20,139	(38,376)	(241,440)	10	(494,733)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	235,066	(20,202)	(12,327)	340,337	–	542,874
Currency forwards	–	–	(14,223)	(22,509)	–	(36,732)
Currency swaps	–	(23,300)	(65,000)	–	–	(88,300)
Loan and currency swaps designated as net investment hedges	–	23,300	122,290	–	–	145,590
Net currency exposure	–	(63)	(7,636)	76,388	10	68,699

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

If SGD change against AUD, JPY and RMB by 2%, 5% and 7% (2015: 9%, 6% and 10%) respectively with all other variables including tax rate being held constant, the effects from the net financial liability/asset position will be as follow:

	Profit after tax	
	2016	2015
	\$'000	\$'000
Group		
SGD against AUD		
– strengthened	(1,465)	(6,875)
– weakened	1,465	6,875
SGD against JPY		
– strengthened	464	458
– weakened	(464)	(458)
SGD against RMB		
– strengthened	(72)	6
– weakened	72	(6)

(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 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 125 basis points (2015: 100 basis points) with all other variables including tax rate being held constant, the Group's profit after tax will be lower/higher by \$501,000 (2015: \$501,000) as a result of higher/lower interest expense on these borrowings.

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

(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.

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.

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 that are neither past due nor impaired are mainly deposits with banks which are regulated. Trade and other receivables (including finance lease 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 \$2,080,000 (2015: \$1,622,000).

(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 \$4,897,000 (2015: \$5,395,000) 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	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Past due 0 to 30 days	4,007	4,374	–	–	4,007	4,374
Past due 31 to 60 days	843	891	–	–	843	891
Past due more than 60 days	47	130	–	–	47	130
	4,897	5,395	–	–	4,897	5,395

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(ii) *Financial assets that are past due and/or impaired (cont'd)*

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	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Allowance for impairment						
Balance at beginning of financial year	(44)	(16)	–	–	(44)	(16)
Allowance made	–	(36)	–	–	–	(36)
Allowance written back	19	6	–	–	19	6
Translation differences	2	2	–	–	2	2
Balance at end of financial year	(23)	(44)	–	–	(23)	(44)

The Group establishes an allowance for impairment that represents its estimate of incurred 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.

(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 year is as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
By country:						
Australia	4,864	6,172	–	–	4,864	6,172
China	359	585	–	–	359	585
Japan	1,754	260	1,509	66	245	194
	6,977	7,017	1,509	66	5,468	6,951
By segment:						
Master leases	1,509	66	1,509	66	–	–
Hotels under management	5,468	6,951	–	–	5,468	6,951
	6,977	7,017	1,509	66	5,468	6,951

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

(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 also monitor and observe the bank covenants imposed by the banks on the various borrowings.

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
A-HTRUST			
As at 31 March 2016			
Net-settled interest rate swaps	3,276	4,651	–
Gross-settled currency swaps			
– Receipts	(2,362)	(3,419)	–
– Payments	2,331	3,979	–
Trade and other payables (current and non-current)	44,744	617	66
Borrowings (including interest)	73,782	510,433	–
Rental and deposits (non-current)	–	–	13,210
	121,771	516,261	13,276
As at 31 March 2015			
Net-settled interest rate swaps	2,268	4,136	–
Gross-settled currency swaps			
– Receipts	(1,008)	(723)	–
– Payments	1,699	1,232	–
Trade and other payables (current and non-current)	31,527	–	–
Borrowings (including interest)	88,307	500,270	–
Rental and deposits (non-current)	–	1,869	6,864
Loan from joint venture	–	3,979	–
	122,793	510,763	6,864
A-HREIT			
As at 31 March 2016			
Net-settled interest rate swaps	64	79	–
Gross-settled currency swaps			
– Receipts	(396)	(1,196)	–
– Payments	139	420	–
Trade and other payables (current and non-current)	5,778	–	–
Borrowings (including interest)	3,316	164,353	–
Rental and deposits (non-current)	–	–	6,100
	8,901	163,656	6,100

