

**ASCOTT**  
RESIDENCE  
TRUST

A Member of CapitaLand

# Ascott Residence Trust

## A Leading Global Serviced Residence REIT

SGX – J.P. Morgan Real Estate Corporate Day,  
Sydney

23 November 2017



# 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.

- Overview Of Ascott REIT
- Key Highlights For YTD September 2017
- Portfolio Highlights
- Ascott REIT's Strategies
- Strong Sponsor – The Ascott Limited
- Conclusion
- Appendix

# Overview of Ascott REIT



Somerset Liang Court Singapore



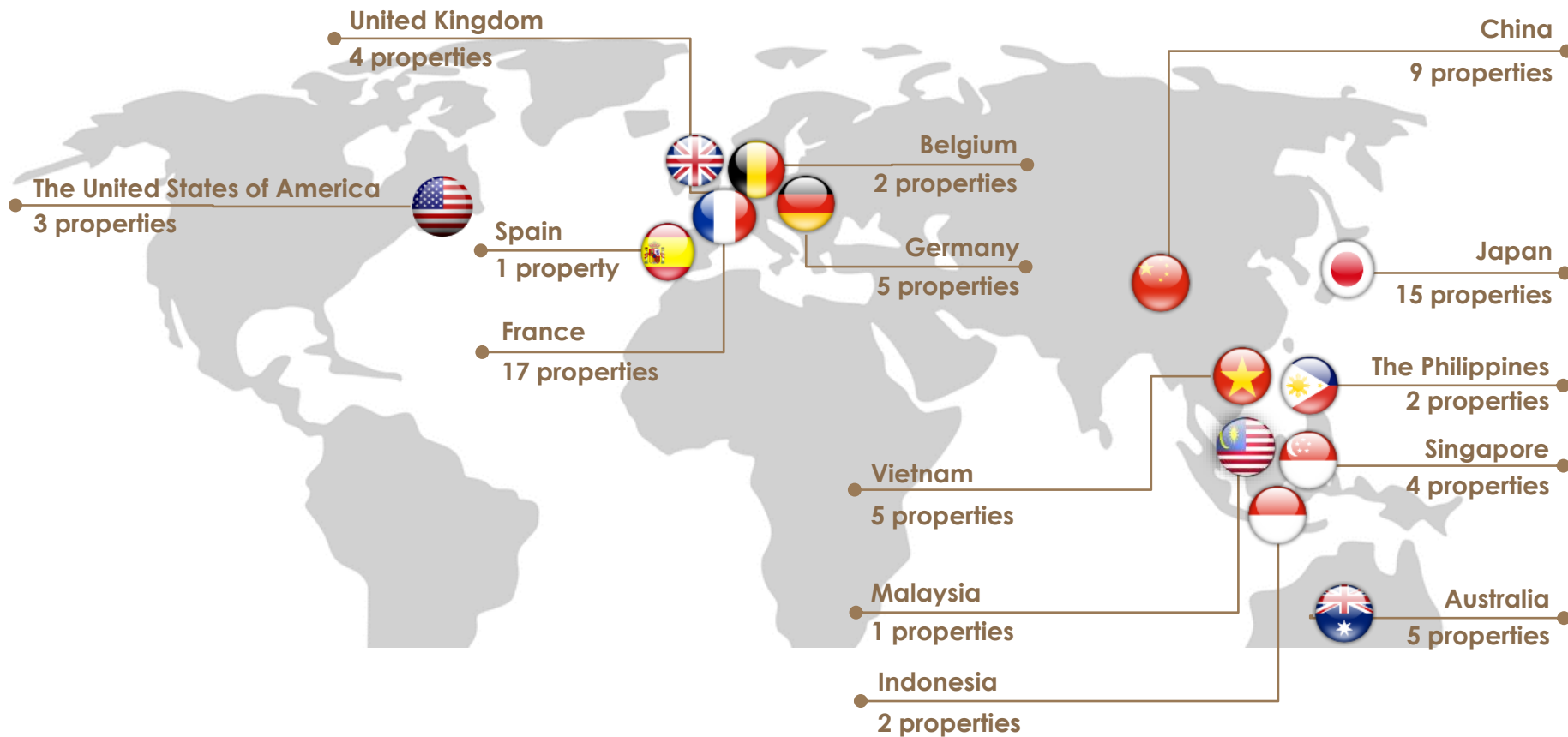
# Ascott REIT – A Leading Global Serviced Residence REIT



A Member of CapitalLand

Diversified and defensive portfolio of quality assets located in major gateway cities

<b>\$S\$2.6b</b> Market Capitalisation	<b>\$S\$5.5b</b> Total Assets	<b>11,860</b> Apartment Units	<b>75</b> Properties	<b>38</b> Cities in 14 Countries
---	----------------------------------	----------------------------------	-------------------------	-------------------------------------

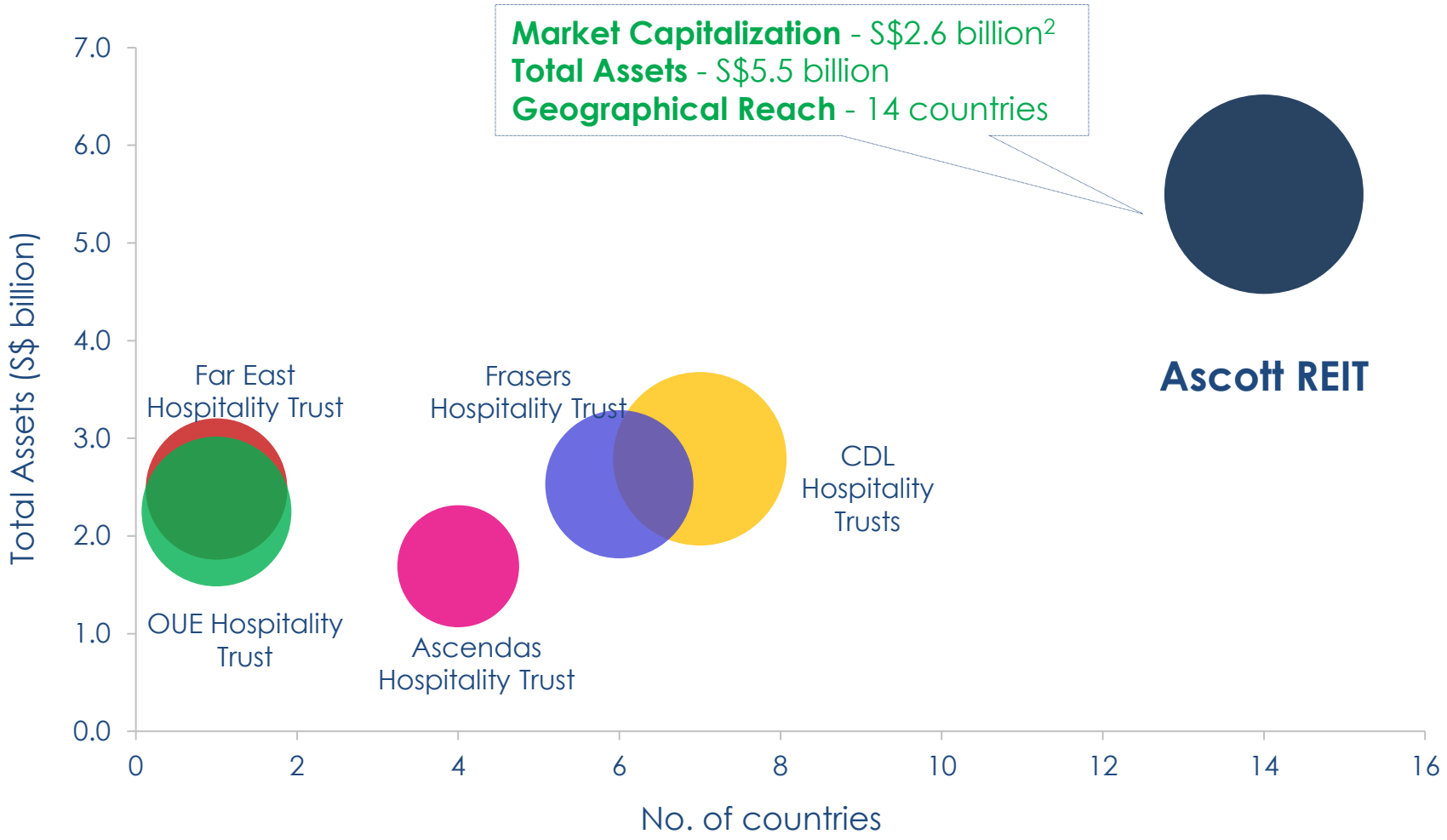


Note:

5 Figures above as at 30 October 2017. Market capitalization is extracted from Bloomberg as at 10 November 2017, based on Ascott REIT unit closing price of \$S\$1.205.



# Ascott REIT Is The Most Geographically Diversified REIT And The Largest Hospitality S-REIT By Asset Size And Market Capitalisation<sup>1</sup>



**Notes:**

Figures above as at 10 November 2017, based on latest company filings.

1. Size of bubbles of other hospitality S-REITs denotes market capitalization extracted from Bloomberg as at 10 November 2017.
2. Market capitalisation of Ascott REIT is based on unit closing price of S\$1.205 on 10 November 2017.

# Ascott REIT Awards And Accolades

- **The Asia Pacific Best of the Breeds REITs Awards 2017<sup>1</sup> – Best Hospitality REIT Platinum**



Asia Pacific  
Best of the Breeds  
REITs AWARDS™

- **Ranked 6 out of the 42 Trusts in the Singapore Governance and Transparency Index 2017<sup>2</sup> – REIT and Business Trust Category**

Notes:

1. *The Asia Pacific Best of the Breeds REITs Awards™ 2017 is a coveted award to recognize companies and managers with the highest standards and performance in the Asia Pacific REITs sector at the Annual REITs Asia Pacific 2017 organized by The Pinnacle Group International.*
2. *The Singapore Governance and Transparency Index (SGTI) is a joint initiative of CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations (CGIO), and Singapore Institute of Directors, supported by The Business Times. It is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcement.*



# Ascott REIT Awards And Accolades

**42** of our properties are proud recipients of World Travel Awards, Business Traveller APAC Awards and TripAdvisor's top accolades



Citadines  
Sainte-  
Catherine  
Brussels



Citadines  
Michel  
Hamburg



Somerset  
Grand  
Hanoi



La Clef  
Tour Eiffel,  
Paris



Citadines  
Shinjuku  
Tokyo

**5** of our properties won **World Travel Awards™<sup>1</sup> 2017 – Leading Serviced Apartments** for the respective countries



Ascott Raffles  
Place

**Ascott Raffles Place Singapore** won **Business Traveller Asia-Pacific Awards<sup>2</sup> 2017 – Best Serviced Residence**



**5** of our properties awarded **Travellers' Choice Award<sup>3</sup> 2017**



**42** of our properties awarded **Certificate of Excellence Award<sup>4</sup> 2017**

Notes:

1. The World Travel Awards was set up to recognize and celebrate excellence in all key sectors of the travel, tourism and hospitality industries. It is now recognized globally today as the hallmark of industry excellence.
2. The Business Traveller Asia Pacific Awards is awarded out to top performers in the industry who have demonstrated excellence in their respective fields, and is given out annually to businesses in the travel and tourism industry.
3. The TripAdvisor Travellers' Choice winners are based on millions of valuable reviews and opinions from travellers around the world.
4. The TripAdvisor Certificate of Excellence honours hospitality businesses that deliver consistently great service.

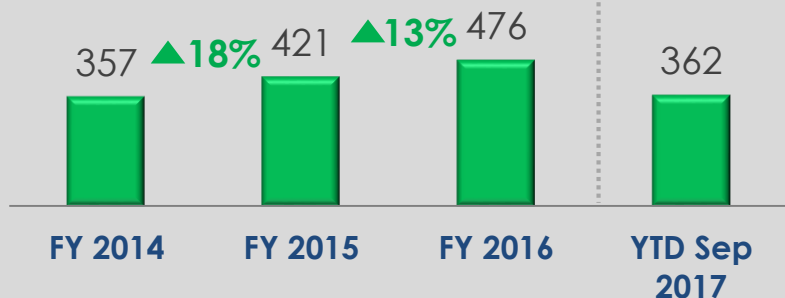




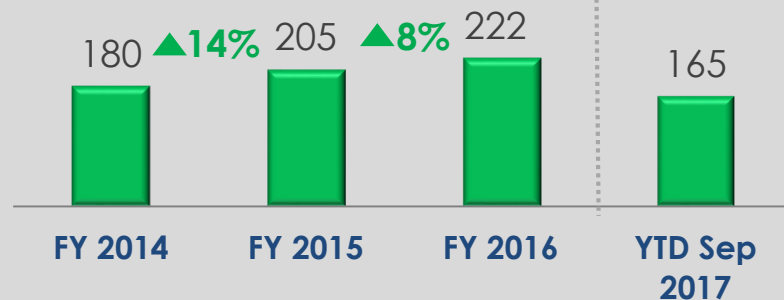
# Stable And Sustainable Returns

With steady financial performance, Ascott REIT continuously delivers stable and sustainable returns to Unitholders

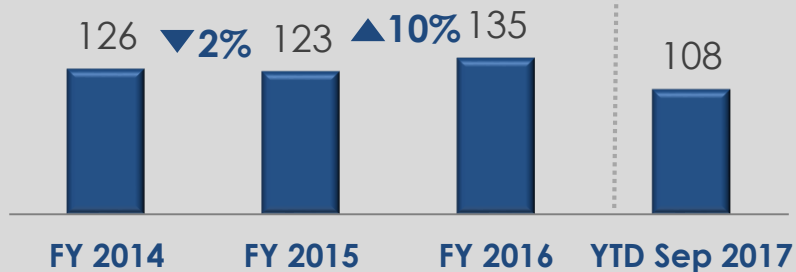
## Revenue (\$m)



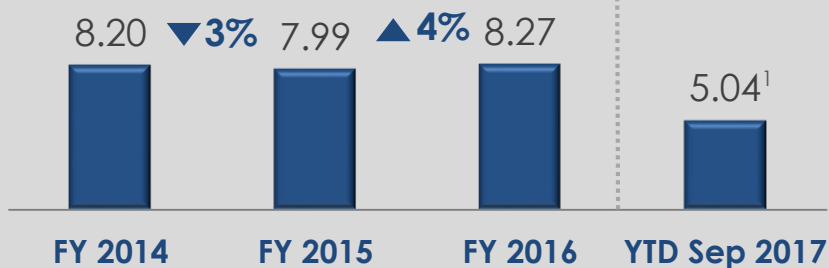
## Gross Profit (\$m)



## Unitholders' Distribution (\$m)



## Distribution Per Unit (\$ cents)



Note:  
 1. On 11 April 2017, 481,688,010 units were issued to raise gross proceeds of S\$442.7m to partially fund the acquisitions of Citadines Michel Hamburg, Citadines City Centre Frankfurt, and Ascott Orchard Singapore. Distribution Per Unit will be 5.92 \$ cents adjusted for rights issue, equity placement (94,787,000 new units were issued on 23 March 2016 to fund the acquisition of Sheraton Tribeca New York Hotel and the YTD Sep 2017 DPU was adjusted to exclude its contribution for 1Q 2017) and one-off realised exchange gains arising from repayment of foreign currency bank loans of S\$11.9m.



