



**Ascott Residence Trust**  
Virtual JP Morgan ASEAN Travel Day  
30 March 2021

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# Content

- Overview of Ascott Residence Trust
- FY 2020 Highlights
- Portfolio Updates
- Capital Management
- Outlook
- Appendix: Key Country Updates

# Overview of Ascott Residence Trust



# A Leading Global Hospitality Trust

Constituent of FTSE EPRA Nareit Global Developed Index

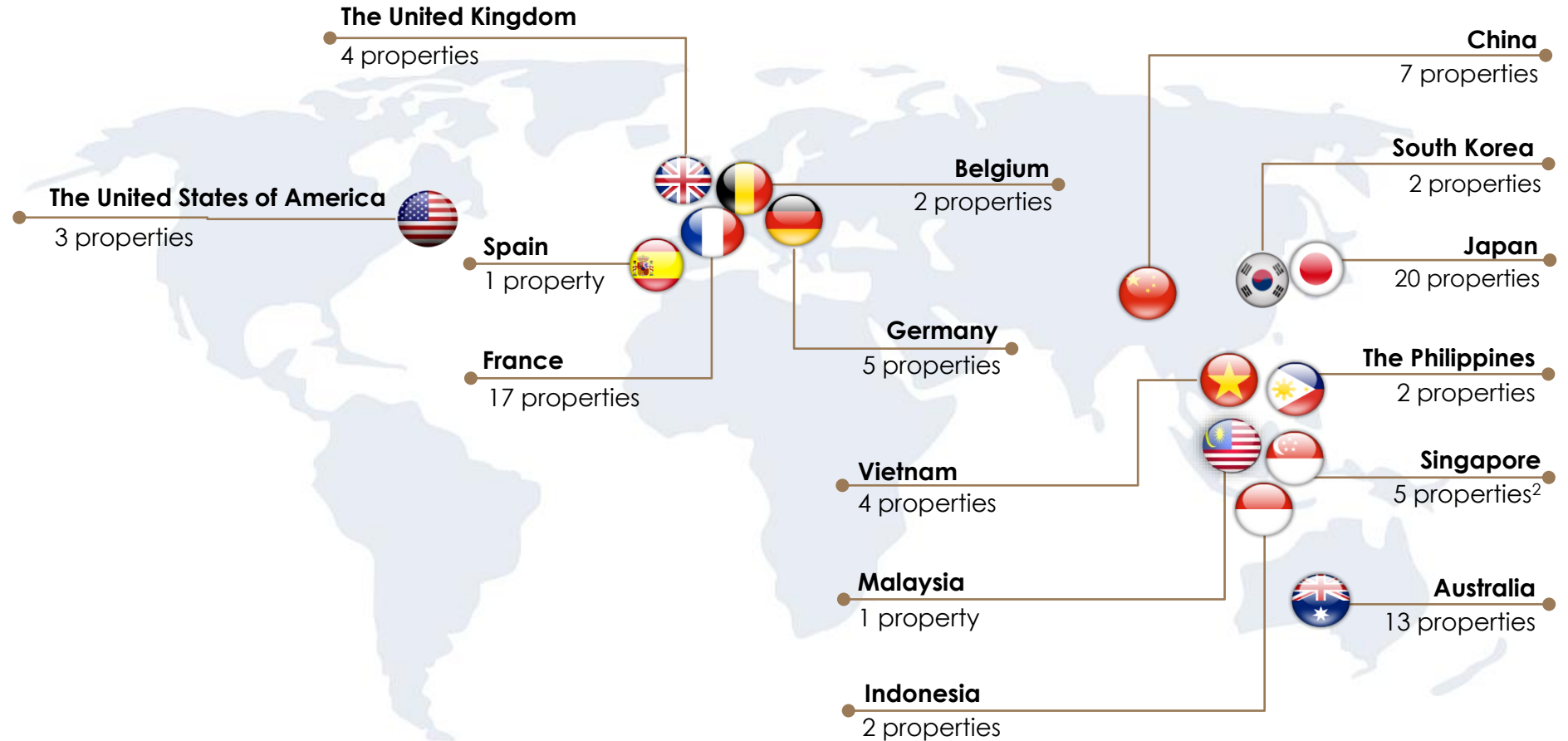


**\$7.2b<sup>1</sup>**  
Total Assets

**>16,000<sup>2</sup>**  
Units

**86<sup>2</sup>**  
Properties

**38**  
Cities in 15 countries



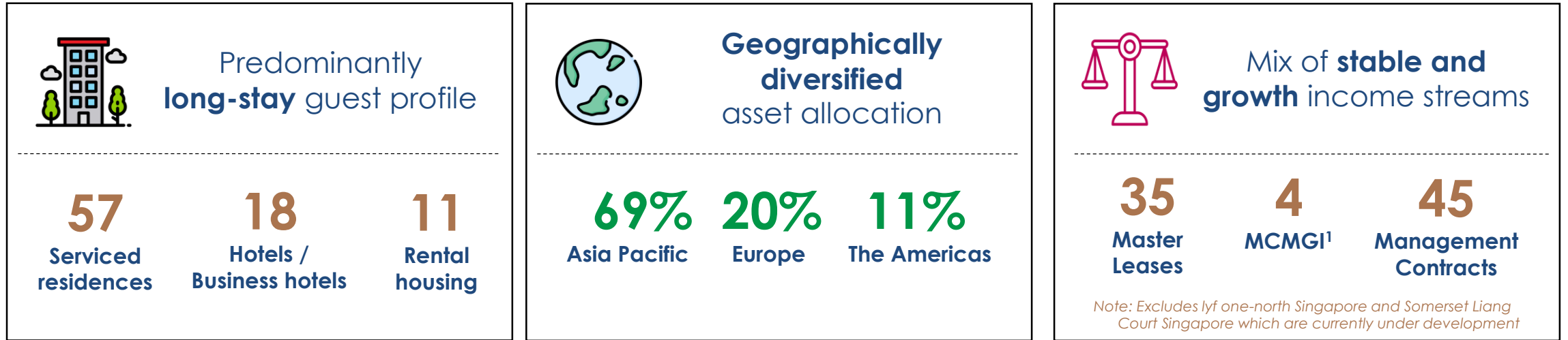
Notes: Above as at/for period ended 31 December 2020 unless otherwise stated