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

33. 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
A-HREIT (cont'd)			
As at 31 March 2015			
Net-settled interest rate swaps	(80)	63	–
Trade and other payables	4,344	–	–
Borrowings (including interest)	48,752	108,940	–
Rental and deposits (non-current)	–	–	5,923
	53,016	109,003	5,923
A-HBT			
As at 31 March 2016			
Net-settled interest rate swaps	3,212	4,572	–
Gross-settled currency swaps			
– Receipts	(1,966)	(2,223)	–
– Payments	2,191	3,558	–
Trade and other payables (current and non-current)	42,588	617	66
Borrowings (including interest)	70,466	346,080	–
Rental and deposits (non-current)	–	–	7,110
	116,491	352,604	7,176
As at 31 March 2015			
Net-settled interest rate swaps	2,348	4,072	–
Gross-settled currency swaps			
– Receipts	(1,008)	(723)	–
– Payments	1,699	1,232	–
Trade and other payables	29,758	–	–
Borrowings (including interest)	39,555	391,330	–
Rental and deposits (non-current)	–	1,869	941
Loan from joint venture	–	3,979	–
	72,352	401,759	941

A-HTRUST, the A-HREIT Group and the 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

31 MARCH 2016

33. 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 units 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	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total borrowings	533,328	543,696	157,392	152,023	375,936	391,673
Total assets	1,631,883	1,459,690	609,657	539,714	1,028,905	925,610
Gearing ratio	33%	37%	26%	28%	37%	42%

A-HTRUST, the A-HREIT Group and the 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 year ended 31 March 2016.

34. SEGMENT REPORTING

The Boards of the Managers decides on strategic resource allocation and assesses 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 in. 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 the Ascendas Australia Hotel Fund that are being operated under management contracts
- China – the two hotels in Beijing that are being operated under management contracts
- Japan – the investment properties in Tokyo and Osaka that are being leased and operated primarily as hotels
- Singapore – the investment property that is being leased and operated as a hotel

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

34. 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

	Australia \$'000	China \$'000	Japan \$'000	Singapore \$'000	Total \$'000
For the financial year ended 31 March 2016					
Segment revenue	150,312	21,675	28,462	14,660	215,109
Segment net property income	49,528	7,327	19,393	14,622	90,870
Share of results of joint venture					4,049
Depreciation and amortisation					(25,778)
Net change in fair value of derivative financial instruments					(1,762)
Net change in fair value of investment properties					145,514
Finance costs					(19,192)
Finance income					1,279
Unrealised exchange loss, net					(2,260)
Non-capitalisable business acquisition related expenses					88
Others					(8,839)
Profit before tax					183,969
Income tax expense					(37,378)
Profit after tax					146,591
Non-current assets ¹	623,648	95,316	472,303	316,000	1,507,267
Segment assets	666,956	123,380	506,681	334,866	1,631,883
Segment liabilities	264,849	8,125	62,896	332,759	668,629

¹ Non-current assets information presented above consist of investment properties, prepaid land lease, property, plant and equipment and investment in joint venture as presented in the consolidated balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

34. SEGMENT REPORTING (CONT'D)

(a) Segmental information by geographical segment (cont'd)

	Australia \$'000	China \$'000	Japan \$'000	Singapore \$'000	Total \$'000
For the financial year ended 31 March 2015					
Segment revenue	165,297	20,237	26,099	15,480	227,113
Segment net property income	54,246	6,577	17,105	15,421	93,349
Share of results of joint venture					3,119
Depreciation and amortisation					(26,964)
Net change in fair value of derivative financial instruments					(5,930)
Net change in fair value of investment properties					10,181
Finance costs					(17,951)
Finance income					721
Unrealised exchange loss, net					(10,374)
Non-capitalisable business acquisition related expenses					1,344
Others					(8,903)
Profit before tax					38,592
Income tax expense					(9,946)
Profit after tax					28,646
Non-current assets ¹	618,495	102,962	306,158	312,000	1,339,615
Segment assets	663,605	126,373	335,522	334,190	1,459,690
Segment liabilities	289,281	7,994	17,229	319,060	633,564

¹ Non-current assets information presented above consist of investment properties, prepaid land lease, property, plant and equipment and investment in joint venture as presented in the consolidated balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