# Key Features Of Ascott REIT

## Investment Mandate

- 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

## Leverage

- Low gearing of 31.9% as at 30 September 2017<sup>1</sup>
- Historically, Ascott REIT's aggregate leverage has been at c.34%-41%<sup>2</sup>

## Distribution Payout Ratio

- Since its listing, Ascott REIT has distributed 100% of Unitholders' distribution
- Distribution is on a semi-annual basis

## Sponsor-aligned Interest

- CapitaLand Limited, through The Ascott Limited ("Ascott"), is a substantial Unitholder of Ascott REIT (c.44% interest in Ascott REIT)

### Notes:

1. Gearing would be ~36% upon the acquisition of Ascott Orchard Singapore which was completed on 10 October 2017, and the divestments of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, which is on track to complete in 4Q 2017.
2. Based on Ascott REIT's gearing for financial years 2011 – 2016.

# What Are Serviced Residences?

## *“Home away from home”*

- Fully furnished apartments catered for both short and extended stays
- Kitchen facilities with separate living and dining area



# Competitive Strengths Of Ascott REIT's Properties

## Strategic Locations

- Conveniently located within proximity to local prime business districts in their respective micro-markets
- Enjoy high levels of connectivity via public transportation

## Strong Brand Recognition

- Internationally recognised brands
- A desired choice of accommodation for corporate executives and travellers seeking accommodation for extended stays

## Operational synergies with the Ascott Group

- Ascott REIT can leverage on Ascott's competitive advantages in the market through Ascott's ability to develop, invest, operate and manage serviced residences and rental housing properties across the world

## Flexible Business Model

- Enhances demand and value with the ability to cater to both short and extended stays

## Strong Guest Base And Geographical Diversification

- Guest base comprises expatriate families, business travellers, corporate clients and government bodies which provides relative stability to revenue
- Properties located in 14 different countries which reduces dependence of Ascott REIT's revenue on any particular market



# Key Highlights For YTD September 2017

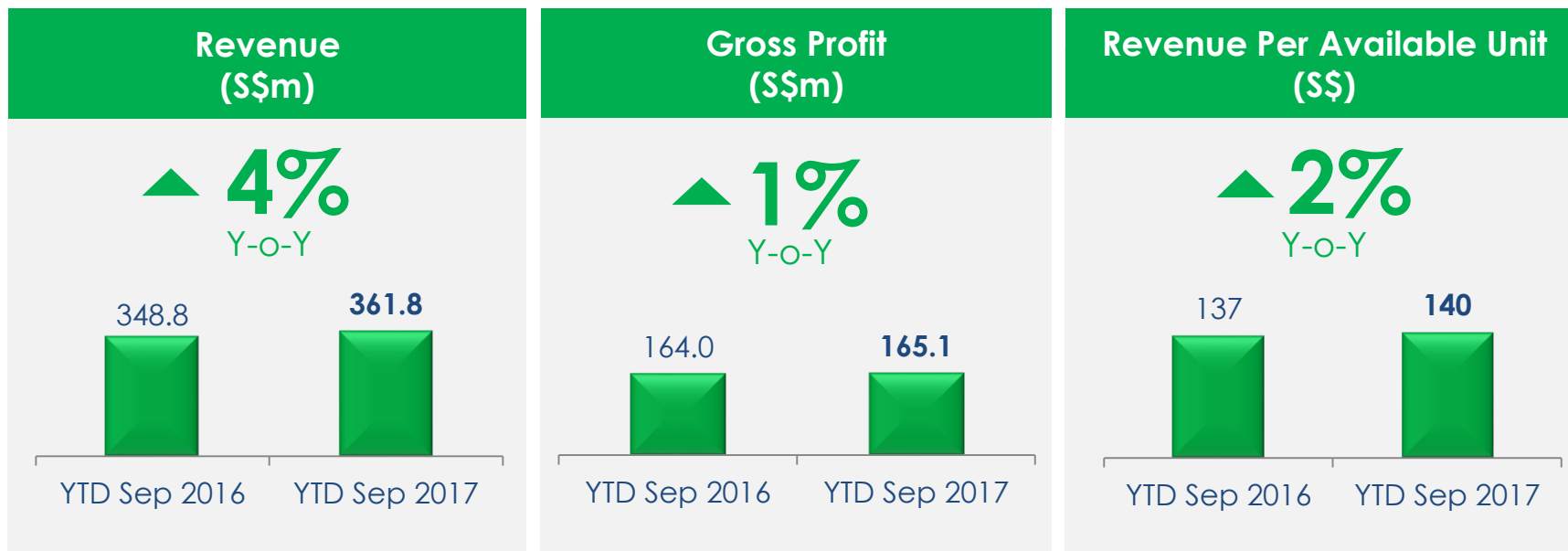
Ascott Raffles Place Singapore



# Key Highlights For YTD September 2017

## Improved Operational Performance

- Notwithstanding slow-paced global economic recovery, portfolio REVPAU increased **2%** Y-o-Y, in particular, posting double-digit increase in RevPAU in Belgium, Philippines and Vietnam





# Key Highlights For YTD September 2017

## Growth Through Value Enhancing Acquisitions

- **Germany: Citadines City Centre Frankfurt and Citadines Michel Hamburg**
  - Completed acquisition on 2 May 2017
  - DPU accretive with stable recurring income
- **Singapore: Ascott Orchard Singapore**
  - Completed acquisition on 10 October 2017
  - Gross profit uplift by >5%<sup>1</sup>
- **The United States of America: DoubleTree by Hilton Hotel New York – Times Square South**
  - Completed and started contributing on 16 August 2017
  - ~2.4% to the 3Q 2017 gross profit
  - Recognised a net revaluation gain of S\$0.5m in 3Q 2017



**Total Asset Value Acquired: S\$655.4 million**

Note:

1. Computed using only the fixed lease rental component of S\$13,162,500 pa less owner's costs (eg: property tax and property insurance) and the 3Q 2017 gross profit of S\$58.8m, excluding the variable lease rental component of 85% of the net operating income.



# Key Highlights For YTD September 2017

## Strategic Portfolio Reconstitution

- **Divested a portfolio of 18 rental housing properties in Tokyo, Japan on 26 April 2017**
  - 16% above valuation
  - Net divestment gain of **S\$20.1m<sup>1</sup>**
  
- **Divestment of 2 serviced residences in China, Citadines Biyun Shanghai and Citadines Gaoxin Xi'an**
  - 69% above valuation
  - Recognised a net revaluation gain of **S\$51.6m<sup>2</sup>**
  - Divestment on track to complete in 4Q 2017



**Total Divestment Value: S\$351.6 million**

Notes:

1. Consists of S\$17.2m recognised in 2Q 2017 and S\$2.9m recognised in 3Q 2017.
2. In Q3 2017, ART recognised a net surplus on revaluation (net of tax) of S\$51.6 million pursuant to the announcement on 3 July 2017 for the divestment of these two properties.





# Key Highlights For YTD September 2017

## Strengthen Value And Quality Through Asset Enhancement Initiatives

- Completed the refurbishments at Somerset Millennium Makati, Somerset Ho Chi Minh City and Citadines Barbican London have led to ADR uplift of:

▲ **14%**  
Y-o-Y

Somerset Millennium  
Makati

▲ **23%**  
Y-o-Y

Somerset Ho  
Chi Minh City

▲ **10%**  
Y-o-Y

Citadines Barbican  
London

- Citadines Barbican London – Additional rental revenue with the newly created area that is leased to Sourced Market, a food & beverage retailer
- Citadines Mount Sophia Singapore – Rejuvenated the lobby and breakfast lounge



Citadines Barbican London –  
New F&B Retailer



Citadines Mount Sophia  
Singapore – Lobby

# Key Highlights For YTD September 2017

## Disciplined and Prudent Capital Management

### ▪ **Successful Fund Raising**

- In April 2017, successfully completed a rights issue to raise gross proceeds of S\$442.7m
- Oversubscribed at 1.8 times
- Gearing remained low at **31.9%**<sup>1</sup> as at 30 September 2017
- Effective borrowing rate sustained at **2.4% per annum**
- Approximately **87%** of total borrowings is at fixed interest rates to hedge against the rising interest rate environment
- After taking into account the foreign exchange hedges, impact of foreign exchange fluctuation on gross profit is largely mitigated at **-0.3%**
- **~41%** of the total assets denominated in foreign currencies has been hedged
- Fitch Ratings assigns a first-time long-term Issuer Default Rating of '**BBB**' with stable outlook, reaffirming the strong business risk profile that is underpinned by the resilience of its globally diversified portfolio across economic cycles

Note:

1. Gearing would be ~36% upon the acquisition of Ascott Orchard Singapore which was completed on 10 October 2017, and the divestments of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, which is on track to complete in 4Q 2017.

# Portfolio Highlights

Ascott Orchard Singapore



# Portfolio Underpinned By Growth And Stable Income

	Stable Income		Growth Income
	Properties under Master Lease	Properties under Management Contracts with Minimum Income Guarantee	Properties on Management Contracts
Description	Master Lessees pay fixed rental per annum <sup>2</sup> to Ascott REIT	Properties on management contracts that enjoy minimum guaranteed income	No fixed or guaranteed rental but Ascott / third party operator manages Ascott REIT's properties for a fee
Percentage of Gross Profit <sup>1</sup>	29% <sup>3</sup>	13%	58%

Notes:

1. Based on YTD September 2017 gross profit.
2. The rental payments under the master leases are generally fixed for a period of time. However, the master leases provide for annual rental revisions and/or pegged to indices representing construction costs, inflation or commercial rental prices according to market practice. Accordingly, the rental revisions may be adjusted upwards or downwards depending on the above factors.
3. Excluding Ascott Orchard Singapore, which was acquired on 10 October 2017.

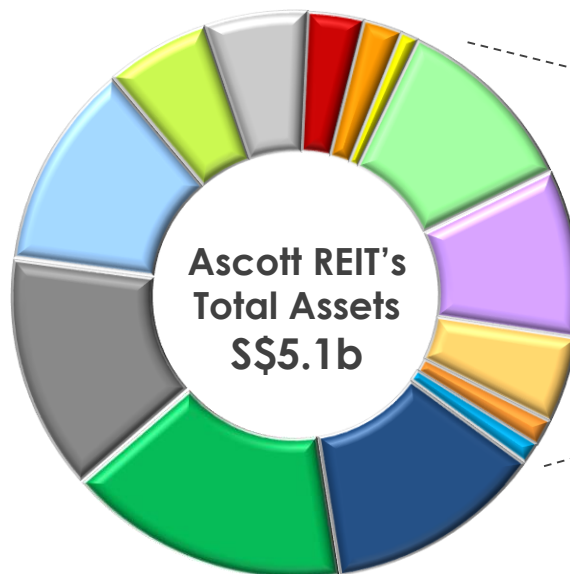


# Portfolio diversified across geography and economic cycles

Breakdown of total assets by geography  
As at 30 September 2017

## Asia Pacific 59.6%

● China	16.1%
● Japan	13.5%
● Singapore	11.8%
● Vietnam	5.9%
● Australia	5.9%
● Philippines	3.2%
● Indonesia	2.2%
● Malaysia	1.0%



## Europe 27.9%

● France	10.7%
● UK	9.6%
● Germany	4.9%
● Spain	1.5%
● Belgium	1.2%

## The Americas 12.5%

● USA	12.5%
-------	-------

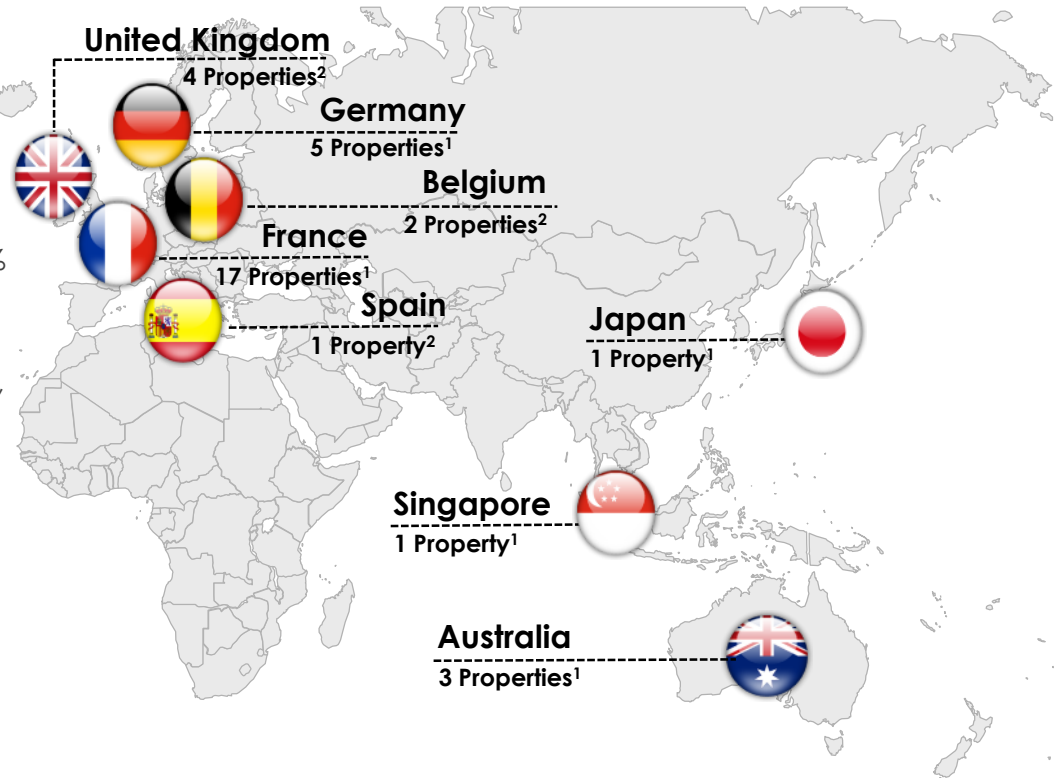
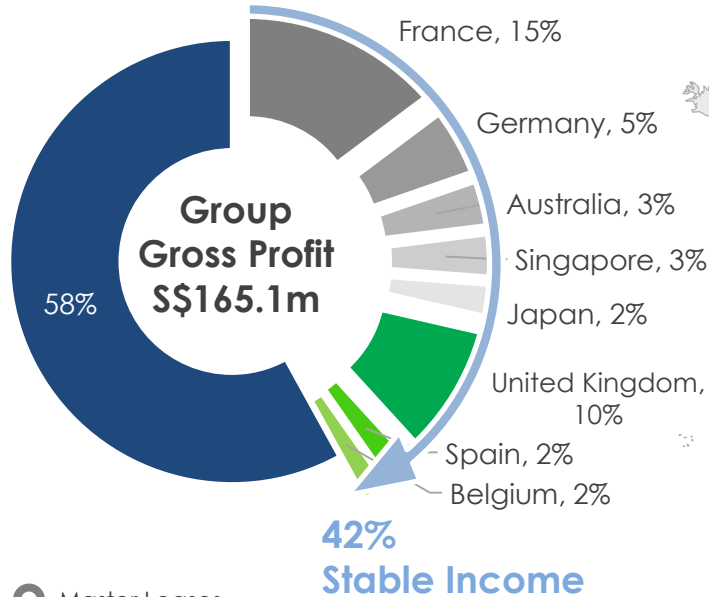