1. As at 31 December 2020

2. Including 1 of one-north Singapore and Somerset Liang Court Singapore (currently under development)

# Resilience from Diversification

Leveraging portfolio strengths in challenging times



Notes: Above as at 31 December 2020

1. MCMGI refers to Management Contracts with Minimum Guaranteed Income

# Strong Sponsor – The Ascott Limited

One of the leading international lodging owner-operators



**>122,000**

**Serviced residence  
& hotel units**

Includes units under development

**>770**

**Properties**



**>190**

**Cities**

**>30**

**Countries**

**>30 years track record**

**Strong alignment of interests  
c.40% sponsor stake<sup>1</sup> in ART**



Notes: Figures updated as at January 2021  
1. Held through CapitaLand Group

# FY 2020 Highlights

**Citadines**



# FY 2020 – A Year Like No Other

## Sharing past divestment gains with Stapled Securityholders

**S\$45 mil** in distribution top-up

to mitigate the impact of COVID-19



**Index inclusion**  
**FTSE EPRA Nareit Global  
Developed Index**

## Enhancing the portfolio

Acquisition of Quest Macquarie Park Sydney

Ongoing development of lyf one-north Singapore  
and Somerset Liang Court Singapore



## Unlocking gains through capital recycling



Completed divestments include:

- Somerset Liang Court Singapore
- Somerset Azabu East Tokyo
- Ascott Guangzhou

Ongoing divestments include:

- Citadines Didot Montparnasse Paris
- Citadines City Centre Grenoble
- Somerset Xu Hui Shanghai



## Discipline in capital management

**c.S\$1.05 bil**

in total available funds, comprising  
cash on-hand, available credit facilities and  
net divestment proceeds to be received

**Low gearing of 36.3%**

Debt headroom of S\$1.9 bil

**Lower interest on  
perpetual securities**

by c.S\$4.0 mil a year

# Commitment to Sustainability & Corporate Governance



## Environment



**15 new green certifications**

### Maiden green loan

for the development of lyf one-north Singapore, which has obtained BCA Green Mark Gold<sup>PLUS</sup>

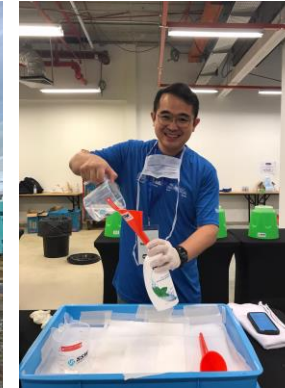
## Governance

**Ranked 3rd**

in Singapore Governance and Transparency Index for three consecutive years



## Social



- Providing a home away from home for healthcare workers, returning nationals, migrant workers and other affected communities
- Distributing meals to the elderly and vulnerable groups
- Distributing hand sanitisers to local community
- Packing school bags and schooling essentials for children from low-income families

**Supporting the fight against COVID-19**

# Financial Highlights

## 2H 2020

Revenue  
**S\$161.4 mil**  
▼ 39% y-o-y

Gross Profit  
**S\$61.1 mil**  
▼ 53% y-o-y

Portfolio RevPAU  
**S\$49<sup>1</sup>**  
▼ 69% y-o-y

Distributable Income  
**S\$61.7 mil**  
▼ 32% y-o-y

Distribution per  
Stapled Security  
**1.99 cents**  
▼ 52% y-o-y

## FY 2020

Revenue  
**S\$369.9 mil**  
▼ 28% y-o-y

Gross Profit  
**S\$149.6 mil**  
▼ 41% y-o-y

Portfolio RevPAU  
**S\$59<sup>1</sup>**  
▼ 61% y-o-y

Distributable Income  
**S\$94.2 mil**  
▼ 43% y-o-y

Distribution per  
Stapled Security  
**3.03 cents**  
▼ 60% y-o-y

Note:

1. Portfolio RevPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income

# 2H 2020 Financial Highlights

Gradual, uneven path to recovery



## Sequential improvement in portfolio revenue per available unit (RevPAU) from 3Q 2020 to 4Q 2020

- **Quarter-on-quarter increase in average portfolio occupancy** to mid 40%; ADR stable
- **Domestic travel demand picked up in 3Q 2020 but was dampened in 4Q 2020 by new outbreaks**
- **Countries with long stays**, such as China and Vietnam, performed better than those traditionally dependent on transient travellers
- **88% of properties operational<sup>1</sup>**; 6 of the 10<sup>2</sup> properties temporarily closed are on master leases
- **Loss of income from divestment** of partial gross floor area (GFA) of Somerset Liang Court Singapore in July 2020
- Portfolio continued to **generate operating profits and positive cashflow**



## Stable income sources partially mitigated COVID-19 impact

- **Master leases and management contracts with minimum guaranteed income (MCMGI)** comprised about 67% of 2H 2020 gross profit
- **Master lease amendment agreements** were entered into for properties in France in December 2020; revisions made to rent structure and/or terms of expiring leases extended by 2 to 3 years
- **Rental relief** extended to some lessees
- **Income top-up** partially mitigated impact on MCMGI properties

Notes:

1. Excludes properties under development and Ascott Guangzhou and Somerset Azabu East Tokyo which were divested in December 2020
2. Temporarily closed properties as at 31 December 2020 comprise 5 properties in France, 2 in Japan, 1 each in Belgium, Spain and South Korea

# Weathering the Downturn

Portfolio continued to generate operating profits and positive cashflow

## The United States of America 3 properties

**11%**  
of total assets

- **New York City's** hospitality industry **particularly hard-hit**
- **Frontline and essential workers** replaced business travellers and tourists as the primary guests of ART's properties
- Secondary markets with **less urban density and more drive-to** availability are expected to recover faster

