



CapitaLand Ascott Trust  
**Proposed Acquisition  
of Iyf Funan Singapore**

29 October 2024



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Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Circular dated 29 Oct 2024 and titled "The proposed acquisition of 100.0% of the issued units in Victory SR Trust which directly holds 100.0% of the interest in Iyf Funan Singapore, and entry into the master lease, as an interested person transaction" (Circular)



# Portfolio Overview & Strategy

CapitaLand  
Ascott Trust

lyf

FUNAN - SINGAPORE  
BY THE ASCOTT LIMITED



684

# CapitaLand Ascott Trust's Positioning

Predominantly anchored in Asia Pacific, marrying growth with stability

## Geographical Allocation

Global in presence, anchored in Asia Pacific



**Predominantly in Asia Pacific**

**Remainder in Europe/USA**

- Largest lodging trust in Asia Pacific
- Diversified across 16 countries, Asia Pacific remains core
- Presence in large domestic markets and key gateway cities

## Target Asset Allocation

**Longer-stay accommodation**

**25-30%** in rental housing and student accommodation

**Hospitality assets**

**70-75%** in serviced residences and hotels



- Backed by strong sponsor, The Ascott Limited, one of the leading international lodging owner-operators

# Proactive Investment & Portfolio Reconstitution

Building a stronger portfolio, enhancing the quality and performance of CLAS' properties



## Divestments to unlock value

- Divesting **properties which have reached the optimal stage of their life cycle**
- **Redeploying proceeds into optimal uses**, including investing in higher-yielding properties, funding asset enhancement initiatives (AEIs) and paying down debts with higher interest rates



## Investing in quality properties at higher yields

- Investing in properties in **prime locations** of key capital cities and which are supported by **strong demand drivers**
- **Selectively undertaking development projects** with higher yields
- **Accretive investments** create value for CLAS and improve returns to Stapled Securityholders



## Asset enhancement to drive returns

- AEIs to **enhance the properties' performance and valuations**
- Pipeline of AEIs from 2024 to 2026 provides CLAS with the **next wave of uplift beyond the travel recovery**

# Over S\$400 mil in Divestments Year-to-Date

Divesting at premium to book value, unlocking over S\$50 mil in net gains

	Recently announced in Oct 2024				
	<ul style="list-style-type: none"> <li>Courtyard by Marriott Sydney-North Ryde (CMSNR)</li> <li>Novotel Sydney Parramatta (NSP)</li> </ul>	<ul style="list-style-type: none"> <li>Hotel WBF Kitasemba East</li> <li>Hotel WBF Kitasemba West</li> <li>Hotel WBF Honmachi</li> </ul>	Citadines Mount Sophia Singapore	Citadines Karasuma-Gojo Kyoto	Somerset Olympic Tower Tianjin
Lodging type and location	Hotels in Sydney, Australia	Hotels in Osaka, Japan	Serviced residence in Singapore	Serviced residence in Kyoto, Japan	Serviced residence in Tianjin, China
Divestment price	AUD 109.0 mil (S\$95.6 mil)	JPY 10.7 bil (S\$99.8 mil)	S\$148.0 mil	JPY 6.18 bil (S\$53.1 mil)	Divesting at a premium to book value  More details to be provided upon completion
Premium over book value	5%	15%	19%	40%	
Exit yield <sup>1</sup>	c.4.4%	Not meaningful	c.3.2%	c.0.3%	
Net gain	S\$16.4 mil <sup>2</sup>	S\$10.9 mil	S\$18.8 mil	S\$8.0 mil	
Completion	Completed: <ul style="list-style-type: none"> <li>CMSNR: Jan 2024</li> <li>NSP: Sep 2024</li> </ul>	Completed: Mar 2024	Completed: Mar 2024	Completed: Oct 2024	Expected completion: 2Q 2025

Notes:

Based on exchange rates AUD 1 = S\$0.87683; JPY 1 = S\$0.00933 for the properties in Osaka; JPY 1 = S\$0.0086 for the property in Kyoto

- The exit yield of the Australia properties was computed based on FY 2022 earnings before interest, taxes, depreciation and amortisation (EBITDA) as the divestments were entered into in 2023. The exit yield of the rest of the properties were computed based on FY 2023 EBITDA as the divestments were entered into in 2024. The exit yield of the Japan portfolio is not meaningful as the properties were largely closed in 2022.
- Includes the transfer of S\$19.3 million from the asset revaluation reserve to revenue reserve