# 42% of YTD September 2017 gross profit was contributed by stable income

34 out of 74 properties enjoy income visibility derived from master leases and minimum guaranteed income contracts with remaining weighted average tenure of approximately **3.6 years**

YTD Sep 2017 gross profit contribution

Properties under master leases and management contracts with minimum guaranteed income



- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

Notes:

1. Properties under master leases. 5 master leases that are due in 2017 are currently undergoing negotiation and will be renewed in 4Q 2017.
2. Properties under management contracts with minimum guaranteed income.



# Master Leases (YTD Sep 2017 vs YTD Sep 2016)



La Clef  
Louvre Paris



Citadines  
Les Halles Paris



Citadines  
Croisette  
Cannes



Citadines  
Arnulfpark  
Munich



Ascott  
Raffles Place  
Singapore



Quest Sydney  
Olympic Park

## Revenue ('mil)

## Gross Profit ('mil)

	YTD Sep 2017	YTD Sep 2016	Δ%	YTD Sep 2017	YTD Sep 2016	Δ%
<b>Australia (AUD)</b> 3 Properties	5.4	5.4	-	5.1	5.1	-
<b>France (EUR)</b> 17 Properties	17.4	17.2	1	15.9	15.9	-
<b>Germany (EUR)</b> 5 Properties	5.7	4.4	30	5.2	4.1	27
<b>Japan (JPY)</b> 1 Property	399.9	399.9	-	314.1	312.2	1
<b>Singapore (SGD)</b> 1 Property	5.8	6.0	(3)	5.3	5.5	(4)
<b>Total (SGD)</b> 27 Properties	<b>52.1</b>	<b>49.5</b>	<b>5</b>	<b>47.2</b>	<b>44.9</b>	<b>5</b>



# Management Contracts with Minimum Guaranteed Income (YTD Sep 2017 vs YTD Sep 2016)



Citadines Toison d'Or Brussels



Citadines Ramblas Barcelona



Citadines Trafalgar Square London

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	YTD Sep 2017	YTD Sep 2016	Δ%	YTD Sep 2017	YTD Sep 2016	Δ%	YTD Sep 2017	YTD Sep 2016	Δ%
<b>Belgium (EUR)</b> 2 Properties	5.9	4.6	28	1.8	1.0	80	60	48	25
<b>Spain (EUR)</b> 1 Property	4.4	3.8	16	2.3	1.8	28	106	99	7
<b>United Kingdom (GBP)</b> 4 Properties	20.4	19.5	5	9.1	9.2	(1)	117	112	5
<b>Total (SGD)</b> 7 Properties	51.8	50.9	2	22.1	21.9	1	166	164	1

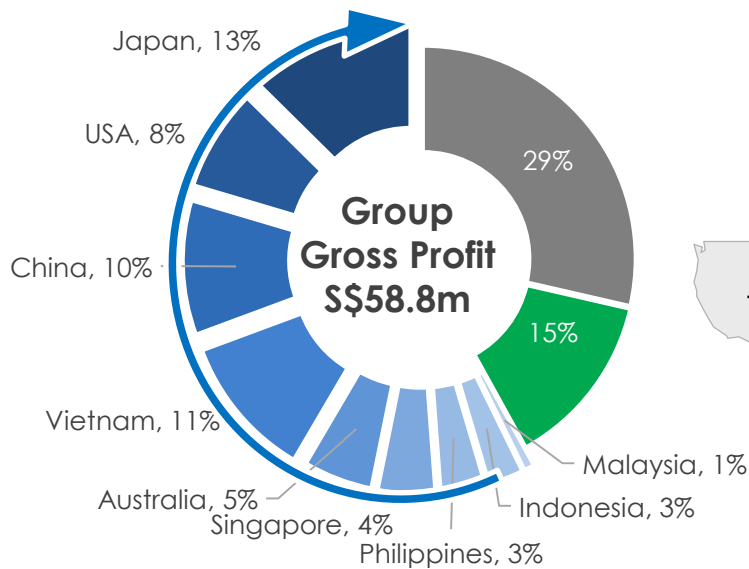


# 58% of YTD September 2017 gross profit was contributed by growth income

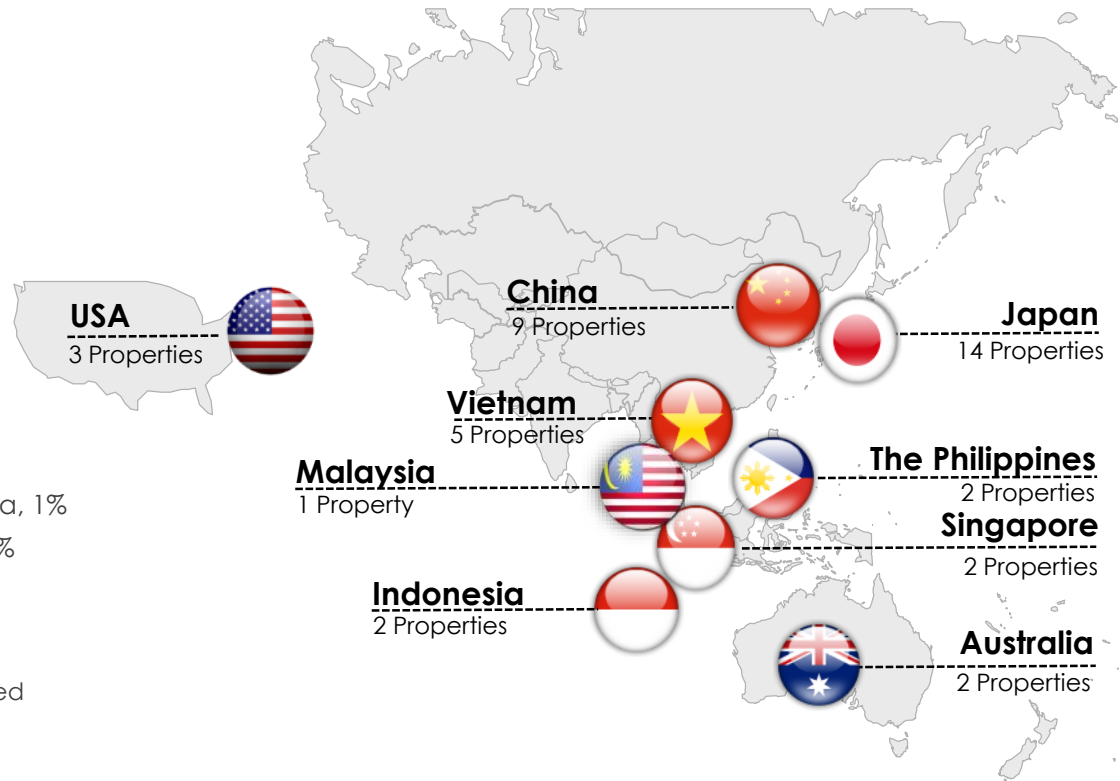
40 out of 74 properties enjoy upside growth potential derived from management contracts

YTD Sep 2017 gross profit contribution

Properties under management contracts



- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts



# Management Contracts (YTD Sep 2017 vs YTD Sep 2016)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	YTD Sep 2017	YTD Sep 2016	Δ%	YTD Sep 2017	YTD Sep 2016	Δ%	YTD Sep 2017	YTD Sep 2016	Δ%
Australia (AUD)	20.1	20.3	(1)	8.1	8.4	(4)	145	147	(1)
China (RMB)	226.1	227.5	(1)	82.9	67.8	22	407	404	1
Indonesia (USD)	9.0	9.3	(3)	3.2	3.8	(16)	78	80	(3)
Japan (JPY) <sup>1</sup>	3,143.2	3,537.9	(11)	1,675.7	1,979.6	(15)	11,522	12,234	(6)
Malaysia (MYR)	12.7	14.5	(12)	4.2	5.0	(16)	225	256	(12)
Philippines (PHP)	649.1	530.9	22	203.1	156.9	29	4,277	3,573	20
Singapore (SGD)	17.7	19.4	(9)	7.2	8.4	(14)	184	201	(9)
United States of America (USD)	47.3	39.3	20	9.3	10.0	(7)	208	227	(8)
Vietnam (VND) <sup>2</sup>	536.7	471.8	14	294.7	259.3	14	1,663	1,468	13
<b>Total (SGD)</b>	<b>257.9</b>	<b>248.4</b>	<b>4</b>	<b>95.8</b>	<b>97.2</b>	<b>(1)</b>	<b>135</b>	<b>133</b>	<b>2</b>

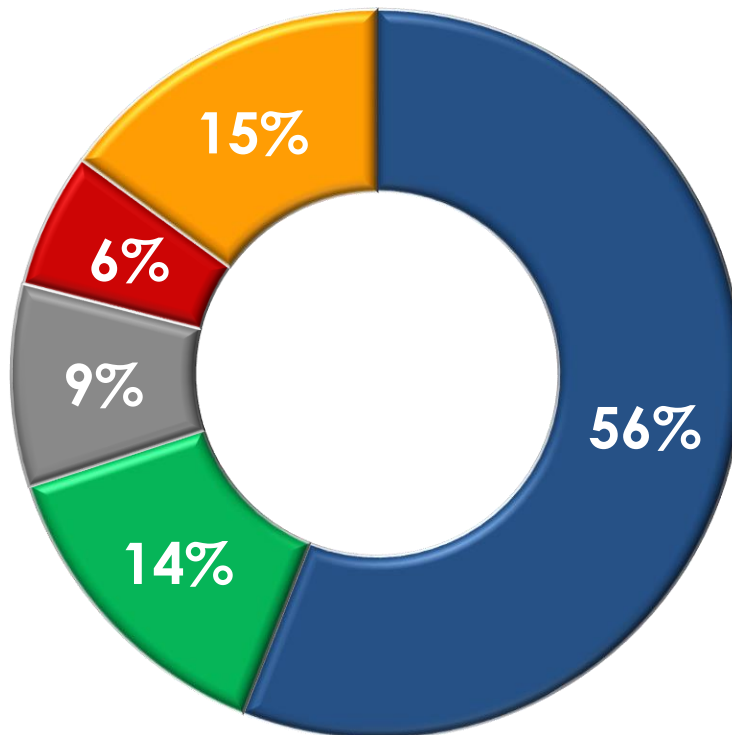
Notes:

1. RevPAU for Japan refers to serviced residences and excludes rental housing
2. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands

# Continue To Focus On Extended Stay Segments

## Breakdown Of Apartment Rental Income<sup>1</sup> By Length Of Stay

YTD September 2017



Average length of stay was about 3 months<sup>2</sup>, which provides income stability

- 1 week or less
- Less than 1 month
- 1 to 6 months
- 6 to 12 months
- More than 12 months

Notes:

- Information for properties on master leases are not included.
- Excluding the 18 rental housing properties in Japan that were divested on 26 April 2017.

