



Ascott Residence Trust

CapitaLand Group Corporate Day, Bangkok

14 August 2019

Important Notice

The value of units in Ascott Residence Trust (“Ascott REIT”) (the “Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott REIT (the “Manager”) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott REIT is not necessarily indicative of its future performance.

This presentation 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, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, 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. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Unitholders of Ascott REIT (the “Unitholders”) have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Content

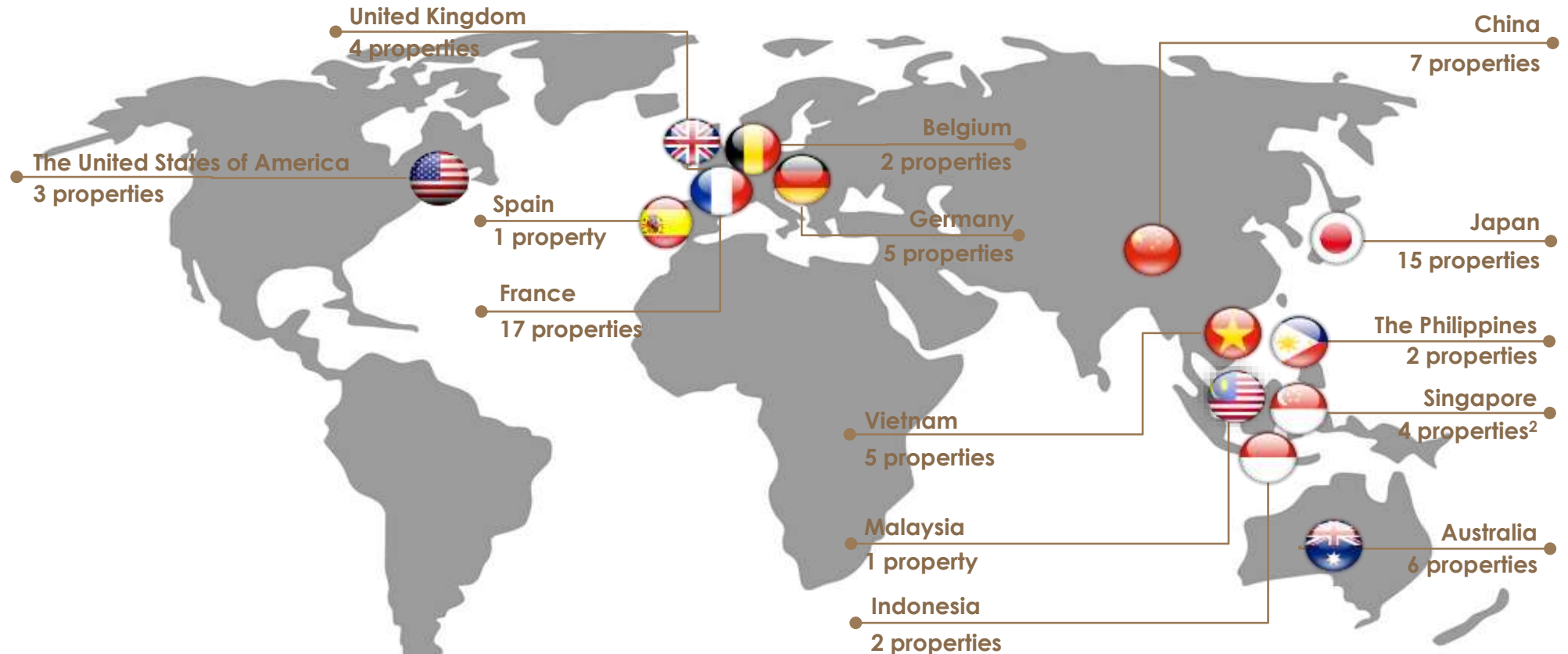
- Overview of Ascott Residence Trust
- Value Creation Strategies
- Key Highlights of 2Q 2019
- Key Country Updates
- Looking Ahead
- Appendix
 - Proposed Combination with Ascendas Hospitality Trust *(as announced on 3 July 2019)*

Overview of Ascott Residence Trust



Ascott Reit – A Leading Global Hospitality REIT

Well-diversified portfolio of quality hospitality assets located in major gateway cities




Notes:

Figures above as at 30 June 2019 (unless otherwise indicated)

1. Based on closing share price of S\$1.31 as at 5 August 2019

2. Including 1 of one-north Singapore (currently under development)

Ascott Reit's Well-Diversified and Resilient Portfolio




Geographical diversification

~ 60% : 40%

Asia Pacific *Europe/US*

Diversified income streams



~40% : 60%

Stable Income *Growth Income*

Range of product offering include



serviced residences, rental housing and coliving properties

Properties catering to long- and short-stay, business and leisure guests



Valuable portfolio of properties with >50% freehold











Award-winning properties operating under established brands

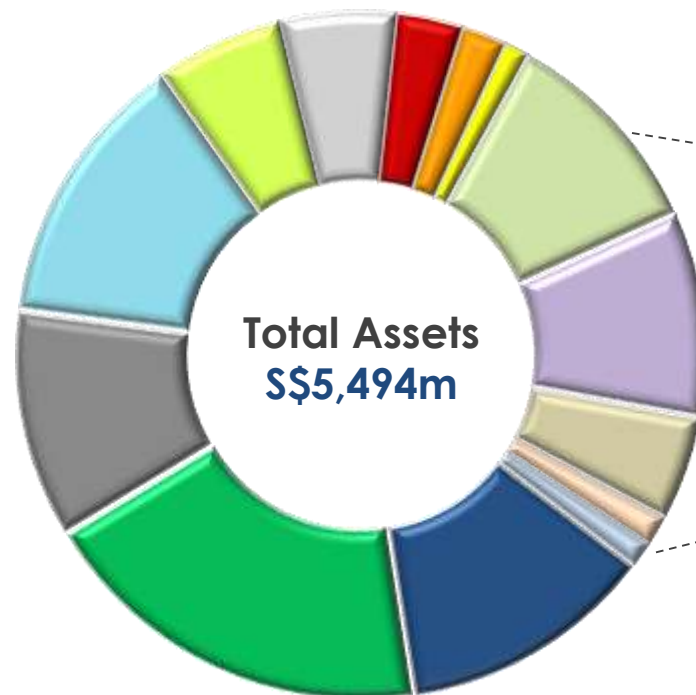


Geographically Diversified Portfolio

57% Asia Pacific

Asia Pacific	56.8%
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 Singapore	15.8%
 Japan	13.0%
 China	10.0%
 Australia	6.4%
 Vietnam	5.4%
 Philippines	3.2%
 Indonesia	2.0%
 Malaysia	1.0%




43% Europe/Americas

Europe	26.5%
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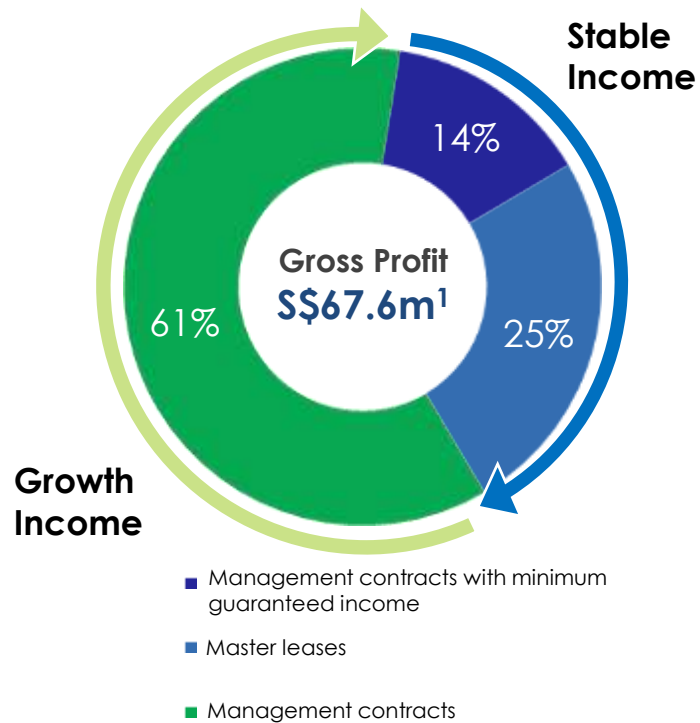
 France	9.7%
 UK	9.5%
 Germany	4.7%
 Spain	1.3%
 Belgium	1.3%

The Americas	16.7%
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 USA	16.7%
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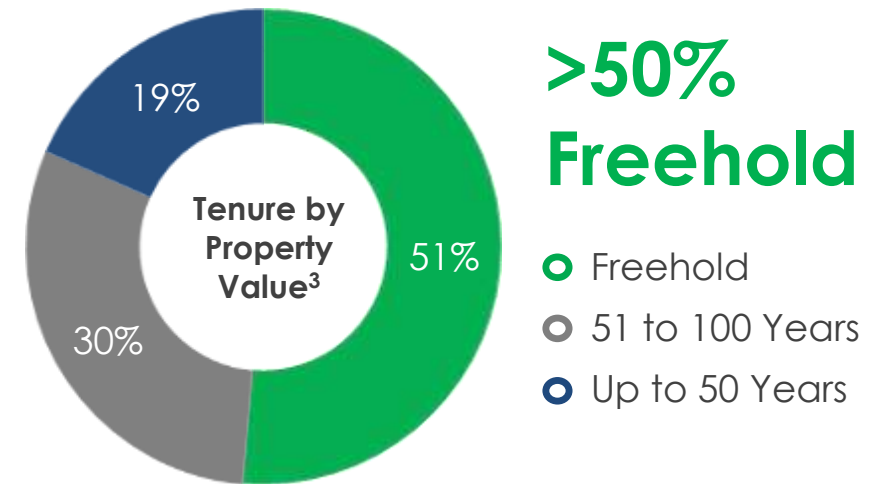
Resilient Portfolio

Mix of stable and growth income sources targeting both long and short-stay segments...



- Approx. 40% of gross profit generated from stable income contracts²
- Decline due to re-constitution of portfolio: divestment of Ascott Raffles Place in Singapore (Master Lease) and acquisition of Citadines Connect Sydney Airport (Management Contract)
- Weighted average tenure of stable income contracts of approx. 5 years

...with a valuable property portfolio ...



...which generated net surplus on revaluation of **S\$5.6 million¹**

Notes:

1. For the period 2Q 2019

2. Refers to master leases and management contracts with minimum guaranteed income

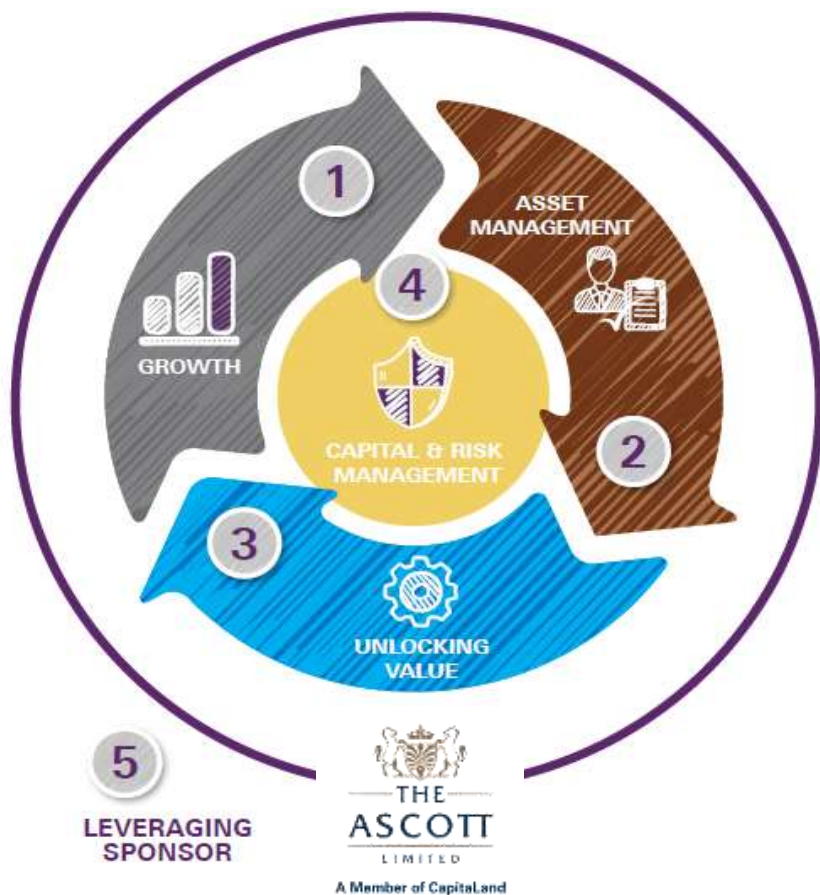
3. Proportion based on valuation as at 30 June 2019

Value Creation Strategies



Value Creation

Five pronged approach to deliver value



1. Growth

- Total assets **grew sevenfold** since IPO to S\$5.5b
- **Maiden development** project for **first coliving** property

2. Asset Management

- **RevPAU optimisation** & yield management
- **Asset Enhancement Initiatives**
- **Portfolio diversification**: geographical spread; product offering; contract types; etc

3. Unlocking Value

- Generated **S\$0.4b net divestment gains** and reinvested into higher-yielding assets