# Investments Year-to-Date

Acquiring accretively in key cities with strong demand drivers

## Remaining 10% stake in Standard at Columbia South Carolina, USA



- CLAS' development project, 678-bed Standard at Columbia, was completed in Jun 2023
- In Jun 2024, CLAS acquired the remaining 10% stake in the property from its third-party partner, funding the acquisition with divestment proceeds
- For the academic year 2024-2025, the property has been fully pre-leased, with rental growth of c.4%
- EBITDA yield on CLAS' total investment cost of c.US\$103.6 mil (S\$139.3 mil) is expected to be c.7%

## Teriha Ocean Stage Fukuoka, Japan



- Completed turnkey acquisition of 258-unit rental housing property in Fukuoka, Japan in Jan 2024
- Located in Island City, an established family-centric residential area that is within proximity to both Tenjin (commercial and entertainment district) and Hakata (CBD) stations
- Acquisition price of JPY 8.0 bil (S\$82.6 mil)
- Estimated net operating income yield of c.4.0% on a stabilised basis and expected pro forma distribution per Stapled Security (DPS) accretion of 0.5%

Note: Based on exchange rates USD 1 = S\$1.34516; JPY 1 = S\$0.01034



# Asset Enhancement & Development Initiatives

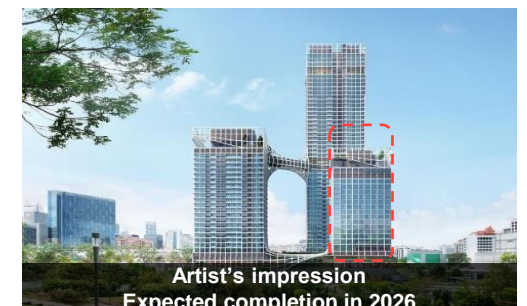
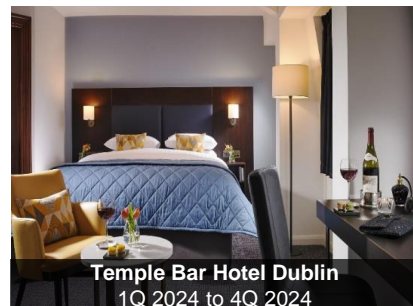
Uplifting the value and profitability of properties in prime locations of key gateway cities

## Asset Enhancement Initiatives

- Total capital expenditure of c.S\$250 mil for the 8 AEs partially funded by master lessee / operator
- CLAS' contribution of c.S\$170 mil to be funded by proceeds from the Equity Fund Raising in Aug 2023, divestment proceeds, debt facilities and/or cash generated from properties
- CLAS' capital expenditure for the remaining 3 projects is c.S\$135 mil

## Development of Somerset Liang Court Singapore

- 192-unit serviced residence with hotel licence in the popular riverfront lifestyle and entertainment Clarke Quay precinct
- Substructure works have been completed



Notes:  
Timelines of the asset enhancement initiatives are subject to change  
Images for The Cavendish London and Sydney Central Hotel are artist's impressions



# The Proposed Acquisition

*share an idea  
share a meal  
share the day  
let's rojak*



# Iyf Funan Singapore

Accretive acquisition in the heart of Singapore's Civic District



**+1.5%**  
Distribution per  
Stapled Security  
(DPS) accretion  
on a FY 2023  
pro forma basis

**4.7%<sup>1</sup>**  
EBITDA yield  
on a FY 2023  
pro forma basis

<b>Location</b>	67 Hill Street, Level 4 Funan, Singapore 179370	
<b>Lodging type</b>	Hotel	
<b>Year built</b>	2019	
<b>Master Lease in relation to the Property</b>	Upon completion of the Proposed Acquisition, the Master Lease will be entered into with Iyf Funan Management Pte. Ltd., which is a wholly owned subsidiary of The Ascott Limited (Master Lessee) <sup>2</sup>	
<b>Number of rooms</b>	329	
<b>Gross floor area</b>	c.11,347.4 sqm	
<b>Title</b>	Leasehold tenure expiring on 11 Dec 2078 (c.54 years remaining)	
<b>Independent valuations</b> (Discounted cash flow method, as at 30 Jun 2024)	S\$265.0 mil	S\$271.0 mil
	<ul style="list-style-type: none"> <li>Valuer: SG&amp;R Singapore Pte Ltd (HVS)</li> <li>Commissioned by: REIT Manager</li> </ul>	<ul style="list-style-type: none"> <li>Valuer: Colliers International Consultancy &amp; Valuation (Singapore) Pte Ltd (Colliers)</li> <li>Commissioned by: REIT Trustee</li> </ul>
<b>Agreed property value</b>	S\$263.0 mil	
<b>Purchase consideration</b>	S\$146.4 mil	