# Ascott REIT's Strategies



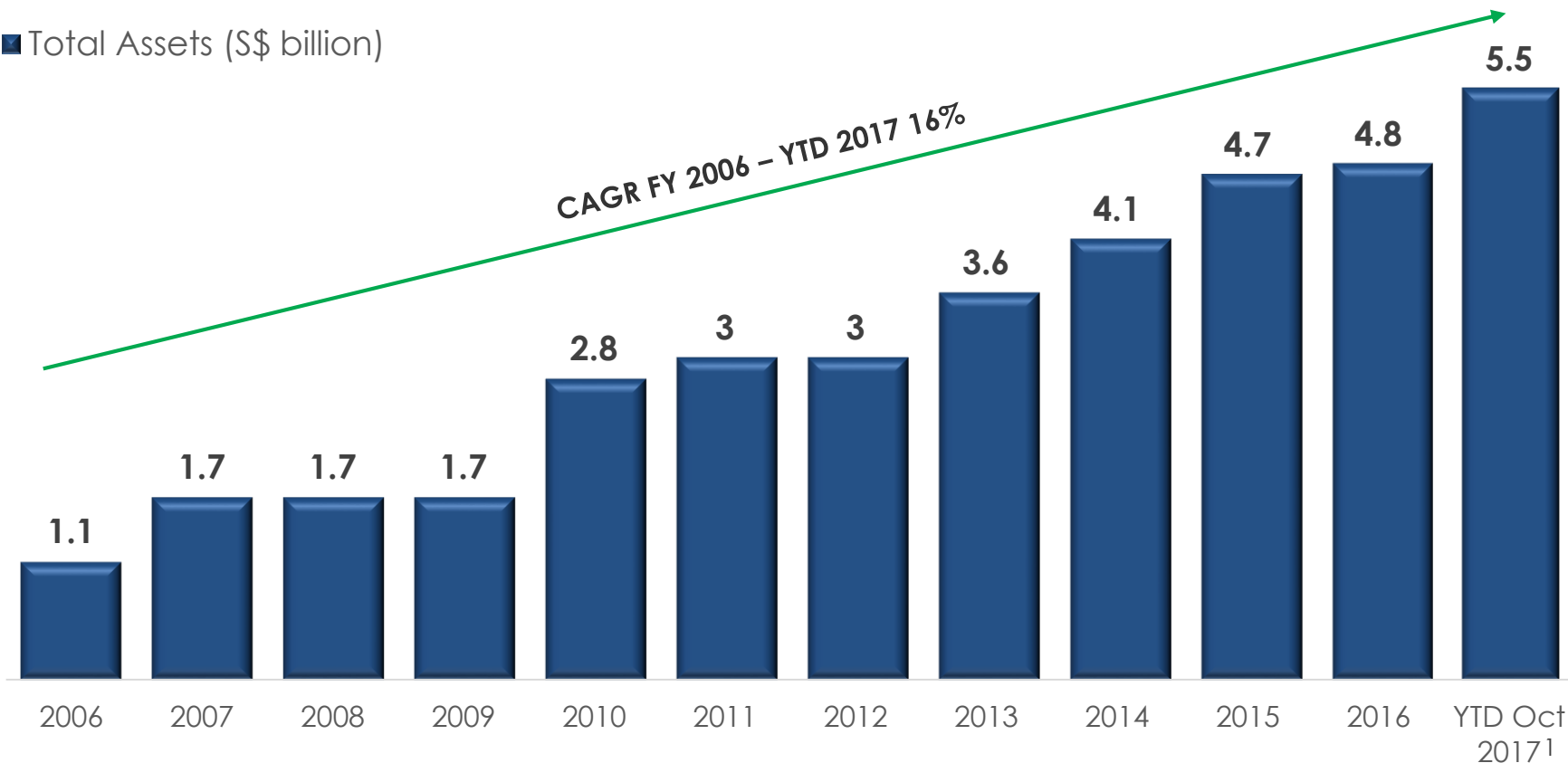
# Ascott REIT's Strategies



# 1 Growth By Acquisition

Ascott REIT Has More Than Quadrupled Its Total Assets Since Its Listing In 2006

■ Total Assets (\$\$ billion)



Note:

1. Including Ascott Orchard Singapore, which was acquired on 10 October 2017.

**1**

# Growth By Acquisition

## Ascott REIT's Strong Acquisition Track Record Since Listing

### 2006 (\$\$217.5m)

- Somerset Olympic Tower Tianjin S\$76.8m
- 40% stake in Roppongi Residences<sup>1</sup> S\$20.7m
- Ascott Makati S\$87.5m
- Somerset Gordon Heights Melbourne S\$13.9m
- 26.8% stake in Somerset Chancellor Court Ho Chi Minh City S\$18.6m

### 2008 (\$\$65.5m)

- Citadines St Georges Terrace Perth<sup>2</sup> S\$36.1m
- 70% stake in Somerset West Lake Hanoi S\$29.4m

### 2011 (\$\$98.1m)

- 60% stake in Citadines Shinjuku Tokyo S\$98.1m

### 2013 (\$\$287.4m)

- Somerset Heping Shenyang S\$86.2m
- Citadines Biyun Shanghai S\$63.2m
- Citadines Xinghai Suzhou S\$23.2m
- 11 rental housing properties in Japan S\$114.8m

### 2015 (\$\$609.1m)

- Citadines on Bourke Melbourne S\$167.6m
- 40% stake in Citadines Shinjuku Tokyo S\$84.3m
- 40% stake in Citadines Karasuma-Gojo Kyoto S\$39.9m
- 4 rental housing properties in Osaka S\$81.0m
- Element New York Times Square West S\$220.7m

### 2017 (\$\$655.4m)

- Citadines Michel Hamburg S\$46.4m
- Citadines City Centre Frankfurt S\$55.6m
- DoubleTree by Hilton Hotel New York – Times Square South S\$148.4m
- Ascott Orchard Singapore S\$405.0m

### 2007 (\$\$304.1m)

- Somerset Azabu East Tokyo S\$79.8m
- 60% stake in Roppongi Residences<sup>1</sup> S\$36.4m
- 40.2% stake in Somerset Chancellor Court Ho Chi Minh City S\$27.9m
- 18 rental housing properties in Tokyo S\$160.0m

### 2010 (\$\$1.2b)

- 2 Asian properties in Singapore and Vietnam, and 26 European properties in France, UK, Germany, Belgium and Spain S\$1.2b

### 2012 (\$\$414.7m)

- 60% stake in Citadines Karasuma-Gojo Kyoto S\$48.2m
- Ascott Raffles Place Singapore S\$220.0m
- Ascott Guangzhou S\$85.7m
- Madison Hamburg S\$60.8m

### 2014 (\$\$559.1m)

- Somerset Grand Central Dalian S\$118.6m
- Infini Garden S\$78.4m
- Somerset Ampang Kuala Lumpur S\$67.4m
- Citadines Zhuankou Wuhan S\$51.4m
- Citadines Gaoxin Xi'an S\$55.1m
- Citadines Central Shinjuku Tokyo<sup>3</sup> S\$95.2m
- Quest Sydney Olympic Park, Quest Mascot, and Quest Campbelltown S\$93.0m

### 2016 (\$\$218.0m)

- Sheraton Tribeca New York Hotel S\$218.0m

Total Asset Value Acquired Since Listing

**S\$4.6 billion**

(as at 31 October 2017)

Notes: Figures above are based on agreed property value

1. Formerly known as Somerset Roppongi Tokyo
2. Formerly known as Somerset St Georges Terrace Perth
3. Formerly known as Best Western Shinjuku Astina Hotel



2

# Active Asset Management

Enhance Value And Drive Organic Growth Through Asset Enhancement Initiatives ("AEI")



## Somerset Millennium Makati



Pre-refurbishment



Post-refurbishment

- Renovation of lobby and 113 apartment units



## Citadines Barbican London



Post-refurbishment



Sourced Market

- Refurbished 129 apartment units and common areas
- Brought in Sourced Market, a F&B retailer specialising in artisanal produce





2

# Active Asset Management

## Citadines Mount Sophia Singapore – Rejuvenated Lobby And Breakfast Lounge



Lobby: Pre-renovation



Breakfast Lounge: Pre-renovation



Lobby: Post-renovation



Breakfast Lounge: Post-renovation



# 2 Active Asset Management

## Ongoing Asset Enhancement Initiatives<sup>1</sup>

<b>Sheraton Tribeca New York Hotel</b> The United States of America	<b>Description</b>	Phase I: Renovation of public areas Phase II: Renovation of guestrooms and toilets
	<b>Period of renovation</b>	July 2017 – Mar 2018
<b>Somerset Grand Hanoi</b> Vietnam	<b>Description</b>	Renovation of toilets and FFE replacement
	<b>Period of renovation</b>	July 2017 – Dec 2017
<b>Ascott Makati (Phase 2)</b> The Philippines	<b>Description</b>	Phase II: Renovation of 183 apartment units and mechanical & electrical system
	<b>Period of renovation</b>	Phase II: Nov 2017 – May 2018
<b>Somerset Grand Citra Jakarta</b> Indonesia	<b>Description</b>	Renovation of 84 apartment units and mechanical & electrical system
	<b>Period of renovation</b>	Q1 2018 – Q2 2019

Note:

1. Excluding properties under Master Lease agreement



2

# Portfolio Capital Recycling

Properties With A Total Divestment Value Of **S\$1.3 billion** Have Been Recycled And Re-deployed Into Higher Yielding Assets Since 2010

## 2010 (S\$335.7m)

- Ascott Beijing S\$301.8m
- Country Woods Jakarta S\$33.9m



The proceeds from the 2012 divestments were deployed to fund the yield accretive acquisitions of

- Ascott Raffles Place Singapore
- Ascott Guangzhou

## 2014 (S\$140.0m)

- Fortune Garden Apartments<sup>1</sup>



## 2015 (S\$60.3m)

- 6 Rental Housing Properties in Japan S\$53.1m
- Salcedo Residence S\$7.2m



Ascott REIT Divested

- 18 Rental Housing Properties in Japan
- Citadines Biyun Shanghai
- Citadines Gaoxin Xi'an

The proceeds from the 2010 divestments were used to partly fund the yield accretive acquisitions of

- Citadines Mount Sophia Property Singapore,
- Somerset Hoa Binh Hanoi
- 26 European properties in France, UK, Germany, Belgium and Spain

## 2012 (S\$374.6m)

- Somerset Gordon Heights Melbourne S\$15.6m
- Somerset Grand Cairnhill Singapore S\$359.0m



Ascott REIT has completed the strata sale of 81 apartment units as at July 2017.

Ascott REIT Divested

- Six Rental Housing Properties In Japan
- Salcedo Residences in Philippines

## 2017 (S\$351.6m)

- 18 Rental Housing Properties in Japan S\$153.6m
- Citadines Biyun Shanghai & Citadines Gaoxin Xi'an S\$198.0m



Aggregate net divestment gain of **S\$300.4m** during the period FY 2010 – YTD 2017

Note: Figures above are based on agreed sale price.

1. Formerly known as Somerset Grand Fortune Garden Property Beijing



# 3 Capital and Risk Management

## Healthy Balance Sheet and Credit Metrics

	As at 30 September 2017	As at 30 June 2017
Gearing	31.9% <sup>1</sup>	32.4%
Interest Cover	4.6X	4.4X
Effective Borrowing Rate	2.4%	2.4%
Total Debts on Fixed Rates	87%	85%
Weighted Avg Debt to Maturity (Years)	4.6	4.8
NAV/Unit	S\$1.24	S\$1.23
Adjusted NAV/Unit (excluding the distributable income to Unitholders)	S\$1.22	S\$1.19
Ascott REIT's Issuer Rating	BBB <sup>2</sup> (outlook stable)	Baa3 <sup>3</sup>
	Baa3 <sup>3</sup>	

Notes:

- Gearing would be ~36% upon the acquisition of Ascott Orchard Singapore which was completed on 10 October 2017, and the divestments of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, which is on track to complete in 4Q 2017.
- Credit rating by Fitch Ratings.
- Credit rating by Moody's.



3

# Continues to diversify funding sources and spread out debt maturity over the long-term

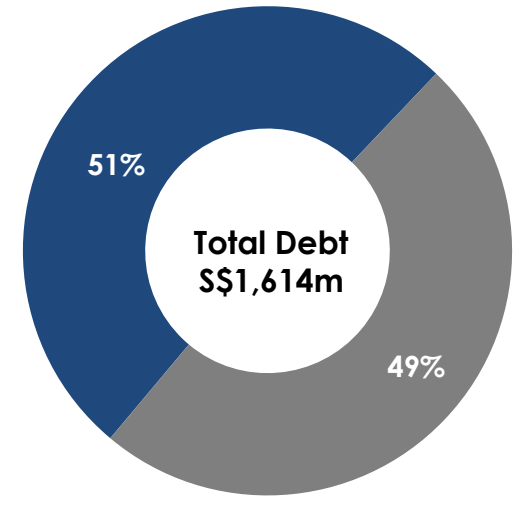
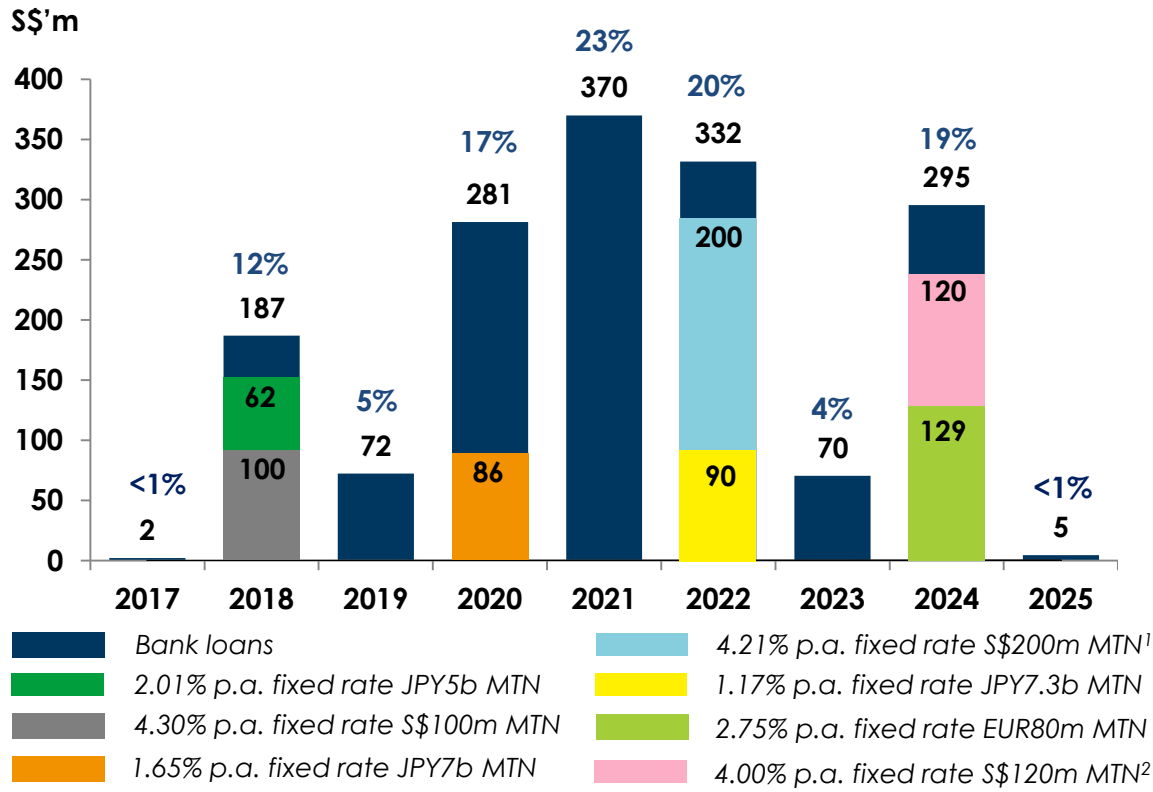
## Refinancing requirement completed for 2017

### Debt Maturity Profile

As at 30 September 2017

### By Debt Type

As at 30 September 2017



- Bank loans
- 2.01% p.a. fixed rate JPY5b MTN
- 4.30% p.a. fixed rate S\$100m MTN
- 1.65% p.a. fixed rate JPY7b MTN
- 4.21% p.a. fixed rate S\$200m MTN<sup>1</sup>
- 1.17% p.a. fixed rate JPY7.3b MTN
- 2.75% p.a. fixed rate EUR80m MTN
- 4.00% p.a. fixed rate S\$120m MTN<sup>2</sup>