4. Capital & Risk Management

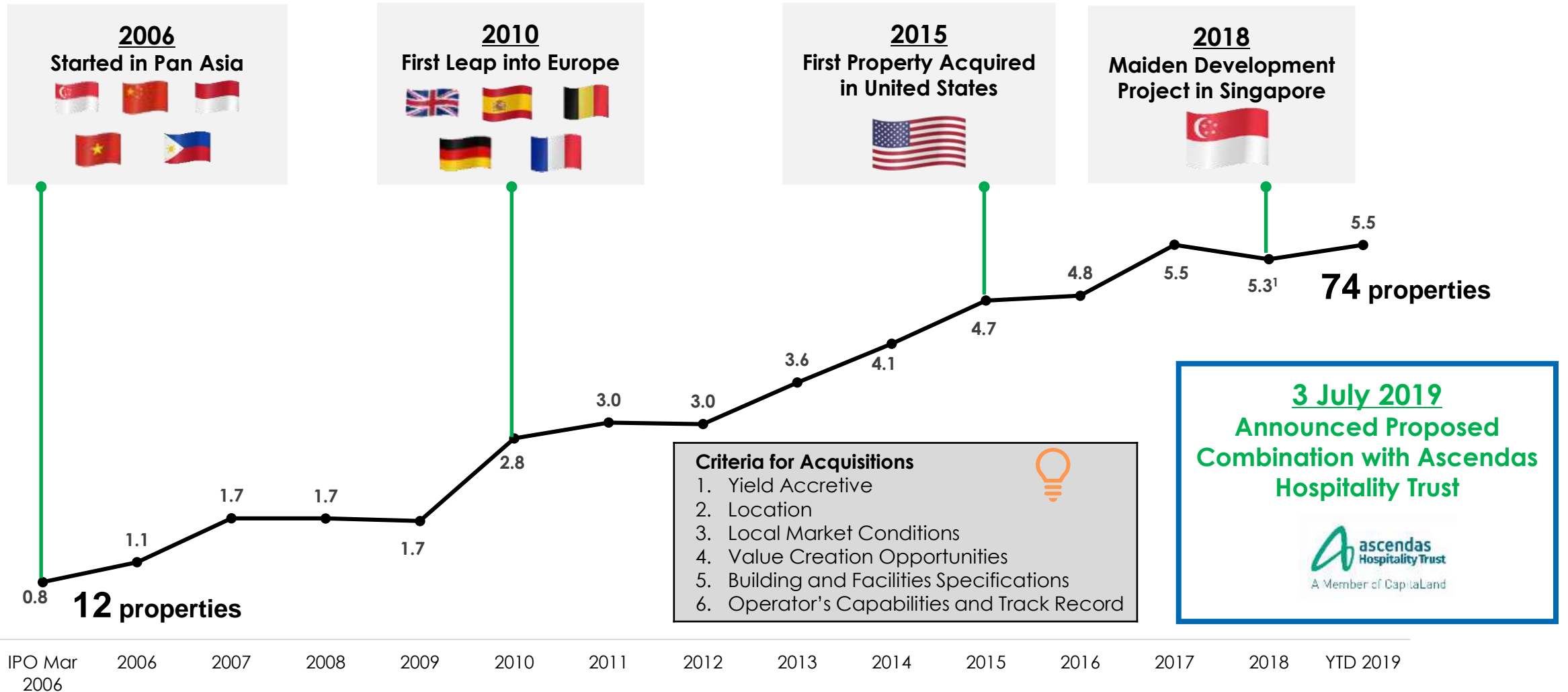
- **“BBB”** (stable outlook) **rating** by Fitch Ratings

5. Leveraging Sponsor

- Strong **brand recognition** and **global footprint**
- **RoFR** and **pipeline** assets
- **Alignment** of Unitholder interests with ~45% stake

1 Key Milestone Acquisitions since IPO

Total assets since listing (\$b)



Notes:

1. The decrease in total assets was due to the utilisation of the proceeds from the divestment of Citadines Bijun Shanghai and Citadines Gaoxin Xi'an on 5 January 2018 to repay bank loans

1

Embarked on Maiden Development Project to Build New Coliving Product

lyf one-north Singapore, located in a prime developing district with limited lodging supply

Coliving a rising trend in today's sharing economy amongst the **rising millennial-minded business traveller market**

lyf one-north Singapore incorporates 324 efficiently designed studio and loft units¹ and social spaces



Artist's impression



Artist's impression – Communal kitchen

one-north : home to **400 companies, 800 startups and 50,000 professionals²**

Attracting **over S\$7b worth of investments²** and to be developed into a cluster of world class facilities and business parks

Notes:

1. Subject to change
2. Source: JTC (2018)

1

Development Progress of *lyf one-north Singapore*



- Groundbreaking ceremony was held on 3 June 2019
- Site hoarding completed, main contract awarded and permit to commence work obtained
- Piling works in progress, property on schedule to open in 2021



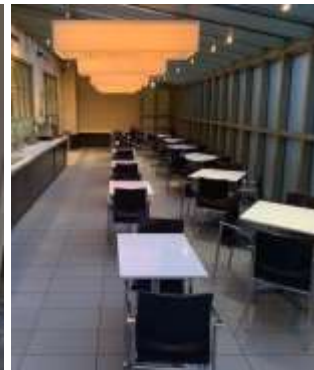
Enjoy ADR uplift upon completion of Asset Enhancement Initiatives



**Element New
York Times
Square West**
The United States
of America



Before



After



**Somerset
Grand Citra
Jakarta**
Indonesia



Criteria for Asset Enhancement Initiatives

1. Age of the Property
2. Market Outlook
3. Yield Accretion

3 Unlocking Value



Generated ...
Total Net Divestment Gains
\$\$0.4 billion

Total Divestment Proceeds
\$\$1.6 billion



Criteria for Divestment

1. Property Life Cycle
2. Market Conditions
3. Requirement for additional capital outlay

4 Capital & Risk Management



Strong Balance Sheet

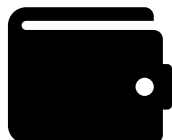
Comfortable target gearing of approximately 40%



Effective Capital Management

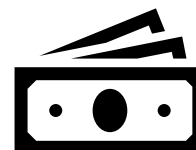
Diversified funding sources & proactive interest rate management

'BBB' long-term rating by Fitch Ratings with stable outlook and low effective borrowing cost



Balance Sheet Hedging

Natural hedging and swaps through foreign borrowings to match capital value of assets on a portfolio basis



Income Hedging

Hedging foreign currencies through forward contracts to protect distribution

Considerations for Hedging



1. Natural Hedge Proportion
2. Portfolio Diversification
3. Cost of Hedging
4. Need for Certainty

Stronger Balance Sheet and Active Risk Management

Lower gearing and higher interest cover compared to previous quarter

Gearing remained low at

32.8%¹

(debt headroom² of ~\$S1.1b)
(vs 35.7%)

Interest cover³

5.2X

(vs 4.5X)

~48%

Total Assets in Foreign
Currency Hedged

Low effective borrowing cost³ of

2.1% per annum

(vs 2.1% p.a.)

~88%

Total debt on fixed rates
(vs ~80%)

-0.2%

Impact of foreign exchange after
hedges on gross profit for 1H2019

3.9 years

Weighted average
debt to maturity
(vs 3.6 years)

'BBB' (stable outlook)
Long-term rating by Fitch

NAV Per Unit
\$S1.27⁴
(vs \$S1.25)

Notes:

Figures above as at/for the period ending 30 June 2019, with 31 March 2019 comparable in brackets

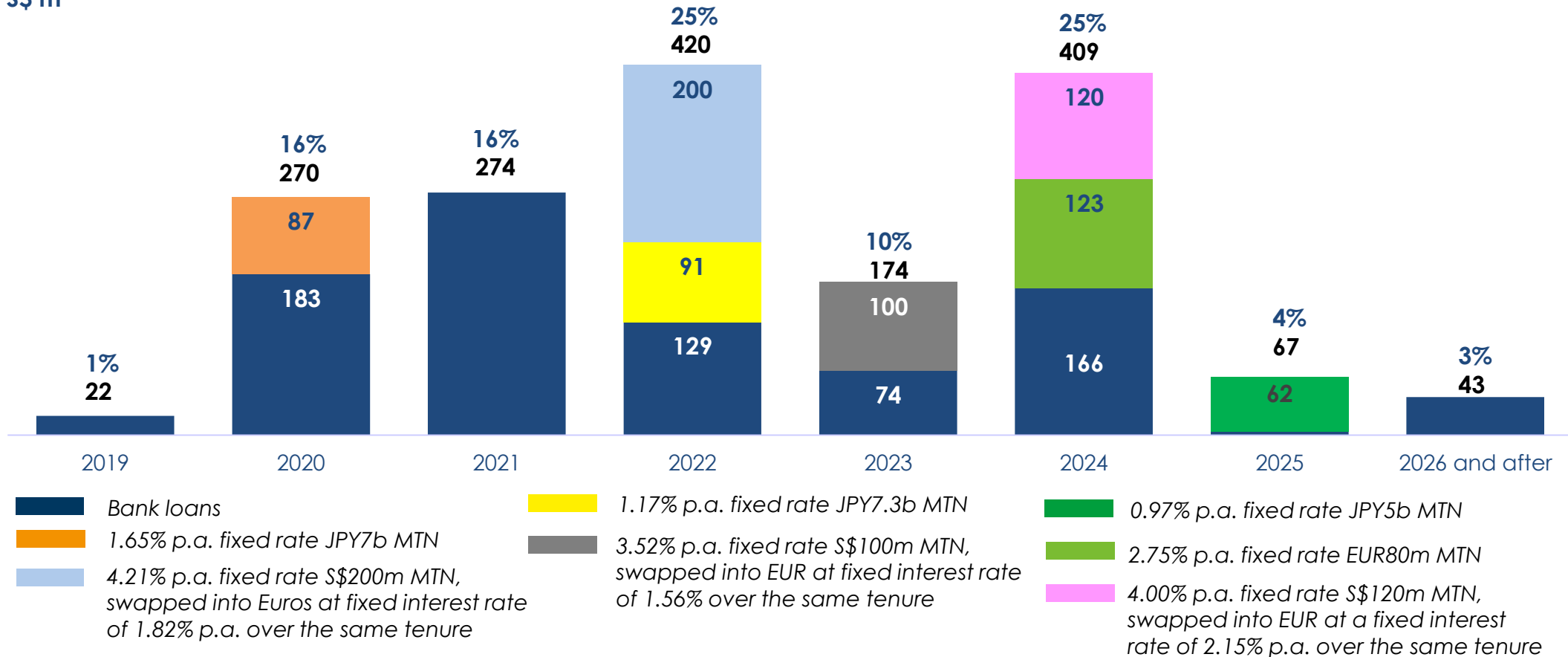
1. Computation of gearing excludes lease liabilities recognised by virtue of FRS 116 as these operating leases were entered into in the ordinary course of business and were in effect before 1 January 2019
2. Refers to the amount of additional debt before reaching aggregate leverage limit of 45% set by MAS
3. Excluding the effect of FRS 116 Leases which was effective 1 January 2019
4. Adjusted NAV per unit, excluding the distributable income to Unitholders, is \$S1.23

Diversified Funding Sources Well Spread-out Debt Maturity

Debt due in 2019 has been refinanced in July 2019
Well-diversified funding sources of 53% Bank Loans : 47% MTN

Debt Maturity Profile

S\$m



5 Strong Sponsor – The Ascott Limited

One of the leading international lodging owner-operators



>110,000
Serviced residence
& hotel units

Includes units under development

>700
Properties



>170
Cities

>30
Countries

>30 year track record

Award-winning brands with worldwide recognition

Strong alignment of interests – CapitaLand owns ~45% of Ascott Residence Trust



Notes: Figures updated as at 19 July 2019 and includes A-HTRUST.

5 Working with Sponsor



engages service of

to manage the property and provide hospitality services to

Awards and Accolades

Highly coveted accolades awarded in past 2 years

World Travel Awards 2019

Accorded seven accolades, including Europe's Leading Serviced Apartment Brand for the fourth year running

Belgium's Leading Serviced Apartments 2019: **Citadines Sainte-Catherine Brussels**

Europe's Leading Serviced Apartment Brand 2019: **Citadines Apart'hotel**

Germany's Leading Serviced Apartment Brand 2019: **Citadines Apart'hotel**

Germany's Leading Serviced Apartments 2019: **Citadines Arnulfpark Munich**

Spain's Leading Serviced Apartments 2019: **Citadines Ramblas Barcelona**



TripAdvisor Awards 2019

59 properties¹ conferred the Certificate of Excellence Award 2019



Business Traveller Asia-Pacific Awards 2018

Best Serviced Residence Brand in Asia Pacific for the 15th consecutive year



Asia Pacific
Best of the Breeds
REITs AWARDS™

Asia Pacific Best of the Breeds REITs Awards™ 2018
Best Hospitality REIT (Platinum award)

SINGAPORE GOVERNANCE AND
TRANSPARENCY INDEX (SGTI)

Singapore Governance and Transparency Index 2018

Ranked 3rd out of 43 Trusts

Key Highlights of 2Q 2019



Key Takeaways – 2Q 2019



- **Higher RevPAU / operating performance** from United Kingdom, Belgium, Spain, China, Japan, Vietnam and Singapore
- **18% increase in RevPAU in the Philippines²** due to completion of refurbishment at Ascott Makati
- Excluding FRS 116 adjustments, gross profit decreased 1% mainly due to the divestment of Ascott Raffles Place Singapore. **On a same-store basis³, gross profit was higher**

Completion of ...