## Europe 29 properties

**20%**  
of total assets

- Impacted by **high COVID-19 caseloads, lockdowns and temporary closure** of ART properties in 2020
- **Master leases** in France and Germany and **MCMGI** in UK, Belgium and Spain provided some downside protection
- **Pursued long stays** and **residential leases**
- **Large domestic markets** expected to lead the recovery, supported by **pent-up demand**

## Asia Pacific 54 properties

**69%**  
of total assets

- **Master leases** in Japan, Singapore and South Korea provided some downside protection
- **Long stays** in China, Malaysia, Philippines and Vietnam cushioned occupancies
- **Block bookings** mitigated lack of transient travel in Australia, Singapore and Vietnam
- **China ahead** of the recovery curve

Portfolio RevPAU fell 61% y-o-y in FY 2020 to S\$59<sup>1</sup>  
Sequential improvement in RevPAU since 2Q 2020

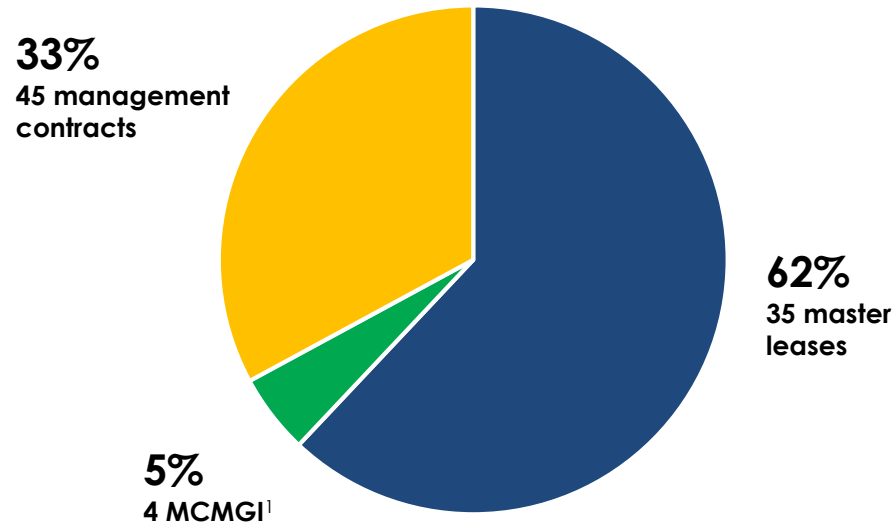
Notes: Above as at/for period ended 31 December 2020 unless otherwise stated

1. Portfolio RevPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income

# Balancing Downside Protection & Growth in a Recovery

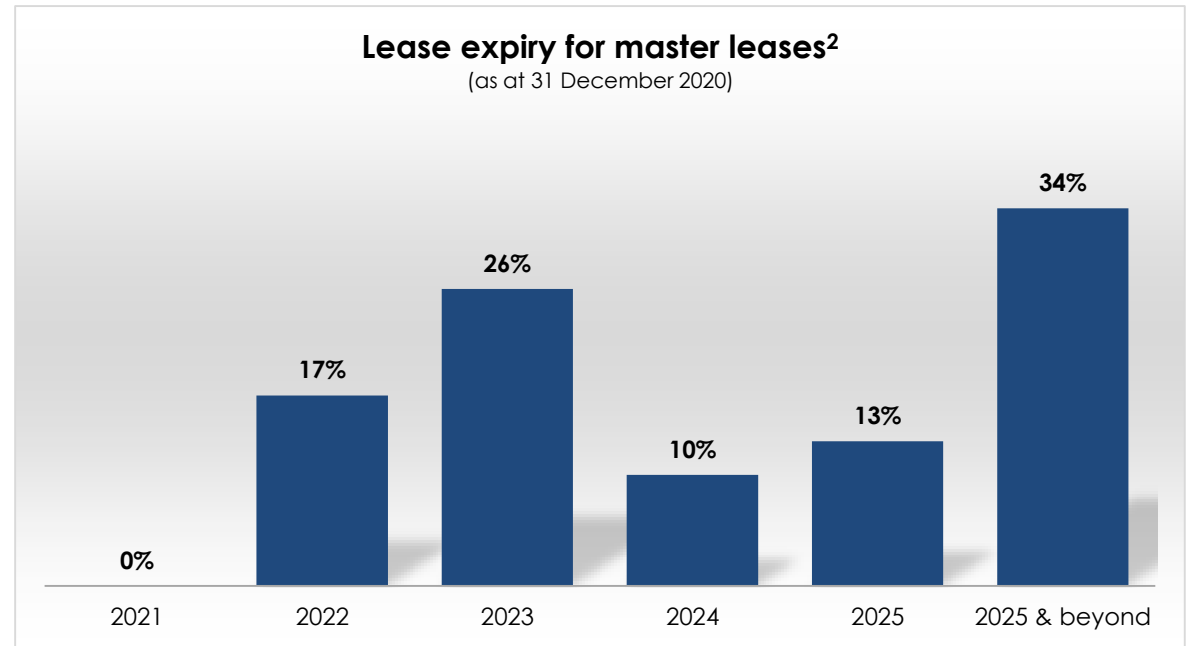
Two-thirds of gross profit from stable income sources; no master leases due for renewal in 2021

2H 2020 Gross Profit Contribution



Lease expiry for master leases<sup>2</sup>

(as at 31 December 2020)



Update as at 31 December 2020:

Master lease amendment agreements were entered into to revise the rent structure and/or extend the term of the master lease agreements expiring in 2020 and 2021 by 2 to 3 years

Notes:

Above as at/for period ended 31 December 2020 unless otherwise stated

1. MCMGI refers to Management Contracts with Minimum Guaranteed Income

2. Percentage of gross rental income for master leases expiring during the respective periods over the total gross rental income for all master leases; excludes WBF Hotel Kitasemba East and WBF Hotel Kitasemba West which will be converted to management contracts in 2021

# Portfolio Updates



lyf one-north, Singapore (Artist's Impression)  
Concept Design by WOHA

# Investment & Portfolio Reconstitution Strategy

Pivoting towards longer-stay accommodation asset classes

**Divestments**  
at premium to  
book value



**Investments in**  
longer-stay  
asset classes



**Development**  
projects



- **Recycling capital into higher-yielding investments with a focus on increasing proportion of stable income**
- **Expansion of investment strategy to include student accommodation**