Notes:  
 1. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 1.82% p.a. over the same tenure  
 2. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 2.15% p.a. over the same tenure

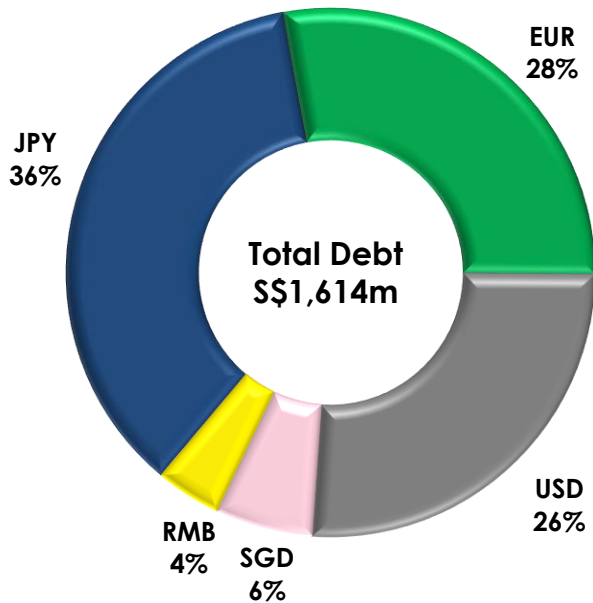


3

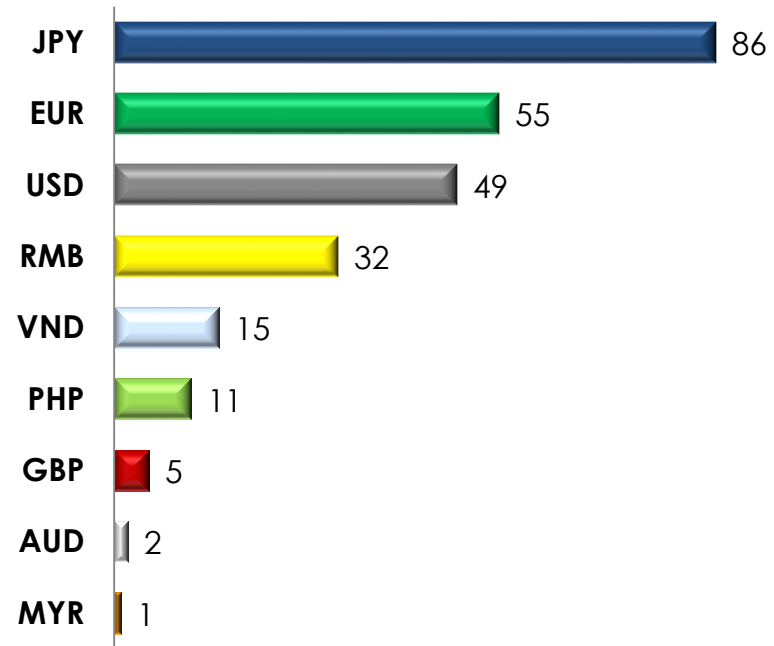
# Foreign Currency Risk Management

Ascott REIT adopts a natural hedging strategy to the extent possible

**Debt By Currency (%)**  
As at 30 September 2017



**Balance Sheet Hedging (%)**  
As at 30 September 2017



~41% of the total assets denominated in foreign currency has been hedged.



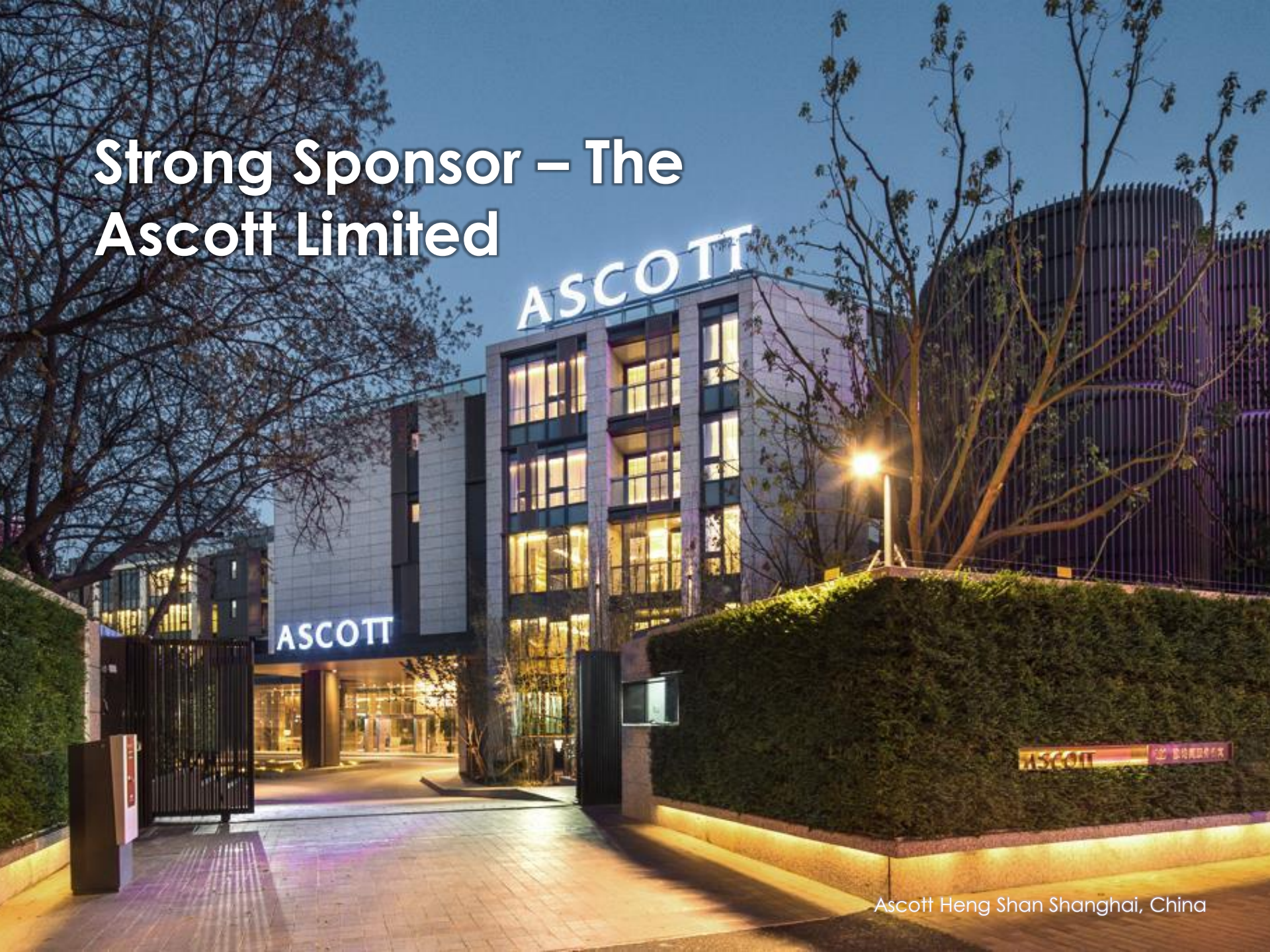
# 3 Foreign Currency Risk Management

Overall exchange rate fluctuations have been largely mitigated with impact to gross profit at -0.3%

Currency	Gross Profit YTD Sep 2017 (%)	Exchange Rate Movement From 31 Dec 2016 to 30 Sep 2017 (%)
EUR	23	1.0
JPY	15	2.3
VND	11	-3.2
USD	10	-2.1
GBP	10	-0.7
RMB	10	-1.3
AUD	9	-0.5
SGD	8	-
PHP	3	-3.0
MYR	1	0.2
<b>Total</b>	<b>100</b>	<b>-0.3</b>

~70% of the distribution income derived in EUR, GBP and JPY has been hedged. On a portfolio basis, ~34% of estimated FY 2017 foreign currency distribution income has been hedged.

# Strong Sponsor – The Ascott Limited



Ascott Heng Shan Shanghai, China



# Strong Sponsor – The Ascott Limited

A wholly-owned subsidiary of CapitaLand Limited



One of the leading international serviced residence owner-operators with extensive presence

>30 year track record, pioneered Pan-Asia's first international-class serviced residence property in 1984

Sponsor – c.44% CapitaLand ownership in Ascott REIT

Award-winning brands with worldwide recognition

Note:  
1. Excludes the number of properties under the Synergy corporate housing portfolio.



# Expanding Global Network Through Strategic Acquisitions

In July 2017, Ascott Acquired An Additional 60% Stake In Quest Apartment Hotels and 80% Stake In Synergy Global Housing In U.S.

**Ascott has bought an additional 60% stake in Quest Apartment Hotels (“Quest”) for A\$180 million (S\$191 million)**

- Increase Ascott’s stake in Quest from 20% to 80%, propelling Ascott to become the leading serviced residence provider in Australasia and provide another engine of growth outside of its existing market through Quest’s highly scalable business format franchise platform



**Ascott has acquired an 80% stake in Synergy Global Housing (“Synergy”)**

- Synergy is the leading corporate housing provider in the U.S. with close to 2,000 units located predominantly in the U.S. West Coast
- The acquisition will expand Ascott’s footprint in the U.S. by leveraging Synergy’s platform for significant cross selling opportunities and synergies through complementary geographical reach, target segments and strengths



**The Acquisitions Will Further Solidify Ascott’s Leadership Position In The Serviced Residence Industry In The World**

# Ascott's Brands



**Ascott**  
Exclusive city living homes with discreet services for business travellers in key gateway cities.



**Citadines**  
Ideal home in the city with flexible services for individuals on the go.



**Somerset**  
Stylish apartments offering the comforts and familiarity of home for executives.

# Ascott's Brands

**QUEST**  
APARTMENT HOTELS

*The Crest Collection*

*lyf*



Quest West Perth, Australia



La Clef Tour Eiffel Paris, France



lyf Funan, Singapore<sup>1</sup>

## **Quest**

Spacious serviced apartment style hotel rooms perfect for short and long stays, located across Australia, New Zealand and Fiji.

## **The Crest Collection**

Luxurious city living with discreet services for business travellers.

## **lyf**

A new way of living and collaborating as a community, connecting guests with fellow travellers and change-makers.

Note:

1. Artist's impression.

# Conclusion





# Conclusion



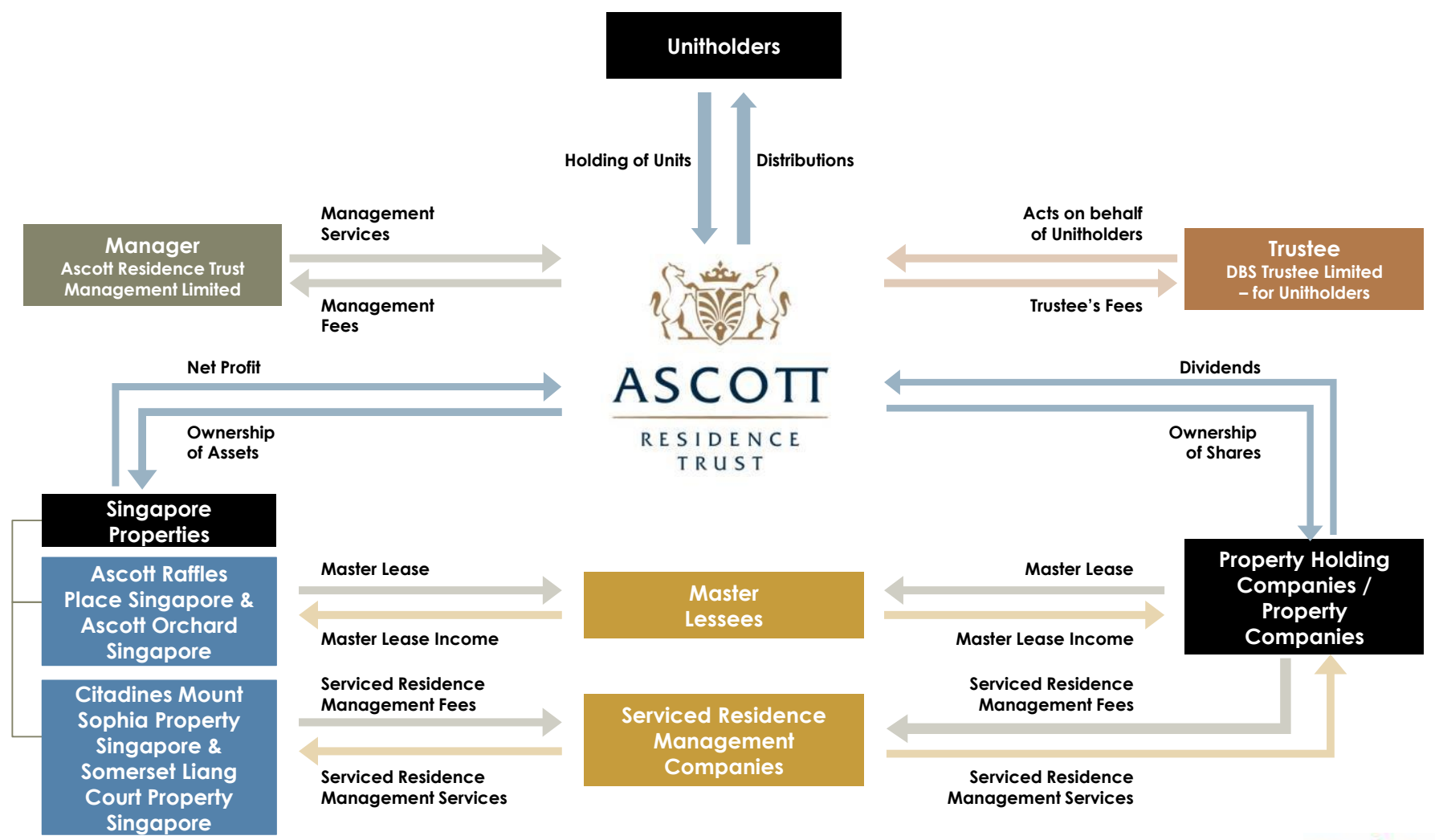
**Going forward, Ascott REIT will continue to focus on creating stable income and returns to Unitholders through its diversified portfolio and extended-stay business model, together with the master leases and management contracts with minimum guaranteed income.**

# Appendix



# Overview of Ascott REIT

## Trust Structure







# Diversified Geographical Footprint Across 38 Cities in 14 Countries



A Member of CapitalLand

## United States of America

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

## United Kingdom

- Citadines Barbican London
- Citadines Holborn-Covent Garden London
- Citadines South Kensington London
- Citadines Trafalgar Square London