1



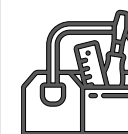
Divestment of Ascott Raffles Place Singapore; received S\$300.3m of balance proceeds

2



Acquisition of Citadines Connect Sydney Airport

3



AEI⁴ of Element New York Times Square West & Somerset Grand Citra Jakarta

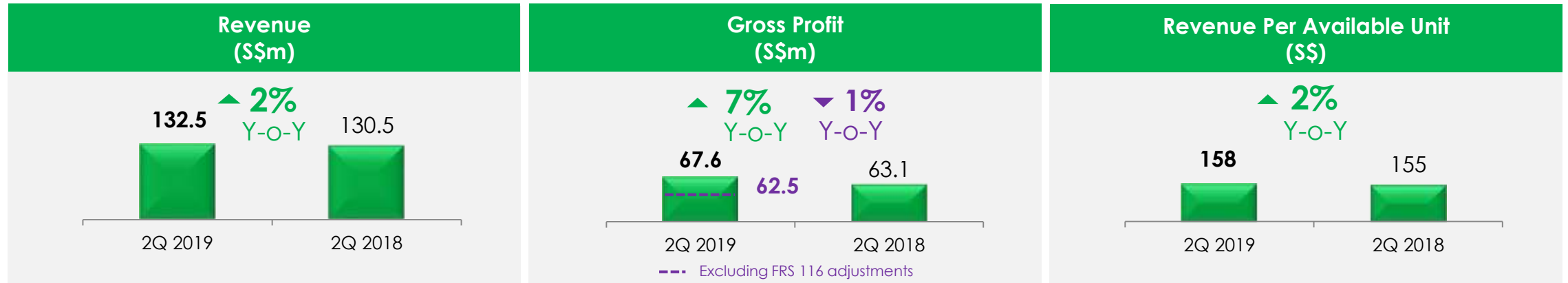
Notes:

1. Includes FRS 116 adjustments and contribution from (i) Ascott Raffles Place Singapore before it was divested in May 2019 and (ii) acquisition of Citadines Connect Sydney Airport which was completed in May 2019.
2. In local currency terms
3. Excluding FRS 116 adjustments, contribution from Ascott Raffles Place Singapore and Citadines Connect Sydney Airport
4. Refers to Asset Enhancement Initiative

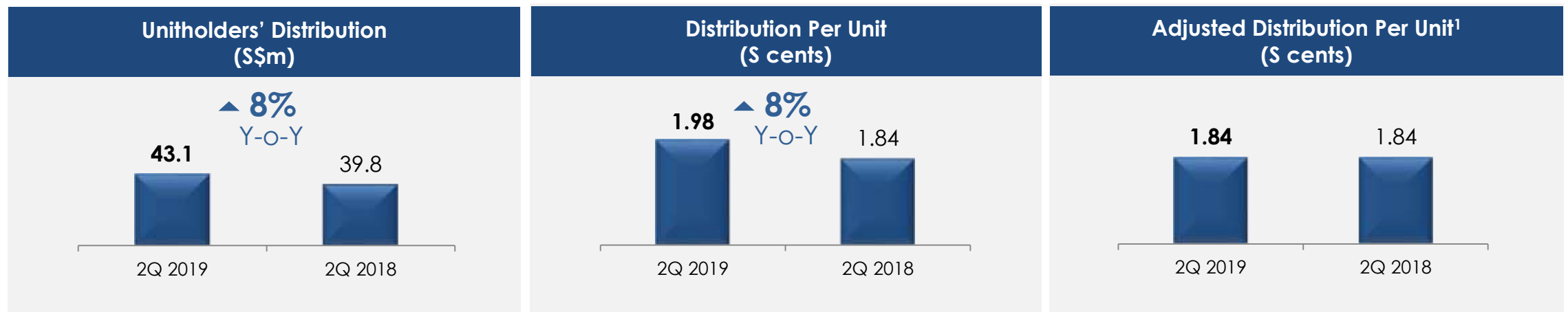
Financial Highlights

(2Q 2019 vs 2Q 2018)

Stronger operating performance from properties in key markets



Increase in Unitholders' distribution due to stronger portfolio performance, lower finance costs and one-off realised exchange gain



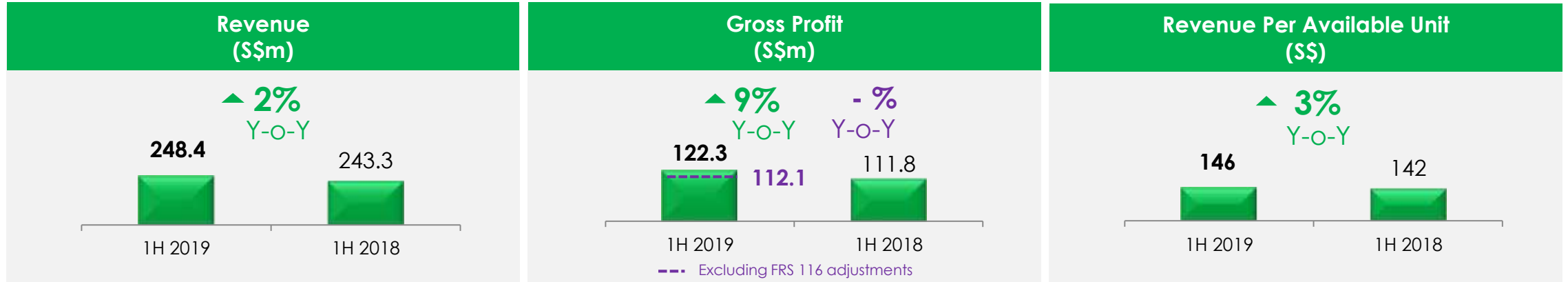
Notes:

1. Excludes one-off realised exchange gains arising from the repayment of foreign currency bank loans

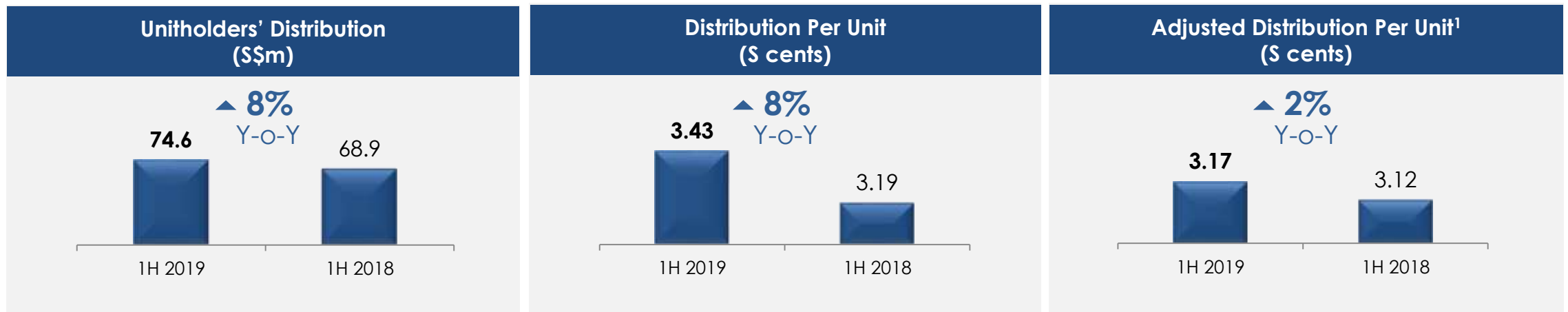
Financial Highlights

(1H 2019 vs 1H 2018)

Stronger operating performance from properties in key markets



Increase in Unitholders' distribution due to stronger portfolio performance, lower finance costs and one-off realised exchange gain



Notes:

1. Excludes one-off realised exchange gains arising from the repayment of foreign currency bank loans

Revenue and Gross Profit by Contract Type

(2Q 2019 vs 2Q 2018)

Higher contribution from MCMGIs and Management Contracts

		Revenue (S\$'mil)			Gross Profit (S\$'mil)			RevPAU (S\$)		
		2Q 2019	2Q 2018	% Change	2Q 2019	2Q 2018	% Change	2Q 2019	2Q 2018	% Change
Stable Income	Master Leases ¹	18.5	20.2	(8)	16.6	18.7	(11)	n.a.	n.a.	n.a.
	MCMGI ²	21.7	20.0	9	9.8	8.8	11	209	192	9
Growth Income	Management Contracts ³	92.3	90.3	2	41.2	35.6	16	149	149	-
	Total 73 Properties ⁴	132.5	130.5	2	67.6	63.1	7	158	155	2

- **Master Leases:** Lower revenue and gross profit due to divestment of Ascott Raffles Place Singapore in May 2019, and lower rent upon renewal of certain master leases in France, mitigated by higher contribution from Germany and Singapore
- **MCMGI:** Higher revenue and gross profit across Belgium, Spain and UK mainly due to stronger corporate and leisure demand
- **Management Contracts:** Higher gross profit mainly due to properties in Philippines and Vietnam. Revenue from Philippines was higher due to the refurbished apartments at Ascott Makati, while revenue from Vietnam was higher mainly due to stronger market demand

Notes:

1. Excludes contribution from Infini Garden in 2Q 2018, which was reclassified from Master Lease to Management Contracts after the master lease arrangement expired on 30 June 2018, and includes contribution from Ascott Raffles Place Singapore before it was divested in May 2019.
2. MCMGI refers to Management Contracts with Minimum Guaranteed Income.
3. Includes (i) contribution from Infini Garden in 2Q 2018, which was reclassified from Master Lease to Management Contracts after the master lease arrangement expired on 30 June 2018, (ii) contribution from Citadines Connect Sydney Airport, which was acquired in May 2019 and (iii) FRS 116 adjustments.
4. Relates to operating properties only and excludes lyf one-north Singapore (under development).

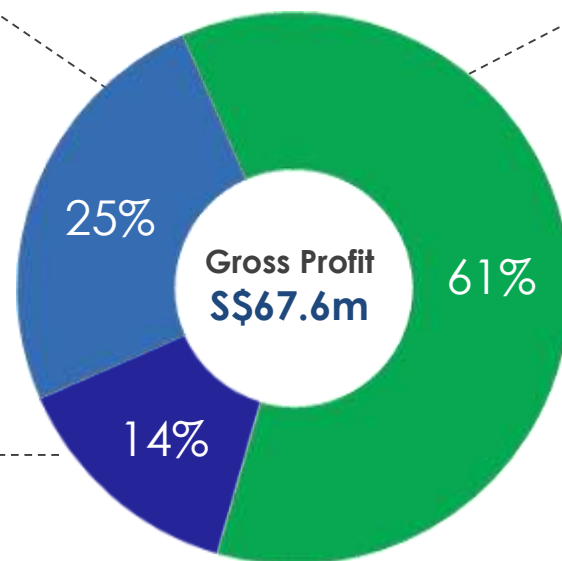
Balanced Portfolio of Stable and Growth Income

No Concentration in Any Single Market

39% Stable

<u>Master Leases</u> Fixed rental ¹ received 27 properties mainly in Europe	
France	11%
Singapore	6%
Germany	5%
Australia	3%

<u>MCMGI²</u> Enjoy minimum guaranteed income 7 properties in Europe	
United Kingdom	10%
Belgium	2%
Spain	2%



61% Growth

<u>Management Contracts</u> Variable amount (no fixed or guaranteed rental) 39 properties mainly in Asia Pacific	
United States	20%
Japan	12%
China	9%
Vietnam	8%
Singapore	4%
Australia	3%
Philippines	3%
Indonesia	2%
Malaysia	<1%

8 Key Markets: **Australia (6%), China (9%), France (11%), Japan (12%), Singapore (10%), United Kingdom (10%), United States (20%) and Vietnam (8%)** contribute ~86% of Total Gross Profit

Notes: Above based on 2Q 2019 Gross Profit, excluding 1 of one-north Singapore which is under development

1. Rental received under master leases is generally fixed. However, some contracts provide for annual rental revisions pegged to indices and some contracts include a variable rental above fixed rental if certain conditions are met

2. Management Contracts with Minimum Guaranteed Income

Majority of Key Markets Posted Higher Gross Profit or RevPAU

		Gross Profit (LC'mil)			RevPAU (LC)			Key Reason for Change
		2Q 2019	2Q 2018	% Change	2Q 2019	2Q 2018	% Change	
Stable Income	Australia (AUD)	1.8	1.7	6	n.a.	n.a.	n.a.	• Lower operation and maintenance expense
	France (EUR)	4.9	5.6	(13)	n.a.	n.a.	n.a.	• Lower rent upon renewal of master lease and absence of one-off adjustments
	Singapore (SGD) ¹	3.8	4.6	(17)	n.a.	n.a.	n.a.	• Divestment of Ascott Raffles Place Singapore
	United Kingdom (GBP)	3.8	3.4	12	144	130	11	• Higher corporate and leisure demand
Growth Income	Australia (AUD) ²	2.3	2.5	(8)	120	134	(10)	• Lower RevPAU due to the acquisition of Citadines Connect Sydney Airport, which has a lower ADR, and weaker demand in Melbourne • On a same-store basis, RevPAU change was -4%
	China (RMB)	29.1	25.8	13	455	473	(4)	• Lower costs mitigated fall in revenue due to softer corporate demand in the second-tier cities • FRS 116 adjustments
	Japan (JPY) ³	661.3	663.6	-	13,238	12,203	8	• Stronger leisure demand offset by higher costs
	Singapore (SGD)	2.5	2.5	-	194	190	2	• Higher market demand offset by higher marketing expense
	United States (USD)	10.1	6.9	46	240	243	(1)	• FRS 116 adjustments
	Vietnam (VND) ⁴	93.2	86.8	7	1,583	1,528	4	• Stronger market demand and lower operating costs

Notes: All figures above are stated in local currency

1. Includes contribution from Ascott Raffles Place Singapore, before it was divested in May 2019.

2. Includes contribution from Citadines Connect Sydney Airport, which was acquired in May 2019.

3. Includes contribution from Infini Garden in 2Q 2018, which was reclassified from Master Lease to Management Contracts after the master lease arrangement expired on 30 June 2018. RevPAU for Japan refers to serviced residences and excludes rental housing.

4. Gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands.

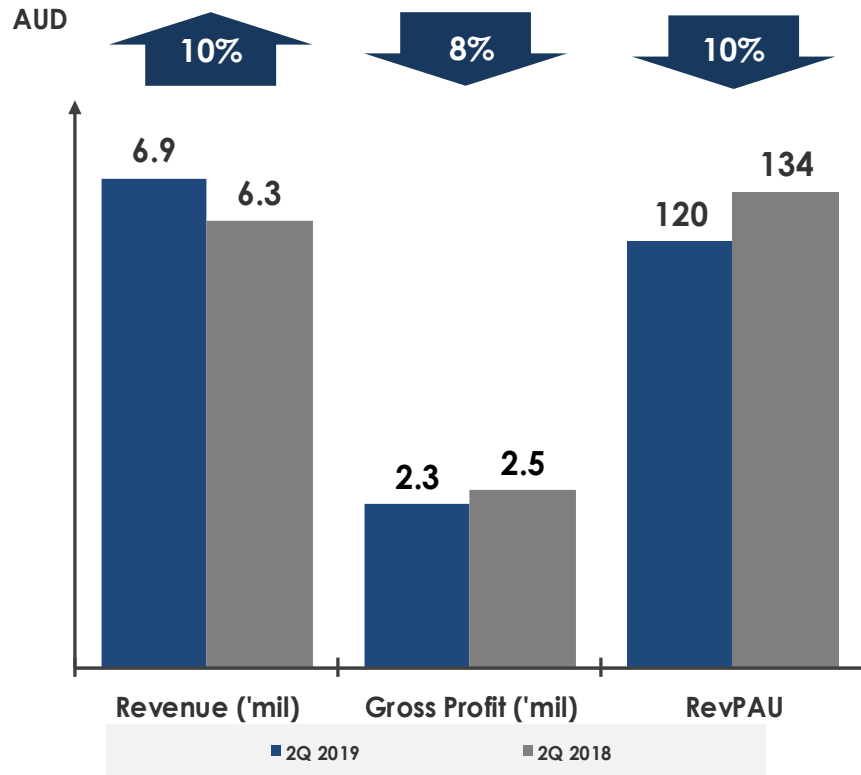
Key Country Updates



Australia

Contributed 6% to Gross Profit¹

Additional revenue from Citadines Connect Sydney Airport offset by softer leisure and corporate demand in Melbourne



relates to properties under Management Contracts only

Notes:

1. 3 properties under Master Lease contracts contributed to 3% of gross profit, and 3 properties under Management Contracts contributed to 3% of gross profit in 2Q 2019
2. Source: International Monetary Fund (2019)
3. Source: CBRE (2019)
4. Source: JLL (2019)
5. Source: Deloitte (2019)

Master Lease



3 Quest Properties

Management Contracts



Citadines Connect Sydney Airport



Citadines on Bourke Melbourne



Citadines Terrace Perth



A Member of CapitalLand

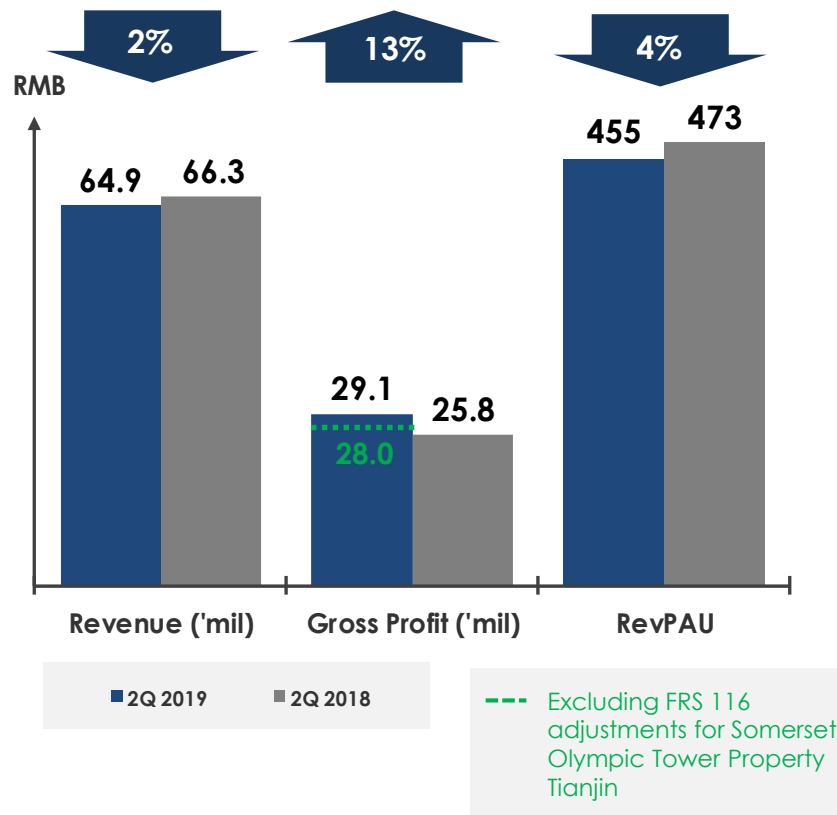
Performance Highlights and Market Outlook

- As a result of the acquisition of Citadines Connect Sydney Airport, revenue was higher but RevPAU was lower as the property has a lower ADR. On a same-store basis, revenue and gross profit were lower mainly due to softer leisure and corporate demand in Melbourne, and RevPAU change was -4%
- Since the completion of acquisition of Citadines Connect Sydney Airport in May 2019, efforts were focused on rebranding and building the property's corporate base and distribution network
- IMF forecasted GDP growth of 2.1% for 2019 and a decline in unemployment rate from 5.3% to 4.8% for 2019²
- Despite the addition of ~7,000 rooms to be completed over the next 4 years³, Melbourne is expected to ultimately absorb the supply and return to historic levels over the longer term, as the city is a major corporate and leisure market in Australia⁴
- The Australian dollar is forecast to remain low over the medium term, providing support to the growth of international and domestic travel⁵

China

Contributed 9% to Gross Profit

First-tier demand remained resilient;
Competition from new supply in
second-tier cities



Notes:

1. Source: International Monetary Fund (2019)
2. Savills Research, Hotels (2019)
3. South China Morning Post, Knight Frank (2019)

Management Contracts



Somerset
Xu Hui
Shanghai

Ascott
Guangzhou

Citadines
Xinghai
Suzhou

Somerset
Olympic Tower
Property
Tianjin

Somerset
Grand
Central
Dalian

Citadines
Zhuankou
Wuhan

Somerset
Heping
Shenyang



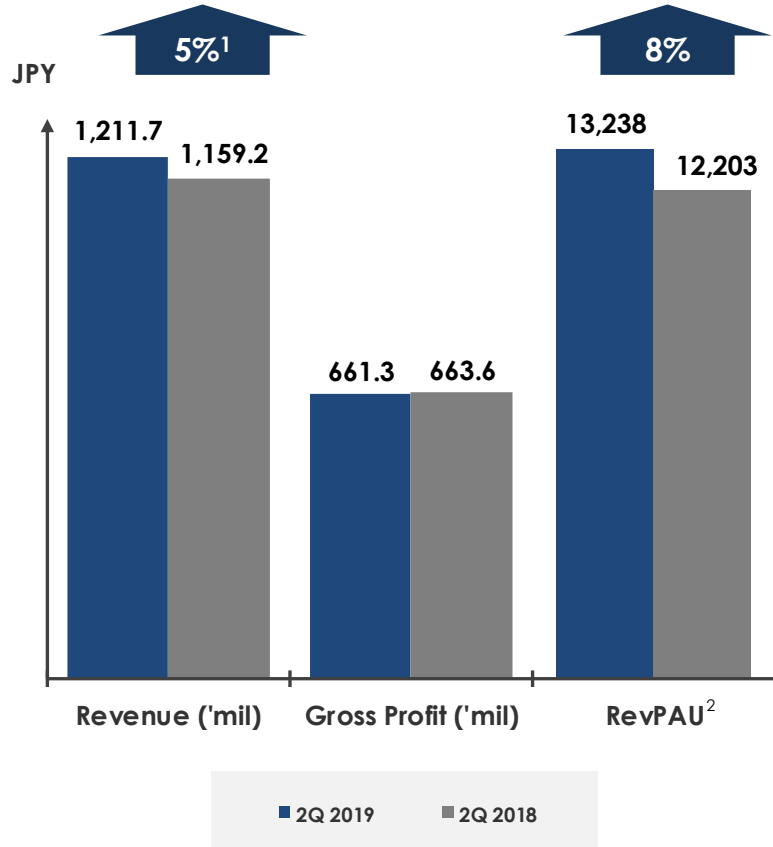
Performance Highlights and Market Outlook

- Revenue decreased slightly due to competition arising from an increase in new supply in the second-tier cities. Demand in first-tier cities remained resilient
- Despite lower revenue, gross profit increased 9% (excluding FRS 116 adjustments) due to lower staff costs, marketing expense and depreciation expense
- IMF revised its GDP forecast from 6.3% to 6.2% for 2019 and maintained its forecast for unemployment rate at 3.8%¹
- In the near term, economic uncertainty and ongoing trade tensions may affect business sentiment²
- Nonetheless, major initiatives such as the Belt and Road Initiative will bring demand for hotel accommodation. China's tourism industry continues to grow fast on the back of rising incomes and middle-class consumption³

Japan

Contributed 12% to Gross Profit

Stronger leisure demand



Notes:

- Including Infini Garden, which was reclassified from Master Lease to Management Contracts after the master lease arrangement expired on 30 June 2018
- RevPAU relates to serviced residences and excludes rental housing properties
- Source: International Monetary Fund (2019)
- Source: Colliers (2019)
- Source: JLL (2019)



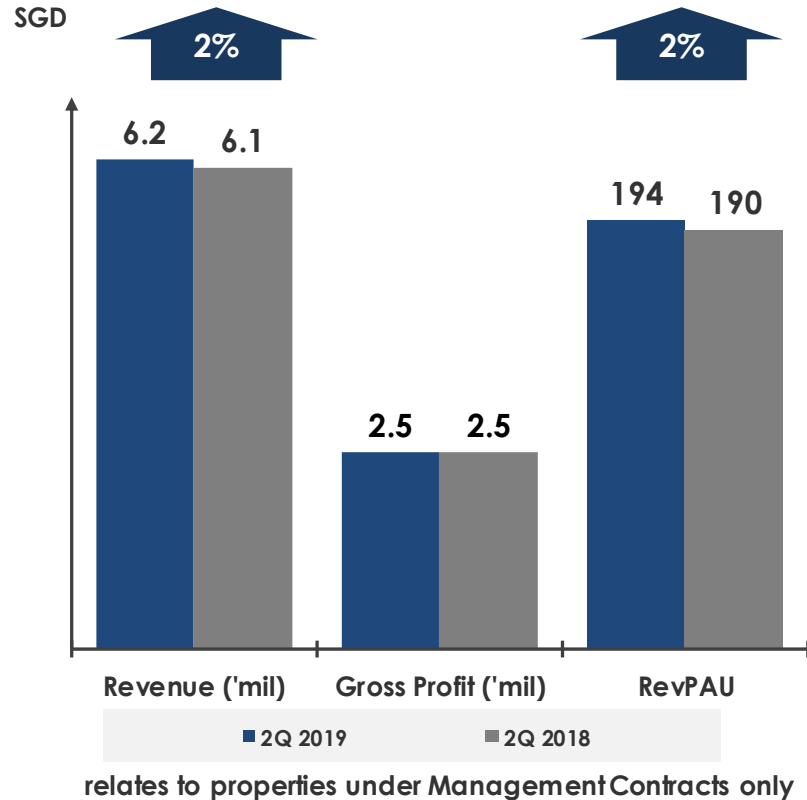
Performance Highlights and Market Outlook

- Revenue increased due to stronger demand for all serviced residences
- Gross profit remained relatively stable despite higher revenue, mainly due to higher marketing expense and operation & maintenance expense
- IMF forecasted GDP growth of 0.9% for 2019 and unemployment rate remain unchanged at 2.4% for 2019³
- Japan on track to achieve target of 40 million visitor arrivals by 2020, as it plays host to the 2019 Rugby World Cup and 2020 Tokyo Olympics. The longer term target is to welcome 60 million inbound tourists by 2030⁴. Hotels in Tokyo are expected to benefit from the increase in demand from higher visitor arrivals⁵

Singapore

Contributed 10% to Gross Profit¹

Higher market demand



Ascott Orchard Singapore



Somerset Liang Court Property Singapore

Citadines Mount Sophia Property Singapore



Performance Highlights and Market Outlook

- Revenue increased 2% due to higher market demand. Gross profit remained stable due to higher revenue, offset by higher marketing expense
- IMF cut its GDP growth forecast from 2.3% to 2.0% for 2019 and maintained its forecast for unemployment rate at 2.0%²
- For the first five months of 2019, international visitor arrivals are on track to meet the target growth of 1% to 4% for the full year³
- Supply is expected to be limited, increasing by 2.0% in 2019, with most of the new rooms located in the Sentosa region⁴
- In the shorter term, market RevPAU growth is expected to remain positive, although at a more moderate pace compared to 2018 due to the absence of one-off events in 2019⁴
- Singapore's hotel market performance will likely continue on its growth trajectory with rising visitor arrivals, new attractions such as Jewel Changi Airport, and tight supply in the next few years⁵

Notes:

- 2 properties under Master Leases (Ascott Raffles Place Singapore, which was divested in May 2019, and Ascott Orchard Singapore) contributed to 6% of gross profit, and 2 properties under Management Contracts contributed to 4% of gross profit in 2Q 2019
- Source: International Monetary Fund (2019)
- Source: Singapore Tourism Board – International Visitor Arrivals Statistics (2019)
- Source: JLL (2019)
- Source: HVS (2019)

United Kingdom

Contributed 10% to Gross Profit

Higher corporate and leisure demand

Management Contracts with Minimum Guaranteed Income



Citadines
Trafalgar Square
London



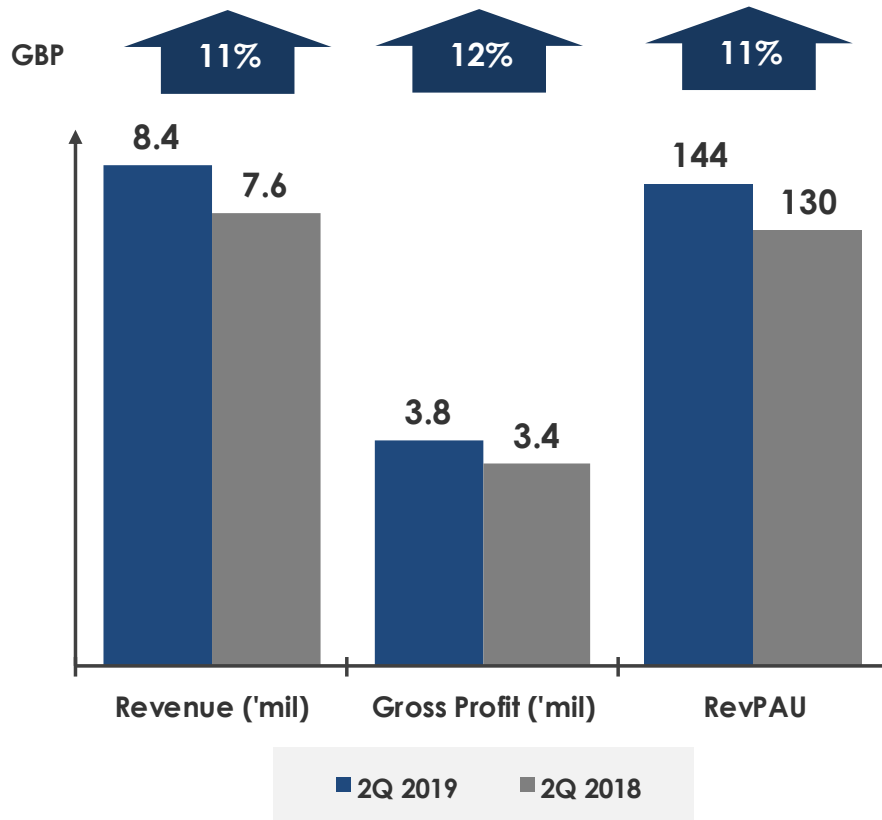
Citadines Holborn-
Covent Garden
London



Citadines
Barbican
London



Citadines South
Kensington
London



Performance Highlights and Market Outlook

- Gross profit increased 12% due to higher revenue driven by corporate and leisure demand, with uplift from events such as the RHS Chelsea Flower Show, Royal Ascot and ICC Cricket World Cup
- IMF forecasted GDP growth of 1.3% for 2019 and a slight increase in unemployment rate from 4.1% to 4.2% for 2019¹
- The weak GBP continues to support tourism and demand for accommodation. In 3Q 2019, events such as the Wimbledon and the biennial Defense and Security Conference are expected to provide an uplift to performance
- While uncertainty over Brexit remains, and supply continues to grow in London and its surrounding regions at 4%², the performance of the UK portfolio remains resilient as the properties are under management contracts with minimum guaranteed income

