



**Ascott Residence Trust**  
Citi Asia-Pacific Property Conference  
24 June 2020

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# Content

- Overview of Ascott Residence Trust
- Strategies
- Commitment to Excellence & Sustainability
- Update on COVID-19
- Appendix

# Overview of Ascott Residence Trust



# A Leading Global Hospitality Trust

Constituent of FTSE EPRA Nareit Global Developed Index



A Member of CapitalLand

**\$7.4b**

Total Assets

**>16,000<sup>1</sup>**

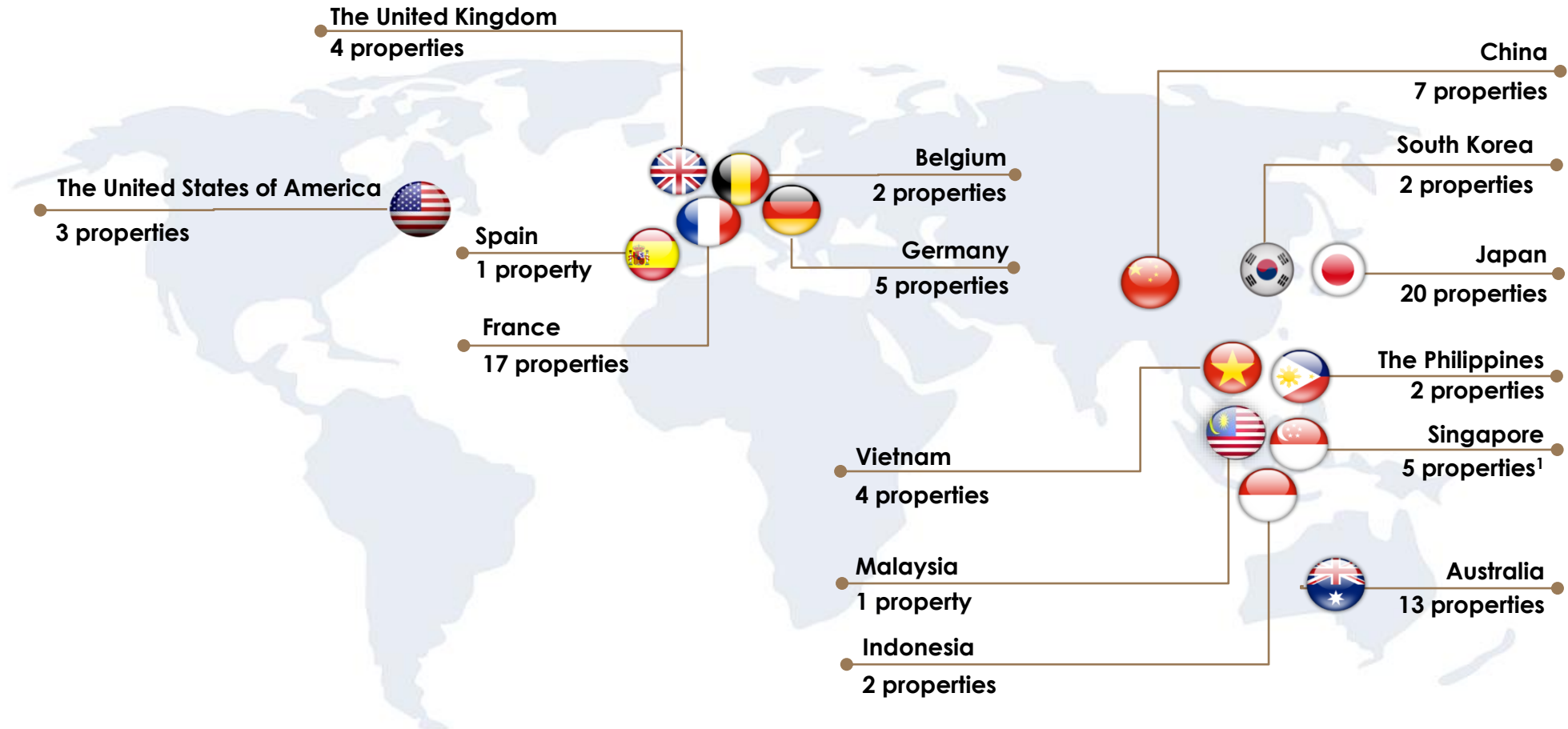
Units

**88<sup>1</sup>**

Properties

**39**

Cities in 15 Countries



Notes:

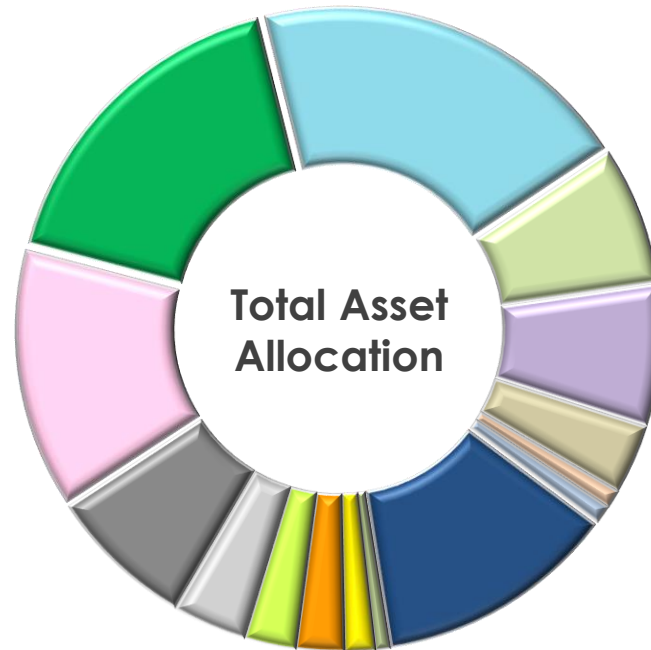
Figures above as at 31 March 2020, except for Total Assets which is as at 31 December 2019

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

# Diversified Portfolio with No Concentration Risk

## Asia Pacific 68.2%

|             |       |
|-------------|-------|
| Japan       | 19.6% |
| Singapore   | 17.0% |
| Australia   | 13.3% |
| China       | 7.4%  |
| Vietnam     | 3.7%  |
| South Korea | 2.6%  |
| Philippines | 2.4%  |
| Indonesia   | 1.5%  |
| Malaysia    | 0.7%  |