# Unlocking Value Through Divestments

Divesting properties that have reached their optimal stage of life cycle at attractive premium to book value despite COVID-19

## Completed in December 2020

### Ascott Guangzhou



Sale price of RMB 780 mil,  
(c.S\$159 mil)  
52% above book value  
Exit yield of c.3%  
Net gain of S\$28.9 mil

### Somerset Azabu East Tokyo



Sale price of JPY 5.9 bil,  
(c.S\$76 mil)  
63% above book value  
Exit yield c.2%  
Net gain of S\$30.6 mil

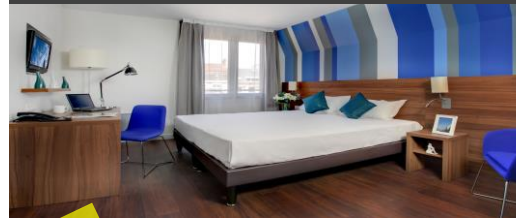
## Ongoing Divestments

### Citadines Didot Montparnasse Paris



Sale price of EUR 23.6 mil, (c.S\$36 mil)  
69% above book value  
Exit yield of c.5%  
Net gain of S\$4.7 mil  
Target completion in 2Q 2021

### Citadines City Centre Grenoble



Sale price of EUR 8.1 mil, (c.S\$13 mil)  
35% above book value  
Exit yield of c.5%  
Net gain of c.S\$44k  
Target completion in 1Q 2021

New

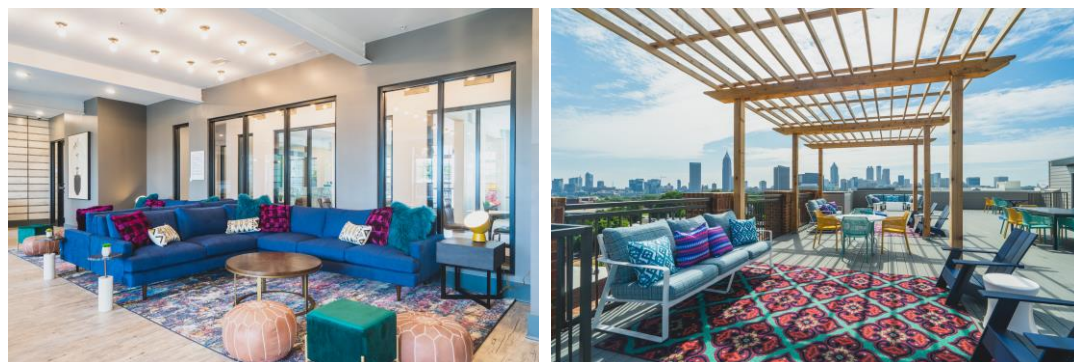
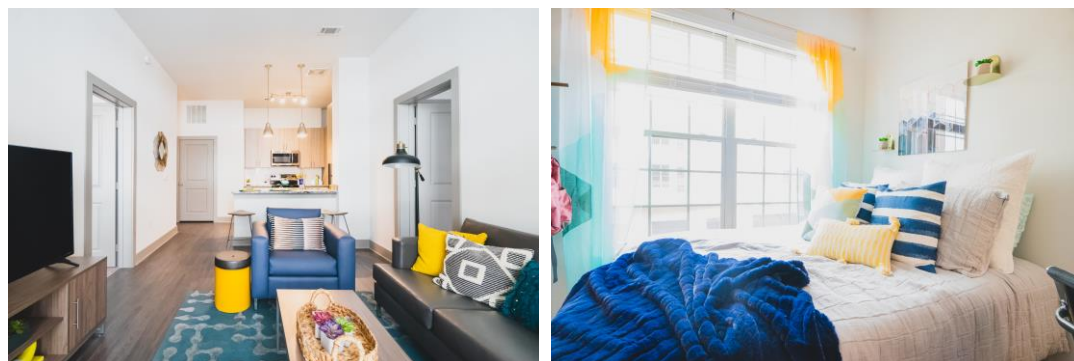
### Somerset Xu Hui Shanghai



Sale price of RMB1,050 mil, (c.S\$215.6 mil)  
171% above book value  
Exit yield of c.2%  
Net gain of c.S\$110.2 mil  
Target completion in 2Q 2021

# First Foray into Purpose-built Student Accommodation

Riding the growth of the world's largest student housing market



For more details, please refer to the announcement, presentation slides and news release on the acquisition.

Note:  
1. For the full year of 2020

## Signature West Midtown

<b>Location</b>	800 Marietta Street NW, Atlanta, Georgia, USA
<b>Purchase consideration</b>	US\$95.0 mil (\$\$126.3 mil)
<b>Total acquisition cost (incl. transaction cost)</b>	US\$97.9 mil (\$\$130.2 mil)
<b>Land tenure</b>	Freehold
<b>Net rentable area</b>	215,895 square feet
<b>Units / beds</b>	183 / 525
<b>Key educational institution</b>	Georgia Institute of Technology
<b>Contract type</b>	Management contract
<b>Ave occupancy</b>	c.95% <sup>1</sup>
<b>Ave length of stay</b>	1 year
<b>DPS accretion</b>	4.4%
<b>Expected completion of acquisition</b>	End-1Q 2021

- **Quality, freehold property in the heart of Atlanta**
- **Walking distance to a reputable university**, Georgia Institute of Technology, which has strong enrolment growth
- **Stable source of income** with high occupancy, long length of stay, and largely domestic student base

# Continuous Efforts to Enhance Portfolio and Create Value



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Rejuvenating the portfolio with new developments

## Redevelopment of Somerset Liang Court Singapore



- 192-unit Somerset serviced residence with hotel licence in the popular riverfront lifestyle and entertainment Clarke Quay precinct
- Sale of partial GFA **completed on 15 July 2020** and **S\$163.3 mil of cash proceeds collected**
- **Demolition works underway and construction expected to commence in 3Q 2021**
- Development expected to **complete in 2025**