34. SEGMENT REPORTING (CONT'D)

(b) Segmental information by business segment

	Master leases \$'000	Hotels under management \$'000	Elimination \$'000	Total \$'000
For the financial year ended 31 March 2016				
Segment revenue	39,962	191,459	(16,312)	215,109
Segment net property income	34,202	56,913	(245)	90,870
Share of results of joint venture				4,049
Depreciation and amortisation				(25,778)
Net change in fair value of derivative financial instruments				(1,762)
Net change in fair value of investment properties				145,514
Finance costs				(19,192)
Finance income				1,279
Unrealised exchange loss, net				(2,260)
Non-capitalisable business acquisition related expenses				88
Others				(8,839)
Profit before tax				183,969
Income tax expense				(37,378)
Profit after tax				146,591
Investment in joint venture	–	26	–	26
Additions to non-current assets ¹	11,515	10,377	–	21,892
Segment assets	836,627	801,935	(6,679)	1,631,883
Segment liabilities	209,881	462,370	(3,622)	668,629

¹ Additions to non-current assets consist of additions to investment properties and property, plant and equipment. There was no addition to prepaid land lease during the financial year ended 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

34. SEGMENT REPORTING (CONT'D)

(b) Segmental information by business segment (cont'd)

	Master leases \$'000	Hotels under management \$'000	Elimination \$'000	Total \$'000
For the financial year ended 31 March 2015				
Segment revenue	38,628	204,245	(15,760)	227,113
Segment net property income	32,722	60,845	(218)	93,349
Share of results of joint venture				3,119
Depreciation and amortisation				(26,964)
Net change in fair value of derivative financial instruments				(5,930)
Net change in fair value of investment properties				10,181
Finance costs				(17,951)
Finance income				721
Unrealised exchange loss, net				(10,374)
Non-capitalisable business acquisition related expenses				1,344
Others				(8,903)
Profit before tax				38,592
Income tax expense				(9,946)
Profit after tax				28,646
Investment in joint venture	–	18,818	–	18,818
Additions to non-current assets ¹	110,276	10,324	–	120,600
Segment assets	658,420	806,904	(5,634)	1,459,690
Segment liabilities	174,829	461,311	(2,576)	633,564

¹ Additions to non-current assets consist of additions to investment properties and property, plant and equipment. There was no addition to prepaid land lease during the financial year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

35. COMMITMENTS

(a) Operating lease commitments

The investment properties are under non-cancellable operating lease agreements. The future minimum lease payments receivable under non-cancellable operating leases contracted for but not recognised as receivables are as follows:

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivable						
– Within 1 year	34,987	30,405	24,259	23,368	10,728	7,037
– After 1 year but within 5 years	153,321	101,408	100,894	97,219	52,427	4,189
– After 5 years	97,694	88,299	64,408	88,299	33,286	–
	286,002	220,112	189,561	208,886	96,441	11,226

(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	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital commitments						
– Amount approved and contracted for	130,902	3,884	–	–	130,902	3,884
– Amount approved but not contracted for	7,498	231	–	–	7,498	231
	138,400	4,115	–	–	138,400	4,115

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

36. DISTRIBUTION TO STAPLED SECURITYHOLDERS

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Distribution declared and paid during the financial year:</u>						
<i>Paid on 6 June 2014:</i>						
Capital distribution of 1.0489 cents per Stapled Security	–	10,853	–	10,853	–	–
Exempt distribution of 1.2607 cents per Stapled Security	–	13,044	–	–	–	13,044
Taxable income distribution of 0.5717 cents per Stapled Security	–	5,915	–	5,915	–	–
<i>Paid on 12 December 2014:</i>						
Capital distribution of 0.4177 cents per Stapled Security	–	4,645	–	4,645	–	–
Exempt distribution of 1.5565 cents per Stapled Security	–	17,309	–	–	–	17,309
Taxable income distribution of 0.4646 cents per Stapled Security	–	5,167	–	5,167	–	–
<i>Paid on 16 June 2015:</i>						
Capital distribution of 0.3675 cents per Stapled Security	4,098	–	4,098	–	–	–
Exempt distribution of 1.6465 cents per Stapled Security	18,358	–	–	–	18,358	–
Taxable income distribution of 0.5385 cents per Stapled Security	6,004	–	6,004	–	–	–
<i>Paid on 4 December 2015:</i>						
Capital distribution of 0.37 cents per Stapled Security	4,136	–	4,136	–	–	–
Exempt distribution of 1.75 cents per Stapled Security	19,561	–	–	–	19,561	–
Taxable income distribution of 0.54 cents per Stapled Security	6,036	–	6,036	–	–	–
Total	58,193	56,933	20,274	26,580	37,919	30,353