## Europe 19.5%

|         |      |
|---------|------|
| UK      | 7.2% |
| France  | 7.0% |
| Germany | 3.5% |
| Spain   | 0.9% |
| Belgium | 0.9% |

## The Americas 12.3%

|     |       |
|-----|-------|
| USA | 12.3% |
|-----|-------|

# Delivering Resilient Performance

Mix of stable and growth income

|                                   | Stable Income                                                                                                                                                                                                                                                                                                                                    |                                                                                                               | Growth Income                                                                                                                                                                           |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|------------|-----------|--------------|-----------------|--|-------------|--|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|--------------|--------------|----------|------------|--------------|--|----------|--|-------------|--|--------------------|--|--|---------------|--|------------|--|------------------|
|                                   | <p><b>35</b><br/><b>Master Leases</b><br/>22 leases with Sponsor</p>                                                                                                                                                                                                                                                                             |                                                                                                               | <p><b>7</b><br/><b>Management Contracts with Minimum Guaranteed Income</b><br/>All Sponsor-operated</p>                                                                                 |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|                                   | <p><b>45</b><br/><b>Management Contracts</b><br/>25 Sponsor-operated</p>                                                                                                                                                                                                                                                                         |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Description                       | Fixed or minimum rental received from a single lessee                                                                                                                                                                                                                                                                                            | Minimum guaranteed income, with unlimited upside                                                              | Variable amount (no fixed or guaranteed rental)                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Terms                             | <ul style="list-style-type: none"> <li>Some contracts provide for annual rental reversions pegged to indices while some include a variable rental</li> </ul>                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Operator provides a minimum guaranteed net operating profit</li> </ul> | <ul style="list-style-type: none"> <li>Management fees typically a percentage of gross operating revenue and incentive fees typically a percentage of gross operating profit</li> </ul> |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Location and Number of Properties | <table border="0"> <tr> <td><u>Sponsor</u></td> <td><u>Non-Sponsor</u></td> </tr> <tr> <td>France(17)</td> <td>Australia(4)</td> </tr> <tr> <td>Germany(4)</td> <td>Japan (5)</td> </tr> <tr> <td>Singapore(1)</td> <td>South Korea (2)</td> </tr> <tr> <td></td> <td>Germany (1)</td> </tr> <tr> <td></td> <td>Singapore(1)</td> </tr> </table> | <u>Sponsor</u>                                                                                                | <u>Non-Sponsor</u>                                                                                                                                                                      | France(17) | Australia(4) | Germany(4) | Japan (5) | Singapore(1) | South Korea (2) |  | Germany (1) |  | Singapore(1) | <table border="0"> <tr> <td><u>Sponsor</u></td> </tr> <tr> <td>United Kingdom(4)</td> </tr> <tr> <td>Belgium(2)</td> </tr> <tr> <td>Spain(1)</td> </tr> </table> | <u>Sponsor</u> | United Kingdom(4) | Belgium(2) | Spain(1) | <table border="0"> <tr> <td><u>Sponsor</u></td> <td><u>Non-Sponsor</u></td> </tr> <tr> <td>Australia(3)</td> <td>Singapore(2)</td> </tr> <tr> <td>China(7)</td> <td>Vietnam(4)</td> </tr> <tr> <td>Indonesia(2)</td> <td></td> </tr> <tr> <td>Japan(4)</td> <td></td> </tr> <tr> <td>Malaysia(1)</td> <td></td> </tr> <tr> <td>The Philippines(2)</td> <td></td> </tr> <tr> <td></td> <td>Australia (6)</td> </tr> <tr> <td></td> <td>Japan (11)</td> </tr> <tr> <td></td> <td>United States(3)</td> </tr> </table> | <u>Sponsor</u> | <u>Non-Sponsor</u> | Australia(3) | Singapore(2) | China(7) | Vietnam(4) | Indonesia(2) |  | Japan(4) |  | Malaysia(1) |  | The Philippines(2) |  |  | Australia (6) |  | Japan (11) |  | United States(3) |
| <u>Sponsor</u>                    | <u>Non-Sponsor</u>                                                                                                                                                                                                                                                                                                                               |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| France(17)                        | Australia(4)                                                                                                                                                                                                                                                                                                                                     |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Germany(4)                        | Japan (5)                                                                                                                                                                                                                                                                                                                                        |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Singapore(1)                      | South Korea (2)                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|                                   | Germany (1)                                                                                                                                                                                                                                                                                                                                      |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|                                   | Singapore(1)                                                                                                                                                                                                                                                                                                                                     |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| <u>Sponsor</u>                    |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| United Kingdom(4)                 |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Belgium(2)                        |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Spain(1)                          |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| <u>Sponsor</u>                    | <u>Non-Sponsor</u>                                                                                                                                                                                                                                                                                                                               |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Australia(3)                      | Singapore(2)                                                                                                                                                                                                                                                                                                                                     |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| China(7)                          | Vietnam(4)                                                                                                                                                                                                                                                                                                                                       |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Indonesia(2)                      |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Japan(4)                          |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| Malaysia(1)                       |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
| The Philippines(2)                |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|                                   | Australia (6)                                                                                                                                                                                                                                                                                                                                    |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|                                   | Japan (11)                                                                                                                                                                                                                                                                                                                                       |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |
|                                   | United States(3)                                                                                                                                                                                                                                                                                                                                 |                                                                                                               |                                                                                                                                                                                         |            |              |            |           |              |                 |  |             |  |              |                                                                                                                                                                  |                |                   |            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                    |              |              |          |            |              |  |          |  |             |  |                    |  |  |               |  |            |  |                  |

Note:  
As at 31 March 2020 and excludes 1yf one-north Singapore (under development)

# Our Portfolio Strengths...



Predominantly **long-stay** guest profile catering to **different market segments**

