

NEWS RELEASE

ASCOTT TRANSFORMS DIGITAL ECOSYSTEM TO SUPPORT RAPID EXPANSION AS GLOBAL LODGING PORTFOLIO GROWS OVER 30% ANNUALLY

Debuts Ascott Star Rewards as world's first serviced residence loyalty programme to offer full flexibility to earn and redeem points

Singapore, 23 April 2019 – CapitaLand's wholly owned lodging business unit, The Ascott Limited (Ascott), is embarking on a digital ecosystem transformation to support its fast-expanding global lodging portfolio. Ascott aims to drive revenue growth, improve operational efficiency and enhance value to its customers and business partners through a comprehensive front-to-backend systems makeover. In addition to its launch of Ascott Star Rewards, the world's first loyalty programme in the serviced residence industry to offer full flexibility to earn and redeem points, Ascott is adopting a new revenue management system as well as updating its backend global property management system to a cloud-based one.

Mr Kevin Goh, Ascott's Chief Executive Officer, said: "Ascott has grown its global portfolio at a compound annual growth rate of 32% over the past four years. 2018 was a record year with the addition of over 30,000 units, extending our footprint to over 170 cities across more than 30 countries. For every 10,000 serviced residence units signed, we are expecting to earn approximately S\$25 million in fee income annually as the properties progressively open and stabilise. In 2018 alone, total operational units contributed S\$186.9 million¹ in fee income. As we continue to grow our asset-light business model through management contracts and franchise deals to achieve Ascott's target of 160,000 units globally by 2023, the ability to expand and multiply efficiently is paramount. Technology is therefore a critical enabler to succour this rapid expansion and boost our multiple revenue streams."

Mr Goh added: "To augment the growth of Ascott's lodging brands, which now stands at 13, we have to be smarter about the sales and distribution of these various brands to ensure we deliver the right products for our guests. By combining the technology of cloud commerce, revenue and customer relationship management applications as well as location analytics, Ascott will be able to capture an unprecedented level of data, both online and offline. We will then be able to customise entirely unique experiences based on our guests' implicit and explicit preferences. To sharpen Ascott's competitive edge to stay ahead of the curve, we must continue to harness technology to reinforce our strong international network of customers, boost employee productivity, gain cost advantages from economies of scale and strengthen our operations."

As part of Ascott's digital transformation efforts, Ascott Star Rewards is offering members no cap to the points that can be earned, no minimum points required for redemption, no blackout

¹ Fee income includes fee based and service fee income.

dates, and even the option to nominate other guests to earn points². Its four membership tiers are based on the guest's accumulated spending during the qualifying period, starting with the complimentary Classic membership tier, followed by Silver, Gold and Platinum. In addition to the full flexibility to earn points instantly, members can also easily redeem the points in part or in full through Ascott's websites for complimentary stays and other privileges.

Mr Alfred Ong, Ascott's Head of Global Operations, said: "Ascott already has a strong sales team globally that generates more than 50% of our revenue directly from corporates. We are rolling out Ascott Star Rewards to drive more direct bookings on our websites and reduce our cost of sales. We aim to increase our brand websites' share of online revenue to 40-50% of total online revenue by 2021. Within the first 10 days of soft launching this new loyalty programme, the number of room nights booked on our websites by members has tripled and online revenue through our websites has grown by 50%. Ascott Star Rewards will provide us with a systematic examination of our guest data to identify, attract and retain the most profitable customers, while cultivating and signing on new customers in new markets."

Ascott's digitalisation initiatives

To complement the launch of Ascott Star Rewards, Ascott has revamped its booking websites to enable members to access their rewards, redemptions, booking history and preferences on a personalised dashboard. It has also enhanced members' online experience by streamlining its room booking process from six to three steps.

As part of its transformational journey to digitalise its business from the core, Ascott is upgrading to a cloud Property Management System. It will allow Ascott to seamlessly interface with new systems as it scales its business, and to consolidate guest and reservation data across all properties. To better predict customer demand and maximise revenue growth, Ascott is the first in Asia to adopt a revenue management system tailored for long-stay business with IDEaS, a leading revenue management solutions provider.

Ascott's other digital initiatives underway include using advanced emotion analysis of guest reviews to sift out customer insights for operations, marketing and branding strategies; and an enhanced Customer Relationship Management system for Ascott's sales workforce to access and capture information on corporate clients on their mobile devices while managing leads on the move.

Ascott has also introduced service robots in China to perform a suite of tasks including providing concierge services, leading guests to their rooms or facilities at the property, delivering clean laundry and packages, and providing refilling room supplies. This has increased productivity by about 40%, allowing Ascott staff to spend more time to interact with guests. Ascott also offers the use of self check-in kiosk with facial recognition at Ascott Orchard Singapore, which has reduced check-in time for guests from five minutes at the front

² An Ascott Star Rewards member who has booked multiple apartments can nominate other guests to earn points for an apartment stay.

office to two minutes at the kiosk. Ascott is the first serviced residence company to adopt the self check-in kiosks with facial recognition, with plans to roll them out to its properties around the world.