## Development of Iyf one-north Singapore




- 324-unit coliving property located in the **vibrant research and business hub** of one-north, Singapore
- Development update:
  - Structural works underway and expected to complete in 1Q 2021
  - Other internal architectural and mechanical & engineering works are also in progress
- Expected to **complete in 4Q 2021**

# Capital Management



# Strong Financial Capacity & Healthy Liquidity Position

Debt headroom of c.\$1.9 bil for potential investment opportunities




### Strong capital management

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**\$1.15**  
NAV per Unit

**51%**  
Total assets in foreign currency hedged

**2.6% (gain)**  
Impact of foreign exchange after hedges on gross profit for FY 2020



### Robust financing flexibility

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**36.3%**  
Gearing  
(c. \$1.9 bil debt headroom<sup>1</sup>)

**2.2X<sup>2</sup>**  
Interest cover

**1.8%**  
per annum  
Low effective borrowing cost

**70%**  
of property value unencumbered

**BBB (Negative Outlook)**  
Fitch Ratings



### Fortifying liquidity reserves

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**c.\$1.05 bil**  
Total available funds

=

**c.\$490 mil**  
Cash on-hand

+

**c.\$560 mil**  
Available credit facilities and net divestment proceeds to be received<sup>3</sup>

Notes:

Above as at/for period ended 31 December 2020.

1. Refers to the amount of additional debt before reaching aggregate leverage of 50%

2. Refers to the 12-month trailing interest cover

3. Balances as at 31 December 2020; includes committed credit facilities amounting to approximately \$115 mil and outstanding proceeds from the ongoing divestments of Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble

# Strong Financial Capacity & Healthy Liquidity Position

Diversified funding sources and well spread-out debt maturity profile

**69% : 31%**

Bank loans : Medium Term Notes

**14%**

Total debt due in 2021

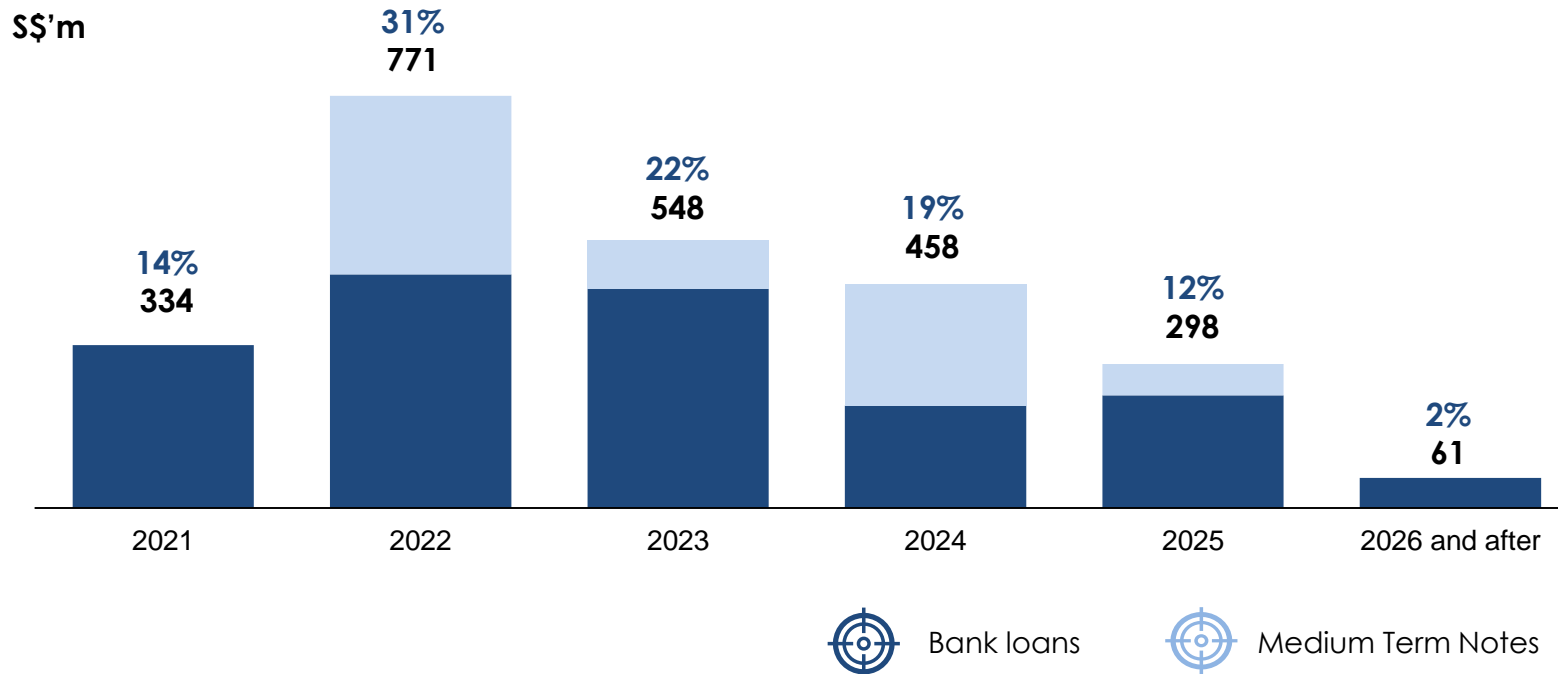
**79%**

Total debt on fixed rates

**2.9 years**

Weighted average debt to maturity

## Managing liquidity risks through diversified funding sources



- **Debt maturity profile extended** with successful refinancing of c.\$330 mil in debt in FY 2020
- **Maiden S\$50 mil green loan** secured for the development of lyf one-north Singapore in January 2021
- **Debt covenant waivers obtained**
- **Lenders remain supportive**

# Outlook



# Are Vaccinations the New Passport?

More countries reopening for travel; vaccinations a confidence-booster

International Air Transport Association (IATA) expects personal and leisure travel to return from second half of 2021



France relaxes border restrictions for travellers from 7 countries<sup>1</sup>



Bilateral travel corridors with Singapore may happen in the second half of 2021<sup>2</sup>



China has announced the roll-out of its **vaccine passport**<sup>3</sup>, US, UK and European Union are considering introducing one<sup>4</sup>



IATA has seen an increasing number of airlines signing up for its **IATA Travel Pass**<sup>4</sup>

Vaccinations have the potential to be a game-changer for traveller confidence

Based on a Tripadvisor survey<sup>5</sup> of travellers from six major markets...