**59<sup>1</sup>**

Serviced residences

**18**

Hotels / Business hotels

**11**

Rental housing

**3 months<sup>2</sup>**

Average length of stay

Guest mix<sup>2</sup>

**41% : 59%**

Corporate : Leisure



**Geographically diversified,** predominantly **freehold** portfolio

**88<sup>1</sup>** properties in **39** cities

**68%**

Asia Pacific

**20%**

Europe

**12%**

The Americas

**59% : 41%<sup>3</sup>**

Freehold : Leasehold



Balanced mix of **stable** and **growth** income streams

**45%<sup>4</sup>**

Stable Income

:

**55%<sup>4</sup>**

Growth Income

- 35 Master leases<sup>1</sup>
- 7 Management contracts with minimum guaranteed income ("MCMGI")
- 45 Management contracts

Note: Excludes lyf one-north Singapore (under development)

## ...Offer Resilience

Notes: Figures above as at/for the year ended 31 December 2019 unless otherwise stated

1. Includes Quest Macquarie Park Sydney which was acquired in February 2020

2. Based on the portfolio apartment rental income

3. Based on property values

4. Based on pro forma FY 2019 gross profit (including portfolio of A-HTRUST)

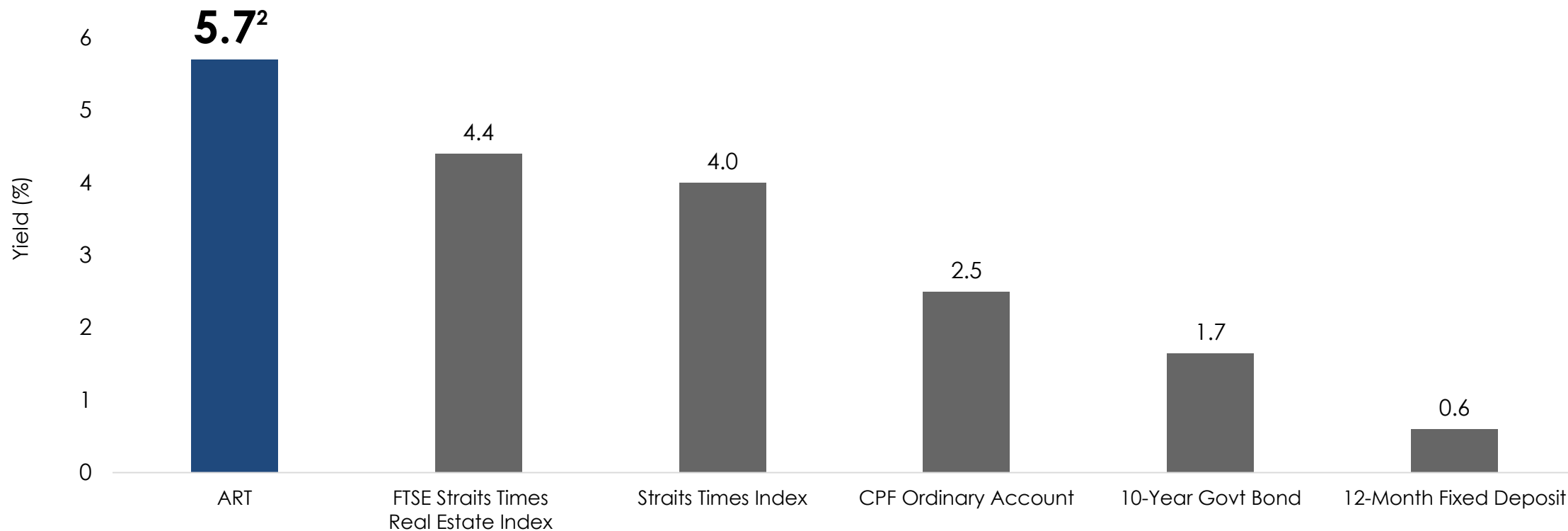


# Strategies



# Value Creation

Attractive average DPS yield of >6% from 2015 to 2019<sup>1</sup>



**Total Unitholder Return Since IPO in 2006  
> 300%<sup>3</sup>**

*Yield figures above as at December 2019 unless otherwise stated.*

*Sources: Central Provident Fund; Monetary Authority of Singapore; Bloomberg (trailing 12 month yield for FTSE Straits Times Real Estate Index and Straits Times Index)*

*1. Based on a simple average of the past 5 years' DPS Yield*

*2. Computed based on ART's FY 2019 DPS of 7.61 cents and the closing unit price of \$1.33 as at 26 December 2019*

*3. Computation from Bloomberg and assumes reinvestment of distributions back into the security*

# Five-pronged Approach to Deliver Value



**Vision:**  
To be the premier  
hospitality trust with  
quality assets in  
key global cities



**Mission:**  
To deliver stable  
and sustainable  
returns to  
Stapled  
Securityholders



## 1. Growth

- Total assets **grew ninefold** since IPO to \$7.4 billion
- Completed milestone **combination** with **Ascendas Hospitality Trust**

## 2. Asset Management

- **RevPAU optimisation** & yield management
- **Asset Enhancement Initiatives**
- **Portfolio diversification:** geographical spread; product offering; contract types; etc
- Undertake **higher-yielding development / conversion projects**

## 3. Unlocking Value

- Generated **\$S0.5b net gains**<sup>1</sup> through **divestments** and reinvested into higher-yielding assets

## 4. Capital and Risk Management

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

## 5. Leveraging Sponsor

- Strong **brand recognition** and **global footprint**
- **Right of first refusal** and **pipeline assets**
- **Alignment** of Stapled Securityholder interests with ~40% stake<sup>2</sup>