Notes:

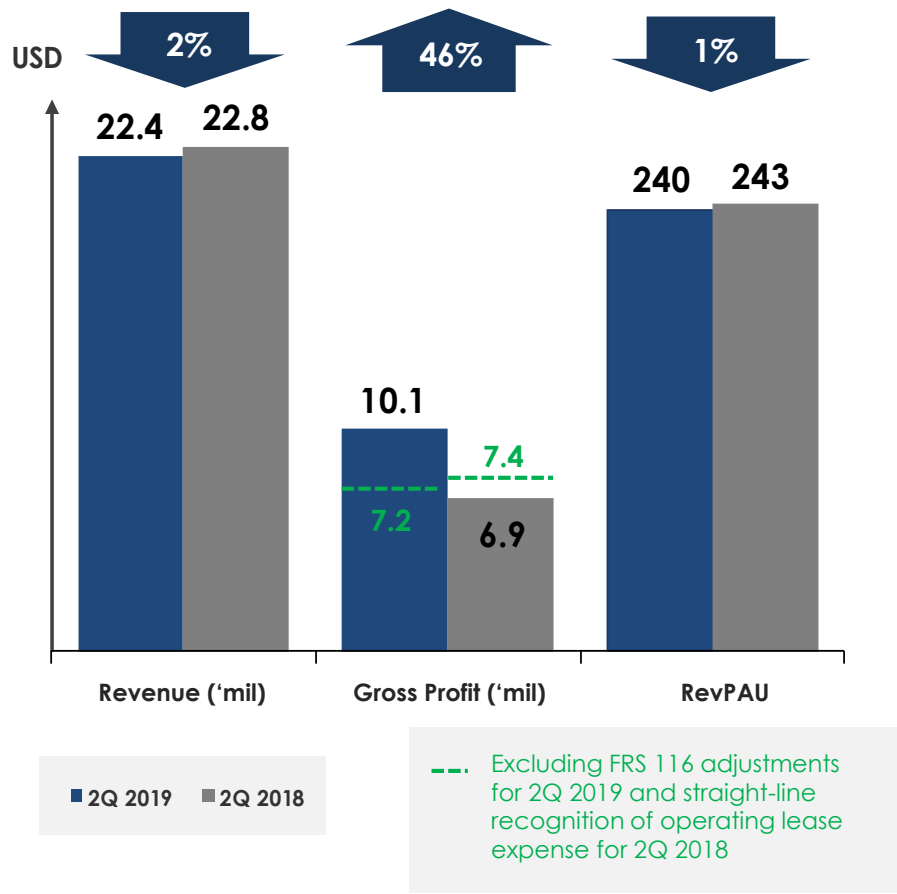
1. Source: International Monetary Fund (2019)

2. Source: PWC UK (2019)

United States

Contributed 20% to Gross Profit

New York market remains stable



Notes:
 1. Source: STR Research (2019)
 2. Source: International Monetary Fund (2019)
 3. Source: HVS (2019)

Management Contracts



Element New York Times Square West DoubleTree by Hilton Hotel New York Sheraton Tribeca New York Hotel



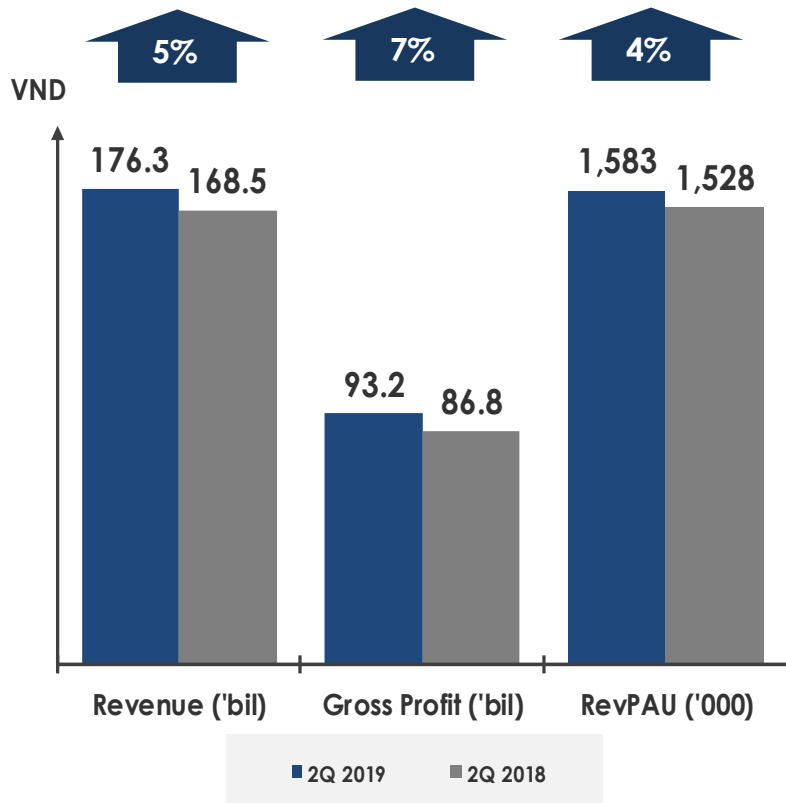
Performance Highlights and Market Outlook

- In 2Q 2019, New York market RevPAU registered a slight decline of 1.8%, partly due to the absence of a one-off conference which took place last year¹. Coupled with the refurbishment of Element New York Times Square West, revenue of the US properties was lower by 2%
- Excluding FRS 116 and straight-line adjustments, gross profit decreased 3% due to lower revenue and higher staff costs, mitigated by lower marketing expense
- IMF forecasted GDP growth of 2.6% for 2019 and a slight decline in unemployment rate from 3.9% to 3.8% for 2019²
- Developments within New York which are expected to drive demand include the opening of Hudson Yards, the largest private real estate project in the US, and the expansion of Jacob K. Javits Center, which would cater to larger conventions
- In the longer term, hotel supply in New York is expected to be limited, as hotel permit applications have slowed and local laws prohibit hotel development³

Vietnam

Contributed 8% to Gross Profit

Stronger market demand



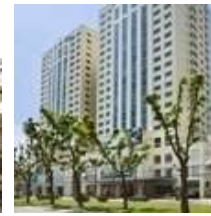
Notes:

1. Source: International Monetary Fund (2019)
2. Source: Foreign Investment Agency (2019)
3. Source: Vietnam Tourism Board – Tourism Statistics (2019)
4. Source: Savills (2019)

Management Contracts



Somerset
Grand Hanoi



Somerset
Hoa Binh Hanoi



Somerset West
Lake Hanoi



Somerset Ho Chi
Minh City



Somerset
Chancellor Court
Ho Chi Minh City



A Member of CapitalLand

Performance Highlights and Market Outlook

- Gross profit increased 7% due to higher revenue and lower staff costs, partially offset by higher operation & maintenance expense
- IMF forecasted GDP growth of 6.5% for 2019 and unemployment rate remain unchanged at 2.2% for 2019¹
- Vietnam continues to attract record foreign direct investment (FDI). For the first five months of 2019, FDI commitments hit a 4 year-high of US\$16.74 billion²
- Government initiatives remain supportive of the tourism and hospitality sectors. For the first six months of 2019, international visitors to Vietnam rose about 7.5% year-on-year³
- The operating environment remains competitive, on the back of new supply and growth in condotels. Key destinations such as Ho Chi Minh City, due to limited future supply, are expected to maintain good levels of stability in performance⁴

Looking Ahead



Looking Ahead

Market Outlook



Tapering Economic Growth

Global economy remains delicate as trade tensions continue to weigh on business confidence



Low Interest Rates

US Federal Reserve hints at possible rate cuts



Flourishing Global Tourism Industry

Forecasted to surpass \$11 trillion by 2025; International arrivals to exceed 1.8 billion by 2030¹

Middle class forecasted to increase to 4.9 billion by 2030, fueled by Asia Pacific²



Increase in Lodging Supply

To meet growing tourism demand

Resilient Portfolio



Portfolio Diversification & Income Resilience

- Global presence and no concentration risk
- ~60% in Asia Pacific where growth remains robust
- ~40% of income contribution from master leases and management contracts with minimum guaranteed income



Capital & Risk Management

- ~88% of total debt on fixed rates, with debt maturity of 3.9 years
- Interest cover ratio of 5.2x
- Maintained “BBB” rating with Stable Outlook by Fitch Ratings; enables Ascott Reit to raise funds at attractive rates and terms



Support of Strong Sponsor

- Leveraging The Ascott Limited, one of the leading international lodging owner-operators
- Pipeline of approximately 20 assets under a right-of-first-refusal arrangement
- Alignment of interests with ~45% stake³ in Ascott Reit

Diversified portfolio, disciplined investment and capital management to deliver stable income for Unitholders

Notes:

1. UNWTO
2. OECD
3. Held through CapitalLand Group



Appendix
- Proposed Combination
with Ascendas
Hospitality Trust
(as announced on 3 July 2019)

Important Notice



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For the purposes of this presentation, the following terms have been used interchangeably and to mean the same thing: "Stapled Units" and "Stapled Securities"; "Unitholders" and "Securityholders"; "Distribution per Unit" and "Distribution per Security".

Table of Contents

1 Overview of the Transaction

2 Rationale and Benefits of the Proposed Combination

3 Unitholders' Approvals Required

4 Indicative Timeline

5 Conclusion

6 Appendix

Overview of the Transaction



lyf one-north Singapore
(Artist Impression)

Key Highlights

Proposed S\$1.9 billion¹ deal to combine Ascott Residence Trust and Ascendas Hospitality Trust

Ascott Reit to acquire all A-HTRUST Stapled Units via a Trust Scheme, with a **gross exchange ratio** of **0.836x**, based on the respective **audited NAV per Unit²** of Ascott Reit and A-HTRUST

Consolidate position as the
largest hospitality Trust in Asia
Pacific with total assets of
S\$7.6 billion³



Facilitate inclusion into **FTSE EPRA Nareit
Developed Index**

DPU accretion to
Unitholders



+2.5%
FY 2018 pro forma
DPU

Strengthen position
for future growth



Stronger financial position for **growth** to
capture **rising hospitality market**

Notes: 1. Based on the total assets of Ascendas Hospitality Trust ("A-HTRUST") as at 31 March 2019.

2. Based on A-HTRUST's audited Net Asset Value ("NAV") per Stapled Unit as at 31 March 2019 of S\$1.02 divided by Ascott Reit's audited NAV per Unit as at 31 December 2018 of S\$1.22.

3. Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.

Scheme Consideration

Total Scheme Consideration of S\$1.2 billion¹ comprises:

S\$1.0868 per A-HTRUST Stapled Unit	5% Cash Consideration
	S\$0.0543 in cash ²
	95% Consideration Units
	0.7942 new Ascott Reit-BT Stapled Units ² issued at S\$1.30

The Scheme Consideration is based on a **gross exchange ratio of 0.836x**, which is derived from the **audited NAV per Stapled Unit of A-HTRUST of S\$1.02** as at 31 March 2019 divided by the **audited NAV per Unit of Ascott Reit of S\$1.22** as at 31 December 2018

By way of illustration, for every 1,000 A-HTRUST Stapled Units, a cash consideration of S\$54.30 per Stapled Unit will be paid and consideration units of 794 new Ascott Reit-BT Stapled Units will be issued

Permitted Distributions³	Unitholders can continue to receive normal distribution and distribution from net divestment gains until completion of the Combination
--	--

Notes: 1. Calculated based on a total of 1,136.7 million A-HTRUST Stapled Units.