Notes:

- The EBITDA yield is based on the agreed property value
- The Master Lease will have an initial term of 20 years, and such term is renewable for a further five-year period upon mutual agreement by the parties. The rent payable by the Master Lessee shall be 93.5% of the gross operating profit in relation to the Property. The operating expenses of the Property are to be borne by the Master Lessee. Please refer to paragraph 2.6 of the Letter to Stapled Securityholders in the Circular for more details on the terms and conditions of the Master Lease.

# Method of Financing

Purchase consideration largely funded by divestment proceeds; aggregate leverage remains below 40%

Total Acquisition Outlay	(S\$' mil)
Purchase consideration	146.4 <sup>1</sup>
Loan repayment	113.0
Professional and other fees and expenses (inclusive of debt financing-related expenses)	3.1
Acquisition fee <sup>2</sup>	2.6
<b>Total</b>	<b>265.1</b>

Method of Financing	(S\$' mil)
Proceeds from divestment of Citadines Mount Sophia Singapore	142.8
Debt <sup>3</sup>	119.7
CLAS Stapled Securities (for acquisition fee)	2.6
<b>Total</b>	<b>265.1</b>

- **Purchase consideration of S\$146.4 mil largely funded by proceeds from the divestment** of Citadines Mount Sophia Singapore which was completed in Mar 2024
- CLAS will draw down debt to repay an existing loan facility of S\$113.0 mil
- Based on CLAS' aggregate leverage<sup>4</sup> as at 30 June 2024 and taking into account the Proposed Acquisition, **CLAS' aggregate leverage is expected to be c.39.1%**

Notes:

1. See paragraph 2.2 of the Letter to Stapled Securityholders of the Circular for further details including the repayment of Existing Facility of S\$113.0 million
2. As the Proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be in the form of Stapled Securities and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix
3. Including the amount drawn down under the New Facility Agreement to repay the Existing Facility. Please refer to paragraphs 2.7 and 2.8 of the Letter to Stapled Securityholders in the Circular for more details.
4. "Aggregate Leverage" is defined in the Property Funds Appendix as the ratio of CLAS' borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Stapled Securities) to the value of its deposited property



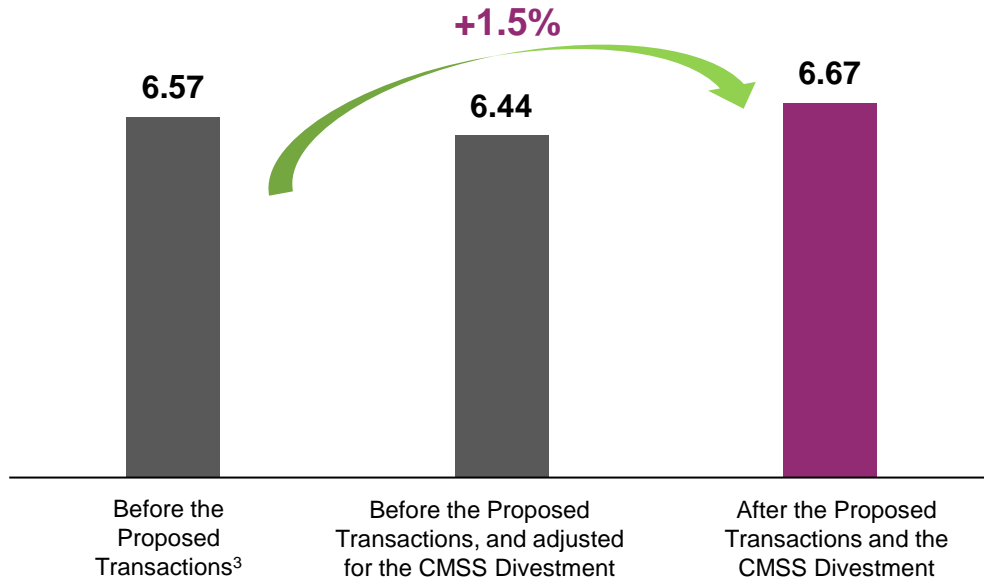


# Rationale for & Benefits of the Proposed Acquisition

# 1 Enhancing DPS through Portfolio Reconstitution

Divesting at exit yield of 3.2% and re-investing proceeds at EBITDA yield of 4.7%