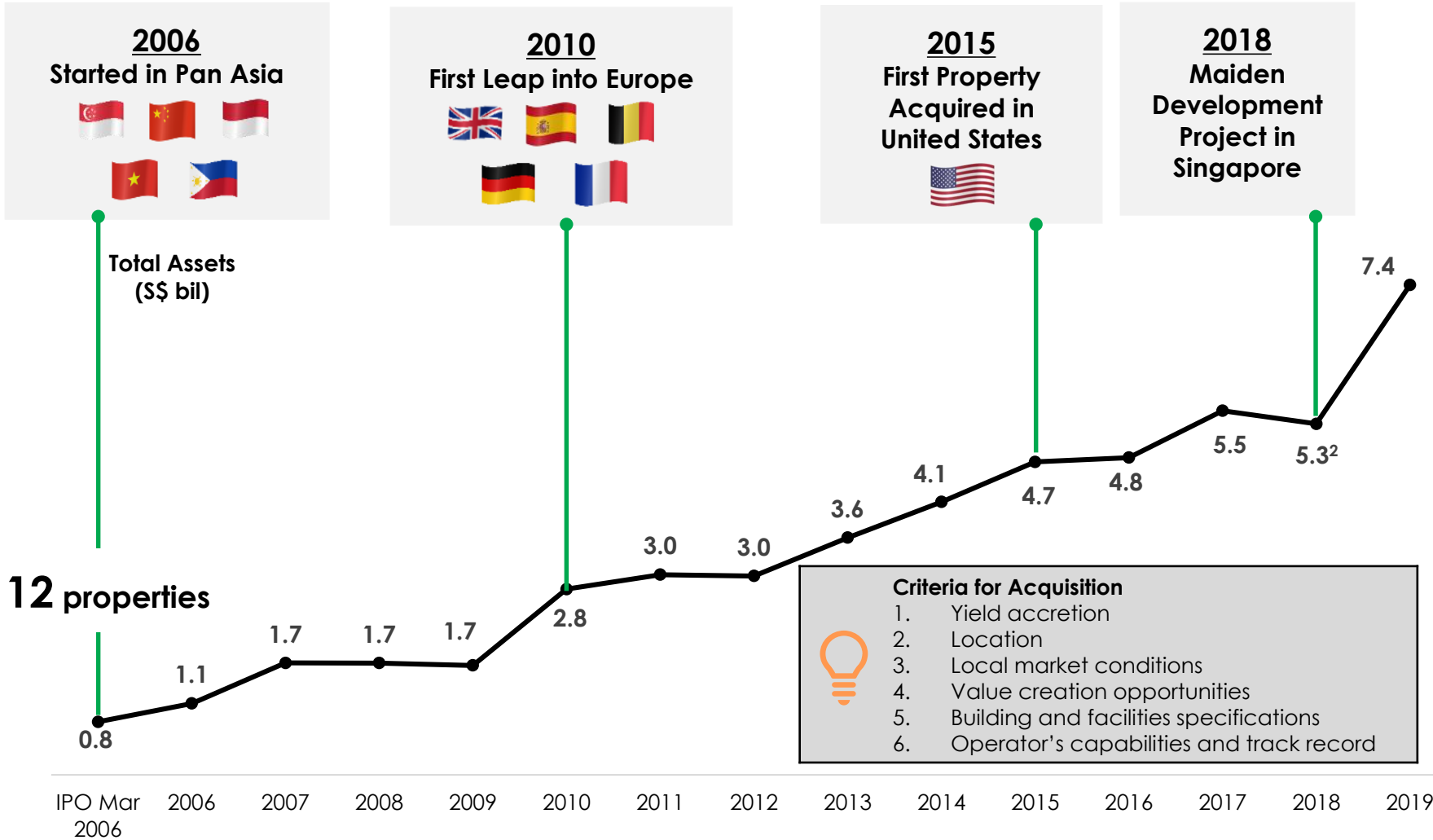
Notes: Figures as at 31 December 2019

1. Net gains relate to divestment transactions completed or entered into since listing up to 31 December 2019
2. Held through CapitaLand Group
3. Computation from Bloomberg and assumes reinvestment of distributions back into the security

1

# Nine-fold Expansion since IPO

Largest hospitality trust in Asia Pacific and ranked amongst top 10 globally<sup>1</sup>



**2019**

**Milestone Combination with A-HTRUST**

Consolidating ART's position as the proxy hospitality trust in Asia Pacific

**Citadines Connect Sydney Airport**

Acquisition of a business hotel in the resilient market of Sydney, catering to transient travellers

**2020**

**Quest Macquarie Park Sydney**

Acquisition of a master lease property for income stability

**88 properties**  
as at 31 March 2020

**Criteria for Acquisition**

1. Yield accretion
2. Location
3. Local market conditions
4. Value creation opportunities
5. Building and facilities specifications
6. Operator's capabilities and track record

Notes:

1. Measured based on total assets as at 31 December 2019
2. The decrease in total assets was due to the utilisation of the proceeds from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an to repay bank loans

1

# Milestone Combination with Ascendas Hospitality Trust

Consolidating ART's position as the proxy hospitality trust in Asia Pacific



Adding 14 quality properties with over 4,700 units in 7 cities across Asia Pacific

## Japan

5 freehold properties under master leases

## Singapore

1 leasehold property under master lease

## Australia

6 freehold properties under management contracts

## South Korea

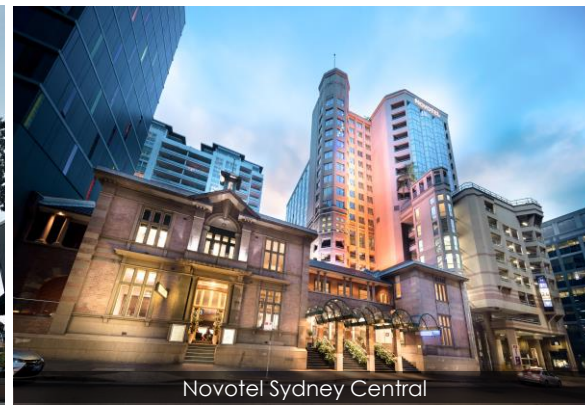
2 freehold properties under master leases