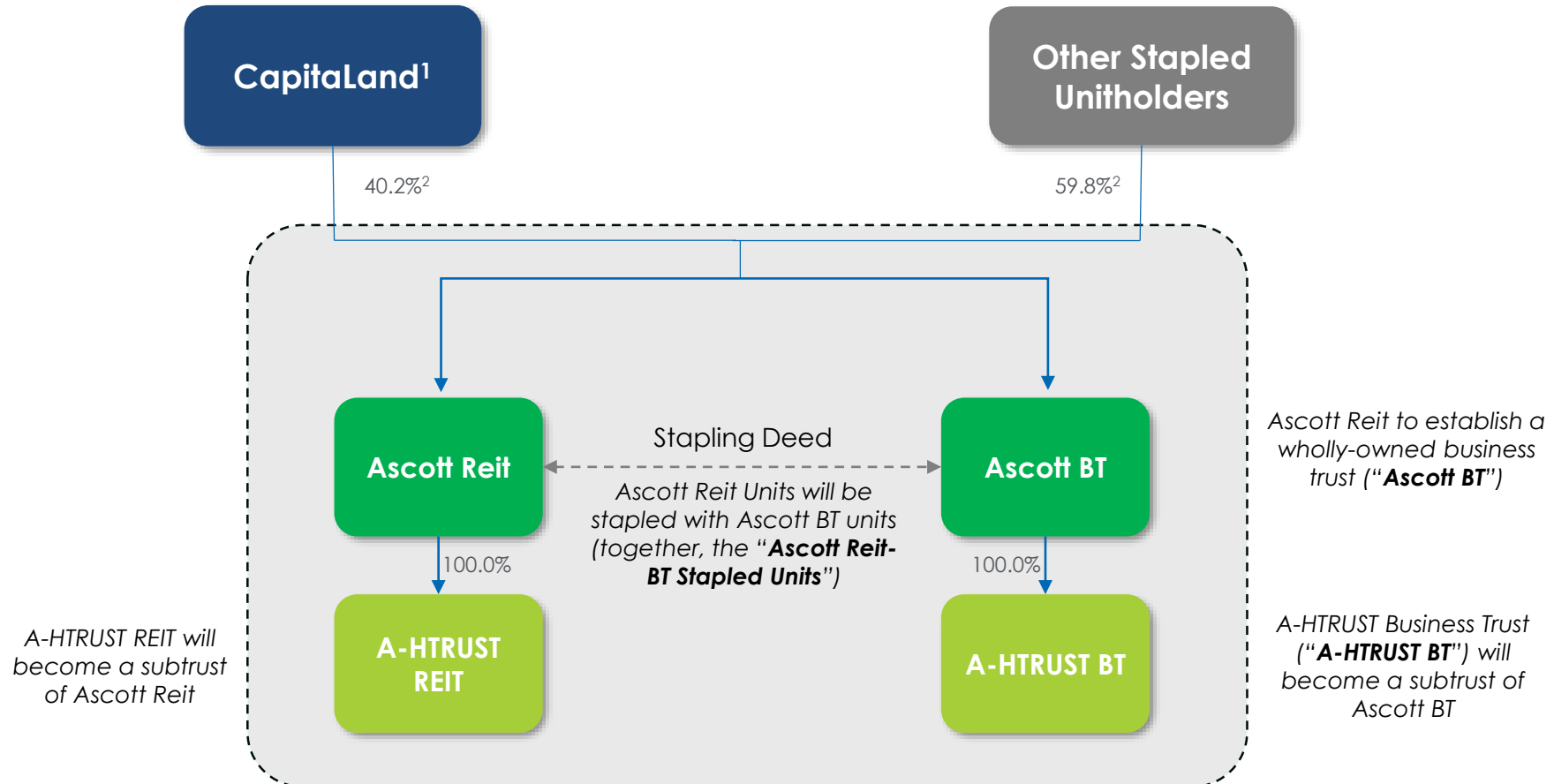
2. The aggregate Cash Consideration to be paid to each A-HTRUST Stapled Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each A-HTRUST Stapled Unitholder shall be entitled to pursuant to the Trust Scheme shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued.

3. Ascott Reit Permitted Distributions includes, amongst others, the distributions declared, paid or made or to be declared, paid or made in the ordinary course of business and to the extent consistent with past practice for the period from 1 January 2019 up to the day immediately before the effective date, including any clean-up distribution and distribution from net divestment gains.

Combined Entity Structure

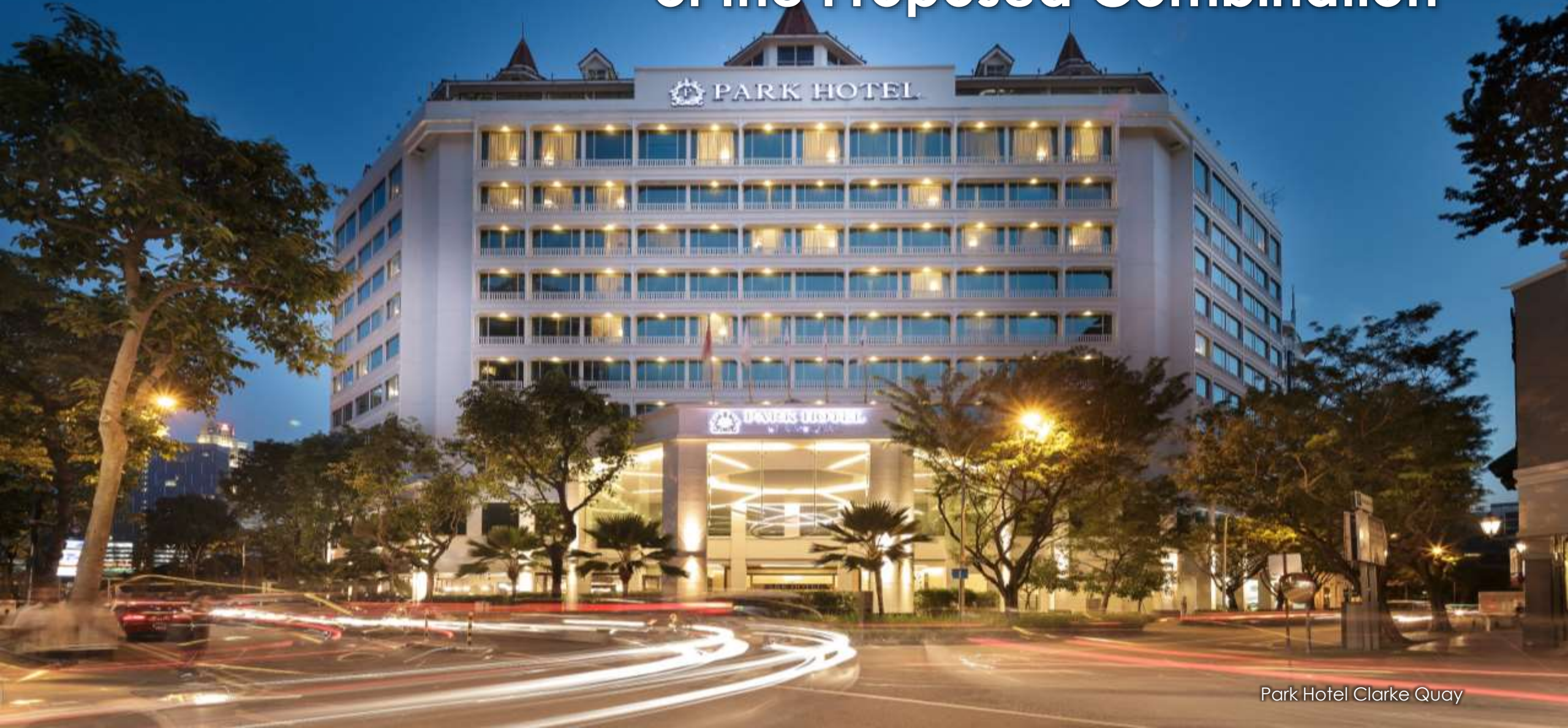
Investment Mandate:

Global mandate for investments in serviced residences, rental housing and other hospitality assets in any country in the world



Notes: 1. Held through CapitalLand group of entities, namely The Ascott Limited, Somerset Capital Pte Ltd, the Ascott Reit Manager and Ascendas Land International Pte Ltd.
2. Holdings based on 28 June 2019 and including Consideration Units.

Rationale and Benefits of the Proposed Combination



Rationale and Benefits of the Proposed Combination



1

Proxy Hospitality Trust in Asia Pacific

- Potential positive re-rating, wider investor base and higher trading liquidity
- Increase ability to drive growth with stronger financial position and larger debt headroom

2

Enhanced Portfolio

- Enhance portfolio diversification and resilience
- Strengthen presence in Asia Pacific where business and leisure travel demand remains robust

3

DPU Accretive to Unitholders

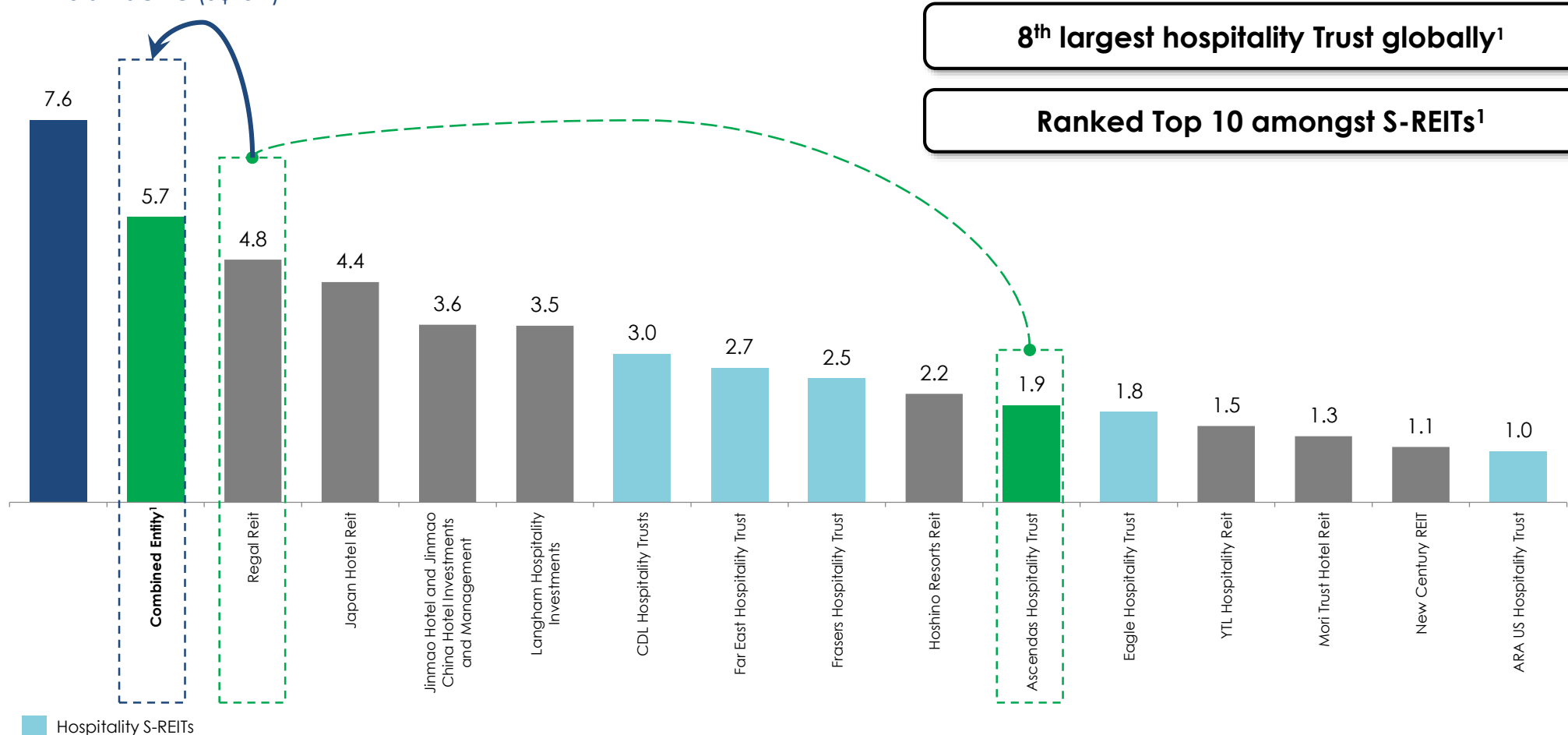
- 2.5% DPU accretion to Ascott Reit Unitholders¹
- Neutral to NAV per Unit²

1

Proxy Hospitality Trust in Asia Pacific

- Consolidate position as the largest hospitality Trust in Asia Pacific

Total assets of hospitality Trusts in Asia Pacific (\$\$ bn)



8th largest hospitality Trust globally¹

Ranked Top 10 amongst S-REITs¹

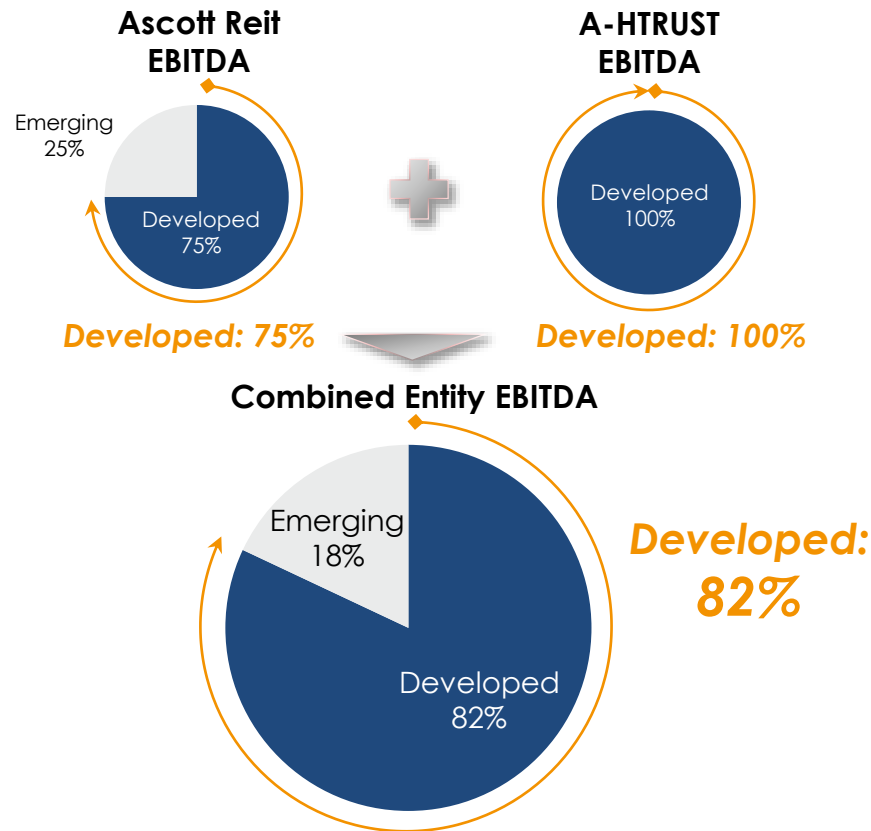
Sources: Bloomberg as at 28 June 2019, reflecting only hospitality Trusts with total assets of at least S\$1.0 billion. Assuming an exchange rate of S\$1 = US\$0.739 = HK\$5.771 = RMB5.077 = JPY79.61 = RM3.054 = A\$1.055 as at 28 June 2019.
Notes: 1. Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.