Distribution per Stapled Security (DPS) (Singapore cents)  
on a FY 2023 pro forma basis



**+1.5%**  
DPS accretion  
on a FY 2023 pro forma basis

**4.7%<sup>1</sup>**  
EBITDA yield  
on a FY 2023 pro forma basis

- **EBITDA yield of the Proposed Acquisition is 4.7%** on a FY 2023 pro forma basis
- **Attractive entry yield that is 150 basis points higher** compared to the exit EBITDA yield of Citadines Mount Sophia Singapore (CMSS) of 3.2%<sup>2</sup> for FY 2023
- Following the Proposed Transactions and taking into account the CMSS Divestment, CLAS' total distribution is expected to increase by S\$3.5 mil, which translates to a **DPS accretion of 1.5%** on a FY 2023 pro forma basis

Notes:

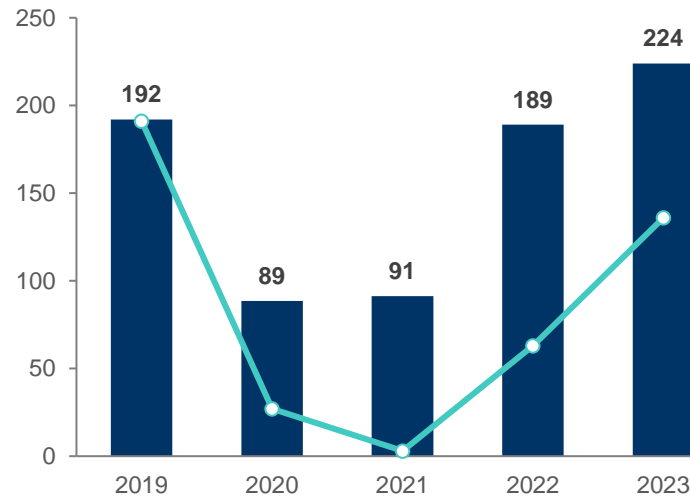
1. The EBITDA yield is computed based on the agreed property value of the Property
2. Computed based on the divestment price of S\$148.0 million
3. The Proposed Transactions refer to the Proposed Acquisition and the entry into the master lease



## 2 Increasing Exposure to a Key Gateway City with Favourable Demand-Supply Dynamics

Robust performance of Singapore's hotel industry

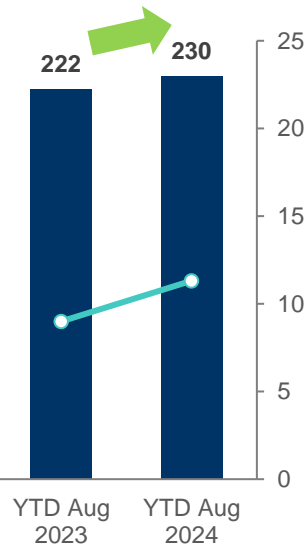
Singapore Market RevPAR (S\$)



Sources: Singapore Tourism Board, Colliers

Legend: ■ Singapore market RevPAR  
—●— International visitor arrivals

International Visitor Arrivals (mil)



- **Market revenue per available room (RevPAR) of Singapore hotels exceeded 2019 levels by 16% in 2023**, driven by significant outperformance in average daily rates<sup>1</sup>
- **Recovery of travel is expected to continue in 2024** with improved global flight connectivity and capacity, and implementation of visa-free travel arrangements<sup>2</sup>
- For the first 8 months of 2024, market RevPAR of Singapore hotels **increased 3.4% year-on-year**<sup>1</sup>

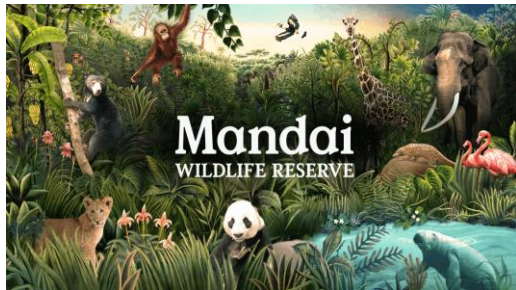
Notes:

1. Source: Singapore Tourism Analytics Network (September 2024)
2. Source: Singapore Tourism Board (February 2024) - Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts

## 2 Increasing Exposure to a Key Gateway City with Favourable Demand-Supply Dynamics

Growth in demand expected to outpace that of supply

Singapore remains a global hub with inbound travel demand boosted by new attractions and infrastructure projects



Mandai Wildlife Reserve



Formula 1 Grand Prix



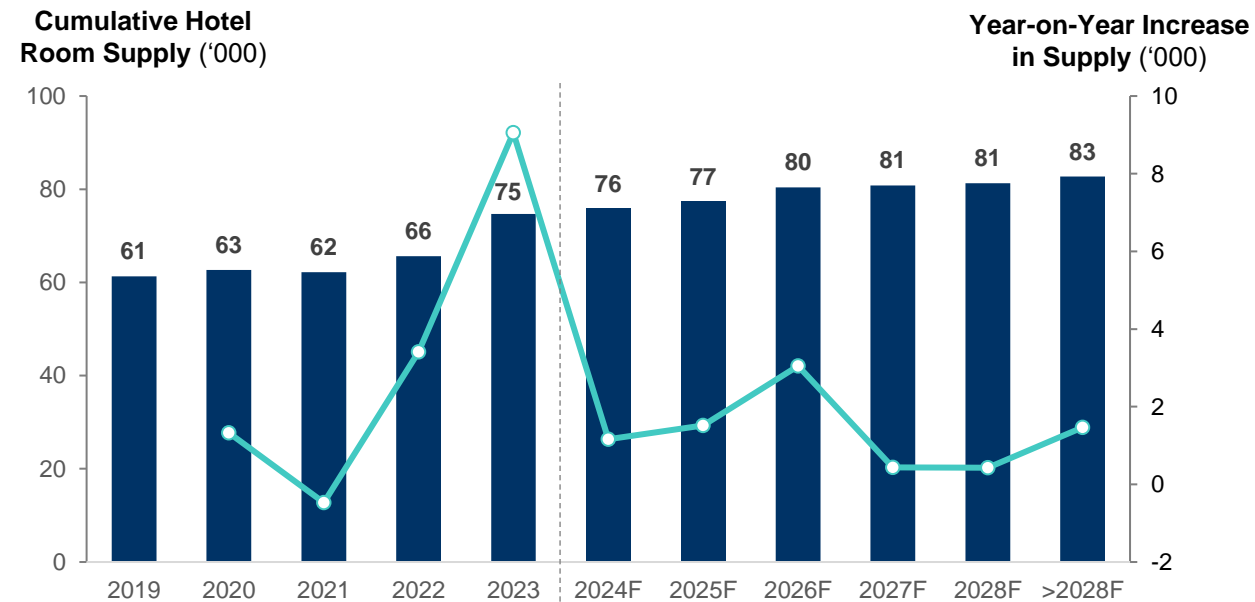
Meetings, Incentives, Conferences and Exhibitions such as Food & Hotel Asia



Construction of Changi Airport Terminal 5 to commence in 2025

Image credits (from top left, clockwise): Mandai Wildlife Reserve, F1 Grand Prix, Changi Airport Group and TTG Mice

New room supply beyond 2024 is expected to be muted at a CAGR of 1.8%, lower than the CAGR of 3.3% from 2015 to 2019