86%

of travellers more likely to travel domestically if they receive the vaccine

77%

of travellers more likely to travel internationally if they receive the vaccine

74%

of travellers plan to take at least one overnight domestic leisure trip in 2021

## Sources:

1. Today Online, "France eases travel rules for seven countries, including Singapore: French foreign ministry", March 2021
2. The Straits Times, "Travel corridors for vaccinated passengers could open in 2<sup>nd</sup> half of 2021: Ong Ye Kung", March 2021
3. The Straits Times, "China among first in the world to roll out Covid-19 vaccine passport", March 2021
4. CNBC, "Covid vaccine passports are being considered. And health experts and rights groups are deeply concerned", February 2021
5. Tripadvisor, "2021 - The year of the travel rebound?", January 2021



# The View Ahead

Pent-up demand, but near-term outlook challenging



## Pace of recovery dependent on easing of restrictions

- **Market conditions expected to remain challenging in the near term**, given the resurgence and new variants of the virus, as well as movement restrictions in various countries
- **Stable income sources and long stays expected to cushion the impact**
- **Pent-up domestic demand** observed in several markets but pace of recovery dependent on when restrictions are eased
- As vaccines become widely available, restart in travel is expected to be **led by domestic, free and independent segments**
- UNWTO expects a **rebound in international arrivals by 2H 2021**; recovery to 2019 levels could take 2.5 - 4 years<sup>1</sup>



## Strengthening and future-proofing the portfolio

- **Expanding investment mandate and redeploying divestment proceeds into longer-stay lodging asset class for stable income**
- **Leveraging operational expertise of Sponsor and operators** – proactively sourcing for alternative business, preparing for the upturn with future-ready offerings
- **Cost containment measures and digital acceleration**
- **Strong financial position and disciplined capital management**

With its **scale, diversification**, predominantly **extended-stay** portfolio and **strong financial capacity & flexibility**, ART is well-positioned to **tide over the downturn**



# Thank you



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# Appendix: Key Country Updates

*As announced on 27 January 2021*



# 2H 2020 - 8 Key Markets Performance

		Revenue (LC 'mil)			Gross Profit (LC 'mil)			RevPAU (LC)		
		2H 2020	2H 2019	% Change	2H 2020	2H 2019	% Change	2H 2020	2H 2019	% Change
<b>Master Leases</b>										
Australia	AUD	2.8	3.8	-26%	2.5	3.6	-31%	n.a.	n.a.	n.a.
France	EUR	5.2	11.0	-53%	4.1	10.1	-59%	n.a.	n.a.	n.a.
Japan	JPY	1,037.1	-	n.m.	912.8	-	n.m.	n.a.	n.a.	n.a.
Singapore	S\$	9.5	8.1	17%	8.1	6.7	21%	n.a.	n.a.	n.a.
<b>Management Contracts with Minimum Guaranteed Income (MCMGI)</b>										
United Kingdom <sup>1</sup>	GBP	1.6	2.6	-38%	1.1	1.3	-15%	34	148	-77%
<b>Management Contracts (MC)</b>										
Australia	AUD	36.0	16.9	113%	5.6	6.1	-8%	46	132	-65%
China	RMB	92.3	128.8	-28%	25.4	48.3	-47%	326	446	-27%
Japan <sup>2</sup>	JPY	1,117.9	2,248.9	-50%	517.5	1,150.2	-55%	1,793	12,000	-85%
Singapore	S\$	2.6	14.1	-82%	0.3	6.3	-95%	70	217	-68%
United Kingdom <sup>1</sup>	GBP	2.4	14.4	-83%	-	6.4	-100%	21	145	-86%
USA	USD	9.4	43.2	-78%	-2.6	17.3	-115%	49	229	-79%
Vietnam <sup>3</sup>	VND	194.0	361.0	-46%	97.5	191.5	-49%	773	1,665	-56%

**Notes:**

1. Management contracts with minimum guaranteed income for 3 properties in the United Kingdom, Citadines Barbican London, Citadines Holborn-Covent Garden London and Citadines Trafalgar Square London, were converted to Management Contracts from May 2020. For comparison purposes, revenue, gross profit and RevPAU amounts for 2H 2019 have been reclassified from the "Management Contracts with Minimum Guaranteed Income" category to "Management Contracts" category.
2. RevPAU for Japan relates to serviced residences and excludes rental housing.
3. Revenue and gross profit figures for Vietnam are stated in billions and RevPAU is stated in thousands.

# FY 2020 - 8 Key Markets Performance

		Revenue (LC 'mil)			Gross Profit (LC 'mil)			RevPAU (LC)		
		FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change
<b>Master Leases</b>										
Australia	AUD	7.1	7.6	-7%	6.5	7.2	-10%	n.a.	n.a.	n.a.
France	EUR	15.7	21.7	-28%	13.6	19.8	-31%	n.a.	n.a.	n.a.
Japan	JPY	2,243.2	-	n.m.	1,997.1	-	n.m.	n.a.	n.a.	n.a.
Singapore	S\$	21.8	18.6	17%	19.0	15.8	20%	n.a.	n.a.	n.a.
<b>Management Contracts with Minimum Guaranteed Income (MCMGI)</b>										
United Kingdom <sup>1</sup>	GBP	8.5	13.1	-35%	3.8	5.3	-28%	62	129	-52%
<b>Management Contracts (MC)</b>										
Australia	AUD	75.9	31.0	145%	8.6	11.6	-26%	53	134	-60%
China	RMB	179.3	257.2	-30%	57.3	102.8	-44%	311	449	-31%
Japan <sup>2</sup>	JPY	2,465.3	4,564.6	-46%	1,142.5	2,392.0	-52%	2,848	12,107	-76%
Singapore	S\$	12.8	26.7	-52%	6.4	11.5	-44%	123	207	-41%
United Kingdom <sup>1</sup>	GBP	3.0	19.2	-84%	-0.1	8.5	-101%	18	145	-88%
USA	USD	23.9	78.7	-70%	-5.0	30.0	-117%	63	210	-70%
Vietnam <sup>3</sup>	VND	422.7	710.8	-41%	215.8	383.3	-44%	860	1,626	-47%