## China

- Somerset Heping Shenyang
- Citadines Zhuankou Wuhan
- Somerset Grand Central Dalian
- Ascott Guangzhou
- Somerset Xuhui Shanghai
- Somerset Olympic Tower Property Tianjin
- Citadines Xinghai Suzhou
- Citadines Gaoxin Xi'an
- Citadines Biyun Shanghai

## Japan

- Citadines Central Shinjuku Tokyo
- Citadines Karasuma-Gojo Kyoto
- Citadines Shinjuku Tokyo
- Somerset Azabu East Tokyo
- Infini Garden
- Actus Hakata V-Tower
- Roppongi Residence Tokyo
- Big Palace Kita 14jo
- Gravis Court Kakomachi
- Gravis Court Kokutaji
- Gravis Court Nishiharaekimae
- S-Residence Hommachi Marks
- S-Residence Tanimachi 9 chome
- S-Residence Midoribashi Serio
- S-Residence Fukushima Luxe

## Spain

- Citadines Ramblas Barcelona

## France

- Citadines Antigone Montpellier
- Citadines Austerlitz Paris
- Citadines Castellane Marseille
- Citadines City Centre Grenoble
- Citadines City Centre Lille
- Citadines Croisette Cannes
- Citadines Didot Montparnasse Paris
- Citadines Prestige Les Halles Paris
- Citadines Montmartre Paris
- Citadines Montparnasse Paris
- Citadines Place d'Italie Paris
- Citadines Prado Chanoit Marseille
- Citadines Presqu'île Lyon
- Citadines République Paris
- La Clef Louvre Paris
- Citadines Tour Eiffel Paris
- Citadines Trocadéro Paris

## Belgium

- Citadines Sainte-Catherine Brussels
- Citadines Toison d'Or Brussels

## Germany

- Citadines Michel Hamburg
- Citadines Kurfürstendamm Berlin
- Citadines Arnulfpark Munich
- Madison Hamburg
- Citadines City Centre Frankfurt

## Philippines

- Ascott Makati
- Somerset Millenium Makati

## Malaysia

- Somerset Ampang Kuala Lumpur

## Indonesia

- Ascott Jakarta
- Somerset Grand Citra Jakarta

## Vietnam

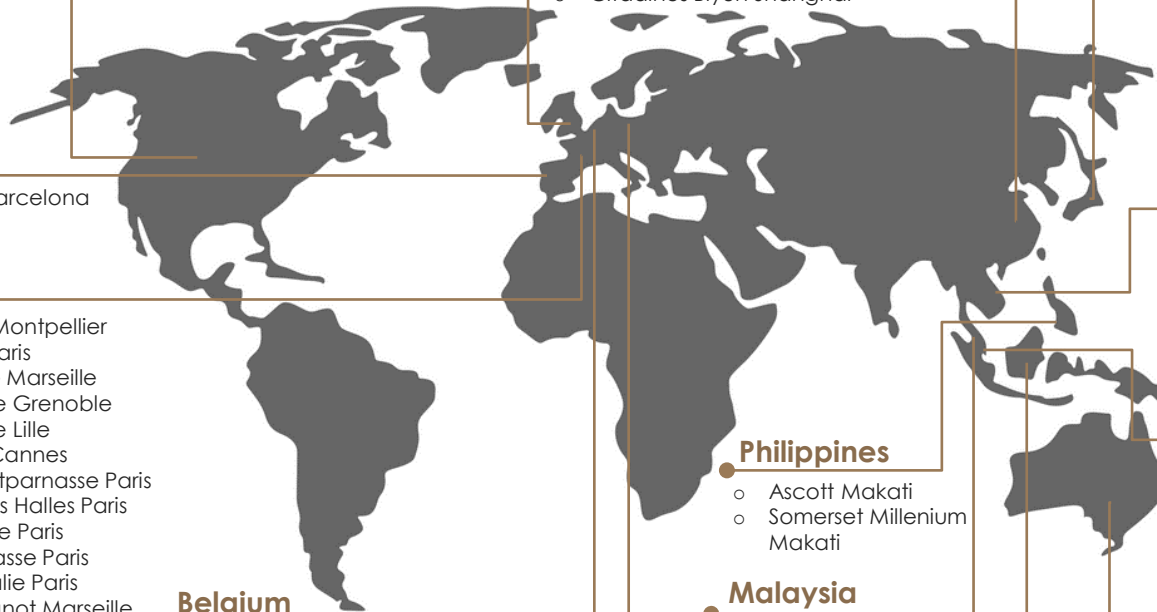
- Somerset Hoa Binh Hanoi
- Somerset Grand Hanoi
- Somerset Ho Chi Minh City
- Somerset Chancellor Court Ho Chi Minh City
- Somerset West Lake Hanoi

## Singapore

- Ascott Orchard Singapore
- Ascott Raffles Place Singapore
- Somerset Liang Court Singapore
- Citadines Mount Sophia Singapore

## Australia

- Citadines On Bourke Melbourne
- Citadines St Georges Terrace Perth
- Quest Campbelltown
- Quest Mascot
- Quest Sydney Olympic Park





# Financial Highlights for 3Q 2017

## 3Q 2017 vs 3Q 2016 Financial Performance



Note:

1. On 11 April 2017, 481,688,010 units were issued to raise gross proceeds of S\$442.7m to partially fund the acquisitions of two serviced residence in Germany, Citadines Michel Hamburg and Citadines City Centre Frankfurt and Ascott Orchard Singapore.



# Master Leases (3Q 2017 vs 3Q 2016)



La Clef  
Louvre Paris



Citadines  
Les Halles Paris



Citadines  
Croisette  
Cannes



Citadines  
Arnulfpark  
Munich



Ascott  
Raffles Place  
Singapore



Quest Sydney  
Olympic Park

Revenue and gross profit for Germany increased by 60% and 50% respectively due to the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt on 2 May 2017

	Revenue ('mil)			Gross Profit ('mil)		
	3Q 2017	3Q 2016	Δ%	3Q 2017	3Q 2016	Δ%
<b>Australia (AUD)</b> 3 Properties	1.8	1.8	-	1.7	1.7	-
<b>France (EUR)</b> 17 Properties	5.8	5.7	2	5.3	5.3	-
<b>Germany (EUR)</b> 5 Properties	2.4	1.5	60	2.1	1.4	50
<b>Japan (JPY)</b> 1 Property	133.3	133.3	-	104.8	104.5	-
<b>Singapore (SGD)</b> 1 Property	2.1	2.0	5	1.9	1.8	6
<b>Total (SGD)</b> 27 Properties	<b>18.7</b>	<b>16.4</b>	<b>14</b>	<b>16.9</b>	<b>14.9</b>	<b>13</b>



# Management Contracts with Minimum Guaranteed Income (3Q 2017 vs 3Q 2016)



Citadines Toison d'Or Brussels



Citadines Ramblas Barcelona



Citadines Trafalgar Square London

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	3Q 2017	3Q 2016	Δ%	3Q 2017	3Q 2016	Δ%	3Q 2017	3Q 2016	Δ%
<b>Belgium (EUR)</b> 2 Properties	2.2	1.5	47	0.7	0.4	75	66	46	43
<b>Spain (EUR)</b> 1 Property	1.7	1.4	21	0.9	0.7	29	121	112	8
<b>United Kingdom (GBP)</b> 4 Properties	7.8	7.4	5	3.7	3.8	(3)	132	126	5
<b>Total (SGD)</b> 7 Properties	19.7	18.0	9	8.9	8.6	4	189	172	10



# Belgium

Contributes 2% to the Portfolio's Gross Profit

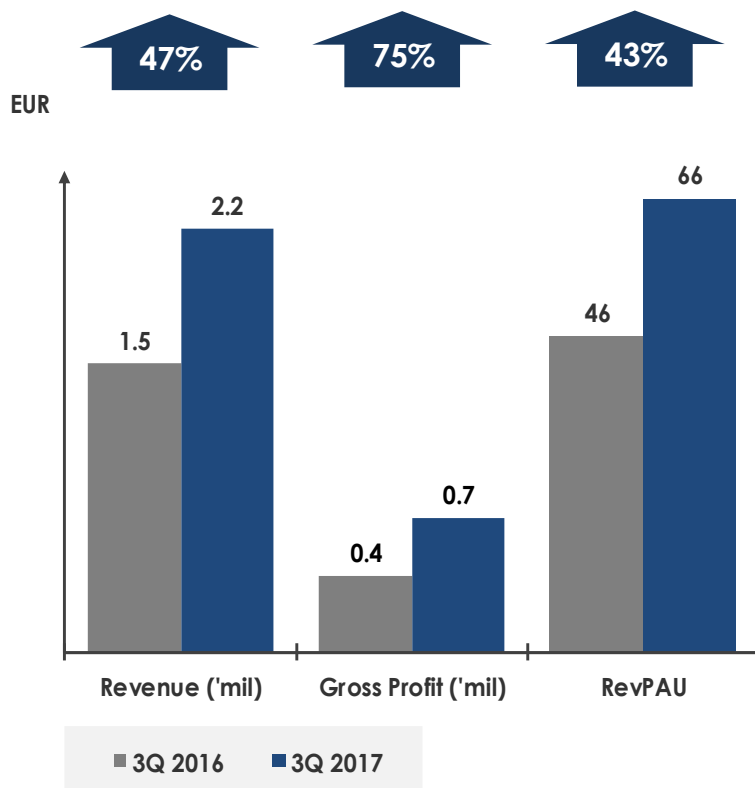


Citadines Sainte-Catherine  
Brussels



Citadines Toison d'Or  
Brussels

Rebound to pre-terrorist  
attack level



## Key Market Performance Highlights

- Revenue and gross profit increase due to weaker demand in 3Q 2016 post-terrorist attacks in March 2016
- Market recovery from spate of terrorist attacks in 2016, as demand continues to pick up strongly in 2017<sup>1</sup>
- Real GDP growth forecast of 1.6% for 2017 and 2018<sup>1</sup>
- International tourist arrivals expected to grow by 6.1% Y-o-Y to a total of 7.4 million arrivals in 2017<sup>1</sup>

Notes:

1. Sources: International Monetary Fund (October 2017); World Travel & Tourism Council, Economic Impact (2017); STR, Global Hotel Review (August 2017)



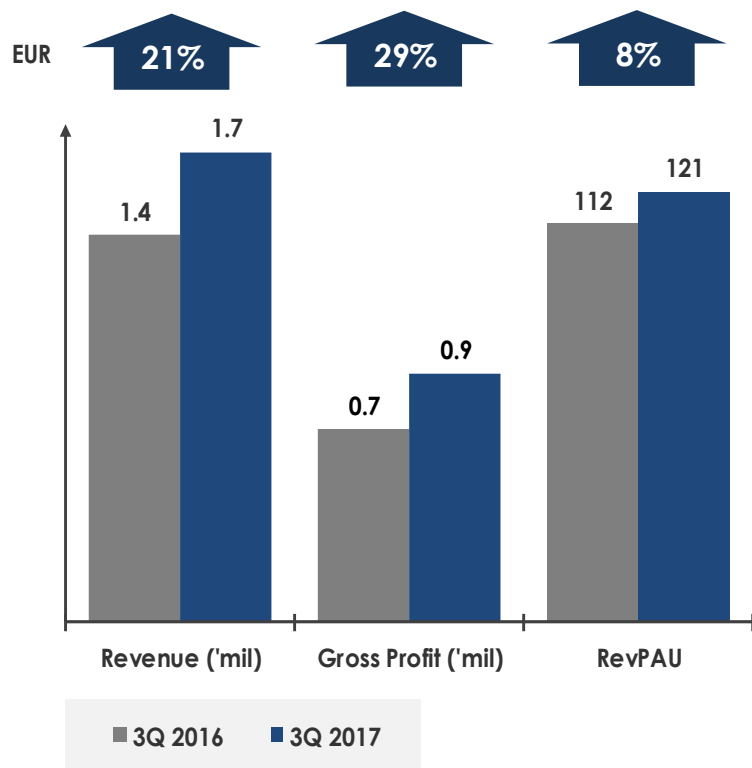
# Spain

Contributes 2% to the Portfolio's Gross Profit



Citadines  
Ramblas  
Barcelona

Growth opportunities in key gateway cities



## Key Market Performance Highlights

- Revenue and gross profit increased due to higher leisure demand and retail income
- Real GDP growth forecast of 3.1% for 2017, moderating to 2.5% in 2018<sup>1</sup>
- Supply is expected to taper as the Barcelona government's ban on new hotels takes full effect in 2019, thus easing out competition<sup>1</sup>

Notes:

1. Sources: International Monetary Fund (October 2017); PwC, European Hotels Forecast for 2017 and 2018 (2017); The Telegraph (January 2017)



# United Kingdom

Contributes 11% to the Portfolio's Gross Profit



Citadines  
Trafalgar  
Square London



Citadines  
Holborn-Covent  
Garden London

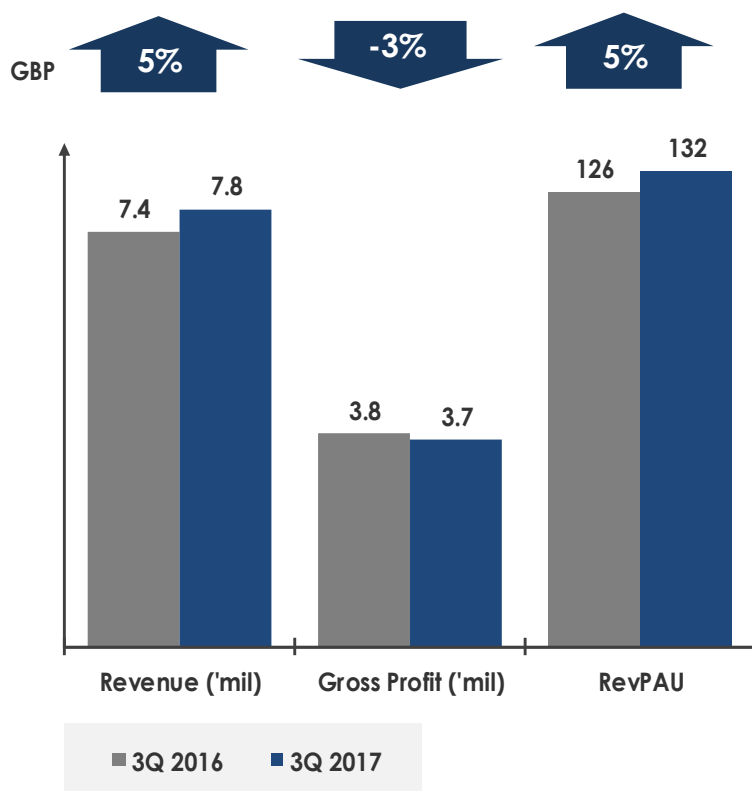


Citadines  
Barbican  
London



Citadines South  
Kensington  
London

Healthy growth despite  
security threats



## Key Market Performance Highlights

- Revenue growth due to higher leisure demand partly driven by the weak pound
- Gross profit decreased due to higher property tax and marketing expenses
- Real GDP growth forecast of 1.7% in 2017, moderating to 1.5% in 2018<sup>1</sup>
- Visitor arrivals for January to July 2017 grew 8% Y-o-Y, setting a new record of more than 4 million visits in a single month<sup>1</sup>
- Continued and sustained growth of supply in London with 7,500 new hotel rooms in 1H 2017, and an expected 7,000 new hotel rooms in 2018 may cause the occupancy rates to be under pressure<sup>1</sup>

