



**Press Release**

*For Immediate Release*

**A-HTRUST’s NPI grows by  
7.7% y-o-y for 2Q FY2016/17**

- Revenue and NPI for 2Q FY2016/17 improved by 2.5% and 7.7% y-o-y respectively, mainly driven by Japan portfolio and stronger JPY
- Distributable income and DPS were stable despite absence of ‘distribution from sale proceeds’ in the corresponding quarter last year

**Overview of financial results**

S\$’ million	2Q FY2016/ 17	2Q FY2015/ 16	Change <sup>1</sup>	1H FY2016/ 17	1H FY2015/ 16	Change <sup>1</sup>
Gross Revenue	55.6	54.2	2.5%	107.9	107.0	0.9%
Net Property Income	24.3	22.6	7.7%	46.9	44.0	6.6%
Income available for distribution	16.3	16.3	0.3%	31.5	31.3	0.8%
- Operation	16.3	15.7	4.1%	31.5	30.7	2.8%
- Proceeds from Divestment	-	0.6	-	-	0.6	-
Income available for distribution (less 5% income retained for working capital)	15.5	15.5	0.1%	30.0	29.7	0.8%
DPS (cents)	1.38	1.38	-	2.67	2.66	0.4%

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

**Singapore, 9 November 2016** – Ascendas Hospitality Trust (“A-HTRUST”) posted year-on-year (“y-o-y”) improvement in both revenue and net property income (“NPI”) of 2.5% and 7.7%, respectively, for the second quarter ended 30 September 2016 (“2Q FY2016/17”). This was mainly due to the higher contribution from the Japan portfolio where (i) earnings from Hotel Sunroute Osaka Namba were substantially higher; and (ii) the appreciation of Japanese Yen (“JPY”) lifted the earnings in Singapore Dollar (“SGD”) term.

Income available for distribution for 2Q FY2016/17 was stable compared to the corresponding quarter last year notwithstanding the (i) absence of partial distribution of proceeds from the sale of Pullman Cairns International (“Distribution of Sale Proceeds”); (ii) higher income tax; as well as (iii) lower realised exchange gains on income hedges, which offset the higher NPI. After deducting income retained for working capital purposes, distribution per stapled

security (“DPS”) was 1.38 cents for 2Q FY2016/17. Excluding the Distribution of Sale Proceeds, DPS for 2Q FY2015/16 would be 1.33 cents and DPS for 2Q FY2016/17 would be 3.8% higher y-o-y.

### Portfolio performance

	2Q FY2016/ 17	2Q FY2015/ 16	Change	1H FY2016/ 17	1H FY2015/ 16	Change
<b>Australia</b>						
Avg Occupancy Rate (%)	84.2	83.4	0.8pp	82.8	82.6	0.2pp
Avg Daily Rate (“ADR”)(AUD)	169	170	(0.6)%	169	167	1.2%
Revenue per Available Room (“RevPAR”)(AUD)	142	142	-	140	138	1.4%
<b>China</b>						
Avg Occupancy Rate (%)	91.5	86.9	4.6pp	89.0	84.9	4.1pp
ADR (RMB)	407	412	(1.2)%	409	415	(1.4)%
RevPAR (RMB)	372	358	3.9%	364	353	3.1%

Novotel Sydney Central and Pullman and Mercure Melbourne Albert Park benefitted from new aircrew contracts to deliver better performance, while performance of Pullman Sydney Hyde Park improved on the back of higher public demand. During the quarter, majority of the rooms in Courtyard by Marriott North Ryde (“CMNR”) was undergoing refurbishment and the hotel was also affected by competition from new hotel opening in the vicinity. The refurbishment of all 196 rooms in CMNR, which took about four months, has been completed. Pullman and Mercure Brisbane King George Square continued to be affected by soft market conditions in the city.

The Beijing hotels recorded RevPAR growth of 3.9% y-o-y in 2Q FY2016/17 due to the successful execution of volume strategy and targeting higher yielding segment. Leasing of restaurant in Ibis Beijing Sanyuan (“Ibis Beijing”) to a local eatery has also contributed to better performance for the China portfolio. In addition, Ibis Beijing also benefitted from the loyalty programme of China Lodging Group.

Improvement in the performance of the Japan portfolio was mainly driven by Hotel Sunroute Osaka Namba which benefitted from the improved rent structure to post an improvement in NPI of 54% y-o-y in JPY term. Oakwood Apartments Ariake Tokyo recorded stable RevPAR despite less exhibitions held at the nearby Tokyo Big Sight.

Weak corporate demand and the current oversupply situation in Singapore resulted in lower contribution from Park Hotel Clarke Quay compared to the corresponding quarter last year.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said: “Overall, the underlying performance of the portfolio has improved this quarter, which underpinned the value and effectiveness of A-HTRUST’s well-diversified portfolio. The Singapore and Brisbane markets,

which account for 21% and 8% of A-HTRUST's portfolio respectively<sup>1</sup>, may continue to face challenges in the near term. For Singapore, however, the defensive nature of the rent structure for Park Hotel Clarke Quay, where a high proportion of rent is fixed, will provide downside protection to A-HTRUST during softer market conditions. Approximately, 64% of the portfolio<sup>1</sup> is in markets which are experiencing an upswing at the moment, that is, Sydney, Melbourne and Japan. We believe that the diversified nature of the portfolio will continue to benefit the stapled securityholders."