**Notes:**

1. Management contracts with minimum guaranteed income for 3 properties in the United Kingdom, Citadines Barbican London, Citadines Holborn-Covent Garden London and Citadines Trafalgar Square London, were converted to Management Contracts from May 2020. For comparison purposes, revenue, gross profit and RevPAU amounts for May 2019 to December 2019 have been reclassified from the "Management Contracts with Minimum Guaranteed Income" category to "Management Contracts" category.
2. RevPAU for Japan relates to serviced residences and excludes rental housing.
3. Revenue and gross profit figures for Vietnam are stated in billions and RevPAU is stated in thousands.

# Australia

## Alternative sources of business mitigate lack of interstate travel



**Partial lockdown and contact tracing measures in states with rising infections**



**International borders generally closed to non-residents**



**Several state borders closed to travellers from New South Wales, Queensland and Victoria**

**14%** of total assets: **4** Master Leases; **9** Management Contracts

- **Higher revenue y-o-y** due to maiden contributions from 6 A-HTRUST properties<sup>1</sup> and Quest Macquarie Park Sydney
- **2H 2020 RevPAU decreased 65% to AUD 46<sup>2</sup>** as several states imposed interstate travel restrictions to contain the spread of COVID-19
- **Block bookings** from Australia's government, military and healthcare workers were pursued in 2H 2020, **mitigating the lack of interstate travel**
- **Rental waiver provided to master lessees** in compliance with Australia's mandatory code of conduct
- **Block bookings in 1Q 2021** include:
  - Government contract with Pullman Sydney Hyde Park and Novotel Sydney Central
  - Bookings for Australian Open tennis competition at Pullman and Mercure Melbourne Albert Park and Citadines on Bourke Melbourne
- **Large-scale events** such as Australian Grand Prix **postponed or scaled down**
- **Pent-up demand from corporate and leisure segments observed;** bookings expected to pick up when borders are reopened

Notes: Updates on travel and movement restrictions above as at 17 January 2021

1. 6 A-HTRUST properties were acquired on 31 December 2019 and Quest Macquarie Park Sydney was acquired on 12 February 2020

2. Pertains to the properties under management contracts only

# China

Long stays offer resilience amid localised outbreaks



**Localised lockdowns imposed on areas experiencing a resurgence**



**International borders remain closed except for green lane arrangements**



**Domestic travel to areas experiencing a resurgence discouraged**

**8%** of total assets: **6** Management Contracts

- **Revenue and gross profit fell y-o-y;** gross profit decline partially mitigated by wage subsidies, property tax rebates and a decrease in other expenses
- **RevPAU decreased 27% y-o-y to RMB 326 in 2H 2020 but increased from 3Q to 4Q**
- **Above-market portfolio occupancy of 60% in 2H 2020** supported by long stays and driven by recovery in domestic demand
- **First-tier cities registered a stronger performance** than the second-tier cities
- **Corporate, industrial and MICE activities have resumed** and enquiries for long stays continue to be healthy
- **Sporadic outbreaks and stricter controls** in China have curtailed demand from project groups and expatriates; **recovery momentum expected to continue** once the spread is contained
- **Divestment** of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan **has been terminated;** ART to retain c.RMB 47.5 mil (c.S\$9.5 mil) of deposits as termination compensation
- **Divestment of Ascott Guangzhou completed in December 2020;** net proceeds of S\$127 mil received

# France

## Extension of master lease agreements amid challenging operating environment



**Lockdowns in April and November 2020; no full lockdown currently but national curfew and other restrictions in place**



**International borders reopened to countries outside Schengen Zone but with COVID-19 tests and self-isolation requirements**



**Travel between regions generally allowed except during curfew**

**7%** of total assets: **17** Master Leases

- **Revenue and gross profit declined y-o-y** mainly due to rent abatement of EUR 5.0 mil in December 2020 and extension of 4 expired master leases<sup>1</sup> on variable rent terms in March 2020
- **Domestic leisure travel peaked in summer**, particularly in regional France, but fizzled out in 4Q 2020 due to a **resurgence of the virus**
- **Fewer hotel closures in France and booking cancellations** during the second lockdown in 4Q 2020 compared to the first
- **Extended-stay bookings** from **student and arts and cultural groups** in 2H 2020 are expected to continue through 1Q 2021, supporting occupancies
- **Situation remains fragile** as COVID-19 caseloads continue to be high; **5 ART properties temporarily closed<sup>2</sup>** to consolidate resources
- **Master lease amendment agreements** entered into to revise the rent structure and/or extend the term of the master lease agreements expiring in 2020 and 2021 by 2 to 3 years
- **Divestment of Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble** target to complete by 1Q 2021

Notes: Updates on travel and movement restrictions above as at 17 January 2021

1. The 4 properties are Citadines Castellane Marseille, Citadines Austerlitz Paris, Citadines République Paris and Citadines Maine Montparnasse Paris

2. The 5 properties are Citadines Les Halles Paris, Citadines République Paris, Citadines Maine Montparnasse Paris, La Clef Louvre Paris and Citadines Croisette Cannes



# Japan

Domestic travel demand curtailed by restrictions



**State of emergency declared in major prefectures from January to February 2021**



**Business travel and entry of non-resident foreign nationals halted**



**Non-essential outings discouraged**

**21%** of total assets: **5** Master Leases; **3** serviced residences under Management Contracts (MC) and **11** rental housing properties under MC