Sotetsu Grand Fresa Tokyo-Bay Ariake



Park Hotel Clarke Quay



Novotel Sydney Central



Sotetsu Hotels The Splaisir Seoul Dongdaemun

✓ **30% growth** in asset size to **S\$7.4 billion**

✓ Increase in **freehold** and **stable income** components

✓ Strengthened **Asia Pacific** presence by **11%**

✓ Admission into **FTSE EPRA Nareit Global Developed Index**

# Development of lyf one-north Singapore

Purpose-built coliving property to appeal to the future traveler tribe



Images above are artist's impressions

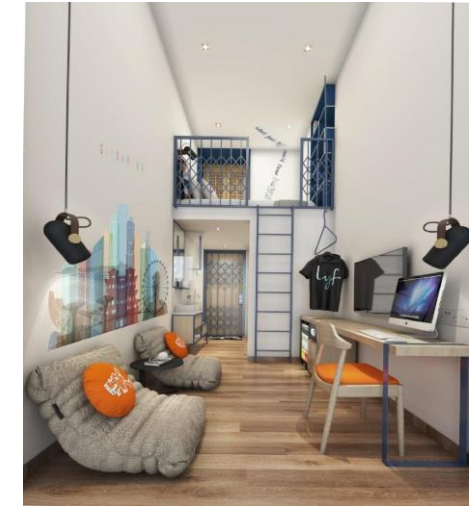


**Coliving** a rising trend in today's sharing economy amongst the **rising millennial-minded business traveller market**

**lyf one-north Singapore**, expected to **open in 2021**, incorporates 324 efficiently designed studio and loft units and social spaces

one-north: **prime district** with **limited lodging supply** and home to **400 companies, 800 startups and 50,000 professionals**<sup>1</sup>

Attracting **over S\$7 billion worth of investments**<sup>1</sup> and to be developed into a cluster of world class facilities and business parks



Each unit comes with an *ensuite bathroom for comfort and privacy and a productive workspace for guests to 'work-from-home'*

Notes:  
Property details subject to change  
1. Source: JTC (2018)

# Redevelopment of Somerset Liang Court Singapore

Rejuvenation of an ageing property into a brand new serviced residence with fresh 99 year lease




SOMERSET  
SERVICED RESIDENCE

*Strengthen presence in the vibrant Clarke Quay enclave, benefiting from the Urban Redevelopment Authority's Draft Master Plan 2019 to revitalise the area*

- **Divest** partial gross floor area (GFA) at **44% above book value** and **138% above acquisition price**
- **c.S\$163 million divestment proceeds** to be collected in July 2020 upon completion of sale
- Joins CDL-CapitaLand consortium to **redevelop retained GFA** into a **brand new Somerset serviced residence with hotel licence**
- **Refresh lease to 99 years** (from 57 years)
- **Opening in 1H 2025**, new property to incorporate 192 units with more efficient layout to cater to wider spectrum of guest profiles<sup>1</sup>
- Potential valuation upside after completion, in addition to total net gains of S\$84.3 million recognised in FY 2019

Notes:

15,170 sqm GFA divested and retained GFA of 13,034 sqm for redevelopment

1. Expected opening date and property details are subject to change

2

# Improving Property Competitiveness & Guest Satisfaction through Asset Enhancement Initiatives

## Before

## After



**Element New York Times Square West**  
The United States of America  
*Completed 2Q 2019*



**Somerset Grand Citra Jakarta**  
Indonesia  
*Completed 2Q 2019*



### Criteria for Asset Enhancement Initiatives

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



# Unlocked Value through Portfolio Reconstitution

Divestment gains reinvested into yield accretive acquisitions



Generated ...

**\$S\$0.5 billion<sup>1</sup>**  
of Net Gains through  
divestments since IPO



#### Criteria for Divestments

1. Property life cycle
2. Market conditions
3. Requirement for additional capital outlay

2019

Net gains of >\$S\$200 million

Distributed \$S\$17.5 million  
in divestment gains



Ascott Raffles Place  
Singapore



Somerset Liang Court  
Singapore



Somerset West  
Lake Hanoi



Citadines Xinghai Suzhou  
Citadines Zhuankou Wuhan<sup>2</sup>



#### Notes:

1. Net gains relate to divestment transactions completed or entered into since listing up to 31 December 2019
2. Sale and purchase agreements were signed in December 2019 with completion expected in 2H 2020. As at 31 March 2020, RMB 90 million (18% of total sales proceeds) were collected, which includes a non-refundable deposit of RMB 20 million

# 4 Capital & Risk Management

## Strong Balance Sheet

Comfortable target gearing of approximately 40%

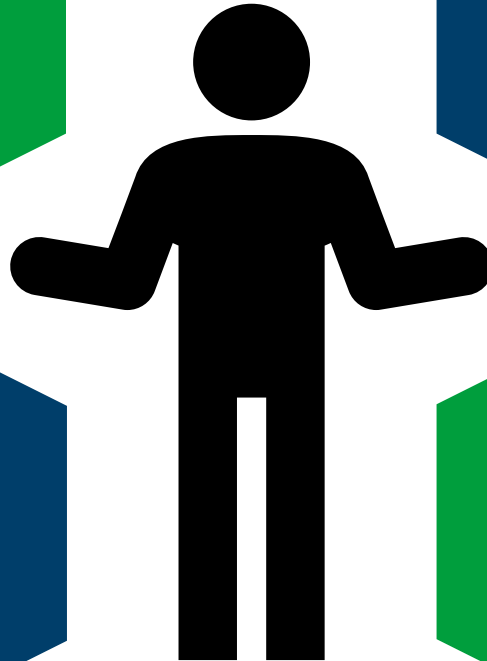


## Prudent Capital Management

Diversified funding sources & proactive interest rate management



'BBB' long-term rating by Fitch Ratings with stable outlook



## 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

Impact of foreign exchange after hedges on gross profit is  $\pm 1.4\%$  for past 5 years



# Strong Financial & Cashflow Position



**Diversified funding sources and well-staggered debt maturity**

**64% : 36%**

Bank Loans : Medium term notes

**16%**

Debt due in 2020 (c. S\$404 mil)

No refinancing issues foreseen

**S\$1.7 mil**

Savings p.a. with refinancing of S\$150 mil perpetual securities in FY2019

Further savings expected with the reset of distribution rate of S\$250 mil perpetual securities on first call date, 30 June 2020



**Sufficient liquidity with c.S\$900 million in available funds**

**S\$300 mil**

Cash on-hand

**S\$425 mil**

Credit facilities available<sup>1</sup>

**S\$163 mil**

Cash proceeds from divestment<sup>2</sup>



**Robust financing flexibility**

**35.4%**

Gearing (~S\$2.1 billion debt headroom<sup>3</sup>)