1

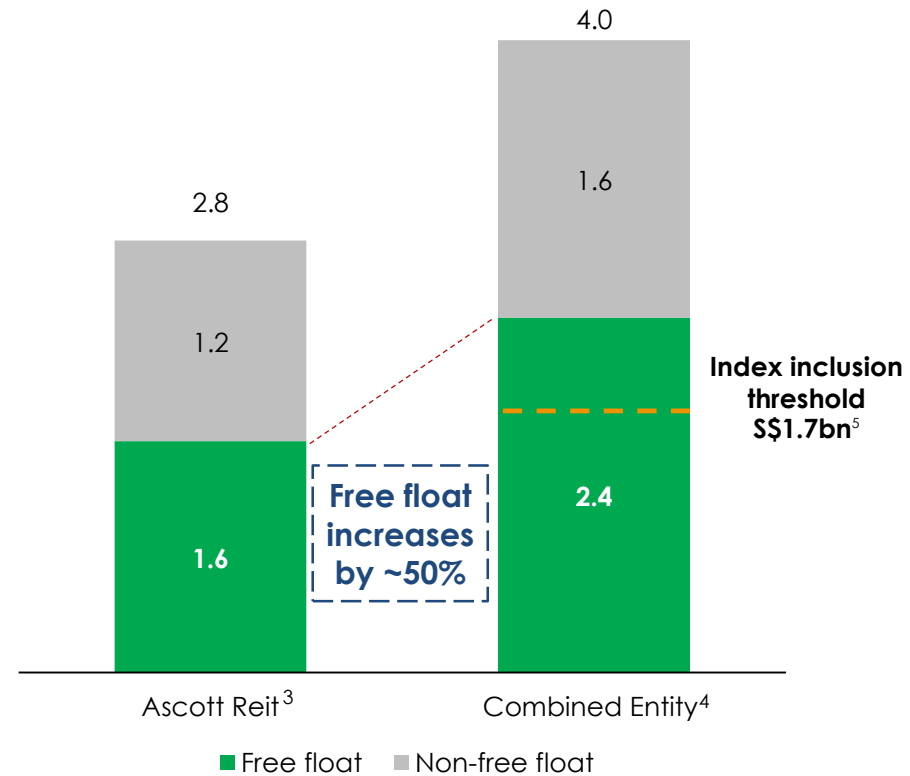
Proxy Hospitality Trust in Asia Pacific

- Facilitate inclusion into FTSE EPRA Nareit Developed Index
- Potential positive re-rating, wider investor base and higher trading liquidity

EBITDA¹ breakdown by market classification²



Free float and market capitalisation (\$ bn)



Sources: Bloomberg, Company Filings and FTSE Russell. Market data as at 28 June 2019. Assuming an exchange rate of S\$1 = US\$0.739 as at 28 June 2019.

Notes: 1. Based on Ascott Reit's and A-HTRUST's financial statements for FY 2018 and FY 2018/2019 respectively.

2. Developed markets based on FTSE EPRA Nareit classification include Australia, Belgium, France, Germany, Japan, Korea, Singapore, Spain, The United Kingdom and The United States of America; emerging markets include China, Indonesia, Malaysia, The Philippines and Vietnam.

3. Based on 2,174.8 million Ascott Reit Units at S\$1.30 for each Ascott Reit Unit and a free float of 1,197.0 million Ascott Reit Units.

4. Based on 3,086.3 million Ascott Reit-BT Stapled Units (including Consideration Units), at S\$1.30 for each Ascott Reit-BT Stapled Unit and a free float of approximately 1,846.6 million Ascott Reit-BT Stapled Units.

5. Based on the threshold of US\$1.3 billion in June 2019.

Proxy Hospitality Trust in Asia Pacific

- Stronger financial position with increased capacity to drive growth



Greater access to **growth opportunities**



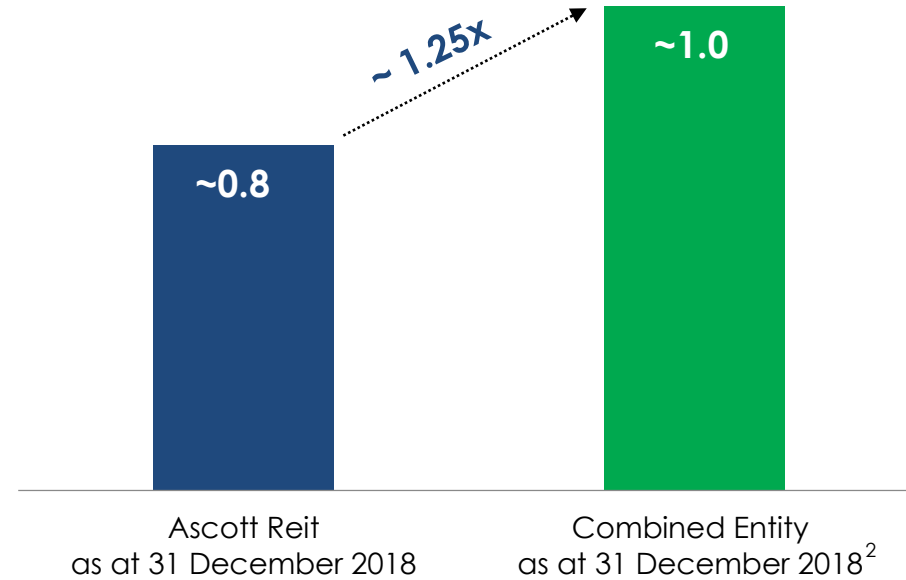
Increased capacity to undertake more **development/ conversion projects**



Higher debt headroom, enhancing **financial flexibility** to fund future growth

Debt headroom¹
(S\$ bn)

Pro forma aggregate leverage of **36.9%** represents an available debt headroom of **~S\$1.0 billion**

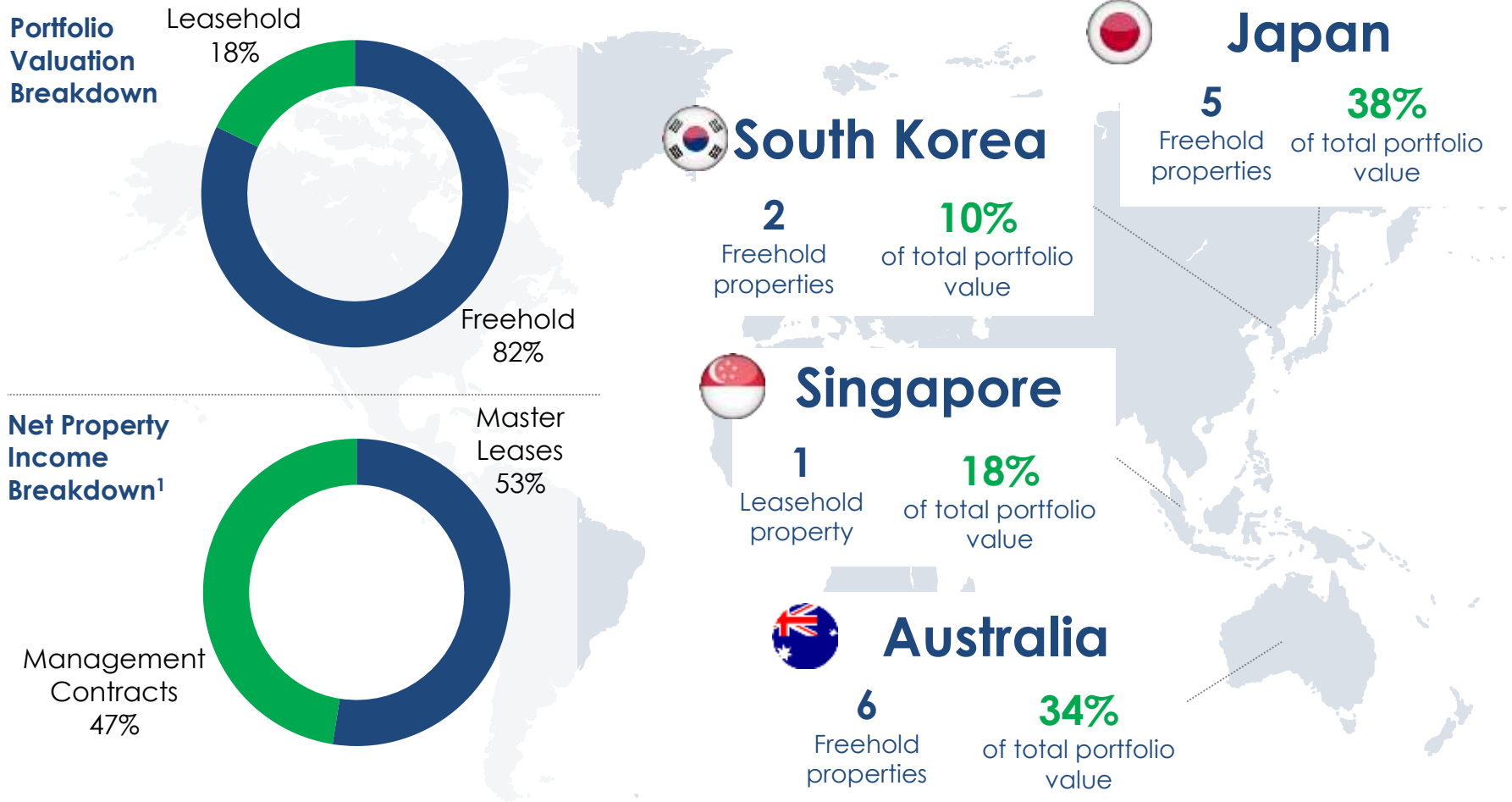


Notes: 1. Based on an aggregate leverage limit of 45% under the Property Funds Appendix.

2. This is computed based on the financial position of Ascott Reit and A-HTRUST as at 31 December 2018 and 31 March 2019 respectively and assumes that additional S\$85.1 million debt was drawn down to fund the cash component of the estimated total transaction costs.

Enhanced Portfolio

- Addition of a portfolio comprising 14 quality, predominantly freehold properties in developed markets



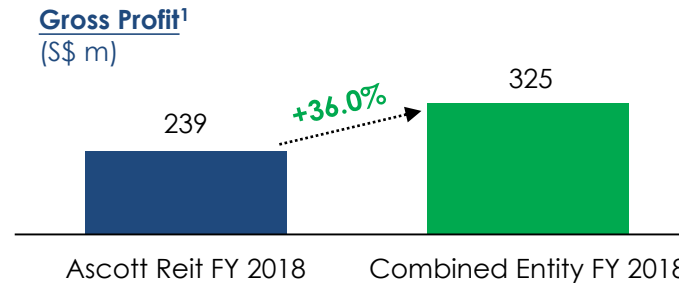
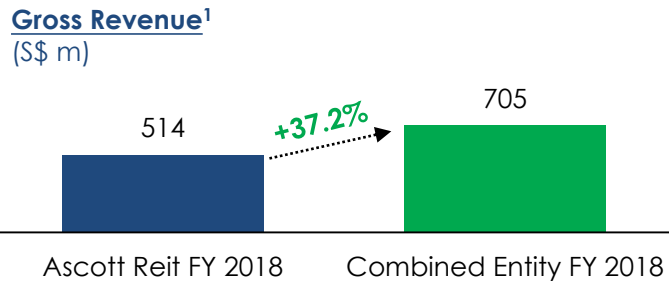
Notes:
 Based on A-HTRUST's financial statements for FY 2018/2019.
 1. Excluding contributions from the divested China properties.

2

Enhanced Portfolio

- Building a bigger hospitality portfolio

Combined Portfolio



Brands include:



ASCOTT THE RESIDENCE | citadines APART HOTEL | citadines CONNECT | SOMERSET SERVICE RESIDENCE | QUEST | The Crest Collection by The Summit Group | lyf

Pullman | Novotel | Courtyard by Marriott | Mercure | ibis | Park Hotel | The Splaisir

Sheraton | DoubleTree by Hilton | Element Hotels | WBF | Sunroute | Sotetsu Grand Fresa

Notes: 1. Based on Ascott Reit's and A-HTRUST's financial statements for FY 2018 and FY 2018/2019 respectively, excluding contributions from the divested China properties. For A-HTRUST, gross profit refers to net property income.

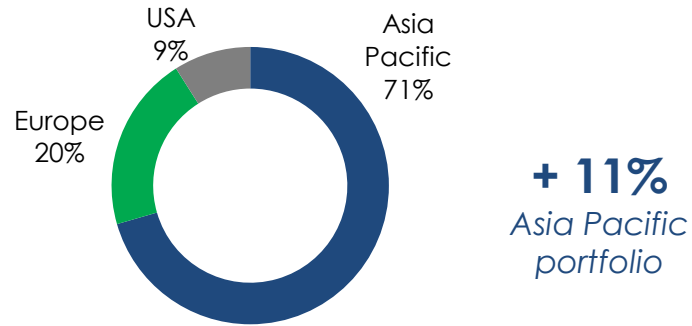
Enhanced Portfolio

- Enhances portfolio diversification and resilience

Combined Portfolio

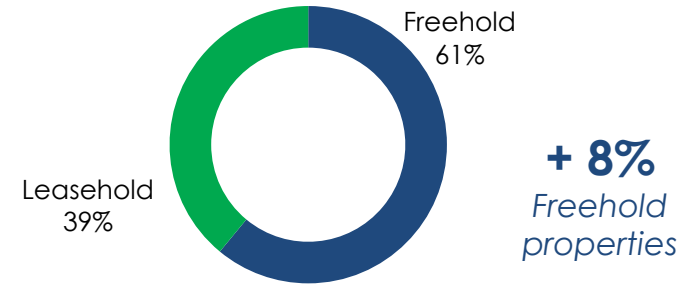
Strengthen presence in Asia Pacific

Portfolio valuation breakdown by geography¹



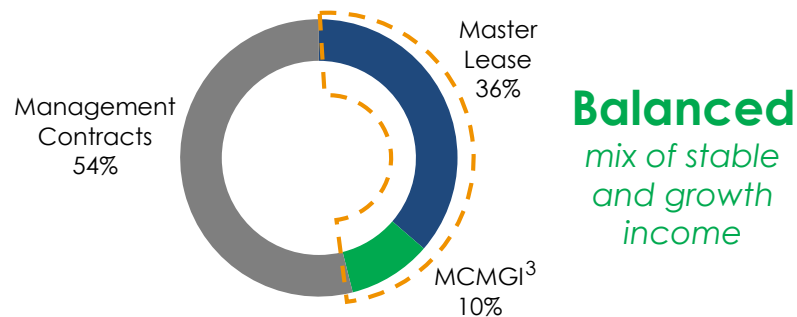
Increased freehold component

Portfolio valuation breakdown by freehold and leasehold¹



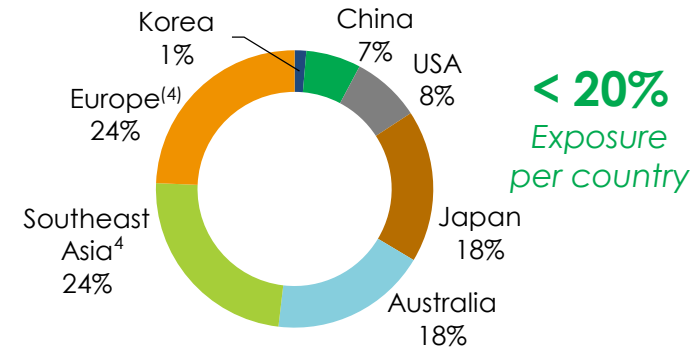
Balance between stable and growth income

Gross profit breakdown by contract type²



Reduced concentration risk

Gross profit breakdown by geography²



Notes: 1. Breakdown of the combined portfolio valuation of \$6.7 billion, based on the financial position of Ascott Reit and A-HTRUST as at 31 December 2018 and 31 March 2019 respectively.

