

ASCENDAS HOSPITALITY TRUST

A stapled group comprising:

Ascendas Hospitality Real Estate Investment Trust (a real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore) 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.
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NOVATION OF HOTEL MANAGEMENT AGREEMENTS IN RELATION TO NOVOTEL BEIJING SANYUAN AND IBIS BEIJING SANYUAN

1. Novation of Hotel Management Agreements

Ascendas Hospitality Fund Management Pte. Ltd., as manager of Ascendas Hospitality Real Estate Investment Trust (“**A-HREIT**”, and the manager of A-HREIT, the “**REIT Manager**”), and Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust (“**A-HBT**”, and the trustee-manager of A-HBT, the “**Trustee-Manager**”, and together with REIT Manager, “**Managers**”), wish to announce that each of Ascendas (Beijing) Hotel Co., Ltd. and Ascendas 2 (Beijing) Hotel Co., Ltd. (collectively known as “**Owners**”)¹ has entered into a novation deed (“**Novation Deeds**”) with AAPC Shanghai Co Ltd (“**Transferor**”) and Yagao Meihua Hotel Management Co., Ltd. (“**Transferee**”) in relation to the hotel management agreements (“**HMAs**”) of Novotel Beijing Sanyuan and Ibis Beijing Sanyuan (“**Hotels**”), respectively. Pursuant to the Novation Deeds, all obligations and liabilities of the Transferor in and under the HMAs will be novated to the Transferee with effect from 1 January 2016 (“**Novation**”).

Concurrently, and in connection with the Novation, each of the Owners has entered into an amendment agreement (“**Amendment Agreements**”) with the Transferee. Pursuant to the Amendment Agreement, the Transferee shall provide its proprietary booking channel for room reservations purposes (“**Huazhu Booking Channel**”) to the Hotels. For avoidance of doubts, apart from the provision of the Huazhu Booking Channel by the Transferee set out above, the terms and conditions of the HMAs shall remain unchanged and valid.

¹ Ascendas (Beijing) Hotel Co., Ltd. (formerly known as Beijing Novotel Hotel Co., Ltd.) and Ascendas 2 (Beijing) Hotel Co., Ltd. (formerly known as Beijing Ibis Hotel Co., Ltd) are wholly-owned subsidiaries of A-HBT.

2. Rationale for the Novation

In December 2014, Accor S.A. (“**Accor**”) announced a strategic alliance with Huazhu Hotels Group Ltd (“**Huazhu**”)² in relation to the hotel operations in Mainland China, Mongolia and Taiwan (“**Strategic Alliance**”). Pursuant to the Strategic Alliance, Huazhu will operate and develop certain Accor brands (including Ibis and Novotel). Further to the announcement by Accor, the Managers have carried out an assessment on Huazhu and the Novation. The Managers are of the view that the Novation is beneficial to Ascendas Hospitality Trust (“**A-HTRUST**”) and its stapled securityholders, having considered the following:

2.1 Domain Knowledge of Huazhu

Huazhu is a leading hotel management company in China, managing and operating more than 2,500 hotels in China³. A-HTRUST can leverage on Huazhu’s experience and knowledge of the China market in managing the Hotels.

2.2 Benefit from Huazhu’s Loyalty Program

Following the Novation, the Hotels can continue to leverage on existing Accor’s loyalty program and also benefit from Huazhu’s loyalty program which has over 40 million members⁴. In 2014, more than 85% of the room nights under Huazhu’s hotels were sold to the members of the loyalty program⁵. The Managers believe that the Hotels can reap the benefits of the Huazhu’s loyalty program in view of the strategic location of the Hotels as well as the new brands and experience offered by the Hotels to the members.

2.3 Additional Booking Network

Following the Novation, bookings of hotel rooms in the Hotels can be done through both the existing Accor’s booking network as well as the Huazhu Booking Channel. In 2014, more than 90% of the room nights under Huazhu’s hotels were sold through Huazhu’s sales platform⁶, including its mobile applications. With the widespread use of mobile devices, the Managers believe that the Hotels can benefit from the additional Huazhu Booking Channel.

² Also known as China Lodging Group, Limited

³ As at 30 September 2015. Source: Huazhu’s earnings release for third quarter 2015

⁴ As at 30 September 2015. Source: Huazhu’s Corporate Presentation (November 2015), available on ir.huazhu.com

⁵ Source: Huazhu Annual Report (2014)

⁶ Source: Huazhu Annual Report (2014)

3. About the Transferee and Huazhu

The Transferee is a hotel management company which is currently wholly-owned by Accor. In connection with the Strategic Alliance, the Transferee will be transferred to Huazhu with effect from 1 January 2016, and will become a wholly-owned subsidiary of Huazhu.

Huazhu is a leading hotel group in China. As at 30 September 2015, Huazhu operates more than 2,500 hotels (including leased-and-operated, franchised-and-managed as well as franchised hotels) across 342 cities in China. The hotels operate under seven brands, namely, Joya Hotel, Manxin Hotels & Resorts, JI Hotel, Starway Hotel, HanTing Hotel, Elan Hotel and Hi Inn. Huazhu is currently listed on NASDAQ.

4. Others

The Novation is not expected to have any material impact on the consolidated net tangible assets and distributions per stapled security of A-HTRUST for the current financial year ending 31 March 2016.

Based on the information available to the Managers as at the date of this announcement, certain directors of the Managers hold stapled securities in A-HTRUST. Mr Michael Issenberg, a non-executive director of the Managers, is a member of Accor's Executive Committee and also the Chief Executive Officer, HotelServices Asia-Pacific for Accor. Mr Issenberg has abstained from all deliberation(s) and/or decision(s) of the Board, in relation to the Novation.

Save as disclosed above and based on information available to the Managers as at the date of this announcement, none of the directors of the Managers or the controlling stapled securityholders of A-HTRUST has any interest, direct or indirect, in the Novation.

By Order of the Board

Mary Judith de Souza

Company Secretary

Ascendas Hospitality Fund Management Pte. Ltd.

(Company Registration No. 201133966D)

As manager of Ascendas Hospitality Real Estate Investment Trust

By Order of the Board
Mary Judith de Souza
Company Secretary
Ascendas Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201135524E)
As trustee-manager of Ascendas Hospitality Business Trust

28 December 2015