Notes:

1. Sources: International Monetary Fund (October 2017); Visit Britain, 2017 inbound tourism performance (July 2017); The Telegraph (August 2017); PwC, UK Hotels Forecast 2018 (September 2017)

# Management Contracts (3Q 2017 vs 3Q 2016)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	3Q 2017	3Q 2016	Δ%	3Q 2017	3Q 2016	Δ%	3Q 2017	3Q 2016	Δ%
Australia (AUD)	6.6	6.6	-	2.7	2.7	-	141	143	(1)
China (RMB)	78.1	76.2	2	30.2	23.7	27	420	404	4
Indonesia (USD)	3.2	3.4	(6)	1.2	1.4	(14)	82	88	(7)
Japan (JPY) <sup>1</sup>	968.5	1,169.2	(17)	504.4	646.2	(22)	11,145	12,018	(7)
Malaysia (MYR)	4.7	4.9	(4)	1.9	1.8	6	249	259	(4)
Philippines (PHP)	207.6	168.7	23	61.6	43.4	42	3,927	3,347	17
Singapore (SGD)	5.9	6.6	(11)	2.6	3.0	(13)	183	203	(10)
United States of America (USD)	18.7	17.7	6	4.3	4.1	5	224	242	(7)
Vietnam (VND) <sup>2</sup>	175.9	162.9	8	92.3	87.8	5	1,612	1,498	8
<b>Total (SGD)</b>	<b>88.5</b>	<b>89.5</b>	<b>(1)</b>	<b>33.0</b>	<b>33.8</b>	<b>(2)</b>	<b>138</b>	<b>139</b>	<b>(1)</b>

Notes:

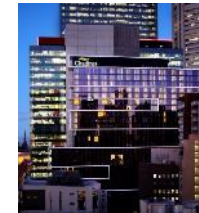
1. RevPAU for Japan refers to serviced residences and excludes rental housing
2. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands





# Australia

Contributes 5% to the Portfolio's Gross Profit



Citadines on Bourke Melbourne

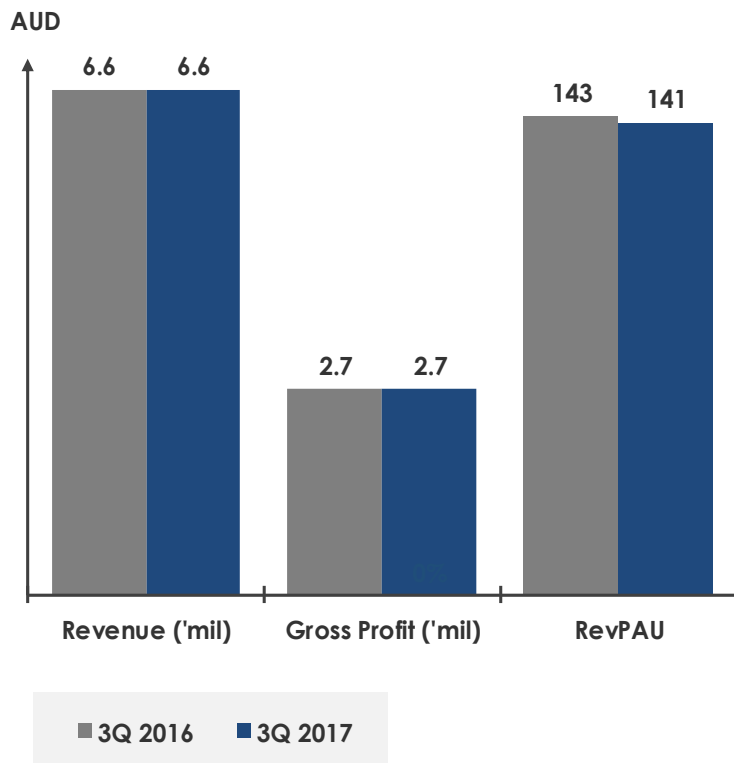


Citadines St Georges Terrace Perth

Performance remains stable

## Key Market Performance Highlights

- Steady performance of the Australian properties
- Real GDP growth forecast of 2.2% in 2017, increasing to 2.9% in 2018<sup>1</sup>
- Visitor arrivals for YTD July 2017 increased by 8.1% Y-o-Y<sup>1</sup>
- Market outlook for Melbourne is positive with both occupancy and rates remaining high and stable in 2H 2017<sup>1</sup>
- In Perth, slight decline in RevPAU, partly due to curtailment of resource investment activity and increases in room supply<sup>1</sup>



Note:

1. Source: International Monetary Fund (October 2017); Tourism Australia (July 2017); The Hotel Conversation (March 2017); Savills, APAC Hotel Sentiment Survey – 2H 2017 (2017)



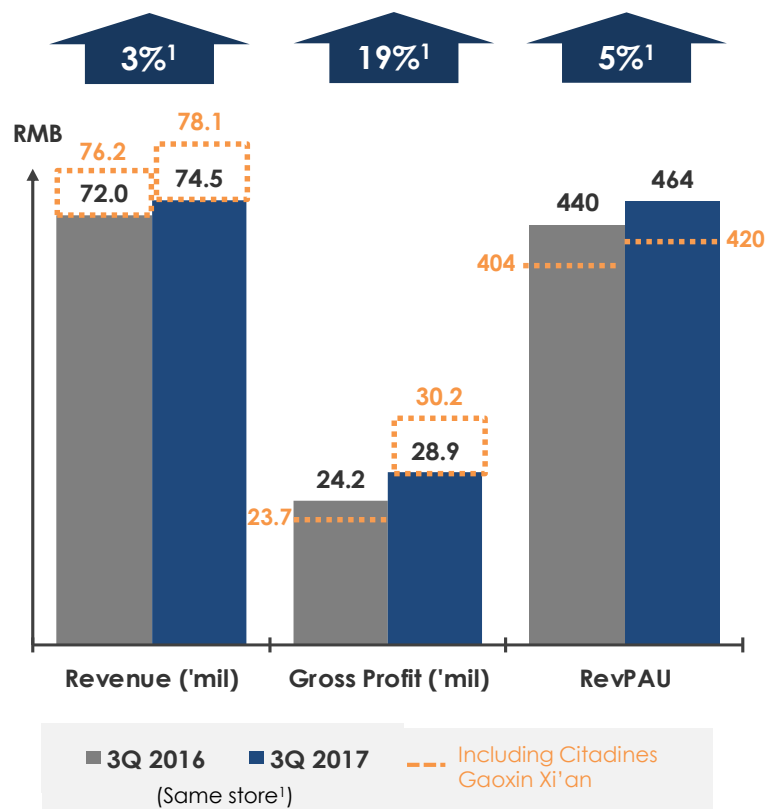
# China

Contributes 10% to the Portfolio's Gross Profit



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 in tier 1 and 1.5 cities remains resilient



## Key Market Performance Highlights

- Revenue growth due to higher revenue from the refurbished apartments at Somerset Xu Hui Shanghai, partially offset by weaker demand mainly from a property in a regional city
- Citadines Biyun Shanghai will cease to operate from December 2017
- Gross profit increased due to higher revenue and reversal of expenses that are no longer required
- Real GDP growth forecast of 6.7% for 2017 and 6.4% for 2018<sup>2</sup>
- Non-financial utilised FDI from January to June 2017 increased 6.6% Y-o-Y<sup>2</sup>

Note:

- Excluding Citadines Gaoxin Xi'an which ceased operations in September 2017. Divestments of Citadines Gaoxin Xi'an and Citadines Biyun Shanghai were announced on 3 July 2017 and on track to complete in 4Q 2017.
- Sources: International Monetary Fund: World Economic Outlook (October 2017); EU-China FDI Monitor (September 2017)



# Indonesia

Contributes 3% to the Portfolio's Gross Profit

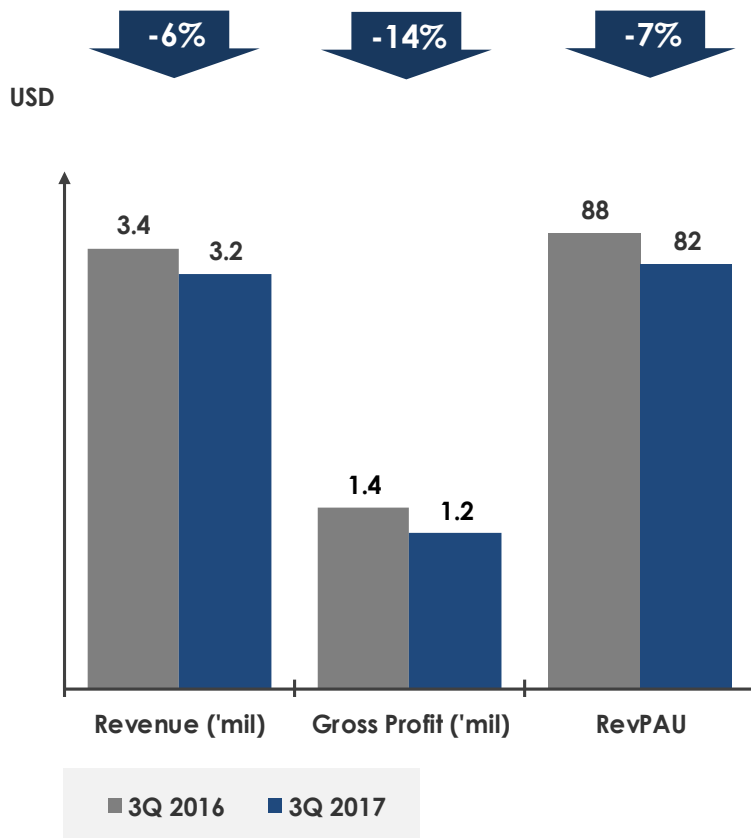


Somerset Grand  
Citra Jakarta



Ascott Jakarta

Performance affected by weaker corporate demand



## Key Market Performance Highlights

- Revenue and gross profit decreased due to weaker corporate demand
- Despite the decline in revenue, the properties' performance exceeded the hotel industry in general
- Serviced residences market in Jakarta has seen decline in occupancies and ADR due to reduced high yield demand and lesser long stay guests
- Real GDP growth forecast of 5.2% in 2017 and 2018<sup>1</sup>

Note:

1. Source: International Monetary Fund (October 2017)



# Japan

Contributes 11% to the Portfolio's Gross Profit



Citadines Central Shinjuku Tokyo



Citadines Shinjuku Tokyo



Citadines Karasuma-Gojo Kyoto

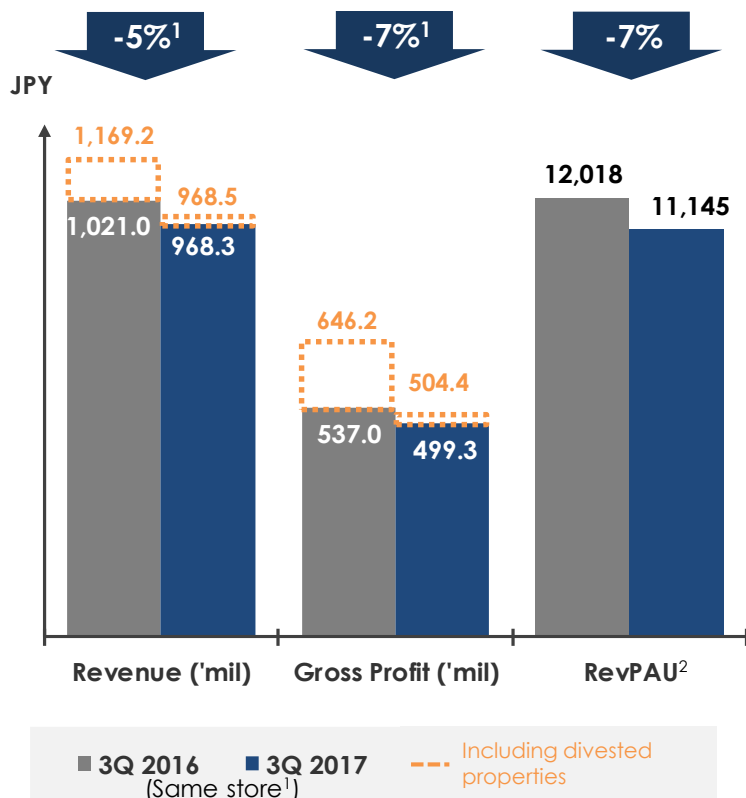


Somerset Azabu East Tokyo



10 rental housing properties in Japan

Performance affected by keen competition



## Key Market Performance Highlights

- Excluding the divested properties, revenue decreased due to lower ADR achieved arising from keen competition and new supply
- Real GDP growth forecast of 1.5% for 2017, decreasing to 0.7% in 2018<sup>3</sup>
- Total foreign direct investment inflow from January to June 2017 decreased 64% Y-o-Y<sup>3</sup>
- Heightened supply 65,000 over the next 3 years in the 8 major cities, increase of 26% from 2016<sup>3</sup>
- Other competition also come from Airbnb who reported 3.7 million users last year, equal to 15% of inbound tourists
- Strong inbound tourism, but 60% of visitors are repeaters and many of them spread out to regional cities instead of the main cities which we operate in<sup>3</sup>

Notes:

- Excluding the 18 rental housing properties in Tokyo, which were divested on 26 April 2017
- RevPAU relates to serviced residences and excludes rental housing properties
- Source: International Monetary Fund (October 2017); Japan External Trade Organisation (June 2017); CBRE; Savills Asia