Low effective borrowing cost

**1.8%**  
per annum

**BBB (Stable Outlook)**  
Fitch Ratings

Interest cover

**5.1X<sup>4</sup>**

**69%**

of property value unencumbered

Notes: Figures above as at/for the quarter ended 31 March 2020, **unless otherwise stated**. Computations exclude effects of FRS 116 Leases

1. Includes committed credit facilities amounting to approximately S\$200 million

2. Refers to proceeds to be received from the completion of divestment of partial gross floor area in Somerset Liang Court Singapore expected in July 2020

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

4. Refers to the 12-month trailing interest cover

5

# Strong Sponsor – The Ascott Limited

One of the leading international lodging owner-operators



**c.118,000**  
**Serviced residence & hotel units**  
 Includes units under development

**>700**  
**Properties**



**>180** **>30**  
**Cities** **Countries**

**>30** year track record

**Award-winning brands**  
**with worldwide recognition**

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



Notes: Figures updated as at June 2020  
 1. Held through CapitalLand Group

# Commitment to Excellence & Sustainability



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

# Highly Coveted Awards and Accolades

## Asia Pacific Best of the Breeds REITs Awards™ 2018 & 2019

**Best Hospitality REIT**  
(Platinum award)



Asia Pacific  
Best of the Breeds  
REITs AWARDS™

## SIAS Investors' Choice Awards 2019



**Runner-up** for  
Singapore Corporate  
Governance Award

**Runner-up** for  
Most Transparent  
Company Award



## Singapore Governance and Transparency Index 2018 & 2019

Ranked **3<sup>rd</sup>** out of 43 Trusts

## Green Awards

lyf one-north Singapore  
obtained  
**BCA Green Mark Gold<sup>PLUS</sup>**



Somerset Grand Hanoi  
awarded  
**EDGE Green Certification**



## World Travel Awards 2019 Accolades for **Leading Serviced Apartments 2019**

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

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

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

Asia's Leading Serviced Apartments 2019: **Ascott Jakarta**

Japan's Leading Serviced Apartments 2019: **Citadines Shinjku Tokyo**



**TripAdvisor Awards 2019**  
> 20 properties<sup>1</sup> conferred the  
**Certificate of Excellence  
Award 2019**

Note:

1. Refer to [https://www.the-ascott.com/en/tripadvisor\\_awards\\_2019.html](https://www.the-ascott.com/en/tripadvisor_awards_2019.html) for the full list of properties

# Commitment to Sustainability



## Environment

**907MWh**

Electricity from renewable sources<sup>1</sup>

**13%**

Reduction in energy usage<sup>2</sup>

**32%**

Reduction in water consumption<sup>2</sup>

**30%**

Reduction in carbon intensity<sup>2</sup>



75% of ART's portfolio of properties participated in Earth Hour 2019

Intelligent energy saving systems at our properties optimise the usage of air-conditioning, saving energy and costs



## Social



- Delivering meals as part of CapitaLand's #MealOnMe initiative to vulnerable groups impacted by COVID-19
- 3-month programme to provide children of Burmese refugees with education, meals and shelter
- Participation in CapitaLand International Volunteer Expedition to Long An, Vietnam
- Blood donation drive in Vietnam and the Philippines



## Governance

- Embracing the tenets of good corporate governance, including accountability, transparency and sustainability
- Compliance with the Code of Corporate Governance
- Received accolades for excellence in corporate governance (see page 22)

Notes:

1. For the first nine months of 2019. Excludes third-party operated properties
2. For the first nine months of 2019, measured against the 2008 baseline. Excludes new properties which were in operation for less than 12 months, properties undergoing asset enhancement and third-party operated properties.

# Future Ready

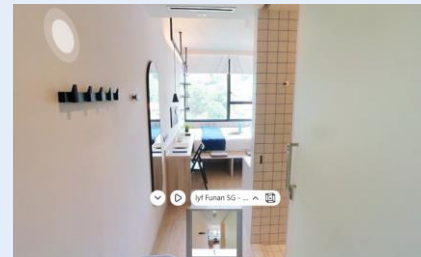
Prioritising safety and leveraging digital touchpoints



Leveraging the operational expertise of our Sponsor, The Ascott Limited, to:

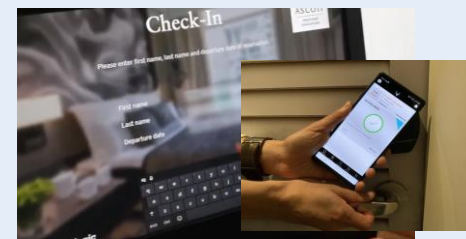
- Provide high standards of hygiene and safety
- Improve digital solutions to provide greater value and safety
- Redesign our apartments to offer a more productive workspace

## Minimising person-to-person contact with technology



### 3D virtual tours

3D virtual tours provide prospective guests with the convenience of viewing our apartments without stepping out of their homes



### Self check-in kiosks & mobile key cards

Guests can enjoy a fast check-in experience and not worry about losing their physical key cards or coming into contact with our staff to obtain physical key cards



### Service robots

Service robot Xiao Ya performs a suite of tasks such as concierge services, leading guests to the rooms or facilities, delivering clean laundry and packages, and refilling room supplies



# Update on COVID-19



# While Performance has been Impacted by COVID-19...



## 1Q 2020 RevPAU<sup>1</sup> declined 23% on lower occupancies

- Portfolio occupancy significantly lower but above breakeven level; room rates remained relatively stable
- 18 properties temporarily closed<sup>2</sup> due to government mandate or to optimise resources
- 2Q 2020 to remain challenging

## Mitigants



**Cushioned by properties catering to long stays and rental housing** as these properties were impacted to lesser extent compared to those catering to transient travellers

**Degree of stability** from master leases and management contracts with minimum guaranteed income

**Diversified portfolio of 88 properties with no concentration risk**

Monthly contribution of closed properties account for <2% of total gross profit on a FY 2019 pro forma basis

## Working with our Lessees and Operators



**Comprehensive cost-containment measures** and government support to defray some costs

**Deferral of uncommitted discretionary capital expenditure**

**Pursuing alternative sources of revenue**

E.g. Providing accommodation to healthcare personnel on the frontline, workers affected by border shutdown