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

36. DISTRIBUTION TO STAPLED SECURITYHOLDERS (CONT'D)

	A-HTRUST		A-HREIT Group		A-HBT Group	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Proposed but not recognised as liability as at end of the financial year:</u>						
<i>Paid on 16 June 2015:</i>						
Capital distribution of 0.3675 cents per Stapled Security	–	4,098	–	4,098	–	–
Exempt distribution of 1.6465 cents per Stapled Security	–	18,358	–	–	–	18,358
Taxable income distribution of 0.5385 cents per Stapled Security	–	6,004	–	6,004	–	–
<i>Payable on 17 June 2016:</i>						
Capital distribution of 0.48 cents per Stapled Security	5,378	–	5,378	–	–	–
Exempt distribution of 1.78 cents per Stapled Security	19,943	–	–	–	19,943	–
Taxable income distribution of 0.49 cents per Stapled Security	5,490	–	5,490	–	–	–
Total	30,811	28,460	10,868	10,102	19,943	18,358

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

37. FINANCIAL RATIOS

	A-HREIT Group 2016	A-HREIT Group 2015
Expenses to weighted average net assets ¹		
– 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 ² to net asset value ²	0.02	0.02
Taxation (\$'000) ²	12,335	2,020
Turnover ratio ³	–	–

¹ 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.

² 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.

³ 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.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Boards of Directors of the Managers on 25 May 2016.

STATISTICS OF STAPLED SECURITYHOLDINGS

AS AT 12 MAY 2016

DISTRIBUTION OF STAPLED SECURITYHOLDINGS

Number of Stapled Securities Issued: 1,119,142,101

Voting Rights: One vote per Stapled Security

Size of Stapled Securityholders	No. of Stapled Securityholders	%	No. of Stapled Securities	%
1 – 99	15	0.11	662	0.00
100 – 1,000	1,841	14.23	1,823,437	0.16
1,001 – 10,000	6,261	48.40	33,508,787	3.00
10,001 – 1,000,000	4,785	36.99	217,679,513	19.45
1,000,001 AND ABOVE	35	0.27	866,129,702	77.39
TOTAL	12,937	100.00	1,119,142,101	100.00

TWENTY LARGEST STAPLED SECURITYHOLDERS

No.	Name	No. of Stapled Securities	%
1	ASCENDAS LAND INTERNATIONAL PTE LTD	284,906,572	25.46
2	DBS NOMINEES (PRIVATE) LIMITED	156,504,796	13.98
3	RAFFLES NOMINEES (PTE) LIMITED	119,743,914	10.70
4	CITIBANK NOMINEES SINGAPORE PTE LTD	74,759,053	6.68
5	AHDF PTE LTD	46,160,000	4.12
6	HSBC (SINGAPORE) NOMINEES PTE LTD	27,573,860	2.46
7	ABN AMRO NOMINEES SINGAPORE PTE LTD	16,994,000	1.52
8	BANK OF SINGAPORE NOMINEES PTE. LTD.	15,225,000	1.36
9	NTUC FAIRPRICE CO-OPERATIVE LTD	14,395,000	1.29
10	DBSN SERVICES PTE. LTD.	12,367,805	1.11
11	ASCENDAS HOSPITALITY TRUST MANAGEMENT PTE. LTD.	11,218,727	1.00
12	NOMURA SINGAPORE LIMITED	10,162,000	0.91
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,976,160	0.89
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,516,390	0.67
15	PHILLIP SECURITIES PTE LTD	6,086,760	0.54
16	DB NOMINEES (SINGAPORE) PTE LTD	5,385,480	0.48
17	HENG SIEW ENG	5,278,200	0.47
18	UOB KAY HIAN PRIVATE LIMITED	5,146,700	0.46
19	ASCENDAS HOSPITALITY FUND MANAGEMENT PTE. LTD.	5,053,749	0.45
20	OCBC SECURITIES PRIVATE LIMITED	4,926,000	0.44
	TOTAL	839,380,166	74.99