Ascott Star Rewards offers

Members can enjoy a range of privileges including year-long 10% off Best Flexible Rates, seasonal offers of up to 50% discount, property opening specials, birthday discounts of up to 40%, early check-in and late check-out³, as well as complimentary airport transfers, room upgrades and breakfast³.

To celebrate the launch of Ascott Star Rewards, members will receive 3,000 bonus points upon sign-up via Ascott's brand websites. Existing Ascott Online Advantage members, who will be automatically upgraded to Ascott Star Rewards, will enjoy a tier match based on their spending with Ascott in 2018 and receive 5,000 bonus points upon their first completed stay from now till 31 December 2019.

Ascott Star Rewards members will have the flexibility to exchange points with My TAUZIA Privilege loyalty programme from 1 June 2019, and this flexibility will be extended to other loyalty programmes such as CapitaStar⁴; as well as the donation of points to CapitaLand's philanthropic arm, CapitaLand Hope Foundation, to support the underprivileged. At a later phase, there are plans to work with partners to allow members to redeem points for various treats such as shopping, dining and entry to attractions.

Please refer to the Annex for more information on Ascott Star Rewards.

About The Ascott Limited

The Ascott Limited is a Singapore company that has grown to be one of the leading international lodging owner-operators. Ascott's portfolio spans more than 170 cities across over 30 countries in Asia Pacific, Europe, the Middle East, Africa and the U.S.

Ascott has more than 58,000 operating units and over 43,000 units under development, making a total of more than 101,000 units in over 670 properties.

The company's serviced residence and hotel brands include Ascott, Citadines, Citadines Connect, Somerset, Quest, The Crest Collection, lyf, Préférence, Vertu, Harris, Fox, Yello and POP!.

Ascott, a wholly owned subsidiary of CapitaLand Limited, pioneered Asia Pacific's first international-class serviced residence with the opening of The Ascott Singapore in 1984.

³ Subject to availability.

⁴ CapitaStar is CapitaLand's cardless rewards programme with more than 8 million members across Singapore, Malaysia and China.

Today, the company boasts over 30 years of industry track record and award-winning brands that enjoy recognition worldwide.

Ascott's achievements have been recognised internationally. Recent awards include DestinAsian Readers' Choice Awards 2019 for 'Best Serviced Residence Brand'; TTG China Travel Awards 2019 for 'Best Serviced Residence Operator in China'; World Travel Awards 2018 for 'Leading Serviced Apartment Brand' in Asia, Europe and the Middle East; Business Traveller Asia-Pacific Awards 2018 for 'Best Serviced Residence Brand'; Business Traveller UK Awards 2018 for 'Best Serviced Apartment Company' and Business Traveller China Awards 2018 for 'Best Luxury Serviced Residence Brand'. For a full list of awards, please visit <https://www.the-ascott.com/ascottlimited/awards.html>.

About CapitaLand Limited

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth over S\$100 billion as at 31 December 2018, comprising integrated developments, shopping malls, lodging, offices, homes, real estate investment trusts (REITs) and funds. CapitaLand's market capitalisation is approximately S\$13 billion as at 31 December 2018. Present across more than 180 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam, Europe and the U.S.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

Visit www.capitaland.com for more information.

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Annex – Ascott Star Rewards

Earning points: [Ascott Star Rewards](#) membership is free. Members can earn and redeem points from direct bookings at all participating serviced residences under the Ascott, Citadines, Citadines Connect, Somerset, The Crest Collection or lyf brands globally. Points can be earned for the following:

- Making online reservations with Ascott Star Rewards account through any Ascott brand website – www.the-ascott.com, www.citadines.com, www.citadinesconnect.com, www.somerset.com or www.lyfbyascott.com.
- Bookings with Best Flexible Rates and Ascott Star Rewards member rates. Corporate rates are excluded.
- Bookings with promotions and member discounts.
- Unlimited number of room bookings.

Points accumulated will be valid for two years upon the date of accumulation. Members can check their points balance on their member dashboard for points expiring within the next six months.

Flexibility in redemption: Members can instantly redeem any amount of points for complimentary stays and other privileges. Members can partially redeem room stays, pay for the remaining amount in cash and earn points on the cash portion paid. There are no blackout dates for redemptions.

Membership tiers: Ascott Star Rewards members will qualify for four membership tiers: Classic, Silver, Gold and Platinum, depending on their accumulated spending. The longer the period of stay, the more rewards the member can easily accumulate and upgrade to the next membership tier.

Global privileges: Classic and Silver members are entitled to privileges including year-long 10% off Best Flexible Rates, seasonal offers, property opening offers, birthday discounts of 25% off Best Flexible Rates and complimentary in-room internet access.

Gold and Platinum members get added benefits of 30% and 40% off Best Flexible Rates respectively during their birthday months, and enjoy priority for early check-in and late check-out. Platinum members also get complimentary room upgrades, subject to availability, as well as complimentary breakfast at selected properties.

There is no expiry date for the Classic tier. Silver, Gold and Platinum tiers will be valid for one year from the date of achieving the minimum spend for each tier.

Guests can register online at www.the-ascott.com/en/sign-up.html or in person at any Ascott serviced residence around the world.