2. Breakdown of the combined gross profit of \$325 million, based on Ascott Reit's and A-HTRUST's financial statements for FY 2018 and FY 2018/2019 respectively, excluding contributions from the divested China properties. For A-HTRUST, gross profit refers to net property income.

3. MCMGI refers to Management Contracts with Minimum Guaranteed Income.

4. Europe comprises Belgium (1%), France (10%), Germany (5%), Spain (1%), and The United Kingdom (7%); Southeast Asia comprises Indonesia (2%), Malaysia (<1%), The Philippines (2%), Singapore (13%), and Vietnam (7%).

2 Enhanced Portfolio

- Strengthen presence in Asia Pacific where the demand for business and leisure travel remains robust

 **Asia Pacific is the fastest growing economic region...**

 **4.2% GDP CAGR**
from 2013 to 2018¹

 **Largest share at 38%**
of global business travel²

 **...and experiencing a boom in tourism...**

5.5% annual growth
of international tourist arrivals
from 2018 to 2023³



>70%
China's outbound travel
will be within Asia⁴



**Low cost carriers
and rail networks**
make travel more accessible



...underpinned by an expanding middle-class

66%
of global middle-class population
will be represented by Asia⁵

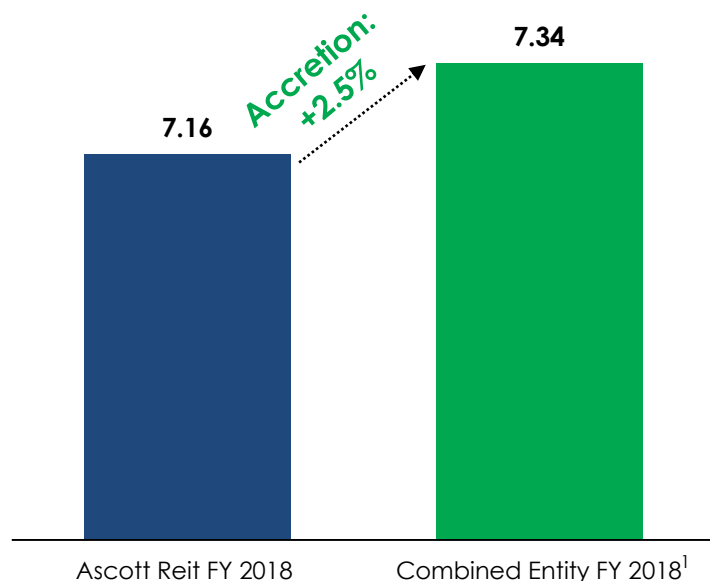
3.9% disposable income CAGR
in Asia Pacific for period 2017 to 2022
(rest of the world 1.6% to 2.3% CAGR)⁶

Enlarged portfolio will serve a broad spectrum of market segments, and is well-positioned to capture the fast-growing hospitality market in Asia Pacific

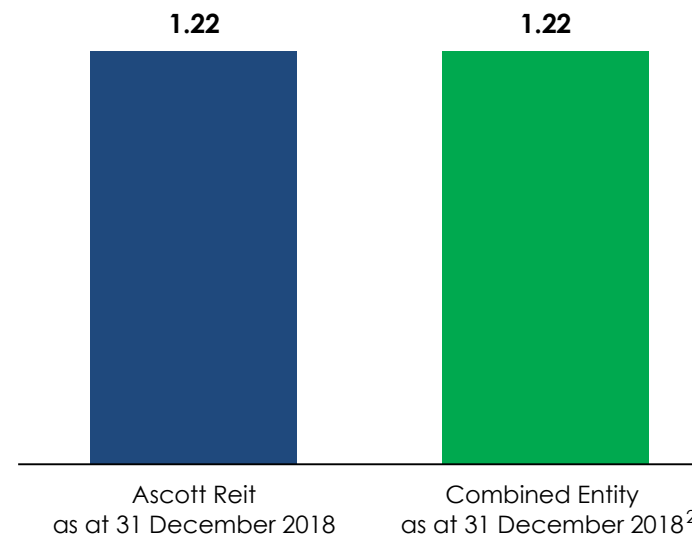
DPU Accretive to Unitholders

- 2.5% DPU accretion to Ascott Reit Unitholders, on a FY 2018 pro forma basis
- Neutral to NAV per Unit

DPU
(Singapore cents)



NAV per Unit
(Singapore dollars)



Notes: For illustration only – Not forward looking projections

1. This figure: (a) assumes that additional S\$85.1 million debt was drawn down on 1 January 2018 to fund the cash component of the estimated total transaction costs at an effective interest rate of 3.3% per annum; (b) assumes that 100% of A-HTRUST's distributable income for FY 2018/2019 (including the S\$5.1 million A-HTRUST's distributable income for FY 2018/2019, which A-HTRUST had retained for working capital purposes) was distributed in full; and assumes that the S\$5.1 million was funded by the existing cash balances of Ascott Reit; (c) reflects the issuance of: (i) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 per Ascott Reit-BT Stapled Unit as Consideration Units; and (ii) 7.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.22 per Ascott Reit-BT Stapled Unit as the Acquisition Fee on 1 January 2018 (being the closing price of an Ascott Reit Unit on 31 December 2017).

2. This figure refers to the adjusted NAV per Unit assuming write-off of premium over NAV and excluding transaction costs and: (a) assumes that additional S\$85.1 million was drawn down on 31 December 2018 to fund the cash component of the estimated total transaction costs at an effective interest rate of 3.3% per annum; (b) reflects the issuance of: (i) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 per Ascott Reit-BT Stapled Unit as Consideration Units; and (ii) 8.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.08 per Ascott Reit-BT Stapled Unit as the Acquisition Fee on 31 December 2018 (being the closing price of an Ascott Reit Unit on 31 December 2018). Pro forma NAV per Unit assuming write-off of premium over NAV and including transaction costs is S\$1.21.

Unitholders' Approvals Required



Ascott Reit Unitholders' Approvals for the Combination

No.	Resolutions	Voting Majority
1.	To amend Ascott Reit trust deed to incorporate provisions: <ul style="list-style-type: none"> • to facilitate Ascott Reit stapling scheme; • customary to stapled trusts; and • relating to issue of new units as consideration 	<ul style="list-style-type: none"> • ≥75% votes
2.	To approve Ascott Reit stapling scheme, including: <ul style="list-style-type: none"> • the distribution <i>in specie</i> of the units in Ascott BT to the unitholders of Ascott Reit on a one-for-one basis; and • the entry into of the Ascott Reit stapling deed 	<ul style="list-style-type: none"> • ≥75% votes; and • 50%+1 majority in number
3.	To approve A-HTRUST acquisition	<ul style="list-style-type: none"> • 50%+1 votes • CL Entities⁽¹⁾ will abstain from voting
4.	To approve issue of new Ascott Reit-BT stapled units in consideration of A-HTRUST acquisition	<ul style="list-style-type: none"> • 50%+1 votes • CL Entities¹ will abstain from voting

Note: 1. Refers to The Ascott Limited, Somerset Capital Pte Ltd and the Ascott Reit Manager.

A-HTRUST Stapled Unitholders' Approvals for the Combination

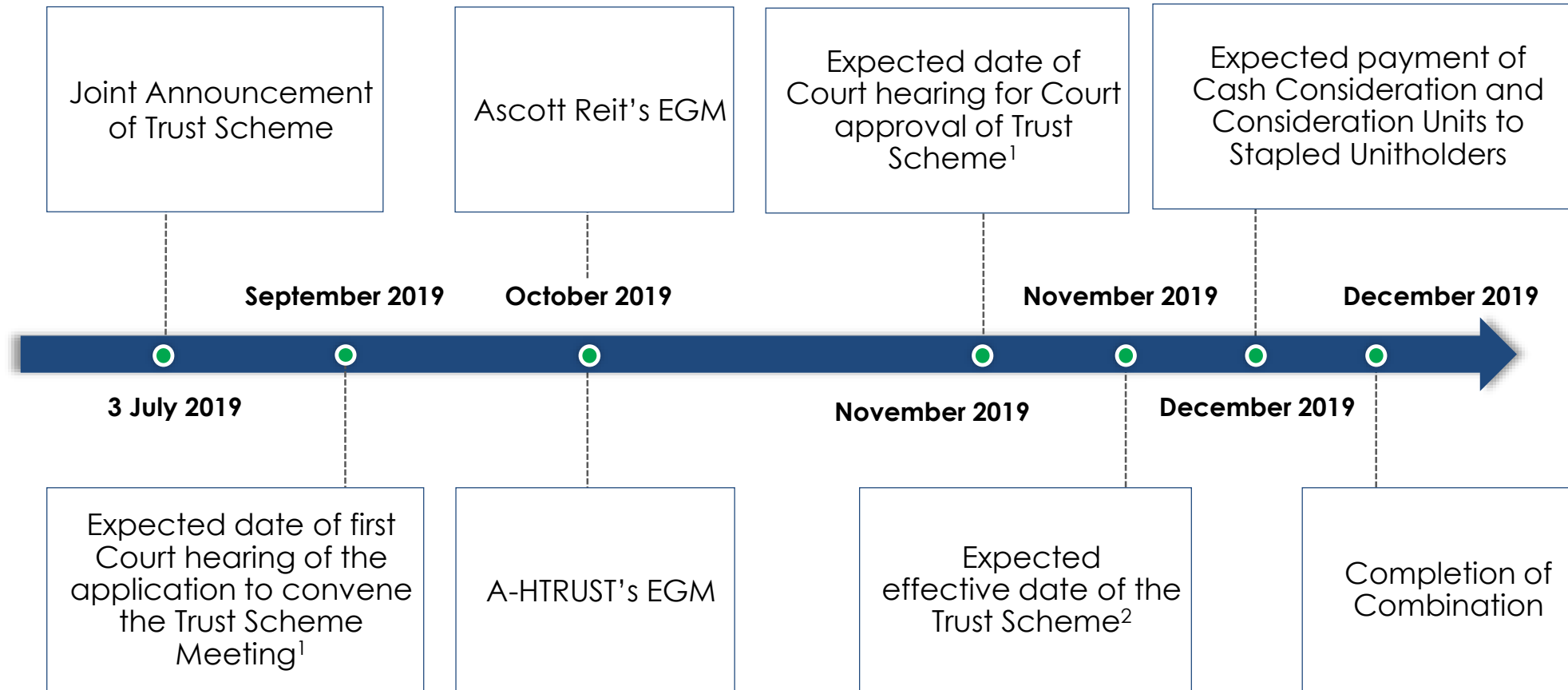
No.	Resolutions	Voting Majority
1.	To amend A-HTRUST BT trust deed, A-HTRUST REIT trust deed and A-HTRUST Stapling Deed to facilitate the implementation of the A-HTRUST Scheme	<ul style="list-style-type: none">• ≥75% votes
2.	To approve the A-HTRUST Scheme	<ul style="list-style-type: none">• ≥75% votes; and• 50%+1 majority in number• ALI¹ will abstain from voting

Note: 1. Refers to Ascendas Land International Pte Ltd.

Indicative Timeline



Indicative Timeline



The timeline above is indicative only and subject to change.

Notes: 1. The dates of the Court hearings of the application to (a) convene the Trust Scheme Meeting and (b) approve the Trust Scheme will depend on the dates that are allocated by the Court.

2. The Trust Scheme will become effective upon the lodgment of the order of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected within 10 Business Days from the date the last Scheme Condition has been satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

Conclusion



Recap of Transaction Benefits



Proxy hospitality Trust in Asia Pacific

Consolidates position as the **largest** hospitality Trust in **Asia Pacific** with total assets of **S\$7.6 bn¹**

Facilitate Index inclusion



with potential **positive re-rating**
and **wider investor base**

Portfolio enhancement



Addition of **14 quality** and predominantly **freehold properties**, enhancing portfolio **diversification and resilience**

DPU accretion to Unitholders



+2.5%
FY 2018 pro forma
DPU



Increased flexibility to drive future growth

Strong financial position for **growth** and to
capture **rising hospitality market**

Appendix



A-HTRUST Portfolio Overview

Overview of Properties

Name	 Pullman Sydney Hyde Park	 Novotel Sydney Central	 Novotel Sydney Parramatta	 Courtyard by Marriott Sydney – North Ryde	 Pullman and Mercure Melbourne Albert Park	 Pullman and Mercure Brisbane King George Square	 Hotel Sunroute Ariake
Location	Sydney, Australia	Sydney, Australia	Sydney, Australia	Sydney, Australia	Melbourne, Australia	Brisbane, Australia	Tokyo, Japan
Land Title	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
No. of Rooms	241	255	194	196	378	438	912
Valuation¹ (\$ m)	156.4	161.2	43.7	52.3	109.4	89.2	325.0

A-HTRUST Portfolio Overview

Overview of Properties

Name	 Sotetsu Grand Fresca Osaka-Namba ⁽²⁾	 Hotel WBF Kitasemba West	 Hotel WBF Kitasemba East	 Hotel WBF Honmachi	 Park Hotel Clarke Quay	 The Splaisir Seoul Dongdaemun	 ibis Ambassador Seoul Insadong
Location	Osaka, Japan	Osaka, Japan	Osaka, Japan	Osaka, Japan	Singapore	Seoul, Korea	Seoul, Korea
Land Title	Freehold	Freehold	Freehold	Freehold	Leasehold, expiring November 2105	Freehold	Freehold
No. of Rooms	698	168	168	182	336	215	363
Valuation¹ (\$ m)	239.8	43.2	43.1	43.3	325.0	93.8	96.9



Thank you