STATISTICS OF STAPLED SECURITYHOLDINGS

AS AT 12 MAY 2016

STATISTICS OF SUBSTANTIAL STAPLED SECURITYHOLDINGS AS AT 12 MAY 2016

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 ¹	–	0.00%	305,379,048	27.29%	305,379,048	27.29%
Tembusu Capital Pte. Ltd. ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
Bartley Investments Pte. Ltd. ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
Mawson Peak Holdings Pte. Ltd. ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
Glenville Investments Pte. Ltd. ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
TJ Holdings (III) Pte. Ltd. ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
Ascendas-Singbridge Pte. Ltd. ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
JTC Corporation ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
Ascendas Pte Ltd ¹	–	0.00%	301,179,048	26.91%	301,179,048	26.91%
Ascendas Land International Pte Ltd	284,906,572	25.46%	–	0.00%	284,906,572	25.46%

¹ 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 interested in the Stapled Securities held by Ascendas Land International Pte Ltd, Ascendas Hospitality Fund Management Pte. Ltd. and Ascendas Hospitality Trust Management Pte. Ltd. Temasek is also deemed interested 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 12 May 2016, approximately 72.6% 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

A-HBT	Ascendas Hospitality Business Trust
A-HREIT	Ascendas Hospitality Real Estate Investment Trust
A-HTRUST	Ascendas Hospitality Trust
Accor	Accor Asia Pacific comprising AAPC Singapore Pte. Ltd. and its related entities
ADR	Average daily rate, which is the room revenue divided by the total number of rooms occupied
AUD, A\$	Australian Dollar
Boards/Directors	The directors of the REIT Manager and the directors of the Trustee-Manager
CBD	Central Business District
Distributable Income	The distributable income of A-HTRUST, A-HREIT or A-HBT, as the case may be, in relation to a distribution period
DPS	Distribution per Stapled Security
FY	The financial year ended or (as the case may be) ending 31 March
FY2014/15	The financial year from 1 April 2014 to 31 March 2015
FY2015/16	The financial year from 1 April 2015 to 31 March 2016
FY2016/17	The financial year from 1 April 2016 to 31 March 2017
F&B	Food and beverage
Gearing	Ratio of total debt over total assets
Gross Revenue	Comprises hotel room revenue, rental income, F&B revenue and other income

GLOSSARY

JLL	Jones Lang LaSalle Property Consultants Pte Ltd / Jones Lang LaSalle Hotels & Hospitality Group
JPY	Japanese Yen
Managers / Management	The REIT Manager and the Trustee-Manager
MICE	Meetings, incentives, conventions and exhibitions
NPI	Net Property Income: Gross Revenue less property expenses
REIT Manager, AHFM	Ascendas Hospitality Fund Management Pte. Ltd., as manager of A-HREIT
REIT Trustee	Perpetual (Asia) Limited, as trustee of A-HREIT (previously known as The Trust Company (Asia) Limited)
RevPAR	Revenue per available room
RMB	Renmimbi
SGD, \$	Singapore dollar
Stapled Securityholder	The holder of a Stapled Security
Stapled Securities	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
Stapling Deed	The stapling deed dated 13 March 2012 and subsequently amended and entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager
Substantial Stapled Securityholders	Any Stapled Securityholder with an interest of not less than 5.0% of all the Stapled Securities in issue
Trustee-Manager, AHTM	Ascendas Hospitality Trust Management Pte. Ltd., as Trustee-Manager of A-HBT
y-o-y	year-on-year

NOTICE OF ANNUAL GENERAL MEETING



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 Orchard Hotel Singapore, Orchard Ballroom 3, Level 3, 442 Orchard Road, Singapore 238879, on Monday, 27 June 2016 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 2016 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 Annual General Meeting 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 resolutions as Ordinary Resolutions:

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

NOTICE OF ANNUAL GENERAL MEETING

- (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.