**Finding a middle ground and navigating challenges**

# ...Signs of Recovery are on the Horizon

Notes:

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

2. As at 30 April 2020. Comprising 11 properties in France, 4 in Japan, 1 each in Belgium, Spain and South Korea

# Regional Updates – China

Green shoots of recovery as normalcy returns

**7** properties  
management  
contracts

**7%**  
of total assets



- Divestment of Citadines Xinghai Suzhou & Citadines Zhuankou Wuhan expected to complete in 2H 2020

Travel restriction indicator



- **1Q 2020 RevPAU declined 31% y-o-y**
- Operations substantially scaled down at Citadines Zhuankou Wuhan during the height of the epidemic. **Full operations have since resumed**
- **First-tier cities resilient**, long-staying guests supported occupancies
- **Portfolio occupancy of about 50%**, compared to market occupancy of 23%<sup>1</sup> for the month of March 2020
- **Signs of normalcy returning to China** with the relaxation of lockdown measures and resumption of major events
- **Forward bookings for domestic accommodation and air travel have rebounded to >70% of previous levels<sup>2</sup>**
- STR observed that **midscale and economy hotels are driving the recovery** of the China lodging market<sup>1</sup>
- **ART to focus efforts to capture domestic market demand**; a significant proportion of ART's guests in China is domestic

Notes:

1. Source: STR
2. Source: The Straits Times

# Regional Updates – Asia Pacific

Progressive reopening but full recovery to take time

**68%**  
of total assets



**13** properties master leases      **42** properties management contracts

Note: Figures above include properties in China

| Key Markets | % of Total Assets | RevPAU Change <sup>1</sup> |
|-------------|-------------------|----------------------------|
| Australia   | 13%               | -28%                       |
| Japan       | 20%               | -37%                       |
| Singapore   | 17%               | -30%                       |
| Vietnam     | 4%                | -20%                       |

Note:  
1. Refers to the y-o-y 1Q 2020 RevPAU change. RevPAU refers to the revenue per available unit of the properties under management contracts

Travel restriction indicator



- **Properties catering to transient stays most impacted** (e.g. in Australia, Japan and South Korea) while **those with long stays less so** (e.g. in Vietnam)
- **Temporary closure** of 2 properties in Japan and 1 property in South Korea
- **Rental housing portfolio** in Japan remained **resilient with occupancies over 90%**
- Pursued **alternative business opportunities** in Australia and Singapore, supporting frontline personnel, those on quarantine or affected by border closures
- **Phased reopening and lifting of movement controls in** many Asia Pacific markets
- Gradual pick-up in **domestic and regional travel**
- Asian governments are **prioritising business travellers** in their travel negotiations with one another
- ART's Asia Pacific portfolio caters to a **higher proportion of corporate guests (>50%)** and **longer average length of stay of 4 months**
- **ART properties** with more **domestic guests** (e.g. Australia) could experience a **faster pace of recovery**; others may take a longer time

# Regional Updates – Europe

Easing of lockdown measures

20%  
of total assets



22 properties  
master leases

7 properties  
MCMGI<sup>1</sup>

| Key Markets    | % of Total Assets | RevPAU Change <sup>2</sup> |
|----------------|-------------------|----------------------------|
| France         | 7%                | n.a.                       |
| United Kingdom | 7%                | -15%                       |

Travel restriction indicator



- Decline in occupancy from March 2020
- **Temporary closure** of 11 properties in France, 1 in Belgium and 1 in Spain either due to government mandate or soft accommodation demand
- **Earnings protected** by fixed rents under master leases and minimum guarantee under MCMGI<sup>1</sup>, but a **protracted pandemic may put a strain** on lessees
- **Mitigation efforts** included supporting accommodation needs of healthcare workers
- **Demand for accommodation remains muted** in April and May
- **Easing of lockdown** in most countries, with European Union calling for **unrestricted free movement within Europe**
- **Plans to progressively reopen ART properties in regional France** from June 2020, to capture summer holiday demand

Notes:

1. MCMGI refers to Management Contracts with Minimum Guaranteed Income

2. Refers to the y-o-y 1Q 2020 RevPAU change. RevPAU refers to the revenue per available unit of the properties under management contracts with minimum guaranteed income

# Regional Updates – United States

Delicate steps toward recovery

Travel restriction indicator

**3 properties**  
in New York City  
management contracts

**12%**  
of total assets



- **1Q 2020 RevPAU dropped 22% y-o-y**
- Performance affected by **absence of leisure and corporate demand** following the lockdown from March 2020
- While many New York City hotels were closed due to weak demand, **ART properties remained operational** with reduced staffing and costs
- **Deferred asset enhancement initiative** for DoubleTree by Hilton Hotel New York – Times Square South, in bid to conserve cash
- **Pursued business through alternative channels** to mitigate the drop in traditional market drivers, including housing healthcare workers and COVID-19 responders
- All 50 US states have begun to ease lockdowns and the **partial reopening of New York City from early June** could see some pick-up in domestic tourism and travel
- Baby steps to recovery could be counteracted by disruptions from protests or risk of resurgence

# Looking Forward

Staying resolute and agile

## Near-term performance under pressure, but early signs of recovery are on the horizon



- **Financial performance expected to be adversely impacted**
- **Long stays continue to offer resilience** as we **work closely with our lessees and operators** to navigate the challenges and **pursue all business opportunities**
- **Nascent signs of improvement** with the reopening of borders and formation of travel bubbles, **but difficult to ascertain how long a full recovery will take**
- **Domestic/regional travel and midscale accommodation** are expected to drive lodging recovery globally, and our properties are well-positioned to capture the uptick in demand
- Our **strong financial and cashflow positions** enable us to weather the downturn

## Positive on longer-term prospects of the hospitality sector



- Historically, tourism has shown unparalleled ability to recover from crisis and proven to be a key driver of international recovery<sup>1</sup>
- Continue to **adapt and future-ready** our properties to capture a rebound when it happens