### **Capital management**

As at 30 September 2016, A-HTRUST's financial position remained healthy with a gearing ratio of 32.4%. The effective interest rate was stable at 3.3% and following the refinancing of certain borrowings in September 2016, the weighted average tenor of the borrowings was extended to approximately 2.8 years.

Mr Tan continued: "In September 2016, A-HTRUST issued the second series of stapled notes with a six year tenor for an amount of S\$70 million. In line with our hedging policy, a substantial amount of the stapled notes was swapped to JPY as we seek to match the proportion of borrowings in different currencies with that of the assets so as to achieve a natural hedge.

We are pleased to have secured attractive terms for the swap which will help to lower our finance cost on a blended basis. The relatively long tenor of the stapled notes compared to conventional bank loans has also helped to extend the average tenor of the total borrowings to 2.8 years from 2.3 years as at 30 June 2016."

### **Outlook**

In Australia, the growth trend in international arrivals is expected to continue in the near term as the AUD remained relatively low compared to recent years. The hotel markets in Sydney and Melbourne are expected to benefit from the modest increase of hotel rooms, and the Sydney hotel market will also benefit from the reopening of the International Convention Centre in December 2016. However, the hotel sector in Brisbane continues to be affected by oversupply of rooms.

Although inbound arrivals growth for Beijing remained subdued, domestic travelling is expected to continue supporting the hotel market in the capital city of China. However, the Beijing hotel sector in general is expected to remain competitive in the near term due to the existing large room inventory.

Inbound arrivals to Japan continued to grow, improving by 24.1% y-o-y for the nine month period ended 30 September 2016<sup>2</sup>. The construction of a new terminal at Kansai International Airport (Osaka) for international low cost carriers is expected to be completed in March 2017, and this can further drive the arrival of international visitors. However, continual

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<sup>1</sup> Based on portfolio valuation as at 31 March 2016

<sup>2</sup> Source: Japan National Tourism Organisation

strengthening of JPY may affect the growth of inbound arrivals to the country, moderating the performance of the Japan hotel market.

In Singapore, the large hotel room supply pipeline as well as weakness in corporate demand is expected to continue exerting downwards pressure on the performances of hotels in Singapore in general. As such, the hotel sector in Singapore is expected to remain challenging in the near term.

A copy of the full results announcement is available at [www.sqx.com](http://www.sqx.com) and [www.a-htrust.com](http://www.a-htrust.com).

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**About Ascendas Hospitality Trust**

[www.a-htrust.com](http://www.a-htrust.com)

*Ascendas Hospitality Trust (“A-HTRUST”) was listed in July 2012 as a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) and Ascendas Hospitality Business Trust (“A-HBT”), established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes located across Asia, Australia and New Zealand, as well as real estate related assets in connection with the foregoing.*

*The asset portfolio comprises 11 hotels with over 4,000 rooms geographically diversified across key cities in Australia, China, Japan and Singapore; and located close proximity to central business districts, business precincts, suburban centres, transportation nodes and iconic tourist landmarks. These hotels are 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, Novotel Beijing Sanyuan, Ibis Beijing Sanyuan, Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo, Osaka Namba Washington Hotel Plaza and Park Hotel Clarke Quay.*

*A-HTRUST is managed by Ascendas Hospitality Fund Management Pte. Ltd., the manager of A-HREIT, and Ascendas Hospitality Trust Management Pte. Ltd., the trustee-manager of A-HBT. A-HTRUST is sponsored by Ascendas Land International Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd.*

## **About Ascendas-Singbridge Group**

[www.ascendas-singbridge.com](http://www.ascendas-singbridge.com)

*Ascendas-Singbridge Group is Asia's leading provider of sustainable urban solutions. With the combined capabilities of Ascendas and Singbridge, the group is uniquely placed to undertake urbanisation projects spanning townships, mixed-use developments and business/industrial parks. Headquartered in Singapore, Ascendas-Singbridge has projects in 29 cities across 10 countries in Asia, including Australia, China, India, Indonesia, Singapore and South Korea.*

*Ascendas-Singbridge Group has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas. Besides these listed funds – Ascendas REIT, Ascendas India Trust (a-iTrust) and Ascendas Hospitality Trust (A-HTRUST), Ascendas also manages a series of private real estate funds, which hold commercial and industrial assets across Asia.*

*Jointly owned by Temasek and JTC Corporation (JTC) through a 51:49 partnership, Ascendas-Singbridge Group is the asset and investment holding arm of the integrated urban solutions platform formed by Temasek and JTC to capitalise on urbanisation trends in the region.*

## **Important Notice**

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

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