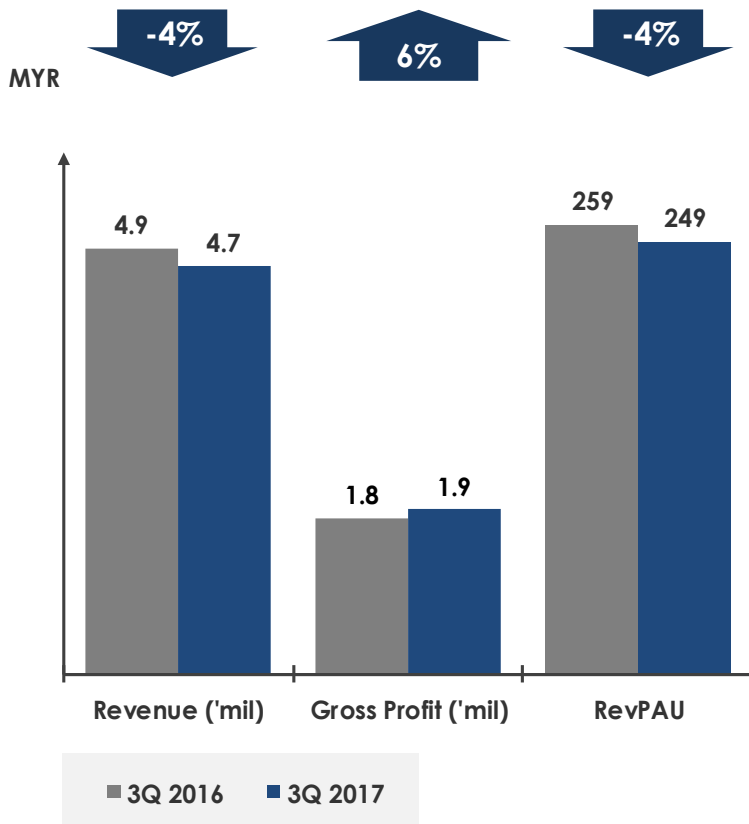
# Malaysia

Contributes 1% to the Portfolio's Gross Profit



Somerset Ampang  
Kuala Lumpur

Softer performance due to weaker demand



## Key Market Performance Highlights

- Revenue decreased due to weaker market demand
- Gross profit increased mainly due to lower staff costs, partially offset by lower revenue
- Real GDP growth forecast of 5.4% in 2017, declining to 4.8% for 2018<sup>1</sup>
- 25,537 new hotel rooms in the pipeline for 2017 to 2021, with most of them opening in Kuala Lumpur<sup>1</sup>
- Corporate demand will likely to be in a wait-and-see mode until after the next Malaysia General Elections, currently expected to take place around March 2018

Notes:

1. Sources: International Monetary Fund (October 2017); HVS (May 2017)



# Philippines

Contributes 3% to the Portfolio's Gross Profit

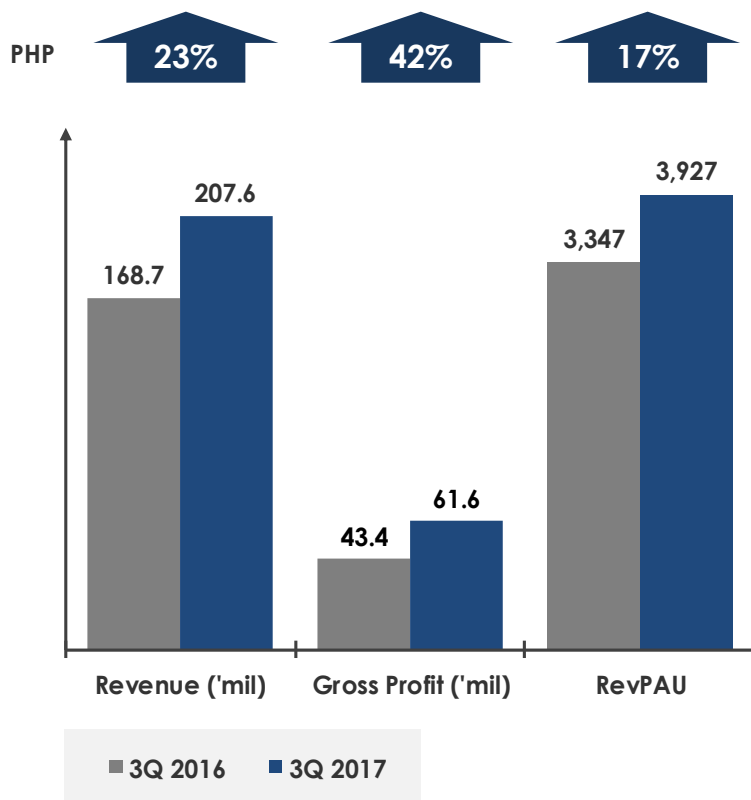


Somerset Millennium Makati



Ascott Makati

Robust growth expected to continue



## Key Market Performance Highlights

- Revenue increased due to Ascott Makati and Somerset Millennium Makati undergoing renovation in 3Q 2016
- Gross profit increased due to higher revenue, partially offset by higher depreciation expense (arising from the renovation of the properties)
- Real GDP growth forecast of 6.6% in 2017 and 6.7% in 2018<sup>1</sup>
- 37 hotel projects and 10,713 rooms in the pipeline for 2017, signaling a robust growth in the hospitality sector<sup>1</sup>
- Visitor arrivals from January to June 2017 increased by 12.7% Y-o-Y<sup>1</sup>

Notes:

1. Sources: International Monetary Fund (October 2017); The Philippines Star Global, Business (July 2017); Manila Bulletin (August, 2017)



# Singapore

Contributes 4% to the Portfolio's Gross Profit

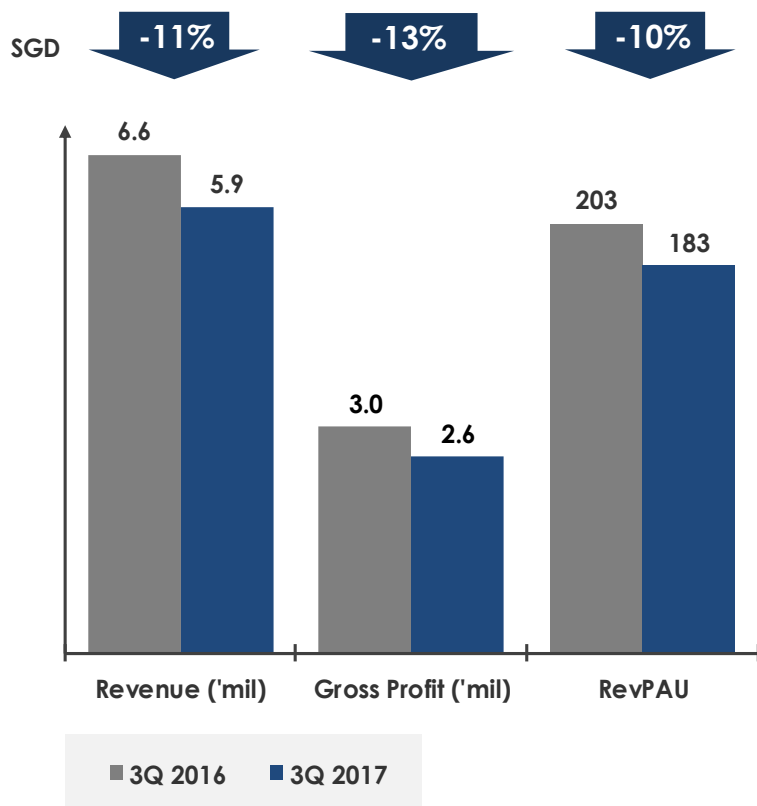


Somerset Liang Court Property  
Singapore



Citadines Mount Sophia Property  
Singapore

Subdued corporate demand amidst new supply in 2017



## Key Market Performance Highlights

- Revenue decreased due to weaker corporate demand and affected by a long stay project group with lower ADR
- Gross profit decreased due to lower revenue, partially offset by lower depreciation expense
- Focus on seeking diversification in corporate segments to achieve better performance
- Real GDP growth forecast of 2.5% for 2017, increasing to 2.6% for 2018<sup>1</sup>
- MAS has also vowed to invest SGD225m by the end of 2020 to put Singapore ahead as a Fintech hub in Asia. The MICE sector is set to benefit from the STB's active support for business events<sup>1</sup>
- New supply is expected to taper significantly in 2018 and outlook remains positive in the long-term<sup>1</sup>

Notes:

1. Sources: International Monetary Fund (October 2017); JLL, Singapore (September 2017)



# United States

Contributes 10% to the Portfolio's Gross Profit



DoubleTree by Hilton  
Hotel New York – Times  
Square South

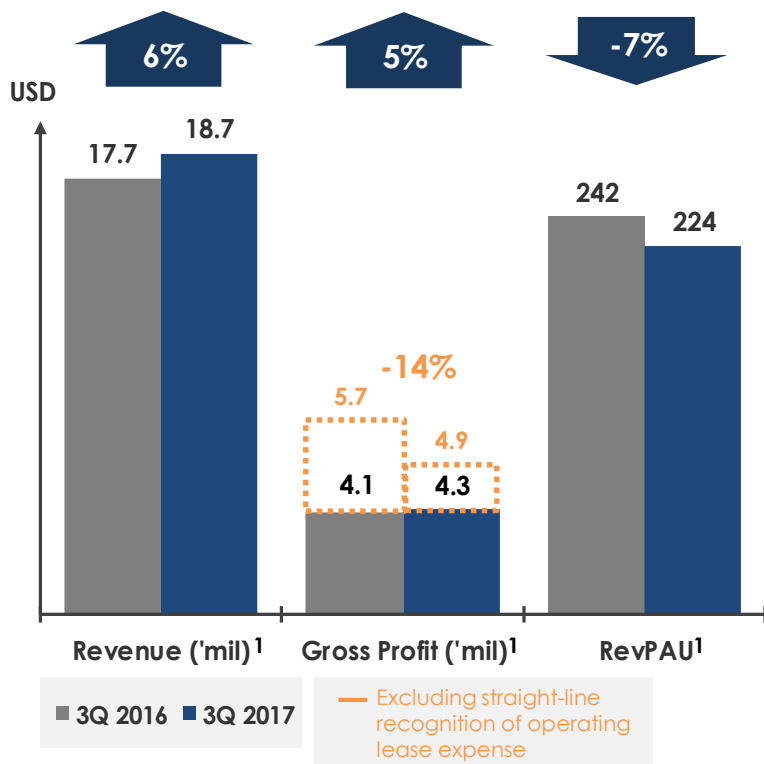


Sheraton Tribeca  
New York Hotel



Element New York  
Times Square West

Moderate growth expected  
for 2017



## Key Market Performance Highlights

- Revenue and gross profit increased due to the completion of DoubleTree by Hilton Hotel New York – Times Square South acquisition on 16 August 2017
- Excluding straight-line recognition of operating lease expense, the decline in gross profit is mainly due to higher property tax expense and lower revenue
- Decrease in RevPau due to lower RevPau of DoubleTree by Hilton Hotel New York – Times Square South
- Real GDP growth forecast of 2.2% in 2017 and 2.3% in 2018<sup>2</sup>
- ADR in Manhattan maybe affected by new supply and keen competition, nevertheless, occupancy is expected to remain steady with stable demand<sup>2</sup>

Notes:

- On a same store basis and excluding straight line recognition of operating lease expense, revenue and gross profit would decrease by USD1.5m and USD1.8m respectively due to keen competition and new supply. RevPau would decrease by 8% as compared to 3Q 2016.
- Source: International Monetary Fund (October 2017); New York City Department of City Planning, NYC Hotel Market Analysis (2017)





# Vietnam

Contributes 9% to the Portfolio's Gross Profit



Somerset Grand Hanoi



Somerset Hoa Binh Hanoi



Somerset West Lake Hanoi

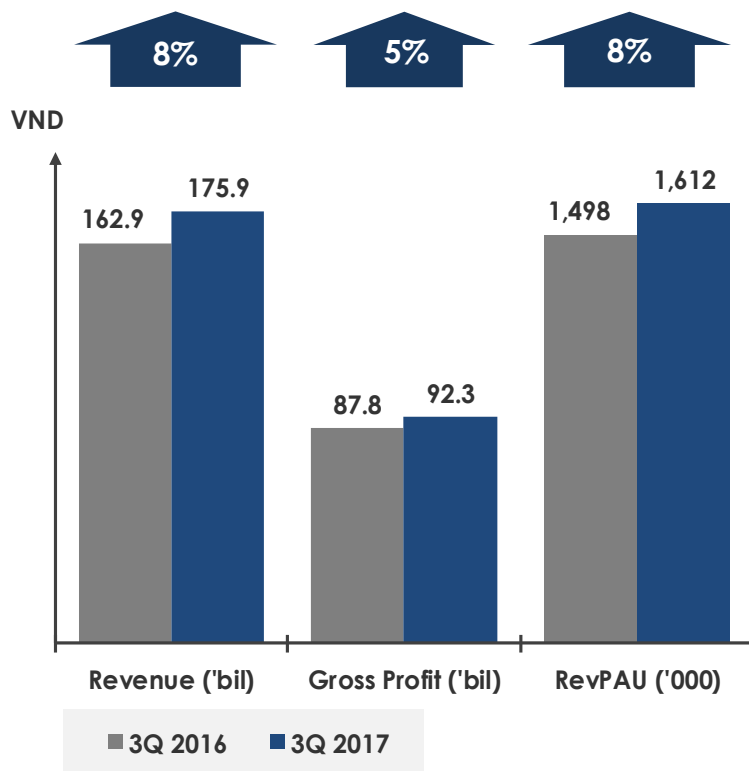


Somerset Ho Chi Minh City



Somerset Chancellor Court Ho Chi Minh City

Growth momentum remains robust



## Key Market Performance Highlights

- Revenue and gross profit increased due to stronger performance post renovation of Somerset Ho Chi Minh City and higher corporate demand
- With the softened visa regulations and enhanced air connectivity, tourist arrivals surged by 21.1% Y-o-Y in July and 35.1% in August, with the largest recorded number of 1.23 million in August 2017<sup>1</sup>
- GDP growth forecast of 6.3% in 2017 and 2018<sup>1</sup>
- Continued and sustained economic growth as Vietnam becomes one of the top FDI destination in emerging markets<sup>1</sup>

Note:

1. Source: International Monetary Fund (October 2017); Trading Economics (2017); PwC, Doing Business in Vietnam (July, 2017)