Note:  
1. Source: UNWTO



# Thank you



**ASCOTT**  
RESIDENCE  
TRUST

A Member of CapitalLand

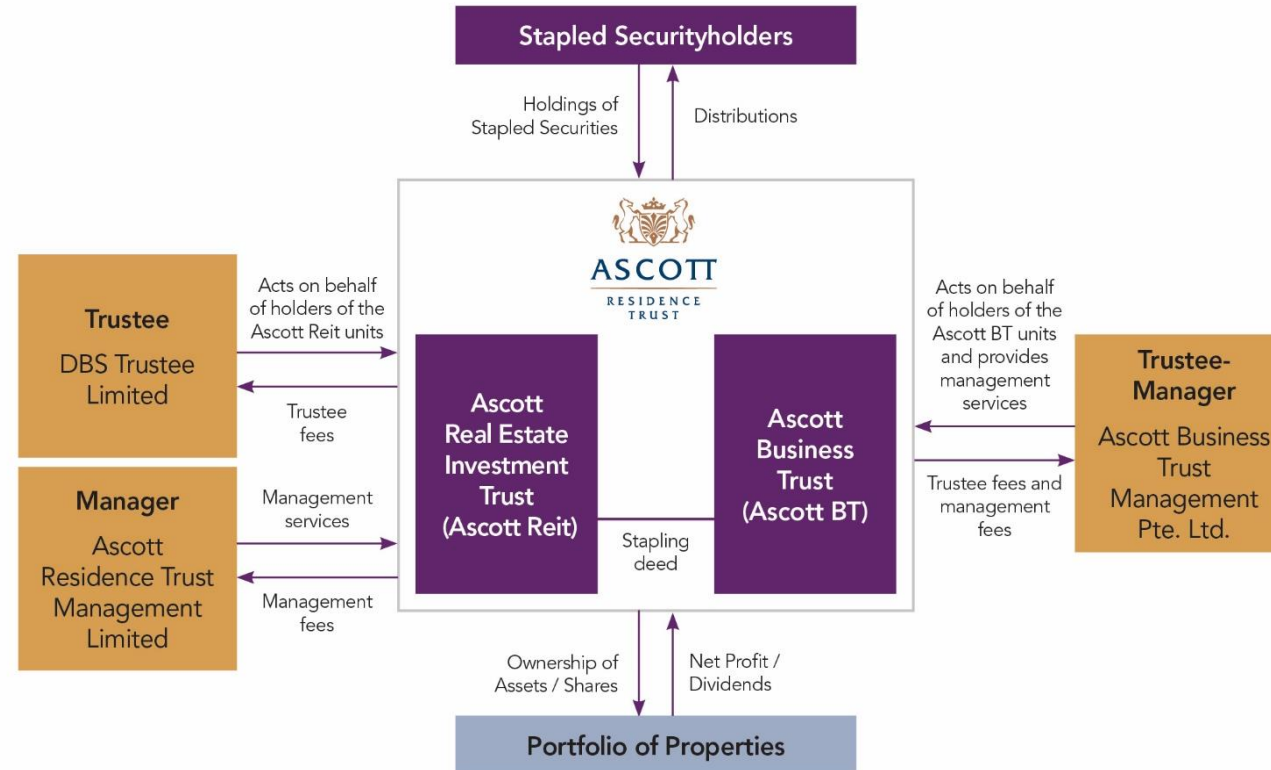


# Appendix

**Citadines**

# Structure of ART

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit), a real estate investment trust and Ascott Business Trust (Ascott BT), a business trust



Post-combination with Ascendas Hospitality Trust (**A-HTRUST**), ART now has a real estate investment trust (REIT) and an active business trust component where certain of its income is derived from non-passive income sources. Pursuant to the Monetary Authority of Singapore's Property Funds Appendix (PFA), a REIT should not derive more than 10% of its revenue from sources other than passive income sources. Accordingly, Ascott BT was established to hold such assets so as to facilitate compliance by ART with the PFA.

# Key Features of ART

|                                          |                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Structure</b>                         | <ul style="list-style-type: none"> <li>Stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT)</li> </ul>                                                                                                                                                                                                               |
| <b>Investment Mandate</b>                | <ul style="list-style-type: none"> <li>Invests primarily in real estate and real estate-related assets which are income-producing and which are used, or predominantly used, as serviced residences, rental housing properties and other hospitality assets in any country in the world</li> </ul>                                                                               |
| <b>Leverage</b>                          | <ul style="list-style-type: none"> <li>Based on regulatory requirements for S-REITs, Ascott Reit's aggregate leverage cannot exceed 50%<sup>1</sup></li> <li>As a stapled group, ART intends to comply with the aggregate leverage limit applicable to S-REITs</li> <li>Historically, ART's aggregate leverage has been at approximately 34%-41%<sup>2</sup></li> </ul>          |
| <b>Minimum Distribution Payout Ratio</b> | <ul style="list-style-type: none"> <li>Required to distribute at least 90% of its taxable income to qualify for the Inland Revenue Authority of Singapore tax transparency treatment for REITs</li> <li>Since listing, <b>100%</b> of distributable income has been paid</li> </ul>                                                                                              |
| <b>Sponsor-aligned Interest</b>          | <ul style="list-style-type: none"> <li>CapitalLand Limited, Asia's largest diversified real estate group, is the parent company of The Ascott Limited, the Sponsor of ART</li> <li>CapitalLand Group owns c.40% interest in ART</li> </ul>                                                                                                                                       |
| <b>Corporate Governance</b>              | <ul style="list-style-type: none"> <li>Externally managed by Ascott Residence Trust Management Limited<sup>3</sup> (manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd.<sup>3</sup> (trustee-manager of Ascott Business Trust) <ul style="list-style-type: none"> <li>– Majority of the boards are Independent Non-Executive Directors</li> </ul> </li> </ul> |
| <b>Reporting</b>                         | <ul style="list-style-type: none"> <li>Adopt announcement of half-yearly financial statements wef FY 2020</li> <li>Property valuation conducted on an annual basis wef FY 2020</li> </ul>                                                                                                                                                                                        |

*Notes:*

- Ascott Reit is governed by the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore.
- Based on ART's gearing for financial years 2011 – 2019.
- Wholly-owned subsidiaries of CapitalLand Limited.