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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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-HREIT and A-HBT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Notes)

By Order of the Board

Mary Judith de Souza
Company Secretary

Ascendas Hospitality Fund Management Pte. Ltd.
(Company Registration No. 201133966D),
as Manager of A-HREIT

3 June 2016

Mary Judith de Souza
Company Secretary

Ascendas Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201135524E),
as Trustee-Manager of A-HBT

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 Securityholders appoints two (2) 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.
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 Annual General Meeting.

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 the 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 Securityholders.

The Ordinary Resolution 3 above, if passed, will also empower the REIT Manager and the Trustee-Manager from the date of the 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

Personal data privacy:

By submitting an instrument appointing 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

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IMPORTANT:

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

Personal data privacy

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 3 June 2016.

ASCENDAS HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore)

managed by **Ascendas Hospitality Fund Management Pte. Ltd.**

ASCENDAS HOSPITALITY BUSINESS TRUST

(a business trust constituted on 13 March 2012 under the laws of the Republic of Singapore)

managed by **Ascendas Hospitality Trust Management Pte. Ltd.**

I/We _____ (Name)
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 27 June 2016, Monday at 2.30 p.m. at Orchard Hotel Singapore, Orchard Ballroom 3, Level 3, 442 Orchard Road, Singapore 238879 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 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 2016 and the Auditors' Report thereon.		
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.		
3	To authorise the Trustee-Manager and the REIT Manager to issue Stapled Securities and to make or grant convertible instruments.		

* 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 _____ 2016

Signature(s) of Stapled Securityholder(s)/Common Seal

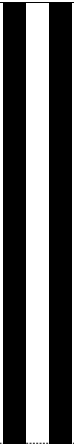


Ascendas Hospitality Fund Management Pte. Ltd.
(as manager of Ascendas Hospitality Real Estate Investment Trust)
&

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

Affix
Postage
Stamp



Glue all sides firmly. Stapling and spot sealing are disallowed.

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 Securityholders 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 MANAGER OF A-HREIT AND THE TRUSTEE-MANAGER OF A-HBT

Mr Lim Neo Chian

(Chairman and Independent Director)

Mr Chia Nam Toon *(Non-Executive Director)* ¹

Dr Choo Kian Koon, Steven *(Independent Director)*

Dr Ho Kim Wai *(Independent Director)*

Mr Michael Issenberg *(Non-Executive Director)*

Mr Manohar Khiatani *(Non-Executive Director)*

Mr Benson Puah Tuan Soon *(Independent Director)*

Mr Tan Chong Huat *(Independent Director)*

Mr Tan Juay Hiang *(Chief Executive Officer)*

AUDIT COMMITTEE

Dr Ho Kim Wai *(Chairman)*

Dr Choo Kian Koon, Steven

Mr Tan Chong Huat

BOARD RISK COMMITTEE

Mr Benson Puah Tuan Soon *(Chairman)*

Mr Chia Nam Toon ¹

Mr Tan Chong Huat

INVESTMENT COMMITTEE

Dr Choo Kian Koon, Steven *(Chairman)*

Mr Chia Nam Toon ¹

Mr Michael Issenberg

Mr Lim Neo Chian

NOMINATING COMMITTEE

Mr Lim Neo Chian *(Chairman)*

Mr Manohar Khiatani

Mr Benson Puah Tuan Soon

REMUNERATION COMMITTEE

Mr Lim Neo Chian *(Chairman)*

Mr Manohar Khiatani

Mr Benson Puah Tuan Soon

TRUSTEE OF A-HREIT

Perpetual (Asia) Limited ²

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 Nelson Chen

Appointed with effect from the financial

period ended 31 March 2013

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

¹ Mr Chia has resigned as a non-executive Director with effect from 6 May 2016.

² Previously known as The Trust Company (Asia) Limited.