Sources: Singapore Tourism Board, Colliers

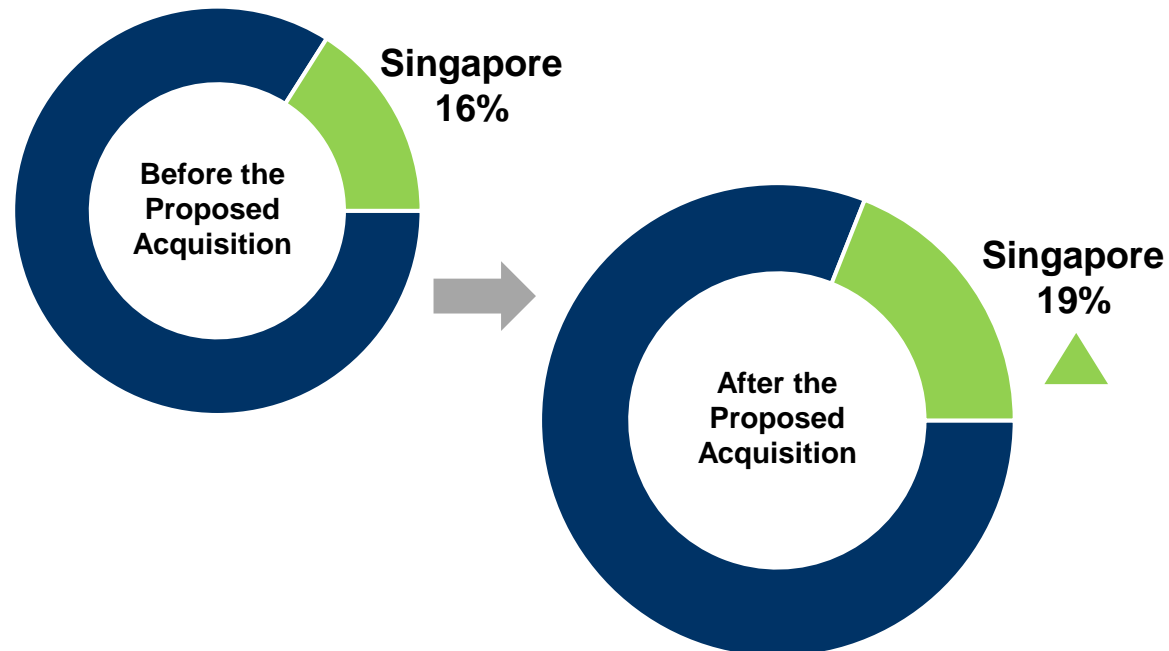
Legend: ■ Cumulative hotel room supply  
—●— Year-on-year increase in supply



## 2 Increasing Exposure to a Key Gateway City with Favourable Demand-Supply Dynamics

Balancing contribution from Singapore and overseas markets

Proportion of CLAS' Total Assets in Singapore  
(as at 30 Jun 2024)