- Fixed rent from **master leases** and resilient contribution from **rental housing properties** (high occupancies of >90%) mitigated weak performance of other properties under MC
- **Revenue and gross profit decreased y-o-y** due to the absence of transient travellers and temporary closure of 2 properties in Osaka<sup>1</sup>; **2H 2020 RevPAU decreased 85% to JPY 1,793<sup>2</sup>**
- **Some uplift from domestic travel 'Go To' campaign before it was suspended** as regional travel boom led to a surge in COVID-19 cases
- Subject to finalisation:
  - WBF Honmachi will continue to operate under master lease
  - WBF Hotel Kitasemba East and WBF Hotel Kitasemba West will operate under management contracts with revised rent structure but shall remain closed for now due to poor market conditions
- **Divestment of Somerset Azabu East Tokyo successfully completed** in December 2020, at JPY 5.9 bil (c.\$76 mil), 63% above book value
- **Outlook expected to remain challenging** as **state of emergency** has been declared in major prefectures due to rising infections

Notes: Updates on travel and movement restrictions above as at 17 January 2021

1. The 2 closed properties are WBF Hotel Kitasemba East and WBF Hotel Kitasemba West

2. Pertains to the properties under management contracts only

# Singapore

## Occupancies supported by government-contracted business



Currently in Phase 3 of reopening



International borders remain closed except for green lane arrangements



Hotels approved by Singapore Tourism Board can accept staycation bookings

**16%** of total assets: **2** Master Leases; **1** Management Contract<sup>1</sup>

- **Revenue from management contracts decreased 82%** mainly due to the sale of partial GFA of Somerset Liang Court Singapore (SLC) on 15 July 2020; on a same-store basis, revenue declined 46%
- **Maiden contributions from Park Hotel Clarke Quay (PHCQ)**<sup>2</sup> partially mitigated the loss of income from SLC
- **2H 2020 RevPAU decreased 68% to S\$70** mainly due to lower room rates as ART's properties were block booked by the government
- Citadines Mount Sophia Singapore expected to remain **block booked by the government in 1Q 2021**
- PHCQ **ceased being a government quarantine facility** in December 2020 and has been taking staycation bookings since
- Ascott Orchard Singapore received **healthy demand for staycations** during the year-end holiday season
- **Rental waiver provided to master lessees** in compliance with Singapore's Rental Relief Framework
- **COVID-19 situation under control** as Singapore enters Phase 3 of reopening and begins vaccinations
- **Demolition works for Somerset Liang Court Singapore** are underway; construction expected to commence in 3Q 2021

Notes: Updates on travel and movement restrictions above as at 17 January 2021

1. Excludes SLC which was divested in July 2020 and currently under development

2. PHCQ was acquired on 31 December 2019

# United Kingdom

Outlook uncertain on lockdown measures



**Third national lockdown with effect from 4 January 2021 until at least mid-February 2021**



**International borders open to countries under airbridge arrangements**



**People cannot leave their homes except for essential needs**

**7%** of total assets: **3** Management Contracts (MC)<sup>1</sup>;  
**1** Management Contract with Minimum Guaranteed Income (MCMGI)

- **Revenue and gross profit decreased y-o-y** due to lower occupancies during the lockdown
  - **Income top-up mitigated** the lower revenue at Citadines South Kensington, under MCMGI arrangement
  - Decline in gross profit was partially mitigated by wage subsidies, lower property tax and other expenses
- **2H 2020 RevPAU decreased 84% to GBP 23**
- **Long stay bookings by student groups and residential leases** in 2H 2020 expected to continue cushioning occupancies in 1Q 2021
- **Occupancies increased in 4Q 2020** as domestic travel picked up gradually but expected to be **under pressure in 1Q 2021** as United Kingdom undergoes a third national lockdown
- **Travel to and within the UK expected to remain limited** in the near term with the spread of the new COVID-19 strain; several countries have banned travel to the UK

Notes: Updates on travel and movement restrictions above as at 17 January 2021

1. From 1 May 2020, 3 MCMGI, upon their expiry, were converted to management contracts for 1 year

# United States

Supported by block bookings from alternative business segments



11% of total assets: 3 Management Contracts

- **Revenue decreased y-o-y** due to a decline in transient leisure stays and **temporary closure of Element New York Times Square West** from late August to early December 2020
- **2H 2020 RevPAU decreased 79% to USD 49**
- **Block bookings partially mitigated absence of transient demand**
  - Hotel Central Times Square (formerly known as DoubleTree by Hilton Hotel New York - Times Square South) from June 2020
  - Sheraton Tribeca New York from December 2020
- **Challenging market conditions expected to persist** as COVID-19 caseloads remain elevated; block booking at Sheraton Tribeca New York to support occupancies in 1Q 2021
- Lodging demand expected to remain **driven by leisure segment** as major companies in New York City have not returned to the office and office re-openings have been pushed back
- **Rebranding and renovation of Hotel Central Times Square** expected to commence in 2Q 2021 and rebranded property to be launched in 3Q 2021; hotel to remain operational during the renovation



**Most states have reopened but some have reintroduced curfews and restrictions as caseloads increase**



**Entry closed to travellers from certain countries**



**Domestic travel generally permitted but travellers from certain states subject to quarantine**

# Vietnam

## Stability from corporate long stays



**COVID-19 situation under control except for localised lockdown imposed in Danang from July to September 2020**



**International borders generally remain closed except to selected officials and skilled workers**



**Domestic travel permitted**

**3%** of total assets: **4** Management Contracts

- **Revenue and gross profit declined y-o-y** due to divestment of Somerset West Lake Hanoi in October 2019 and weak corporate demand due to COVID-19
- **2H 2020 RevPAU decreased 56% to VND 733,000**
- **Travel sentiment in 2H 2020 was dampened** following a second wave of outbreak in Danang
- **Occupancies remained resilient, supported by corporate long stays**
- Other opportunities pursued included working with authorities and embassies to serve **diplomats** on self-isolation or long stays, as well **as experts and expatriates in search of long-stay accommodation**
- **COVID-19 situation generally under control; fewer self-isolation bookings expected** with the suspension of international commercial flights and stricter quarantine requirements for travellers upon arrival
- **ART's properties remain operational** despite many hotels being closed; **long stays** continue to provide a healthy occupancy base