



ASCOTT RESIDENCE TRUST

A stapled group comprising:

Ascott Real Estate Investment Trust

(A real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

Ascott Business Trust

(A business trust constituted on 9 September 2019 under the laws of the Republic of Singapore)

Managed by

Ascott Residence Trust Management Limited
(Company Registration No. 200516209Z)

Managed by

Ascott Business Trust Management Pte. Ltd.
(Company Registration No. 201925299R)

ANNOUNCEMENT

UPDATE ON COVID-19

Ascott Residence Trust Management Limited, the manager of Ascott Real Estate Investment Trust and Ascott Business Trust Management Pte. Ltd., the trustee-manager of Ascott Business Trust (collectively, the “**Managers**”), wish to provide an update on the COVID-19 pandemic and its impact on Ascott Residence Trust (“**ART**”).

IMPACT OF COVID-19

The COVID-19 outbreak has rapidly evolved into a global pandemic and impacted the travel industry in unprecedented ways. In recent weeks, while the situation in China appears to have improved, contagion in other parts of the world has escalated. Accordingly, more countries have imposed stricter movement controls including city lockdowns, which have led to a substantial decline in the number of travellers, thereby impacting the demand for lodging.

ART’s geographic diversification, mix of stable and growth income streams and longer average length of stay have, under usual business conditions, provided resilience to ART’s earnings. However, the COVID-19 pandemic has been an extraordinary occurrence which has put a strain on both our lessees and operators.

Lower occupancies and room rates have been observed across all our markets, with properties predominantly catering to the transient segments being the most impacted. Amongst our markets with higher transient demand, Australia, Japan, Europe and the United States of America have experienced a greater decline in occupancy in March 2020, while

properties catering to the longer-stay segment in countries like China, Vietnam and Singapore were less impacted.

To date, 15 out of our 88 properties have temporarily closed, either in response to government mandates and health recommendations or to optimise resources. As more governments impose tighter measures to curb the spread of the virus, we expect occupancies of our properties to remain under pressure in the near term.

MITIGATION EFFORTS

All our operators are focused and committed to protecting the safety of our guests and employees and have taken substantial steps to address the operating and financial impact of the COVID-19 pandemic.

The Managers together with the operators have proactively pursued alternative sources of revenue during this period. New sources of business include providing accommodation to those on self-isolation, healthcare personnel on the frontline, workers looking for alternate work-from-home locations and workers affected by border shutdowns.

Comprehensive cost-containment measures have been implemented to manage staff costs and overheads. Discretionary expenditure such as marketing expenses have also been reduced. Support measures by various governments, such as property tax rebates and wage subsidies have been pursued and will help to defray some expenses. We will continue to monitor the operations closely and adapt our business accordingly.

RESILIENT FINANCIAL POSITION

ART has the financial capacity to weather this downturn. We started the year on firm financial footing with a relatively low gearing of 33.6% and a well-staggered debt maturity profile. In addition, there is sufficient cash on hand to meet our current operating requirements and unutilised credit facilities which we can draw down on in times of need. We do not foresee any issues in refinancing the debt maturing in 2020 and our lenders continue to be supportive during these uncertain times.

With the completion of the divestment of partial gross floor area in Somerset Liang Court Singapore expected this year, ART will receive approximately S\$163 million in cash proceeds.

We are taking further steps to protect our cash flow, including deferring any uncommitted discretionary capital expenditure.

LOOKING FORWARD

We expect ART's financial performance to be adversely impacted and we may review the distributions to Stapled Securityholders at a level determined to be prudent. The full impact of the COVID-19 pandemic cannot be ascertained at this point and we will actively work with both our operators and lessees through this difficult period to provide support and assistance.

Despite the near-term headwinds, the Managers remain committed to delivering long-term value to our Stapled Securityholders, and we remain confident that we can navigate the challenges ahead of us.

By Order of the Board

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

(Company Registration No. 200516209Z)

As Manager of Ascott Residence Trust

ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

(Company Registration No. 201925299R)

As Trustee-Manager of Ascott Business Trust

Karen Chan

Company Secretary

9 April 2020

IMPORTANT NOTICE

The past performance of Ascott Residence Trust (“**ART**”) is not indicative of future performance. The listing of the stapled securities in ART (the “**Stapled Securities**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, Ascott Residence Trust Management Limited as manager of Ascott Real Estate Investment Trust or Ascott Business Trust Management Pte. Ltd. as trustee-manager of Ascott Business Trust (collectively, the “**Managers**”) or any of their respective affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

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