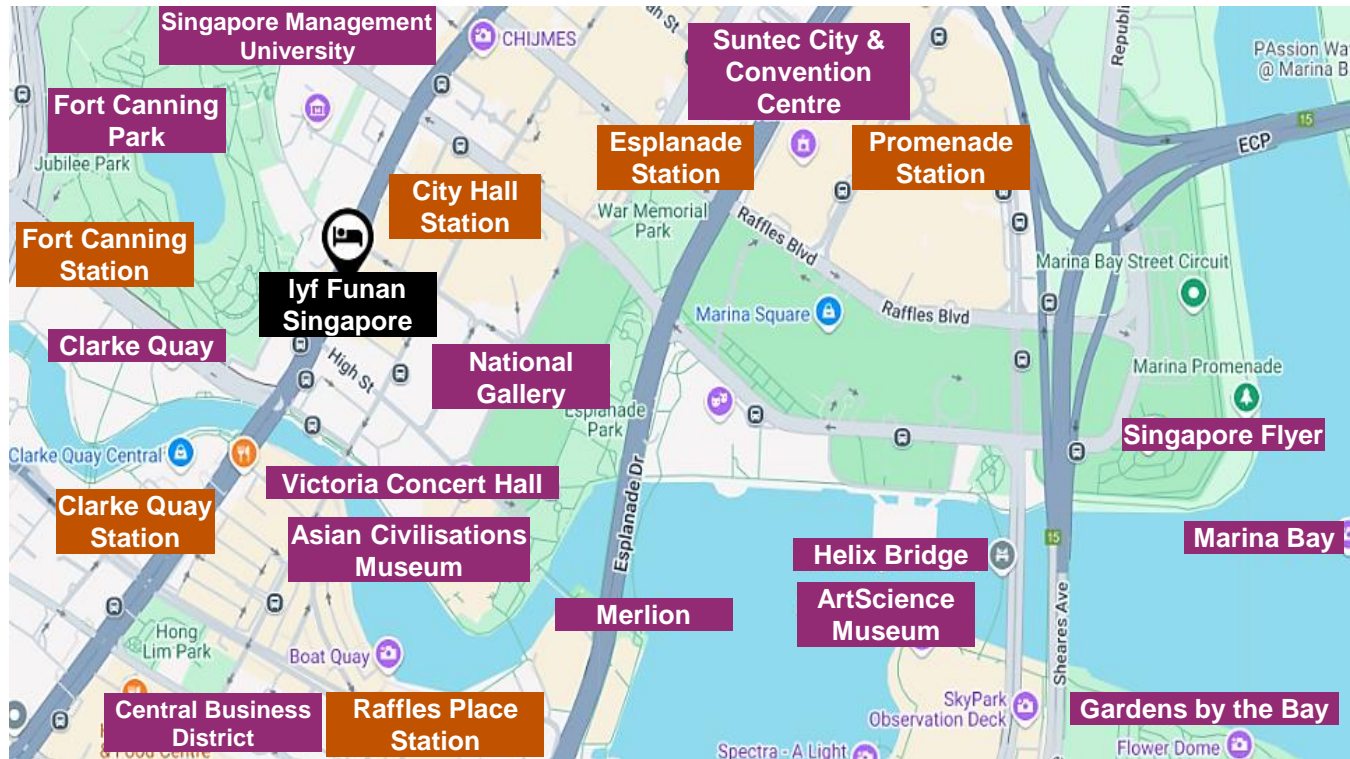


After the Proposed Acquisition, CLAS' proportion of total assets in Singapore is expected to increase from 16% to 19%

- Income contribution from Singapore balances the contribution from CLAS' overseas markets
- CLAS remains geographically diversified, with each of its key markets currently comprising no more than 20% of its total assets

### 3 Prime Asset in an Attractive Location

Close to Singapore's landmarks and attractions, and well-served by public transportation



Source: Google Maps

Legend: Landmark MRT Station

#### Located in the heart of Singapore's Civic District

- lyf Funan Singapore is in proximity to an array of business and entertainment attractions
- Surrounded by various iconic landmarks, including heritage sites and art galleries

#### Excellent connectivity to public transportation

- Direct underpass linking to City Hall MRT interchange station
- Within a five- to 12- minute walk to three other MRT stations, namely Clarke Quay MRT station, Esplanade MRT station and Fort Canning MRT station



### 3 Prime Asset in an Attractive Location

Supported by amenities within the integrated development

#### Part of Funan, an integrated development

- lyf Funan Singapore sits within Funan, an integrated development which reopened in 2019 after a redevelopment
- The experiential retail component offers lyf Funan Singapore's guests a plethora of shopping, dining and entertainment options while the office component drives corporate bookings to the property

#### Sustainable, green-certified property

- lyf Funan Singapore has a Green Mark Gold<sup>PLUS</sup> certification by the Building and Construction Authority, in line with CLAS' target to green 100% of its portfolio by 2030
- The property was also awarded the Global Sustainable Tourism Council certification in 2024



## 4 Flagship lyf Property...

Operating on a flex-hybrid hotel-in-residence model, the lyf brand captures the demand for experience-led social living



**Experience-led social living** as seen in lyf (pronounced 'life'), focuses on fostering a sense of community through shared, dynamic experiences.

It goes beyond traditional housing by encouraging social interaction, collaboration, and engagement through community-driven spaces, events, and activities.

This approach enhances daily living with immersive experiences, promoting personal connections and social growth among residents.



Community + crew



Stay-work-play social spaces



#lyfgoesLOCAL



Design-centric hotel-in-residences

### Flagship lyf property

- lyf Funan Singapore is the flagship property of The Ascott Limited's lyf (or 'live your freedom') brand
- The lyf brand is tailored for the next-generation traveller with its dynamic design, flexible spaces and well-curated programmes, connecting guests with the city, its people, and its culture
- Experience-led social living, which the lyf brand is synonymous with, has seen resilience and rising demand



4

# ...With Ability to Capture Wide Range of Demand

With a hotel licence, the property caters to both short and long stays

## Flexibility to cater to short and extended stays

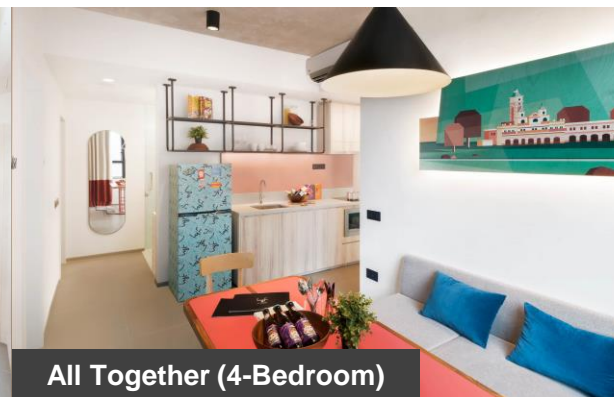
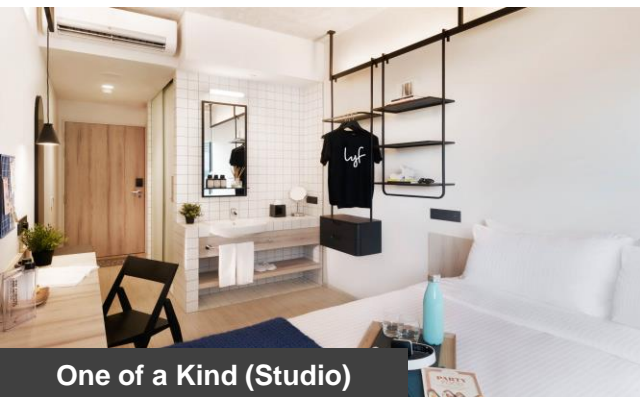
- The property's hotel licence allows it to cater to different guest profiles, including corporate and leisure travellers for a range of short to extended stays
- Room types range from studios, ideal for solo or duo travellers, to larger apartments accommodating up to nine guests, which are suitable for corporate project groups or larger families
- Corporate bookings currently make up about 15% of the total reservations for the four- and six-bedroom apartments

## Surpassing performance of sub-market

- lyf Funan Singapore has achieved a strong average occupancy rate of more than 80%
- Testament to its excellent location, ability to cater to a wide range of demand and strong positioning, lyf Funan Singapore's performance surpassed that of comparable properties in its sub-market in 1H 2024<sup>1</sup>
- CLAS' other lyf-branded property, lyf one-north Singapore, is also seeing robust demand with a similar average occupancy rate<sup>2</sup>

Notes:

1. Source: Extracted from STR Database
2. For 1H 2024



# Conclusion





# Key Takeaways

Delivering growth and enhancing returns through portfolio reconstitution

## CLAS is poised for sustained growth



### CLAS remains optimistic on the demand for lodging

Diversification and balanced mix of growth and stable income sources provide resilience



### Portfolio reconstitution and AEs provide further capacity for growth



### Underpinned by healthy financial position and disciplined approach in capital management

## Rationale for & Benefits of Proposed Acquisition



Enhancing DPS through portfolio reconstitution

Increasing exposure to a key gateway city with favourable demand-supply dynamics

Prime asset in an attractive location

Flagship lyf property with the ability to capture a wide range of demand

# Next Steps

Stapled Securityholders' approval is required for the Proposed Transactions

Event	Date
Notice of Extraordinary General Meeting <sup>1</sup>	Tuesday, 29 Oct 2024
Last date and time of lodgment of proxy forms	Saturday, 16 Nov 2024, 2.00 p.m. (Singapore time)
Extraordinary General Meeting	Monday, 18 Nov 2024, 2.00 p.m (Singapore time)  Held physically at Heliconia Ballroom, Level 3 Sands Expo and Convention Centre 10 Bayfront Avenue Singapore 018956
Completion of the Proposed Acquisition	4Q 2024 <sup>2</sup>

Notes:

1. The Notice of Extraordinary General Meeting, proxy form and the Circular have been made available on CLAS' and SGX's websites. Printed copies of the Circular will not be sent to Stapled Securityholders unless such Stapled Securityholder had previously made a standing election on or after 27 Feb 2024 to receive printed copies of documents. Any Stapled Securityholder who did not previously make such a standing election but who now wishes to receive a printed copy of the Circular should submit his/her/its request via email to the Managers at [ask-us@capitalandascotttrust.com](mailto:ask-us@capitalandascotttrust.com) no later than 12.00 p.m. on Friday, 8 November 2024.
2. While the target date for completion is 4Q 2024, the long stop date for completion is 28 February 2025 or such later date as the parties to the Unit Purchase Agreement may agree.



# For Stapled Securityholders' Approval

## Ordinary Resolution

The Proposed Acquisition of 100.0% of the issued units in Victory SR Trust, which directly holds 100.0% of the interest in Iyf Funan Singapore, and entry into the Master Lease, as an interested person transaction

# Advice of Independent Financial Adviser and Recommendation of Independent Directors

## Advice of the Independent Financial Adviser – PricewaterhouseCoopers Corporate Finance Pte. Ltd.

- The Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

## Recommendation of the Independent Directors and the Audit and Risk Committee of the REIT Manager

- The Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.
- Recommend that Stapled Securityholders vote in favour of the Resolution.
- All of the Independent Directors who hold Stapled Securities will be voting at the EGM in favour of the Resolution.



Thank You

